MEETING AGENDA
PLANNING COMMISSION
CITY HALL COUNCIL CHAMBER
154 SOUTH EIGHTH STREET
GROVER BEACH, CALIFORNIA
MAY 22, 2019
6:30 P.M.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, please contact the City Clerk’s Office (805) 473-4567 at least 48 hours prior to the meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

CALL TO ORDER

FLAG SALUTE

ROLL CALL: Commissioners Halverson, McLaughlin, Rodman, Vice Chair Blum and Chair Laferriere.

AGENDA REVIEW: At this time the Planning Commission will review the order of business to be conducted and receive requests for, or make announcements regarding, any change(s) in the order of the day. The Commission should by motion adopt the agenda as presented or as revised.

PUBLIC COMMENTS: At this point of the meeting, members of the public may bring up any items within the jurisdiction of the Planning Commission that are not on the agenda. Please limit your comments to three (3) minutes. The Planning Commission will listen to all comments; however, in compliance with the Brown Act, the Commission cannot act on items not on the agenda.

CONSENT ITEMS:

1. Meeting Minutes of the April 24, 2019 Planning Commission Special Meeting
   
   Recommended Action: Staff recommends that the Planning Commission approve the minutes as submitted.

PUBLIC HEARING ITEMS:

2. Development Application 19-07
   Applicant – City of Grover Beach
   The Planning Commission will consider making a recommendation to the City Council to amend Grover Beach Municipal Code Article IX Development Code, and Local Coastal Program to adopt regulations for short-term rentals in all residential and commercial zones. The amendments are not a project within the meaning of the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.) Section 15378 and are therefore exempt from CEQA.

   Recommended Action: Staff recommends that the Planning Commission recommend the City Council adopt the ordinance amending Grover Beach Municipal Code Article IX, Development Code and approve a Local Coastal Program Amendment.
COMMISSIONERS' COMMENTS

COMMUNITY DEVELOPMENT DIRECTOR’S REPORT

ADJOURNMENT

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The agenda and staff reports or other written materials relating to each item of business referred to on this agenda are available from the City website www.groverbeach.org and a public counter copy is available for public inspection and reproduction during normal business hours at City Hall, 154 South 8th Street, Grover Beach, CA. Related materials submitted after distribution of the agenda packet are available in the Community Development Department during normal business hours. If you have questions regarding any agenda item, please contact the Community Development Department at commdev@groverbeach.org or (805) 473-4520. Any writings or documents regarding any item on this agenda, not exempt from public disclosure, provided to a majority of the Planning Commission and distributed subsequent to distribution of the agenda packet will be made available for public inspection in the Community Development Department during normal business hours.

PLANNING COMMISSION MEETING PROCEDURES
Per Resolution No. 06-077, Planning Commission meetings are scheduled to start at 6:30 p.m. and conclude no later than 11:00 p.m. Any public items remaining on the agenda at 11:00 p.m. that have not been discussed or considered by the Planning Commission will be continued to either an adjourned special meeting of the Planning Commission (scheduled before the next regular meeting) or to the next regular meeting. However, the Planning Commission may choose to continue the meeting past 11:00 p.m. upon a proper motion and a super majority vote in favor of such an action.

Planning Commission Meetings are conducted under the authority of the Chair. The Chair will announce each item which will be read into the record; thereafter, the hearing will be conducted as follows:

1. Staff will present the staff report and recommendation on the proposal being heard and respond to questions from the Planning Commission.

2. The Chair will open the public hearing by first asking the project applicant/agent to present any points necessary for the Commission, as well as the public, to fully understand the proposal.

3. The Chair will then ask other interested persons to come to the podium to present testimony either in support of or in opposition to the proposal.

4. Finally, the Chair will invite the applicant/agent back to the podium to respond to the public testimony. Thereafter, the Chair will close the public testimony portion of the hearing and limit further discussion to the Commission and Staff prior to the Commission taking action on the item.
RULES FOR PRESENTING TESTIMONY
Planning Commission hearings can involve highly emotional issues. It is important that all participants conduct themselves with courtesy, dignity, and respect. All persons who wish to present testimony must observe the following rules:

1. When you come to the podium, first identify yourself and give your city of residence. Commission meetings are recorded and this information is required for the record.

2. Address your testimony to the Chair. Conversation or debate between a speaker at the podium and a member of the audience or staff is not permitted.

3. Keep your testimony brief and to the point. Talk about the proposal and not about individuals involved. On occasion, the Chair may be required to place time limits on testimony. In those cases, proposal description/clarification will be limited to 12–15 minutes, individual testimony to three minutes, and speakers representing organized groups to five minutes. Focus testimony on the most important parts of the proposal, do not repeat points made by others, and do not applaud during testimony.

4. Written testimony is acceptable. However, letters are most effective when presented at least a week in advance of the hearing. Mail should be directed to the Community Development Department, to the attention of the Community Development Director.

APPEALS
If you are dissatisfied with any aspect of an approval or denial of a project, you have the right to appeal this decision (pursuant to Grover Beach Municipal Code, Article IX, Chapter 7) to the City of Grover Beach City Council within ten working days after the date of action, in writing, to the City Clerk. The appeal fee of $300 must accompany the appeal form. The appeal will not be considered complete if a fee is required, but not paid. The appeal must be on an original form with original signature, a FAX is not accepted.
CALL TO ORDER 6:30 p.m.

FLAG SALUTE Chair Laferriere.

ROLL CALL: Commissioners Halverson, McLaughlin, Rodman, Vice Chair Blum and Chair Laferriere were present.

City Staff: Community Development Director Bruce Buckingham, Senior Planner Rafael Castillo, Associate Planner Janet Reese, and Assistant Planner Cassandra Mesa.

AGENDA REVIEW:

Action: It was m/s by Rodman / Commissioner McLaughlin to accept the agenda as presented. The motion passed unanimously.

PUBLIC COMMENTS: There was no one present that wished to speak.

CONSENT ITEMS:

1. Meeting Minutes of the March 11, 2019 Planning Commission Special Meeting

Action: It was m/s by Vice Chair Blum / Commissioner Halverson to approve the meeting minutes from the March 11, 2019 Planning Commission Special meeting as presented, and the motion passed unanimously.

PUBLIC HEARING ITEMS:

2. Development Application 19-08

Applicant – Confidence Analytics CA, LLC

The Planning Commission will consider a Use Permit to operate a commercial cannabis testing facility. The property is located at 1030 Huston Street, Unit E (APN 060-545-034) in the Industrial (I) Zone. The project is categorically exempt from the California Environmental Quality Act.

Assistant Planner Mesa presented the staff report.

Chair Laferriere opened the public hearing.

Craig Smith, project architect, and Nick Mosley, CEO of Confidence Analytics, responded to questions from the Commission regarding the proposed facility, testing and reporting procedures, and what is measured/analyzed.

Chair Laferriere closed the public hearing.
Action: It was m/s by Vice Chair Blum / Commissioner Rodman to adopt the resolution approving Development Application 19-08. The motion carried on the following roll call vote:

AYES: Commissioners Halverson, McLaughlin, Rodman, Vice Chair Blum, and Chair Laferriere.

NOES: Commissioner – None.

