



City Council Agenda Report

From: Warren Frace, Community Development Director

Subject: **Short-Term Rental Ordinance and Zoning Code Amendment (ZC 15-006)**
Adoption of a code to regulate short-term rentals (a.k.a. vacation rental homes) in all residential and mixed use zoning districts throughout the City.

Date: November 7, 2017

Facts

1. Short-Term Rentals (“Vacation Rentals”) refer to the practice of renting rooms or houses for a period of less than 30 days.
2. Short-Term Rentals fall under the Transient Occupancy lodging definition of the City Municipal Code (21.08.444), which requires the payment of transient occupancy tax (TOT) and a business license.
3. The City does not have any additional policies or codes that regulate Short-Term Rentals.
4. Due to the growing popularity of short-term rental websites such as Airbnb and VRBO there are estimated between 200 and 300 short-term rentals operating in Paso Robles.
5. In December 2014, the City had issued 71 business licenses for Short-Term Rentals.
6. As of March 2017, the City had issued 182 business licenses (135% increase from 2014) for Short-Term Rentals with the requirement to pay TOT to the City.
7. In spring 2015, as a result of increasing public complaints, the City Council requested staff to analyze the operation and impacts of short-term rentals within the City.
8. On May 4, 2015, the Administrative Services Department prepared a memo to the Council summarizing the fiscal impacts of short-term rentals on the City. The memo stated that 54 licensed short-term rentals paid \$122,000 in TOT for FY2014. The memo estimated that an additional \$330,000 could be collected if 200 short-term rentals were licensed.
9. In August 2015, the Assistant City Manager prepared a Short-Term Rental Outreach Plan that called for; (1) a Focus Group meeting of short-term rental operators; and (2) a public workshop.
10. On September 23, 2015, staff hosted a “focus” group at the EOC that was attended by five (5) local short-term rental operators. The theme of the operator comments was that limited regulations creating a level playing field for short-term rental operators was a good idea, and short-term rentals were an important tourism and economic development resource. The group preferred voluntary “good neighbor” guidelines rather than strict City standards.
11. On November 4, 2015, the City hosted a short-term rental community workshop in the Council Chambers that was attended by a standing-room-only crowd that appeared to be a balance of operators and concerned neighbors. The theme of the meeting comments was balanced between the need to protect residential neighborhoods while promoting tourism and economic development.



November 4, 2015 Community Workshop

12. On March 1, 2016, the Council approved a new Assistant Planner position, to provide staff resources to track short-term rentals in the City and ensure compliance with the City's transient occupancy tax provisions.
13. On March 15, 2016, the City Council considered a Short-Term Rental Policy update report and authorized the City Manager to form an advisory panel consisting of operators and neighbors to work collaboratively with staff on policy recommendations for the City Council's consideration.
14. On April 21, 2016, following a public application process, the following people were appointed to the Short-Term Rental Task Force:
 - Kathy Bonelli
 - Bill Haas
 - Stacie Jacob
 - Dan Jones
 - Meredith Maas
 - Mark McConnell
 - Jill Ogorsolka
15. From May to September 2016, the Short-Term Rental Task Force met eight separate times to review Short-Term Rental issues and explore potential policy options.



May 4, 2016 Short-Term Rental Task Force kick-off meeting

16. On September 9, 2016, the Short-Term Rental Task Force recommended a draft Short-Term Rental Ordinance (Attachment 1) and a Statement Concerning Density of Short-Term Rentals (Attachment 2) to the City Manager for consideration.



January 31, 2017 Council Workshop

17. On January 31, 2017, the City Council held a public workshop to review the short-term rental task force recommendation. The City Council was in general agreement with the Task Force's recommendation but requested a number of refinements. The primary changes were to streamline the requirements and move the occupancy and parking limits to the Good Neighbor Brochure as guidelines.

18. Staff and the City Attorney worked together to revise the draft ordinance to address the City Council's concerns and consistency issues with other Code sections.
19. On September 9, 2017, the Short-Term Rental Task Force was reconvened to review the revised draft ordinance. The Task Force considered the draft, along with public comments, and asked staff to make some minor adjustments to the ordinance, which are incorporated in the Attachment 2.
20. On October 10, 2017 the Planning Commission held a public hearing to consider the proposed short-term rental ordinance and continued the hearing to October 24, 2017 with direction to staff to further analyze the section of the ordinance prohibiting transfers of permits and the 3-year term.
21. On October 24, 2017, the Planning Commission reconvened the public hearing and voted 5-0 (Barth abstained, Rollins absent) to recommend the City Council approved the proposed ordinance. In addition to the recommendation, the Planning Commission forwarded the following comments for consideration:
 - a. The long term impacts of Short-Term Rental density will need to be monitored and should be reviewed in the future by the Planning Commission.
 - b. The City Council should consider an amnesty program for existing short-term rentals that are not making transient occupancy tax payments.
 - c. There are privacy concerns regarding the posting of short-term rental addresses on the City's website, but there are no easy alternatives for providing public information regarding short-term rental locations.

Options

1. Take no Action.
2. Approve the Short-Term Rental Ordinance and amend the City's Comprehensive Fee Schedule, adding a Short-Term Rental Permit Fee;
3. Approve the Draft Short-Term Rental Ordinance and/or the City's Comprehensive Fee Schedule with changes;
4. Refer back to staff, Planning Commission and/or the Short-Term Rental Task Force for additional analysis of items identified by City Council.

Analysis and Conclusions

1. **Background.** The November 4, 2015 Short-Term Rental Community Workshop revealed the complexity of the issues related to Short-Term Rentals. There are equally compelling points in favor of promoting Short-Term Rentals and the need to protect the residential character of single-family neighborhoods.

The "word clouds" below highlight the frequency of different words and terms raised during the November 2015 Community Workshop. A separate word cloud was prepared for short-term rental operator comments and for concerned neighbors. The key terms identified by the operators were: **tourism, owner responsibility, and no change**. The key terms identified by concerned neighbors were: **protect residential character, safety and parking**. The proposed short-term rental ordinance is written to address and balance both sides concerns.