ABSENT: Commissioner – None.

ABSTAIN: Commissioner – None.

RECUSED: Commissioner – None.

RESOLUTION NO. 19-08: A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF GROVER BEACH APPROVING DEVELOPMENT APPLICATION 19-08 FOR A USE PERMIT LOCATED AT 1030 HUSTON ST, SUITES E, F AND G (APPLICANT: CONFIDENCE ANALYTICS CA, LLC)

Commissioner McLaughlin recused himself from the next item as he was the architect of record and stepped down from the dais.

3. Development Application 18-44
Applicant – Hiru & Varuna Tejwani and Sundeep & Kalpana Butala
The Planning Commission will consider a Development Permit, Use Permit, and Vesting Tentative Parcel Map to construct a three story, four unit residential condominium development. The property is located at 152 North 11th Street (APN 060-237-007) in the Central Business Open (CBO) Zone. The project is categorically exempt from the California Environmental Quality Act.

Associate Planner Reese presented the staff report.

Chair Laferriere opened the public hearing.

Hiru Tejwani and Sundeep Butala, owners / applicants, made brief comments in regards to the proposed project.

Krista Jeffries, Grover Beach resident, spoke in support of the project.

Chair Laferriere closed the public hearing.

Action: It was m/s by Commissioner Rodman / Vice Chair Blum to adopt the resolution approving Development Application 18-44. The motion carried on the following roll call vote:

AYES: Commissioners Halverson, Rodman, Vice Chair Blum, Chair Laferriere

NOES: None.

ABSENT: None.

ABSTAIN: None.

RECUSED: Commissioner McLaughlin.

RESOLUTION NO. 19-09: A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF GROVER BEACH APPROVING DEVELOPMENT APPLICATION 18-44 FOR A DEVELOPMENT PERMIT, USE PERMIT, AND VESTING TENTATIVE PARCEL MAP (GB 18-0095) LOCATED AT 152 NORTH 11TH STREET (APPLICANTS: HIRU & VARUNA TEJWANI AND SUNDEEP & KALPANA BUTALA)
Commissioner McLaughlin returned to the dais.

4. **Development Application 18-45**

**Applicant – Jacob Grossman, Coastal Community Builders**

The Planning Commission will consider a Development Permit and Vesting Tentative Subdivision Map to subdivide two existing parcels into 18 lots and construct 18 single family residential units. The property is located at 1207 South 13th Street (APN 060-565-002 and 003) in the Medium Density (R2) Zone. The project is categorically exempt from the California Environmental Quality Act (Class 32 In-fill Exemption).

Senior Planner Castillo presented the staff report. Director Buckingham and Senior Planner addressed questions from the Commission regarding the proposed materials for the retaining walls, the proposed circulation, and “right-to-farm” deed notification.

Chair Laferriere opened the public hearing.

Jacob Grossman, applicant, and Eddie Herrera, project architect, clarified that the wall pillars, contrary to the plans, would be wrapped in stone veneer. They described project design elements and displayed larger versions of the colored elevations of the project. They stated that the maintenance of pavers and drainage system will be included in the CC&Rs for HOA.

The following individuals spoke against the project:

- Patrick McGowen, Grover Beach resident, citing concerns regarding vehicular circulation, agricultural uses, and density
- Mich Mehall, Grover Beach resident, citing concerns regarding access for emergency services
- Dennis Nulman, Grover Beach resident, citing concerns regarding privacy

Staff responded to questions regarding the location of the proposed project in relation to existing residences, the disposition of an existing retaining wall adjacent to 1167 Bodega Court, the proposed drainage system, and proposed alignment of the driveway with Highland Way.

Mr. Grossman added that existing chainlink/barbed wire fencing would be removed and privacy fencing would be installed.

Chair Laferriere closed the public hearing.

**Action:** It was m/s by Vice Chair Blum / Commissioner Rodman to 1) add additional trees along the easterly property boundaries of lots 7 and 8; 2) for lots 7 and 8, utilize obscure glass in the windows with viewsheds to existing dwelling units; and 3) recommend the City Council adopt the resolution approving Development Application 18-45.

The motion carried on the following roll call vote:
AYES: Commissioners Halverson, McLaughlin, Rodman, Vice Chair Blum, Chair Laferriere
NOES: None.
ABSENT: None.
ABSTAIN: None.

COMMISSIONERS’ COMMENTS
Upon question by Vice Chair Blum, in regards to a potential project located at 1935 Newport Avenue (Hillside Church), Director Buckingham stated that staff does not anticipate an application will be submittal for several months.

Upon question by Commissioner Rodman, in regards to a trails and recreation project located in the Pismo Lake area owned by California State Parks proposed about 10 years ago, Director Buckingham stated that he had not heard about the project for some time, but will look into the project status.

COMMUNITY DEVELOPMENT DIRECTOR’S REPORT
Director Buckingham provided an update on various projects and upcoming agenda items.

ADJOURNMENT  8:33 PM

CHER LAFERIERE

SECRETARY TO THE PLANNING COMMISSION
BRUCE BUCKINGHAM, COMMUNITY DEVELOPMENT DIRECTOR

(approved at PC meeting of __________, 2019)
TO:  Honorable Chair & Planning Commission  
FROM:  Bruce Buckingham, Community Development Director 
PREPARED BY:  Bruce Buckingham, Community Development Director  
          David Hale, City Attorney 
SUBJECT:  Development Application 19-07 – City Application to Amend Municipal Code Article IX to Adopt an Ordinance Regulating Short-Term Rentals and Approve a Local Coastal Program Amendment

RECOMMENDATION

Staff recommends that the Planning Commission recommend the City Council adopt the short-term rental ordinance amending the Development Code and approve a Local Coastal Program Amendment.

BACKGROUND

The 2018-19 City Council Goals include Neighborhood Preservation - Preserve and protect neighborhoods by proactively expanding and enforcing the Code Enforcement Program and regulating vacation rentals in the city. The City currently does not have an ordinance that addresses short-term rentals, commonly referred to as vacation rentals, which generally are defined as the rental of a residential unit for less than 30 consecutive days and is required to pay the City’s transient occupancy tax (TOT) which is now 12% with passage of Measure L in November 2018. A short-term rental is differentiated from a “long-term” rental, which is defined as a rental for 30 consecutive days or more and is not subject to payment of TOT.

Based on the above Council goal, staff conducted research of many cities with short-term rental ordinances and the Council had its first public meeting on January 22, 2019 to discuss policy options for regulating short-term rentals or STRs. The staff report is available on the City’s website at http://www.grover.org/DocumentCenter/View/8277 and the audio of the meeting is available at http://cal-span.org/unipage/?site=slo-span&owner=GBCC&date=2019-01-22.


On May 6, 2019 the Council reviewed and provided comments on the draft ordinance. The staff report for this meeting is available on the City’s website at http://www.grover.org/DocumentCenter/View/8536. Staff has incorporated these comments and finalized a draft ordinance for Planning Commission review in order to provide a recommendation to the Council. The Council will conduct its own public hearing on June 3 to consider first reading of the ordinance before considering adoption of the ordinance at a future meeting.
Summary of Draft Short-Term Rental Ordinance
The draft short-term rental ordinance would allow STRs in all residential and commercial zones subject to specific regulatory requirements that operators must abide by to minimize potential impacts on the surrounding residents (reference Attachment 1). The draft ordinance would allow both owner-occupied commonly referred to as “homestays” and non-owner occupied STRs. Below is an overview of each section of the draft ordinance including discussion of key issues.