Short-Term Rental Owner/Other Comments Word Cloud



Neighbor Comments Word Cloud



2. **Short-Term Rental Task Force Process.** The Goal of appointing a Short-Term Rental Task Force representing all of the interests in the issue, was to find a balanced policy solution that was acceptable to all stakeholders.

The Task Force identified the following principles to guide development of the Short-Term Rental policy:

- Protection of residential neighborhoods and quality of life
- Encouraging compliance
- Maximize Transient Occupancy Tax collections
- Ensure a “Level Playing Field” for all lodging businesses regardless of size and type
- Create realistic and enforceable regulations
- Provide rules that “fit” Paso Robles

Over the course of eight meetings that included significant public input, the Task Force created a draft Ordinance organized around the following sections:

- Definitions
- Licensing Requirements
- Responsible Party Designation
- Operational Requirements
- Violation Enforcement

This draft Ordinance was reviewed by the City Council in January and has been revised based on City Council direction. The Short-Term Rental Task Force met in September to review the final version of the ordinance. The final draft includes comments from the Task Force.

3. Summary of the Proposed Ordinance

Definitions

The Definitions section lists all of the terms and processes used in the Ordinance. This section has been simplified since many definitions are addressed in other sections of the Paso Robles Municipal Code.

Licensing Requirements

This section identifies all of the different types of land uses that are included under the definition of short-term rental and the licensing requirement and City review process. Short-term rentals permits would be ministerial permits (no discretionary approvals or hearings required) that would be issued by staff if an applicant complied with the short-term rental ordinance requirements. This section also identifies the application requirements and ability of the City to charge cost recovery fees. Bed and Breakfasts are nearly identical in use to a short-term rental home share with the exception of the requirement of a County Health permit for food service. For this reason the existing Bed and Breakfasts code provisions will be repealed and combined with the short-term rental requirements. Bed and Breakfasts will continue to require a conditional use permit which could be approved with allowances for special events like weddings.

Table 21.34.030.1. Short Term Rental Permitting Table

Rental Type	Homeshare Permit	Non-Hosted Accommodation Permit
Short-Term Rental	<p>Short-Term Rental Permit may be issued for the following:</p> <ul style="list-style-type: none"> • Primary dwelling • Second Units • Guest Houses • Multi-family residential apartments 	<p>Short-Term Rental Permit may be issued for the following:</p> <ul style="list-style-type: none"> • Primary dwelling • Second Unit <p>(multi-family residential apartment units may not be used as a Non-Hosted Short-Term Rental - No more than two (2) Non-Hosted Short-Term Rental permits per legal parcel.)</p>
Bed & Breakfast - Food Service	<p>Conditional Use Permit</p> <p>San Luis Obispo County health permit</p>	Not permitted

Permit Conditions

One of the key issues the Task Force identified was the need for both short-term rental owners and guests to be respectful of residential neighborhoods. The ordinance requires the Permittee (owner or agent) by take full responsibility for ensure all renters are aware of and follow City rules.

Good Neighbor Brochure

The City Council removed the occupancy limits for the number of people that can occupy a short-term rental and off-street parking requirements from the draft ordinance and moved them to the Good Neighbor Brochure as guidelines. The Good Neighbor Brochure (refer to Attachment 1) will be provided by the permittee to all renters who must comply with its requirements. A third-party Hotline Response would be established to notify permittees of neighborhood complaints prior to involving the Police Department. Short-Term Rental licensing fees would fund the Hotline.

Good Neighbor Occupancy Guidelines

Number of Bedrooms (sleeping rooms)	Please park on the property to the extent possible – Limit Cars parked on the street as follows:	Total of Overnight Occupants (9 p.m. to 7 a.m.)	Additional Daytime Occupants (7:00 a.m. to 9:00 p.m.)	Total Daytime Occupants
0	1	2	2	4
1	1	4	2	6
2	2	6	3	9
3	2	8	4	12
4	3	10	5	15
5	3	12	6	18

Violations and Enforcement

This section provides an escalating process for addressing violations to the Short-Term Rental Ordinance ranging from administrative citations, revocation of permit, criminal prosecution. Any enforcement action of the Director may be appealed to the Planning Commission by the Applicant or any interested.

Permit Fees

Consistent with City policy, the administration of the program and hotline service costs should be covered by the short-term permit fee. Staff has reviewed the ordinance process determined the following cost factors:

- Each permit will take 1.5 hrs. of staff time to process
- A local answering service could operate the hotline for \$3,300 annually

Based on this analysis the 3-year permit and hotline fee would be \$290. Draft Resolution A would amend the City's Comprehensive Fee Schedule to at the Short-Term Rental Permit

4. **Statement Concerning Density of Short-Term Vacation Rentals.** The Task Force discussed the idea of limiting the density or distribution of Short-Term Rentals throughout town. After lengthy discussions and research, the Task Force determined there were numerous issues with enforcement, equity, and cumbersome administration of density requirements. Consequently, a density restriction or a separation requirement is not included in the draft Ordinance. However, the Task Force wanted to bring this issue to the Planning Commission and City Council's attention, since many cities have decided to adopt this requirement in response to neighborhood compatibility issues. The Task Force included the following statement:

Therefore, the Task Force recommends that both the Planning Commission and the City Council thoroughly examine the pros and cons of limiting density and numbers, and decide if density and numbers language should be included proactively in the final ordinance or retroactively through an amendment process if required.

Additional Analysis Requested by Planning Commission at the 10/10/17 meeting

The Planning Commission requested additional information and analysis of the following items:

5. Proposed 21.34.030.C.4. Permit Transfer Prohibited

The Planning Commission inquired why the permits are not transferable and do not run with the land like a Conditional Use Permit.

The Short-Term Rental Permit is intended to regulate how an individual owner operates a short-term rental to ensure compatibility with a residential neighborhood. Therefore, the permit needs to be specifically associated with an individual that understands and agrees to comply with the rules. Since the permits are ministerial, it would be easier to issue a new permit to a new owner than create an entirely new process and fee to handle a transfer.

6. Proposed 21.34.030.D.1. 3-year Permit Term

The Planning Commission inquired why the permit term was 3 years and if it could be longer or unlimited.

The Short-Term Rental Permit needs to have a limited term to allow the City Council to change short-term rental rules over time. Short-term rentals are a new type of land use that continues to evolve quickly, and the City needs to have the flexibility of refine the regulations. Staff thinks 3 years is a sensible timeframe for both the City and short-term rental operators.

7. What is the maximum occupancy of a single-family residential?

Under the California Building Code, single-family residential dwellings are allowed 2 sleeping occupants, plus 1 sleeping occupant for every 50 square feet of bedroom.

Therefore, a 3-bedroom house with 600 square feet of bedroom space would be have a sleeping occupancy of 14 people. Daytime occupancies are unregulated.

8. How many complaints has the City received on short-term rentals?

The Police Department does not track noise or compliant calls for short-term rentals. This is because the City currently does not have a permit requirement or database of short-term rentals for the Police Department to utilize. One of the purposes of the Short-Term Rental Ordinance is to create a short-term rental database and tracking system of complaints.

Fiscal Impact

The collection of transient occupancy tax from short-term rentals is revenue positive to the City. The City has collected over \$600,000 from short-term rentals over the past two fiscal years. Implementation of the Ordinance is expected to increase TOT compliance for short-term rental. There are approximately 75 short-term rentals that are currently non-compliant and transient occupancy tax revenues could increase by an additional \$100,000 to \$200,000 annually, if they were to comply.

The ordinance prohibits the operation of a short-term rental without a permit. Violations can be remedied with citations, civil and even criminal enforcement actions under Title 1 of the Paso Robles Municipal Code.

Implementation of the Ordinance will also require increased staff resources to administer as well as an additional fee to operate the Telephone Hotline. All of which will be cost neutral by adding a Short-Term Rental Permit Fee to the City's Comprehensive Fee Schedule.

Recommendation

Planning Commission and staff are recommending Option 2. – Approve the Short-Term Rental Ordinance by the following actions:

1. Introduce for First Reading by Title Only, Draft Ordinance A, adding the Short-Term Rental Ordinance to the City Zoning Ordinance; and
2. Approve Draft Resolution A, adding a Short-Term Rental Permit Fee and Telephone Hotline Fee to the City's Comprehensive Fee Schedule

Attachments

1. Draft Good Neighbor Brochure
2. Ordinance - Short-term Rental Ordinance
3. Resolution - City's Comprehensive Fee Schedule Amendment
4. Statement Concerning Density of Short-Term Vacation Rentals
5. Legal Notice

What else should I know?

It is important to be a good neighbor – whether you’re at home or on vacation. Please keep your neighbors in mind during your stay in Paso Robles. Compliance with these rules will assure that you and your neighbors will both enjoy your stay.

Disturbance or violations of the City’s Vacation Rental Ordinance could result in citations or fines from the City, or even eviction by the owner. Keep in mind, City residents have the right to call a 24-hour Vacation Rental Hotline to report violations of the rules outlined in this brochure.

Most importantly, we hope you enjoy your stay in beautiful Paso Robles! We are glad you are here! For information on things to do and see, please visit the following websites:

- www.travelpaso.com
- www.prcity.com/visit/
- www.pasowine.com/visit/



City of Paso Robles

1000 Spring Street
Paso Robles, CA 93446

Phone (805) 237-3970
www.prcity.com



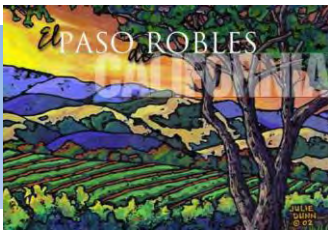
City of Paso Robles

Good Neighbor Brochure

V7. 11/7/17 Draft

For Vacation Rentals

Paso Robles Good Neighbor Guidelines -



Welcome to Paso Robles

The City of Paso Robles welcomes you! We encourage you to review the important information included within this Good Neighbor brochure regarding your stay in a vacation rental.

Please remember that you are vacationing among many permanent residents who chose Paso Robles as a quiet and safe place to live. They, and the City, are looking to you to help preserve that special sense of peace and quiet.

In short, being a vacation renter means simply being a good neighbor.

Occupancy Limits

Each short term/vacation rental is approved for a certain number of bedrooms, parking spaces and occupants. The following table reflects those limits. Your compliance with these limits is an important part of being a good neighbor to the surrounding residents and will be taken into account in the event that a complaint is filed.

Number of Bedrooms (sleeping rooms)	Please park on the property to the extent possible – Limit Cars parked on the street as follows:	Total # Overnight Occupants (9 p.m. to 7 a.m.)	Additional Daytime Occupants (7 a.m. to 9 p.m.)	Total Daytime Occupants (7 a.m. to 9 p.m.)
0	1	2	2	4
1	1	4	2	6
2	2	6	3	9
3	2	8	4	12
4	3	10	5	15
5	3	12	6	18

What you need to know

This brochure is intended to highlight a few ways you can be a good neighbor during your stay in Paso Robles. Please review these guidelines and make sure all your guest follow them.

Important Good Neighbor Guidelines

- Parking
- Occupancy Limits
- Noise
- Trash
- Dogs
- Complaint Hotline

Parking

Please use the on-site parking designated for your rental only. If you need to park on the street, please park in front of the vacation rental. Never park in front of someone else's driveway or block a fire lane; your vehicle may be towed.

Dogs

If your vacation rental allows pets, make sure they are on their best behavior. Be aware that barking or wandering dogs disturb neighbors. Paso Robles requires that all dogs be on leashes when they are outside. Cleaning up after your dog is also required.

For a list of dog parks and pet-friendly wineries and restaurants, go to www.TravelPaso.com.

Trash and Recycling

During your stay, please keep the rental property clean and use the appropriate container for trash (black can), recycling (blue can) and green waste (green can). Contact your owner if you run out of trash can space.

Noise

Enjoy your peaceful stay in the neighborhood and be mindful of your neighbors who are not on vacation. Please do not create noise disturbances or engage in disorderly conduct and remember quiet hours are from 10:00 p.m. to 7:00 a.m. A little consideration goes a long way. Most vacation rental complaints are a result of noise disturbances.

Complaint Hotline

Please remember that your neighbors have access to a 24/7 hotline to file a complaint should anyone in your party violate any of the rules listed here.

The homeowner or an appointed agent will be expected to respond to any complaint within 30 minutes or the Paso Robles Police Department will be called. Our officers can issue citations for violations of the City's Noise Ordinance.