Sections 4.10.185.A. Purpose. This section provides the intent of the ordinance to ensure that potential negative secondary effects are minimized on surrounding residential uses, basic life safety measures are provided, and short-term rentals are operated consistent with all applicable sections of the Municipal Code.

Sections 4.10.185.B. Applicability. This section indicates that STRs can only operate in legally constructed single family dwelling, multi-family dwelling, or mobile homes. Staff would verify as part of the permit application review process that all portions of the residence were legally constructed. The ordinance would prohibit short-term rentals in accessory dwelling units (ADUs), live-work units, caretaker residences, any residence subject to an affordable housing covenant imposed or required by the city, and recreational vehicles, trailers and other similar vehicles.

The purpose of not allowing ADUs (also referred to as second residential dwellings) as STRs is based on the intent of the State ADU legislation that took effect in 2017 to promote the construction of more long-term housing to address the State's housing shortage. State law incentivized the construction of ADUs by preempting local zoning and building requirements to eliminate required parking, installation of fire sprinklers, and payment of water and sewer connection fees. However, understanding that absent previous regulations property owners could have invested in the construction of an ADU for purposes of making it a STR, staff is recommending that ADUs, which are existing, under construction, or in building plan review prior to the adoption of the ordinance would be allowed to be used as an STR. As a result, there would be approximately 30 ADUs that would be “grandfathered” in as part of this ordinance.

Sections 4.10.185.C. Permit Required. This section indicates a permit is required, it must be renewed annually, and it is not transferable.

Sections 4.10.185.D. Application Requirements. This section indicates the owner must submit an application, submittal requirements and fee. Staff will create a handout that will assist applicants with providing the required information to be submitted with the STR permit application.

Section 4.10.185.E. Application Approval. This section indicates the Community Development Director shall approve all STR permits if the owner demonstrates compliance with the requirements of the ordinance, agrees to abide by the permit conditions, and that a site inspection for non-owner occupied STRs would be performed by the City to verified compliance. It is anticipated that the inspection would be performed by the Code Compliance Officer to verify the number of bedrooms, on-site parking, and life safety requirements have been met. Owner-occupied STRs would require the property owner complete a self-certification that these items have been met in lieu of an inspection.

Section 4.10.185.F. Permit Approval Notification. This section indicates that the City will notify all property owners and occupants in writing within a 150 foot radius upon issuance of a short-term rental permit indicating the rental address, owner’s name, 24-hour hotline number, and the
maximum number of occupants allowed. This notification would be required for non-owner occupied STRs only and would not apply to owner-occupied STRs.

**Section 4.10.185.G. Maximum Number.** This section allows the Council to establish a maximum number of STR units by resolution. The Council has indicated that it will adopt a resolution establishing a maximum of 50 STR permits for non-owner occupied STRs with no limit on owner-occupied STRs. The Council could amend the maximum at any time by resolution. The draft ordinance indicates the STR permits would be issued on a first-come first-serve basis with a waiting list for new short-term rental permits once all 50 short-term rental permits are issued.

**Section 4.10.185.H. Permit and Operating Requirements.** This section establishes all the requirements for operating a STR. Based on Council direction, the maximum number of renters for a non-owner occupied short-term rental would be two renters per bedroom. The Council discussed this limit at length starting with a maximum of two renters per bedroom plus two additional renters, then reducing to two renters per bedroom with two additional renters under the age of 16, before directing staff to set the maximum number of renters at two per bedroom. The Council acknowledged that establishing any age restriction would be difficult to verify and enforce.

The Council also set a limit for the maximum occupancy of a residence at eight renters. Therefore, a residence with five or more bedrooms would be limited to the same maximum number of eight renters as a four bedroom residence.

The ordinance also established a limitation on the number of guests for non-owner occupied STRs to reduce the occurrence of parties or large gatherings as this can impact available street parking and increase the probability of noise issues or disturbances. The timeframe to allow guests would be limited to 7:00 a.m. to 10:00 p.m., which coincides with the reduced decibels levels required by the City’s Noise Ordinance. There would be no limit on the number of guests for an owner-occupied STR because the owner must be present when the STR is being operated and it would be difficult to differentiate between the owners’ guests and those of the renters.

The Development Code currently allows bed and breakfast inns in all residential zones subject to approval of a Use Permit. Staff is unaware of any operating bed and breakfasts in the city and the evolution of short-term rentals has likely replaced bed and breakfasts. However, based on the ordinance limiting owner-occupied STRs to a maximum of two bedrooms, the definition of bed and breakfasts has been revised to indicate that it would apply to the short-term rental of three or more bedrooms. This would differentiate the owner-occupied STR of two bedrooms but still allow an owner to apply for a bed and breakfast if they wanted to have three or more bedrooms available for rent.

In regards to parking, it would be a requirement that the applicant submit a site plan indicating the location of the on-site parking spaces and if applicable, where parking is prohibited, such as within a common driveway associated with a planned unit development (PUD). This would inform renters where parking is prohibited and make it clear that doing so would be a violation of the permit.

In order to address potential compliance issues, the ordinance would require a local contact person must be located within 30 minutes of the rental in order to be present if issues arise. In addition, the city would provide a “Good Neighbor Brochure” containing the STR regulations and the consequences for violating the regulations. An example of another city’s Good Neighbor Brochure is shown in Attachment 3.
In order to meet basic fire and life safety standards, the ordinance would require the following safety measures be provided in all STRs:

- Smoke detectors in each bedroom and the hall leading to the bedrooms.
- Carbon monoxide detector.
- Fire extinguisher in or near kitchen.
- A site plan indicating the location of the electrical, gas and water shut-off locations be posted in the unit.
- If the residence has a fire sprinkler system, an annual inspection shall be made to ensure proper operation.

Staff will create a STR permit that will include a list of all the conditions and the name and contact information of the local contact person. The permit would be required to be posted inside the residence in a conspicuous location so all renters are aware of the regulations and the location of the on-site parking spaces.

**Section 4.10.185.I. Rental Agreements.** This section requires the owner to enter into a written contract with basic information and that the renter acknowledge they have read the Good Neighbor Brochure.

**Section 4.10.185.J. Owner Responsibilities.** This section requires the owner be personally responsible and liability for noncompliance with all the STR regulations.

**Section 4.10.185.K. Violations.** This section describes violations, administrative citations, and infractions including the fines that can be levied as a result of not complying with the STR regulations. Following the ordinance adoption, staff will draft Administrative Rules that will include procedures for receiving and addressing complaints. The general process for reporting a complaint and the enforcement steps would be as follows:

- If a resident wants to file a complaint, the complainant would call the 24-hour hotline and report the issue. The complainant would also have the ability to upload pictures and videos to the hotline to document the issue.
- The hotline attendant would immediately call the designated local contact person for the STR and indicate the issue and advise that they have 30 minutes to resolve the issue.
- The hotline person would call back the complainant within 30 minutes after the complaint was received and confirm the issue has been resolved.
- If the issue has not been resolved, it could result in a violation if documentation is provided that demonstrates a violation of the STR regulations or a condition of the permit.

**Section 4.10.185.L. Permit Revocation.** This section describes all the conditions in which a STR Permit could be revoked including if three violations occur within a 24 month period.

**Section 4.10.185.M. Permit Revocation Process.** This section describes that if a STR permit is revoked, written notification must be provided to the owner and the decision is appealable to the Planning Commission. If a STR permit is revoked, the property could not reapply for a period of two years.

**Section 4.10.185.N. Denial of Permit.** This section describes all the reasons an initial STR permit or a STR permit renewal could be denied.
Section 4.10.185.O. Administrative Rules. This section establishes that the City Manager has the authority to establish administrative rules and regulations consistent with the provisions of the ordinance for the purpose of interpreting, clarifying, carrying out, and enforcing the requirements of this Section, and establishing procedures for complaints. In order to have flexibility to respond to changing industry trends, staff believes that the ability to make administrative revisions related to the process, permitting and complaint procedures without needing to amend the ordinance is an important tool.

Section 4.10.185.P. Effect of Ordinance on Existing Short-Term Rentals. This section requires all STR advertising or renting submit an STR permit application within 60 days of the ordinance taking effect.

Section 4.10.185.Q. Effect of Ordinance on Existing or Proposed ADUs. This section provides for an exemption that would allow ADUs to be used as a STR if existing, under construction, or in building plan review prior to adoption of the ordinance.

Section 4.10.185.R. Definitions. There are numerous new definitions related to short-term permits which will be located in Development Code Chapter 9 Definitions.

STR Permit Process Upon Ordinance Adoption

Once the Council has adopted an ordinance, staff would make STR permit information available on the website and at the public counter. Based on the identification of all operating STRs in the City, staff would send a letter indicating that all owners are required to submit an application within 60 days of the effective date of the ordinance and direct them to the City’s website with the information, which would include the application, submittal checklist, permit process, ordinance, and TOT payment forms. Failure to submit an application would be a violation and result in an initial $500 citation followed by a $1000 citation. An owner that failed to submit an application would not be able to submit a STR permit application for six months.

Once an owner submits an application, including a site plan indicating the on-site parking spaces and floor plan, staff would review the application materials and verify the residence was legally constructed. If everything is in order, staff would schedule the inspection to verify compliance with the number of bedrooms, designated parking spaces are available, and fire and life safety requirements have been met. The inspection would be required for non-owner occupied STRs only with owner-occupied STRs required to self-certify. Staff would issue the permit upon verification a Business Tax Certificate was paid for and send notification to all property owners and occupants within 150 feet. The 150 foot noticing requirement would be required for non-owner occupied STRs only.

Consistent with all Community Development Director actions, the approval of a STR permit would be posted on the City’s website and an aggrieved party could file an appeal that would be considered by the Planning Commission.

STR Permit and Annual Renewal Fee

The Council has discussed the initial STR permit and the annual renewal fee. However, the fees are not under the purview of the Planning Commission and the Council will discuss fees as part of the ordinance adoption.

Consulting Services

Staff has hired Host Compliance to provide the initial service of identifying all STRs currently operating in the city and assist in developing an ordinance that incorporates best practices for regulating STRs. This firm works with over 200 cities around the country on STR compliance activities including most cities in San Luis Obispo County. Once an ordinance is in place, the
services would be expanded to include compliance monitoring, STR activity and tax auditing, and the operation of a 24-hour hotline that neighbors would contact when issues arise. The cost of these service would be included in the annual STR permit renewal fee.

Effective Date of Ordinance
This Code amendment requires a LCP amendment as discussed below. Typically, an ordinance becomes effective 30 days after Council adoption. However, an ordinance that affects the area of the City in the Coastal Zone does not become effective until the Coastal Commission takes action to approve the LCP Amendment. The proposed ordinance affects both the Coastal Zone and areas not within the Coastal Zone and therefore could have different effective dates. In order to, to avoid confusion and have only one effective date, staff is recommending the ordinance become effective the day after the Coastal Commission approves the LCP amendment for the STR ordinance. If the Council adopts the ordinance at its June 17 meeting, the Coastal Commission hearing would likely be in August or September.

Local Coastal Program Amendment
The ordinance would amend several Chapters of the Development Code (Article IX of the Municipal Code) that constitute the ordinances for the implementation of the City’s Local Coastal Program (LCP). Therefore, this amendment requires a LCP Amendment in compliance with the California Coastal Act, which requires the California Coastal Commission’s approval prior to the ordinance taking effect.

Staff has reviewed the proposed LCP Amendment with the policies in Chapter 3 of the Coastal Act and has determined that the ordinance would have no effect on public access, recreation, environmentally sensitive habitat areas, or other coastal resources. The vast majority of the City is some distance from the beach and direct access is impaired by the railroad tracks. The proposed ordinance would not change the kind, location, intensity, or density of the uses, but would provide another source of visitor serving accommodations. The ordinance is consistent with the existing policies of the LCP and is internally consistent with the current Development Code.

The California Coastal Commission has not supported complete bans on STRs based on inconsistency with the Coastal Act because such bans limit public recreational access opportunities. The Coastal Commission has supported reasonable regulation of STRs that address potential neighborhood concerns and issues.

Staff has contacted Coastal Commission staff regarding the proposed LCP Amendment and has provided the draft ordinance. Based on the ordinance allowing both owner-occupied and non-owner occupied STRs, City staff does not anticipate the Coastal Commission staff will have concerns regarding the proposed amendment. Upon final adoption of the ordinance by the Council, staff would forward the LCP Amendment to the Coastal Commission for review. Coastal Commission staff estimates it will take approximately two months for formal approval by the Coastal Commission upon final action by the Council.

Environmental Review
This action is not a project within the meaning of the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.) Section 15378(b)(5) and is therefore exempt from CEQA because it will not result in any direct or indirect physical changes in the environment.

ALTERNATIVES
The Planning Commission has the following alternatives to consider:

1. Recommend the City Council adopt the ordinance amending the Development Code to regulate short-term rentals and approve a Local Coastal Program Amendment; or
2. Recommend the City Council adopt the ordinance amending the Development Code to regulate short-term rentals with specific revisions and approve a Local Coastal Program Amendment; or
3. Provide alternative direction to staff.

PUBLIC NOTIFICATION

On May 9, 2019, a one-eighth page public hearing notice was published in the New Times. The agenda was posted in accordance with the Brown Act and sent to all parties that requested notice on the subject of short-term rentals along with short-term rental operators who currently pay TOT to the City on a voluntary basis. Further, staff is working with Host Compliance to compile a list of all active STRs in the city. Although the list has not been completed, an additional 66 notices were sent to active STR operators. Correspondence previously received is included in Attachment 4.