Attachment 2

Draft Ordinance A

ORDINANCE NO. XXXX N.S.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES AMENDING SECTIONS 5.04.310, 21.23A.010, 21.23A.020, 21.23A.030, AND 21.23A.050, REPEALING SECTIONS 21.15.210, 21.15.220, 21.15.230, and 21.15.240 OF CHAPTER 21.15, AND ADDING CHAPTER 21.34 TO THE PASO ROBLES MUNICIPAL CODE REGARDING SHORT-TERM VACATION RENTALS

(City of Paso Robles - Short-Term Rental Ordinance)

WHEREAS, the growing popularity of “home-sharing” and other short-term vacation rentals, through the use of websites such as Airbnb, VRBO, and Homeaway, allow individual homeowners, landlords, and tenants to list homes, apartments, and rooms for rent at the price and duration of their choosing; and

WHEREAS, the City Council finds that unregulated “home-sharing” and use of existing housing as short-term rentals can escalate the demand for City services and create adverse impacts in residential zones; and

WHEREAS, as of November, 2016, the City issued 167 business licenses for short-term rentals which are required to pay Transient Occupancy Tax (TOT) to the City; and

WHEREAS, the City has conducted several community workshops attended by operators of short-term rentals and concerned neighbors; and

WHEREAS, a Short-Term Rental Task Force met eight times to review issues related to short-term vacation rentals and explore potential policies; and

WHEREAS, there was a consensus that there should be a reasonable balance between the regulation of short-term rental operations and the recognized need to protect the character of residential neighborhoods; and

WHEREAS, the Short-Term Rental Task Force submitted an outline of items to be addressed in a short-term rental ordinance; and

WHEREAS, the Short-Term Rental Task Force also issued a statement that it felt it was beyond its scope of responsibility and expertise to address whether the ordinance should limit the number and location of short-term vacation rentals and recommended that the Planning Commission and City Council thoroughly examine those issues; and

WHEREAS, the proposed ordinance is beneficial to the public health, safety and general welfare of the community as it establishes performance standards to ensure the compatibility between short-term vacation rentals and the residential character of neighborhoods in which they may be located;

WHEREAS, on October 10, 2017 the Planning Commission held a public hearing to consider the proposed Short-Term Rental Ordinance and continued the hearing to October 24, 2017 with direction to staff to further analyze the section of the ordinance prohibiting transfers of permits and the 3-year term;

Attachment 2

Draft Ordinance A

WHEREAS, on October 24, 2017 the Planning Commission reconvened the public hearing to consider a recommendation the City Council on the proposed Short-Term Rental Ordinance; and

WHEREAS, on November 7, 2017 the City Council held a duly noticed public hearing to consider a recommendation from the Planning Commission and heard public testimony on the proposed Short-Term Rental Ordinance

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The City Council hereby adopts the recitals of this Ordinance as true and correct and such recitals are hereby incorporated by reference as though fully set forth in the text of this Ordinance.

Section 2. This ordinance is Statutorily Exempt from CEQA consistent with Section 15061.b.3., that there no possibility the activity in question may have a significant effect on the environment

Section 3. Section 5.04 of the Paso Robles Municipal Code is here by amended to read in full as follows:

5.04.310 - License tax—Hotels.

For the business of operating a hotel, as defined in Section 5.06.020, and not serving meals, the license tax shall be two dollars per year for each room.

Section 4. Part II (Bed and Breakfast Establishments) of Chapter 21.15 of the Paso Robles Municipal Code is hereby repealed in its entirety, specifically Sections 21.15.210, 21.15.220, 21.15.230, and 21.15.240.

Section 5. The following sections in Chapter 21.23A are hereby amended as follows:

Section 21.23A.010 - Purpose: Paragraph O. is hereby added to read as follows:

O. Short-Term Rental Permits

Section 21.23A.020 - Authority to make decisions:– Sub-paragraph l. to Paragraph C.1. is hereby added to read as follows:

l. Appeals to modify or overrule decisions of the director of community development with respect to the issuance, denial or revocation of Short-Term Rental Permits, in accordance with Chapter 21.34.

Section 21.23A.030 – Hearing requirements: Paragraph O. is hereby added to read as follows:

O. Appeal of Short-Term Rental Permits. Public hearings, noticed as prescribed by Section 21.23A.040(A) shall be conducted by the planning commission.

Section 21.23A.050 – Effective date of decisions: Paragraph O is hereby added to read as follows:

O. Short-Term Rental Permit Appeals. Fifteen calendar days following planning commission adoption of a resolution specifying the decision made; provided,

Attachment 2

Draft Ordinance A

that an appeal has not been filed to the city council and that the city council has not called the Short-Term Rental Permit up for council hearing.

Section 6. Chapter 21.34 is hereby added to the Municipal Code of the City of El Paso de Robles as follows:

CHAPTER 21.34 SHORT-TERM RENTAL PERMITS

21.34.010 Scope, Purpose and Findings.

A. The purpose of this Chapter is to document the procedures and regulations that govern the application for, and the issuance and implementation of, permits for the operation of any short-term rental use within the City.

B. The City Council hereby finds that unregulated transient occupancy uses in residential and non-residential districts present a threat to the public welfare relating to compatibility with residential uses and preservation of the character of the neighborhoods in which they are located.

C. The City Council hereby finds that the adoption of a comprehensive ordinance regulating the issuance of and operating conditions attached to short-term rental permits is necessary to protect the public health, safety and welfare. The purpose of this Chapter is to provide a permit system and to impose operational requirements to minimize the potential adverse impacts of transient uses in residential neighborhoods and zoning districts on traffic and noise, and to ensure the health, safety and welfare of renters and guests patronizing short-term rentals.

D. The provisions of this Chapter will also benefit the public welfare by providing an additional source of revenue to the City, as operators of short-term rentals are required to pay transient occupancy tax to the city, which will offset some of the additional costs of providing services to the renters.

E. The City Council hereby finds that the City's regulation of short-term rental uses in accordance with this Chapter is a valid exercise of the City's police power in furtherance of the legitimate governmental interests documented in this Chapter.

21.34.020 Definitions

A. "Applicant" means any person, firm, partnership, association, joint venture, corporation, or an entity, combination of entities or consortium, who seeks or seek approval of a Short-Term Rental Permit under the authority of this Chapter.

B. "Authorized Agent" means the person specifically authorized by an Owner, in writing, to represent and act on behalf of the Owner and to act as an operator, manager and contact person of a Non-Hosted Accommodation, and to provide and receive any notices identified in this Chapter on behalf of the Owner.

Attachment 2

Draft Ordinance A

C. “Bed and Breakfast” means a Homeshare with no more than five (5) bedrooms, a permit issued by the San Luis Obispo County Health Department for food service, and which may be used for special events only when special events are authorized by a conditional use permit issue in compliance with this Code.

D. “Bedroom” means any habitable room with no less than 70 square feet of floor area and no dimension less than seven (7) feet, in a dwelling, with at least one wall located along an exterior wall with a window that can be used for emergency egress, and equipped with ventilation, heating, smoke detector and carbon monoxide detector. Egress window requirements shall be based on the California Building Code requirements at the time of original construction of the room.

E. “Director” means the Director of Community Development of the City, or a designee of the Community Development Director or City Manager.

F. “Enforcement Officer” means the Director, Chief Building Official, Fire Marshal, City manager or any other City employee designated by the Director or City Manager to enforce this Chapter.

G. “Good Neighbor Brochure” means a handbook prepared by the City regarding the general rules of conduct to be followed by Renters and applicable provisions of the Paso Robles Municipal Code.

H. “Guest” means an invitee of a Renter or other person visiting a Renter of a Short-Term Rental unit who does not rent the unit.

I. “Homeshare” means a Short-Term Rental structure in which the Owner both resides and remains during the time a Renter is occupying the Short-Term Rental unit.

J. “Hotline” means the telephonic service maintained by the City for the purpose of receiving complaints regarding the operation of any Short-Term Rental.

K. “Hotline Contact” means the person designated on the Permit who shall be available by telephone 24 hours a day, 7 days a week during the entire time a Short-Term Rental property is occupied by a Renter.

L. “Non-Hosted Accommodation” means a Short-Term Rental structure which is not occupied by either the Owner or an Authorized Agent while it is being occupied by a Renter.

M. “Owner” means the person or entity holding fee title to the real property that is the subject of a Short-Term Rental Permit.

N. “Permit” means the permit issued by the City, in accordance with the procedures set forth in this Chapter, allowing an Owner or Authorized Agent to rent a Short-Term Rental unit at the specified location.

O. “Permittee” means the person or entity to whom a Permit is issued pursuant to this Chapter.

Attachment 2

Draft Ordinance A

P. “Renter” means a person, not an Owner or Authorized Agent, renting or occupying a Short-Term Rental property in accordance with the terms of this Chapter. For purposes of Chapter 5.06, “Renter” shall have the same meaning as “Transient,” as defined in Section 5.06.020.

Q. “Short-Term Rental” means the permanent structure constructed for residential occupancy under the California Building Code in which the Short-Term Rental use is permitted to operate, pursuant to a Permit.

21.34.030 Permit Requirements

A. No Owner may operate, or allow his or her property to be operated, as a Short-Term Rental unless and until it has been issued (1) a business license, pursuant to Chapter 5.04 of the Paso Robles Municipal Code; and (2) a Permit issued by the City in accordance with this Chapter 21.34. The Owner or Owner’s Authorized Agent shall be responsible for applying for and for renewing the business license and the Permit.

Table 21.34.030.1. Short Term Rental Permitting Table

Rental Type	Homeshare Permit	Non-Hosted Accommodation Permit
Short-Term Rental	Short-Term Rental Permit may be issued for the following: <ul style="list-style-type: none"> · Primary dwelling · Second Units · Guest Houses · Multi-family residential apartments 	Short-Term Rental Permit may be issued for the following: <ul style="list-style-type: none"> · Primary dwelling · Second Unit (multi-family residential apartment units may not be used as a Non-Hosted Short-Term Rental - No more than two (2) Non-Hosted Short-Term Rental permits per legal parcel.)
Bed & Breakfast - Food Service	Conditional Use Permit San Luis Obispo County health permit	Not permitted

B. The application form for a Permit shall be available from the Community Development Department. The Owner (for a Homeshare) or the Owner and/or Authorized Agent (for a Non-Hosted Accommodation) shall be required to provide the following information on the Permit application:

1. Name and contact information (including telephone number(s)) of the Owner of the Short-Term Rental property.

Attachment 2

Draft Ordinance A

2. Specify whether the Short-Term Rental is a Homeshare and/or Non-Hosted Accommodation. If it is a Non-Hosted Accommodation, the application must include the contact information for the Authorized Agent (including telephone number(s)).
3. Address of the Short-Term Rental property.
4. Floor plan (to scale) showing all interior rooms and location of each Bedroom to be rented as part of the Short-Term Rental and approximate square footage in the Short-Term Rental property, and the maximum number of overnight Renters, subject to the limitations set forth in the Good Neighbor Brochure.
5. Site plan showing entire property on which Short-Term Rental unit is located, including the number and location of designated on-site parking spaces available for use by Renter(s) and location of trash containers.
6. Evidence satisfactory to City that each Bedroom meets all local building and safety code requirements.
7. Acknowledge that the Owner or Authorized Agent, as the case may be, has read all regulations pertaining to the operation of a Short-Term Rental, including this Chapter, the City's business license tax requirements (Chapter 5.04), the City's transient occupancy tax requirements (Chapter 5.06), City Council Resolution 17-082 creating the Paso Robles Tourism Improvement District and the required assessments to be paid thereunder; and any additional administrative regulations promulgated by the Director to implement this Chapter.
8. The name and telephone number of the designated contact person (who may be the Owner or the Authorized Agent) who shall be available by telephone 24 hours a day, 7 days a week, while the Short-Term Rental property is occupied by a Renter.
9. Provide any other information as the Director deems reasonably necessary to administer this Chapter.
10. Acknowledge and agree that any and all use of the property for Short-Term Rental shall cease upon the expiration of the permit or upon revocation of the Permit, pursuant to Section 21.34.060.
11. Agree to hold harmless, indemnify and defend the City against any claims or litigation arising from the issuance of the Permit.
12. Agree to pay any costs to enforce the conditions of the Permit, including, but not limited to inspections of the Short-Term Rental Property.
13. Certify under penalty of perjury as to the accuracy of the information provided on the Permit application and agree to comply with all conditions of the Permit and this Chapter.