ATTACHMENTS

1. Draft Short-Term Rental Ordinance
2. Draft LCP Amendment Resolution
3. Example of Good Neighbor Brochure
4. Correspondence
ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH
ADDING SECTIONS 4.10.185, 6.20.075, 9.10.050, AND AMENDING
SECTIONS 2.20.030, 2.30.030, 6.10.020, 6.30.080, AND 9.10.020 OF THE
GROVER BEACH MUNICIPAL CODE ARTICLE IX TO REGULATE SHORT-
TERM RENTALS

WHEREAS, the City of Grover Beach (“City”) is a general law city and a political
subdivision of the State of California; and

WHEREAS, it was held in Ewing v. City of Carmel-by-the-Sea, 234 Cal. App. 3d 1579
(1991) that a city ordinance prohibiting short term (less than 30 days) transient commercial use
of residential property was constitutional, as it was reasonably related to the governmental
interest in maintaining the residential character of the zoned district, and because the diminution
in plaintiffs' ownership rights were outweighed by the public interest in maintaining residential
neighborhoods; and

WHEREAS, while the use of privately-owned residential dwellings as short-term rentals
provides the City with additional transient occupancy tax revenue, there are various secondary
negative effects associated with the use of residential dwellings as short-term rentals on certain
residential neighborhoods that need to be addressed via an appropriate City regulatory
program; and

WHEREAS, the intent of this ordinance for the City of Grover Beach Municipal Code
(“GBMC”) Article IX Chapter 4 Section 4.10.185 (“Short-Term Rentals”) is to regulate short-term
rentals of private property in the City of Grover Beach, whether or not such rentals are for
vacation purposes; and

WHEREAS, based on complaints received from residents the City Council has
determined that adding Development Code Chapter 4 Section 4.10.185 to regulate short-term
rentals will improve the ability of the City to regulate the use of short-term rentals thereby
reducing potential negative secondary impacts on surrounding residences and requiring a local
contact person to address complaints and/or disturbance at the subject property, and would
thereby protect public health and safety; and

WHEREAS, this amendment is not a project within the meaning of the California
Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and
CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.) Section 15378 and
is therefore exempt from CEQA because it will not result in any direct or indirect physical
changes in the environment.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF GROVER BEACH DOES
ORDAIN AS FOLLOWS:

Part 1. Recitals. The above recitals are true and correct and are incorporated as though fully
set forth herein.
**Part 2.** Article IX Development Code, Chapter 2 Zones and Allowable Uses, Section 2.20.030 Residential Zones Allowable Land Uses and Permit Requirements, Table 2.2 is hereby amended as follows:

<table>
<thead>
<tr>
<th>Land Use</th>
<th>R1</th>
<th>CPR1&lt;sup&gt;1&lt;/sup&gt;/CR1&lt;sup&gt;1&lt;/sup&gt;</th>
<th>R2</th>
<th>CR2&lt;sup&gt;1&lt;/sup&gt;</th>
<th>R3</th>
<th>CR3&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Specific Use Regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Section 4.10.030</td>
</tr>
<tr>
<td>Accessory Structure</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td></td>
</tr>
<tr>
<td>Bed and Breakfast Inn</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>Section 4.10.040</td>
</tr>
<tr>
<td>Boarding House</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>UP</td>
<td>UP</td>
<td></td>
</tr>
<tr>
<td>Day Care - Large Family Home</td>
<td>AUP</td>
<td>AUP</td>
<td>AUP</td>
<td>AUP</td>
<td>AUP</td>
<td>AUP</td>
<td>Section 4.10.070</td>
</tr>
<tr>
<td>Day Care - Small Family Home</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td></td>
</tr>
<tr>
<td>High Occupancy Residential Use</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>UP</td>
<td>UP</td>
<td>Section 4.10.060</td>
</tr>
<tr>
<td>Home Occupation</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>Section 6.20.070</td>
</tr>
<tr>
<td>Multi-family Dwelling</td>
<td>--</td>
<td>--</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>Section 4.10.120</td>
</tr>
<tr>
<td>Residential Care 1-6 clients</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td></td>
</tr>
<tr>
<td>Residential Care – 7 or more clients</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>UP</td>
<td>UP</td>
<td></td>
</tr>
<tr>
<td>Residential Common Area Developments (PUDs)</td>
<td>--</td>
<td>--</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>Section 4.30</td>
</tr>
<tr>
<td>Second Residential Dwelling</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>Section 4.10.170</td>
</tr>
<tr>
<td>Short-Term Rental</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>Section 4.10.185</td>
</tr>
<tr>
<td>Single Family Dwelling</td>
<td>P&lt;sup&gt;2&lt;/sup&gt;</td>
<td>P&lt;sup&gt;2&lt;/sup&gt;</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>Section 2.20.050</td>
</tr>
<tr>
<td>Single Room Occupancy Facility</td>
<td>--</td>
<td>--</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>Section 4.10.200</td>
</tr>
<tr>
<td>Senior Housing</td>
<td>--</td>
<td>--</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>Section 4.10.180</td>
</tr>
<tr>
<td>Transitional &amp; Supportive Housing</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td></td>
</tr>
<tr>
<td>Recreational, Education &amp; Public Assembly</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Gardens</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td></td>
</tr>
<tr>
<td>Meeting Facility, public or private</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td></td>
</tr>
<tr>
<td>Park, Playground (public)</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td></td>
</tr>
<tr>
<td>Public or Quasi-public Facility</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td></td>
</tr>
<tr>
<td>Transportation &amp; Infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking Facility</td>
<td>--</td>
<td>--</td>
<td>UP</td>
<td>--</td>
<td>UP</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Telecommunication Facility</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>UP</td>
<td>Section 4.40</td>
</tr>
</tbody>
</table>

**End Note**

1. Projects located in the Coastal Zone may require a Coastal Development Permit (See Section 6.20.040).
2. New construction or additions to single family dwellings north of West Grand Avenue that exceed 15 feet in height as measured in Section 3.10.030.C. require approval of a Development Permit (See Chapter 6 Procedures).

**Legend**

- **P** Permitted Use
- **UP** Use Permit Required
- **--** Use Not Allowed
**Part 3.** Article IX Development Code, Chapter 2 Zones and Allowable Uses, Section 2.30.030 Commercial Zones Allowable Land Uses and Permit Requirements, Table 2.4 is hereby amended as follows:

<table>
<thead>
<tr>
<th>Table 2.4 Commercial Zones Allowable Land Uses and Permit Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land Use</strong></td>
</tr>
<tr>
<td>Manufacturing Uses</td>
</tr>
<tr>
<td>High Technology Uses</td>
</tr>
<tr>
<td>Manufacturing - Artisan</td>
</tr>
<tr>
<td>Recreation, Education &amp; Public Assembly</td>
</tr>
<tr>
<td>Commercial Recreation Facility - Indoor</td>
</tr>
<tr>
<td>&lt; 3,000 sf</td>
</tr>
<tr>
<td>&gt; 3,000 sf</td>
</tr>
<tr>
<td>Commercial Recreation Facility - Outdoor</td>
</tr>
<tr>
<td>Health/Fitness Facility</td>
</tr>
<tr>
<td>Meeting Facility, Public or Private</td>
</tr>
<tr>
<td>&lt; 3,000 sf</td>
</tr>
<tr>
<td>&gt; 3,000 sf</td>
</tr>
<tr>
<td>Park, Playground (Public)</td>
</tr>
<tr>
<td>Public or Quasi-Public Facility</td>
</tr>
<tr>
<td>Recreational Vehicle Park</td>
</tr>
<tr>
<td>Specialized Education/Training</td>
</tr>
<tr>
<td>Studio – Art, Dance, Martial Arts</td>
</tr>
<tr>
<td>Residential</td>
</tr>
<tr>
<td>Home Occupation</td>
</tr>
<tr>
<td>Live/Work Unit</td>
</tr>
<tr>
<td>Mixed-Use Project</td>
</tr>
<tr>
<td>Multi-Family Dwelling</td>
</tr>
<tr>
<td>Residential Care Facility for the Elderly</td>
</tr>
<tr>
<td>Senior Housing</td>
</tr>
<tr>
<td>Short-Term Rental</td>
</tr>
<tr>
<td>Single Room Occupancy Facility</td>
</tr>
<tr>
<td>Retail</td>
</tr>
<tr>
<td>Adult Business</td>
</tr>
<tr>
<td>Automobile Service Station</td>
</tr>
<tr>
<td>Bar/Tavern/Night Club</td>
</tr>
<tr>
<td>Building/Landscape Materials, Indoor</td>
</tr>
<tr>
<td>Building/Landscape Materials, Outdoor</td>
</tr>
<tr>
<td>General Retail, except the following:</td>
</tr>
<tr>
<td>Land Use</td>
</tr>
<tr>
<td>----------------------------------------------</td>
</tr>
<tr>
<td>Alcoholic Beverage Sales</td>
</tr>
<tr>
<td>Drive-thru</td>
</tr>
<tr>
<td>Floor area (single tenant over 5,000 square feet)</td>
</tr>
<tr>
<td>Operating between 10:00 p.m. and 7:00 a.m.</td>
</tr>
<tr>
<td>Resale Stores</td>
</tr>
<tr>
<td>Thrift Store</td>
</tr>
<tr>
<td>Plant Nursery</td>
</tr>
<tr>
<td>Restaurant</td>
</tr>
<tr>
<td>Drive-thru</td>
</tr>
<tr>
<td>Live Entertainment</td>
</tr>
<tr>
<td>Sidewalk Seating</td>
</tr>
<tr>
<td>Vehicle Sales</td>
</tr>
<tr>
<td>Wine Tasting</td>
</tr>
<tr>
<td><strong>Services</strong></td>
</tr>
<tr>
<td>Animal Care Facility</td>
</tr>
<tr>
<td>Automated Teller Machine (ATM)</td>
</tr>
<tr>
<td>Business Support Services</td>
</tr>
<tr>
<td>Child Day Care - Day Care Center</td>
</tr>
<tr>
<td>Equipment Rental</td>
</tr>
<tr>
<td>Financial Institutions</td>
</tr>
<tr>
<td>Lodging</td>
</tr>
<tr>
<td>Massage Establishments</td>
</tr>
<tr>
<td>Medical Services - Clinic /Urgent Care</td>
</tr>
<tr>
<td>Medical Services - Doctor Office</td>
</tr>
<tr>
<td>Medical Services - Extended Care</td>
</tr>
<tr>
<td>Office – Business/Service</td>
</tr>
<tr>
<td>Office - Professional</td>
</tr>
<tr>
<td>Personal Services</td>
</tr>
<tr>
<td>Personal Services -Restricted</td>
</tr>
<tr>
<td>Repair Services – Small Equipment</td>
</tr>
<tr>
<td>Recycling – Reverse Vending Machines</td>
</tr>
<tr>
<td>Recycling – Small Collection Facility</td>
</tr>
<tr>
<td>Vehicle Rental</td>
</tr>
<tr>
<td>Vehicle Repair &amp; Services</td>
</tr>
<tr>
<td><strong>Transportation &amp; Infrastructure</strong></td>
</tr>
<tr>
<td>Parking Facility</td>
</tr>
<tr>
<td>Telecommunication Facility</td>
</tr>
</tbody>
</table>
### Table 2.4 Commercial Zones Allowable Land Uses and Permit Requirements

<table>
<thead>
<tr>
<th>Land Use</th>
<th>CB</th>
<th>CB-O</th>
<th>NC</th>
<th>OP</th>
<th>RC</th>
<th>VS/ CVS¹</th>
<th>CC¹</th>
<th>Specific Use Regulations</th>
</tr>
</thead>
</table>

#### End Note
1. Projects located in the Coastal Zone may require a Coastal Development Permit (See Section 6.20.040).
2. Use not allowed west of the Union Pacific Railroad tracks or on APN 060-011-036.
3. Use not allowed on West Grand Avenue.
4. Permitted above or behind ground floor commercial uses on West Grand Avenue.
5. Permitted if visitor-serving (e.g., automobiles or beach related vehicles). No moving trucks.
6. Telecommunication facilities are prohibited west of Highway 1, unless they are not visible from public viewing areas, meet the standards of Section 4.40.030.A.1, or such a prohibition would result in a conflict with Federal Law. (Am. Ord 14-4)

#### Legend

- **P** Permitted Use
- **AUP** Administrative Use Permit Required
- **UP** Use Permit Required
- **--** Use Not Allowed

### Part 4. Article IX Development Code, Chapter 4 Standards for Specific Development and Land Uses, Section 4.10.185 Short-Term Rentals is hereby added as follows:

#### 4.10.185 Short-Term Rentals

**A. Purpose.**

1. This Section provides standards to regulate short-term rentals where allowed by Chapter 2 (Zones and Allowable Uses). The intent of these requirements is to ensure short-term rentals are operated in a way that minimizes impacts on surrounding residential uses, provides basic life safety measures, and operate consistent with applicable sections of the Municipal Code.

2. This Section is not intended to provide any owner of a single family dwelling, multi-family dwelling, or mobile home with the right or privilege to violate any private conditions, covenants and restrictions applicable to the owner’s residence that may prohibit the use of an owner’s residence for short-term rental purposes as defined in this Section.

**B. Applicability.**

1. The provisions of this Section shall apply to all short-term rental units, including owner occupied and non-owner occupied short-term rentals. All standards of the underlying zone shall continue to apply to a permitted short-term rental. This Section does not apply to legally established lodging or bed and breakfast uses, which are regulated separately.

2. Short-term rental units shall only be allowed within a legally constructed single family dwelling, multi-family dwelling, or mobile home as defined in Section 9.10.020, except short-term rentals shall be prohibited in the following types of dwellings: live-work units, caretaker residences, and accessory dwelling units unless exempt as specified Subsection Q.
3. Short-term rentals shall be prohibited in any residence subject to an affordable housing covenant or deed restriction imposed or required by the city.

4. Short-term rentals shall be prohibited in recreational vehicles, motor homes, travel trailers, truck campers, tent trailers, boats and other similar vehicles.

C. Permit Required.

1. No person shall rent, offer to rent, or advertise for rent a residential dwelling to another person or group for a short-term rental without a short-term rental permit approved and issued in a manner provided for by this Section, except as specified in Subsection P.

2. A short-term rental permit must be renewed on an annual basis in order to remain valid. If a short-term rental permit is not renewed prior to its expiration date, it shall expire automatically. Under such conditions, the owner shall be required to apply for and obtain a new short-term rental permit, subject to the regulations and administrative rules in effect at the time an application is submitted.