Attachment 2

Draft Ordinance A

- C. Permit Application Process.
1. Processing Fee. The City Council, by resolution, shall determine the amount of the Permit application and processing fee, based upon the City's reasonable estimated costs for processing and reviewing the Permit application materials and for maintaining the Hotline. The City Council shall establish the Permit application processing fee by resolution.
 2. Review. Upon review of the materials submitted with the Permit application, the Director shall determine whether a Permit will be issued or the application is incomplete and notify the Applicant within 30 days. If the Director determines that the Permit may be issued upon compliance with certain conditions, the Director shall notify the Applicant in writing of the nature of the conditions that must be satisfied in order to receive a Permit. If the Director determines that the Permit should be denied, the Director shall notify the applicant in writing of the reasons for the denial. The decision of the Director may be appealed to the planning commission pursuant to the procedures set forth in Chapter 21.23A.
 3. Permit Renewal. No earlier than 12 months and at least sixty (60) days prior to the expiration of a Permit, the Owner or Authorized Agent of a Short-Term Rental shall submit an application to renew the Permit on a form available from the City, along with a renewal fee in an amount to be established by resolution of the City Council. The Owner or Authorized Agent shall identify any notice of violation or concern (including any compliance or citation issued by the City) issued for the Short-Term Rental use during the Permit Term, and shall document how the violation or concern has been addressed. If the Director determines that any past violation or concern has not been adequately addressed, or that a history of past violations is detrimental to the public health, safety, or welfare, the Director may determine that the Permit is ineligible for renewal. The Applicant or any interested person may appeal the decision of the Director to the planning commission pursuant to the procedures set forth in Chapter 21.23A.
 4. Permit Transfer Prohibited. No Permittee shall transfer, or attempt to transfer, a Permit to any other person.
- D. Permit Conditions. Each Permit issued pursuant to this Chapter shall be subject to all of the following conditions:
1. The term of each Permit issued pursuant to this Chapter shall be for Three (3) years. Upon the expiration or lapse of any Permit, it shall be of no further force or effect.
 2. A copy of the Permit shall be posted in a prominent location inside the Short-Term Rental unit.
 3. The Permittee shall require any Renter to sign an agreement acknowledging receipt of the Good Neighbor Brochure and agreement to comply with its

Attachment 2

Draft Ordinance A

terms. If the rental is through a third party hosted on-line platform, the Permittee shall require the third party to provide an on-line link to the Good Neighbor Brochure and a mechanism by which a Renter shall provide an acknowledgement of receipt of the Good Neighbor Brochure and agreement to comply with its terms.

4. The Permittee shall limit (i) overnight occupancy and (ii) daytime guests of the Short-Term Rental property to the numbers specified in the Good Neighbor Brochure.
5. The Permittee shall require Renters to utilize the designated on-site parking spaces to the maximum extent possible consistent with the Good Neighbor Brochure.
6. The Permittee shall provide access to the garage of the Short-Term Rental if the garage has been included in the determination of the number of available on-site parking spaces.
7. It is the intent of the City to enforce sections of the Streets and Highways Code related to the provision for emergency vehicle access. Accordingly, no limousine or bus parking, and no stopping without the driver's presence, shall be allowed in any manner that would interfere with emergency vehicle access. In the event of an emergency, the vehicle driver shall immediately move the vehicle from the emergency vehicle access area.
8. The Permittee shall provide appropriate refuse and recycling service for the Short-Term Rental property. Property shall be free of debris both onsite and in the street. Refuse and recycling cans shall be maintained in a clean and sanitary condition.
9. The Permittee shall ensure that the Renters and/or Guests of the Short-Term Rental property do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate provisions of this Code or Good Neighbor Brochure, including but not limited to noise regulations contained in Chapter 9.07 (Prohibited Conduct), or any state law pertaining to noise or disorderly conduct; provided, however, that the City does not intend to authorize, and the City does not authorize, the Permittee to act as a peace officer or place himself or herself in harm's way.
10. The Permittee shall, upon notification that Renters and/or Guests of the Short-Term Rental property have violated any rules of the Good Neighbor Brochure, (including any unreasonable noise or disturbances, disorderly conduct, or violations of this Code or state law), promptly act to stop the violator(s) and prevent a recurrence of the violation.
11. The Permittee shall not allow the Short-Term Rental property for any gathering where the number of persons will exceed the permitted daytime occupancy limits, as set forth in the Good Neighbor Brochure absent an approved City use permit for a special event.

Attachment 2

Draft Ordinance A

12. The Owner (for a Hosted Accommodation) and the Authorized Agent (for a Non-Hosted Accommodation) must be available by telephone at all times when the Short-Term Rental is rented, 24-hours a day.
14. The Permittee shall allow the City, upon written 24-hour notice from the City, to inspect, with cause, the Short Term Rental for compliance with the requirements of this Chapter. Permittee shall pay an inspection fee in an amount set by the City Council by resolution based on the estimated reasonable cost to perform the inspection.

E. Rental Agreements. The Permittee shall enter into a written rental agreement with the Renter of any Short-Term Rental property, or shall enter into an agreement provided by a third party hosted on-line platform, which agreement shall, at a minimum, include the following:

1. The name and address of the Renter.
2. The terms and conditions of the rental agreement, including occupancy limits, noise prohibitions and vehicle parking requirements.
3. Acknowledgment by the Renter that he or she is legally responsible for compliance by all occupants of the Short-Term Rental and any guests with the conditions of the Good Neighbor Brochure and the terms of the rental agreement.
4. Acknowledgment by the Renter of receipt of a copy of the Good Neighbor Brochure.

21.34.040 Occupancy and Guest Limits for Short-Term Rentals.

The number of overnight occupants and guests for each Short-Term Rental property shall be limited in accordance with the guidelines set forth in the Good Neighbor Brochure and state law, based on the number of bedrooms identified in the Short-Term Rental Permit.