3. Any proposed change to the permit conditions or material facts relating to the information contained in the permit application shall require the owner to submit a new short-term rental permit application.

4. A short-term rental permit is only valid for the address and owner on the short-term rental permit. The short-term rental permit is non-transferable to another residential unit and any change in property ownership shall require a new short-term rental permit application be submitted within 60 days.

5. A short-term rental permit shall be valid only for the number of bedrooms in existence at the time the short-term rental permit is issued. A short-term rental permit shall not authorize the use of any bedrooms in excess of those identified in the short-term rental permit. If additional bedrooms are added to the subject dwelling, a new short-term rental permit shall be required.

D. Application Requirements. The owner shall submit a short-term rental permit application, application submittal requirements, and fee approved in the City’s Master Fee Schedule.

E. Application Approval. The Community Development Director shall approve the short-term rental permit if the owner demonstrates compliance with this Section, agrees to abide by the short-term rental permit conditions, and a site inspection has verified compliance.

F. Permit Approval Notification. The City shall notify all property owners and occupants in writing within a 150 foot radius upon issuance of a short-term rental permit for a non-owner occupied short-term rental indicating the rental address, owner’s name, hotline contact information, and the maximum number of occupants allowed. No notification is required for owner-occupied short-term rentals.

G. Maximum Number. A maximum number of short-term rental units may be established by Council resolution. If a maximum number is established, a short-term rental permit application shall be reviewed and approved on a first-come, first-served basis with a waiting list for new short-term rental permits, once all authorized short-term rental permits are issued.
H. Permit and Operating Requirements. The owner shall be responsible to ensure that renters comply with all the requirements of this Section. The short-term rental shall comply with the following standards:

1. Maximum Occupancy of a Non-Owner Occupied Rental. The maximum occupancy permitted for a non-owner occupied short-term rental unit shall be limited to the following:

<table>
<thead>
<tr>
<th>Number of Bedrooms</th>
<th>Maximum Number of Renters</th>
<th>Additional Daytime Guests Allowed from 7:00 a.m. to 10:00 p.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 (studio)</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>4 or more</td>
<td>8</td>
<td>5</td>
</tr>
</tbody>
</table>

2. Maximum Occupancy of an Owner-Occupied Rental. The maximum occupancy permitted for an owner-occupied short-term rental unit shall be limited to the following:

<table>
<thead>
<tr>
<th>Number of Bedrooms</th>
<th>Maximum Number of Renters</th>
<th>Additional Daytime Guests Allowed from 7:00 a.m. to 10:00 p.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 (studio)</td>
<td>2</td>
<td>No Limit</td>
</tr>
<tr>
<td>1</td>
<td>4</td>
<td>No Limit</td>
</tr>
<tr>
<td>2</td>
<td>6</td>
<td>No Limit</td>
</tr>
</tbody>
</table>

3. Parking. The number of on-site parking spaces shall be provided as required by Development Code Section 3.50 Parking Regulations based on the type of residential unit, except that the required parking spaces may be in either a garage, carport or designated driveway with approved hardscape material. Parking spaces shall meet the minimum dimensions required by Section 3.50. Short-term rental parking shall also comply with the following:

a. If a garage is utilized as required parking, access shall be provided at all times the short-term rental is operational.

b. The property owner shall require the renters to utilize the designated on-site parking to the maximum extent feasible.

c. A site plan shall be provided to the guests indicating the location of the required on-site parking spaces and, if applicable, where parking is prohibited, such as within a common driveway. The site plan shall be posted in a conspicuous place on the inside of the premises near the front door at all times the unit is being rented.

4. Local Contact Person. Short-term rental units shall have a local contact person who is available 24-hours per day, seven days per week. The local contact person must be able to be present at the short-term rental within 30 minutes of receiving a complaint at all times the short-term rental is operational. The contact information shall be submitted to the City when an application for permit is submitted and the owner shall immediately provide the city in writing of any change to the local contact person.
5. Property Maintenance. The property shall be maintained in a neat and clean appearance at all times. The owner shall provide appropriate trash and recycling containers which must be stored in a location not visible from the street. Containers shall be placed at the appropriate pick-up location weekly, no more than 24-hours prior to pick-up, and returned to storage no more than 12-hours after pickup.

6. Good Neighbor Brochure. The property owner shall require any renter to sign an agreement acknowledging they have been provided a copy of the City's “Good Neighbor Brochure” and agree to comply with the regulations and the consequences for violating the regulations. If the rental is through a third party hosted by an on-line platform, the owner shall require the third party to provide an on-line link to the Good Neighbor Brochure and a mechanism by which a renter shall acknowledgement receipt of the Good Neighbor Brochure and agree to comply with the regulations and the consequences for violating the regulations.

7. Life Safety Measures. The following life safety measures shall be provided:
   a. Smoke detectors in each bedroom and the hall leading to the bedrooms.
   b. Carbon monoxide detector.
   c. Fire extinguisher in or near kitchen.
   d. A site plan indicating the location of the electrical, gas and water shut-off locations.
   e. If the residence has a fire sprinkler system, an annual inspection shall be made to ensure proper operation.

8. Posting Permit. The short-term rental permit shall be posted in a conspicuous place on the inside of the premises near the front door at all times the unit is being rented.

9. Noise and Conduct. The owner or the local contact person shall ensure that the renters and/or guests of the short-term rental do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate any applicable law, rule or regulation pertaining to the use and occupancy of the short-term rental. No radio receiver, musical instrument, phonograph, compact disk player, loudspeaker, karaoke machine, sound amplifier, or any machine, device or equipment that produces or reproduces any sound shall be used outside or be audible from the outside of any short-term rental between the hours of 10:00 p.m. and 7:00 a.m. The renters and/or guests shall comply with the City's Noise Ordinance at all times.

10. Signage. No on-site signage shall be allowed to advertise short-term rentals.

11. Advertising Requirements. All advertisements for short-term rentals shall include the city's short-term rental permit number and the maximum permitted overnight occupancy as stated on the approved short-term rental permit.

12. Payment of Transient Occupancy Tax. The owner shall pay the transient occupancy tax in compliance with Municipal Code Article X Chapter 6 and the Administrative Rules. Payment of transient occupancy tax shall be required upon the effective date of the ordinance. The owner may submit payment of the transient occupancy tax directly to the City or make payment through a short-term rental platform that has a current agreement with the City.

13. Business Tax Certificate. The owner of a short-term rental that has an active short-term rental permit shall have a valid Business Tax Certificate at all times.
14. **Compliance with laws.** The owner shall ensure that the short-term rental is operated in a manner that complies with all applicable federal, state and local laws, rules and regulations and private governing documents, including, without limitation, conditions, covenants and restrictions ("CC&Rs") that are valid and enforceable pursuant to the Davis-Stirling Common Interest Development Act, as set forth in California Civil Code Section 4000 et seq., pertaining to the use and occupancy of the short-term rental.

15. Additional conditions or requirements may be required as determined by the Community Development Director to achieve the purpose and intent of this Section.