21.34.050 Short-Term Rental Hotline

A. The City shall establish and maintain a telephone number for a Hotline for the express purpose of receiving complaints regarding the operation of any Short-Term Rental property, and forwarding those complaints to the designated Hotline Contact for that Short-Term Rental property and/or, if necessary to the Paso Robles Police Department. The Hotline number shall be included in all Permits, the Good Neighbor Brochure and in all rental agreements for all Short-Term Rental properties. In addition, the City shall post the Hotline number on the City website, along with a list of the Short-Term Rental properties that have been issued Permits.

B. The City / Hotline shall maintain a record of complaints received on the Hotline which shall include the following information:

1. Date and time of complaint;

Attachment 2

Draft Ordinance A

2. Nature of complaint;
3. Address of the Short-Term Rental property that is the subject of the complaint;
4. Complainant's name, address and contact information; and
5. Actions taken by the Hotline attendant in response to the complaint including, but not limited to: persons contacted, including law enforcement, if applicable, and date and time of actions taken in response to complaint.
6. Corrective action taken by owner/agent in response to complaint.

C. The Owner or Authorized Agent shall respond within thirty (30) minutes of being notified of a complaint and promptly thereafter notify the Hotline attendant of the corrective action taken and results obtained.

21.34.060 Enforcement

A. Revocation of Permit. At any time during the term of permit, the Director is authorized to initiate proceedings to revoke a Permit (or pursue any other remedy set forth in Title 1 of this Code), if the Director determines in his or her discretion that (i) the Permittee provided materially false or misleading information in any submittal required under this Chapter; or (ii) the Permittee is in violation of, or has failed to comply with, any requirements of this Chapter or the Permit. In the event the Director determines that any of the conditions described above exists, the Director is authorized to issue an order specifying the violations to be cured. If the Permittee fails to cure the violations identified in the order within the time frame specified, the Director may either pursue any of the remedies set forth in Title 1 of this Code, including but not limited to the issuance of an administrative citations, revocation of permit, criminal prosecution, and/or civil action in accordance with Chapter 1.03. The decision of the Director may be appealed to the Planning Commission by the Applicant or any interested person pursuant to the procedures set forth in Chapter 21.23A.

B. Operating without a Permit. Operating at short-term rental without a permit is a violation of the Paso Robles Municipal Code and subject to the enforce process and penalties of Section 1.02.010. Each Owner and/or Authorized Agent is guilty of a separate offense for each and every day during any portion of which the violation of this chapter or any rule or regulation promulgated there under is continued.

C. Pursuant to California Government Code Section 38771, the City Council hereby declares the following condition to constitute a public nuisance: operating and/or maintaining a Short-Term Rental without a permit.

Attachment 2

Draft Ordinance A

Section 7. Severability. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 8. Effective Date. This Ordinance shall be in full force and effect 30 days after its passage and adoption as provided by Government Code section 36397.

Section 9. Publication. The City Clerk shall certify as to the adoption of this Ordinance and shall cause a summary thereof to be published at least five (5) days prior to the meeting at which the proposed Ordinance is to be adopted and shall post a certified copy of the proposed Ordinance in the Office of the City Clerk. Within fifteen (15) days of the adoption of the Ordinance, the City Clerk shall cause a summary of the Ordinance to be published, including the vote for and against the same, in accordance with Government Code Section 36933.

INTRODUCED at a regular meeting of the City Council held on November 7, 2017, for first reading by the City Council of the City of El Paso de Robles, and adopted on the ___ day of _____, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven W. Martin, Mayor

Attest:

Kristen L. Buxkemper, Deputy City Clerk

Attachment 3

Draft Resolution A

RESOLUTION NO. 17-xxx

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES ADDING A SHORT-TERM RENTAL PERMIT AND HOTLINE FEE TO THE CITY'S COMPREHENSIVE FEE SCHEDULE

WHEREAS, State law governing municipal planning and finance in California recognizes the validity of, and authorizes, the imposition by cities of fees for services; and

WHEREAS, the City prepared a Cost of Service Study with the assistance of Maximus, Inc. in 2005 to ensure that the City's fees for services are reasonable and equitable and do not exceed the reasonable cost of providing the services; and

WHEREAS, the City Council adopted a comprehensive fee schedule for City services based upon the 2005 Cost of Service Study (Resolution No. 05-192); and

WHEREAS, the City is considering the adoption of an ordinance (the "Ordinance") that would require a property owner or authorized agent of a property owner to obtain a permit for the short-term rental of a residential unit and would also establish a telephone hotline that will require additional staff and consultant time to implement; and

WHEREAS, the General Plan and City policy require City service costs to be recovered through the collection of permit fees; and

WHEREAS, the City has prepared a Comprehensive Fee Schedule for City Services FY 2017-18, which reflects the Consumer Price Index ("CPI") adjustments to fees authorized by Resolution No. 05-192, as well as certain fees based on the updated analysis of the cost of providing certain specific services; and

WHEREAS, the proposed cost recovery fees meet the requirements that the fees be reasonable and equitable and, to the extent required by law, that they do not exceed the cost of providing the services; and

WHEREAS, the City has the discretion, in a given situation, to determine that it should charge less than the amount necessary to fully recover its cost.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. All of the above recitals are true and correct and incorporated herein by reference.

Section 2. The City Council approves a Short-Term Rental Permit Fee and Short-Term Rental Telephone Hotline Fee as shown on Exhibit A, attached hereto and incorporated herein by reference.

Section 3. The resolution will take effect upon the effective date of the Ordinance.

Attachment 3

Draft Resolution A

APPROVED this 7th day of November 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Steven W. Martin, Mayor

ATTEST:

Kristen L. Buxkemper, Deputy City Clerk

Exhibit A - Revised Public Works & Community Development Department Cost Recover Fees

Attachment 3

Draft Resolution A

Exhibit A

Revised Public Works & Community Development Department Cost Recover Fees

PUBLIC WORKS & COMMUNITY DEVELOPMENT				
Fee #	Name / Description	Unit	Adopted Fee FY 2016-17	Proposed Fee FY 2017-18
1	Public Works and Community Services - Blended Maintenance Worker Hourly Rate	Per Hour	\$ 158	\$ 165
2	Equipment Use Fees are based on the current adopted Cal Trans Schedule- Hourly Rate	Per Hour	Variable	Variable
3	Community Development - Engineering Blended Hourly Rate	Per Hour	\$ 172	\$ 180
4	Community Development - Planning Blended Hourly Rate	Per Hour	\$ 161	\$ 167
5	Community Development - Building Hourly Rate	Per Hour	\$ 155	\$ 161
6	ABC License - Public Necessity Finding	Each	-	\$ 664
7	Oak Tree Removal (Staff Level- Dead Tree)	Each	\$ 200	\$ 200
8	Oak Tree Removal (Council Hearing)	Each	\$ 600	\$ 600
9	Planning Sign Removal	Each	-	\$ 20
10	Temporary Use Permit	Each	-	\$ 166
11	Site Plan Review Minor	Each	\$ 200	\$ 200
12	Site Plan Review Major	Each	\$ 600	\$ 600
13	Appeal	Each	\$ 200	\$ 200
14	Street Name Change	Each	\$ 600	\$ 600
15	Lot Line Adjustment	Each	\$ 1,200	\$ 1,200
16	Time Extension	Each	\$ 1,200	\$ 1,200
17	Public Improvement Waiver or Deferral	Each	\$ 600	\$ 600
18	Planning Entitlements - CC Resolution 06-0128	Time Tracking at Planning Rate	Deposit	Deposit
<u>19</u>	<u>Short-term Rental Permit (3 years)</u>	<u>Each</u>		<u>\$ 250</u>
<u>20</u>	<u>Short-term Rental Hotline Fee (3 years of service)</u>	<u>Each</u>		<u>\$ 40</u>

Attachment 4

Recommended by short-Term Rental Task Force
September 7, 2016

Statement Concerning Density of Short Term Vacation Rentals

The task force, at various times during our sessions, discussed the issues of density and overall numbers of vacation rental units in our community. While researching other communities' ordinances governing vacations rentals, we found that some communities have no density or number limitations, while others have very strict and specific restrictions. The decision to include or exclude such limits was guided by the needs and desires of each individual community.

In some communities, the inclusion of density and number limitations occurred through the amendment process *after* the initial ordinance governing vacation rentals was instituted, including several long-standing regulations. These decisions were the direct result of complaints and referendums by local residents and businesses. Noise, lack of parking, reduction in affordable housing, and loss of neighborhood identity were common themes of these community actions.

Some examples of these actions include the following:

1. In a news story aired 23 February 2016 on KXAN, the Austin, Texas NBC television affiliate reported: "In a special meeting on Tuesday, the Austin City Council voted 6-5 to stop the allowance of Type 2 short-term rentals. Type 2 short-term rentals are homes that are not occupied by the homeowner.

The ordinance stops licensing any future Type 2 STRs, but those already licensed will be allowed to continue operating, at least for the time being. The council said the plan is to ultimately phase out Type 2 STRs permanently." Availability of local housing to residents was the primary deciding factor in the majority vote.

2. Durango (CO), whose vacation rental ordinance dates back to 1989 has seen three revisions of its code, the most recent of which occurred in 2015, when the Durango City Council (from its Web site) "Following significant public outreach, research on the issue" decided an overall number of vacation rentals that will be allowed in its EN-1 and EN-2 zone districts. Additionally, the Council instituted a strict buffer to prevent clustering of vacation rentals.

3. Carlsbad (CA) has approached community dissatisfaction with vacation rentals by limiting non-owner occupied rentals to its coastal zone, which already supports a robust tourist infrastructure.
4. Palm Springs (CA), after which our vacation rental ordinance was modeled is now considering an ordinance to prohibit converting apartments into vacation rentals while also imposing a moratorium on vacation rental homes. On 13 July 2016 the City Council voted 4-0 on an "urgency ordinance" to place a moratorium on apartment buildings of five or more units from becoming a vacation rental.

In one of our last sessions, the task force committee agreed that including language pertaining to density and numbers in the draft ordinance was beyond our responsibility and expertise. This discussion and subsequent decision should encompass accurate staff input concerning existing vacation rental numbers and locations, public input, and a study of comparable communities' actions when faced with similar issues.

Therefore, the task force committee recommends that both the Planning Commission and the City Council thoroughly examine the pros and cons of limiting density and numbers; and decide if density and numbers language should be included proactively in the final ordinance or retroactively through an amendment process if required.



CITY OF EL PASO DE ROBLES

“The Pass of the Oaks”

October 25, 2017

Notice of Public Hearing City of Paso Robles – City Council

The City Council will hold a public hearing to consider a recommendation from the Planning Commission to approve the following Zoning Ordinance amendment:

APPLICATION: **Zoning Code Amendment (ZC 15-006) – Short-Term Rental Ordinance**
Adoption of a code to regulate **Short-Term Rentals** (a.k.a. vacation rental homes) in all residential and mixed use zoning districts throughout the City. The code would include the following requirements:

- Ministerial permits for home-share and vacation rentals in all residential districts.
- Requirement to pay transient occupancy taxes and obtain business licenses.
- Requirement to comply with “Good Neighbor” guidelines
- Creation of a complaint hot-line system to resolve neighborhood issues

APPLICANT: City of Paso Robles

LOCATION: All residential and mixed use zoning districts in Paso Robles.

ENVIRONMENTAL DETERMINATION: This application is Statutorily Exempt from CEQA consistent with Section 15061.b.3., that there no possibility the activity in question may have a significant effect on the environment.

HEARING: The City Council will hold a Public Hearing on **November 7, 2017**, at **6:30 p.m.** at the Library Conference Center, 1000 Spring Street, Paso Robles, California.

Questions about this application may be directed to the Community Development Department at (805) 237-3970 or via email at planning@prcity.com. Comments on the proposed application may be mailed to the Community Development Department, or emailed to planning@prcity.com provided that such comments are received prior to the time of the hearings.

If you challenge the application in court, you may be limited to raising only those issues you or someone else raised at the public hearings described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearings.

Copies of the staff report pertaining to this project will be available for review at the Community Development Department on the Thursday preceding each hearing (copies are available for purchase for the cost of reproduction). If you have any questions, please contact the Community Development Department at (805) 237-3970.

Sincerely,

Warren Frace, Community Development Director