I. **Rental Agreements.** The owner 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 rental agency, or hosted on-line platform, which agreement shall, at a minimum, include the following:

1. The name, address, mobile phone, and email address of the renter.

2. The terms and conditions of the rental agreement, including occupancy limits.

3. Acknowledgment by the renter that he or she is legally responsible for compliance by all renters and any guests of the short-term rental with the requirements of this Section and the terms of the rental agreement.

4. Acknowledgment by the renter they have reviewed the Good Neighbor Brochure as specified in Subsection H.6.

5. Acknowledgment and agreement that the City may inspect the short-term rental property for cause upon 24-hour notice.

J. **Owner Responsibilities.** An owner may authorize an agent to comply with the requirements of this Section on behalf of the owner. However, the owner shall not be relieved from any personal responsibility and personal liability for noncompliance with any applicable law, rule or regulation pertaining to the use and rental of the short-term rental, regardless of whether such noncompliance was committed by the owner's authorized agent, local contact person, renter or guest of the short-term rental.

K. **Violations.**

1. **Notice of Violation.** The City may issue a notice of violation to the owner, local contact person, renters, or guests pursuant to Municipal Code Article I, Chapter 4, if a violation of this Section is committed, caused or maintained by any of the above parties.

2. **Responding to Hotline.** The City may issue a notice of violation to the owner if the local contact person fails to respond when contacted by the hotline.

3. **Administrative Citation.** The City may issue an administrative citation to the owner, local contact person, renters, or guests pursuant to Municipal Code Article I, Chapter 4, if a violation of this Section is committed, caused or maintained by any of the above parties. Nothing in this Section shall preclude the City from also issuing an administrative citation upon the occurrence of the same offense on a separate day. Unless otherwise provided herein, any person issued an administrative citation pursuant to this Section shall for
each separate violation be subject to the following fines: (1) an administrative fine in an amount of $500 for the first citation; (2) an administrative fine in an amount of $750 for a second citation issued within a 24 month period of the date of the first offense; and (3) an administrative fine in an amount of $1,000 for a third and any subsequent citation issued within a 24-month period of the date of the first offense. Notwithstanding the above, operating a short-term rental without a validly issued short-term rental permit in good standing shall be subject to: (1) a fine in an amount of $500 for the first citation; (2) a fine in an amount of $1,000 for a second and any subsequent citation issued for operating without a short-term rental permit.

4. Infraction. The City may issue an infraction citation to the owner, local contact person, renters, or guests pursuant to Municipal Code Article I, Chapter 2, including, but not limited to, the imposition of any and all criminal penalties set forth therein if there is any violation of this Section committed, caused or maintained by any of the above parties. Nothing in this Section shall preclude the City from also issuing an infraction citation upon the occurrence of the same offense on a separate day. Unless otherwise provided herein, any person convicted of an infraction shall, for each separate violation of this Section be subject to: (1) a fine in an amount of $500 for a first conviction of an offense; (2) a fine in an amount of $750 for a second conviction within a 24-month period of the date of the first offense; and (3) a fine in an amount of $1,000 for the third conviction within a 24-month period of the date of the first offense. Notwithstanding the above, operating a short-term rental without a validly issued short-term rental permit in good standing shall be subject to: (1) a fine in an amount of $500 for a first conviction of an offense; (2) a fine in an amount of $1,000 for a second and any subsequent conviction for operating without a short-term rental permit.

5. Additional Conditions. A violation of any provision of this Section by the owner, local contact person, renters, or guests shall authorize the Community Development Director, to impose additional conditions on the use of any given short-term rental to ensure that any potential additional violations are avoided.

6. Permit Modification, Suspension and Revocation. Unless otherwise provided in this Section, a violation of any provision of this Section by the owner, local contact person, renters, or guests shall constitute grounds for modification, suspension and/or revocation of the short-term rental permit and/or any affiliated licenses or permits.

7. Public Nuisance. It shall be a public nuisance for any person to commit, cause or maintain a violation of this Section.

L. Permit Revocation. A short-term rental permit may be revoked under any of the following conditions:

1. The City issues three or more violations related to the operation of the short-term rental within any two-year period.

2. The short-term rental is found to be noncompliant with any portion of this Section, the Administrative Rules, or the short-term rental permit conditions.

3. Abandonment of the use for a period of 12 months or more (demonstrated by a lack of payment of transient occupancy taxes).
4. Failure to pay a citation related to operation of a short-term rental within 15 days of issuance.

5. The owner provided materially false or misleading information in any submittal required by this Section.

6. Any instance of transient occupancy tax fraud or transient occupancy tax delinquency of more than three months.

7. Credible evidence is presented to the City, after issuance of a short-term rental permit, that there are private governing documents, including, without limitation, conditions, covenants and restrictions ("CC&Rs") that are valid and enforceable pursuant to the Davis-Stirling Common Interest Development Act, as set forth in California Civil Code Section 4000 et seq., which prohibit the use of the dwelling for short-term rental purposes, as defined in this Section, the owner shall have thirty days after being notified of receipt of such evidence by the city to provide written authorization from the owner’s homeowner association that allows the owner to continue to use the owner’s property for short-term rental purposes until expiration of the current short-term rental permit. If no such written authorization is provided as set forth herein, the owner’s short-term rental permit shall be summarily revoked.

8. A permanent ban on the rental of the subject short-term rental pursuant to an order issued by a court of competent jurisdiction.

9. If the subject property lacks adequate onsite parking, or impedes ingress and/or egress access to the subject property or adjacent properties.

M. Permit Revocation Process. If a short-term rental permit is revoked, the following applies:

1. The Community Development Director shall notify the property owner in writing that the short-term rental permit has been revoked and specify the reasons for the revocation.

2. A property that has a short-term rental permit revoked cannot reapply for a period of two years.

3. Notification shall be sent to all owners and occupants within 150 feet of the subject short-term rental of any revocation.

4. A decision by the Community Development Director to revoke a short-term rental permit is appealable to the Planning Commission as specified in Section 7.20 Appeals.

N. Denial of Permit. A short-term rental permit may be denied for the following reasons:

1. At the time the short-term rental permit application or annual permit renewal is submitted, the short-term rental property has an active code violation related to structures, land use or life safety issues.
2. The owner has had a prior short-term rental permit suspended or revoked, or has been cited for violating any provision of this Section or the Municipal Code related to the use or maintenance of the property of the short-term rental in the prior two years.

3. Failure to make transient occupancy tax payments in accordance with Municipal Code Article X, Chapter 6 or the Administrative Rules.

4. There is credible evidence that there are any private governing documents, including, without limitation, conditions, covenants and restrictions (“CC&Rs”) that are valid and enforceable pursuant to the Davis-Stirling Common Interest Development Act, as set forth in California Civil Code Section 4000 et seq., which prohibit the use of such owner’s single-family dwelling, multi-family dwelling, or mobile home for short-term rental purposes as defined in this Section.

5. If the subject property lacks adequate onsite parking, or impedes ingress and/or egress access to the subject property or adjacent properties.

6. The owner fails to provide any of the required application information or demonstrate compliance with the requirements of this Section or the Administrative Rules.

O. Administrative Rules. The City Manager, or designee, shall have the authority to establish administrative rules and regulations consistent with the provisions of this Section for the purpose of interpreting, clarifying, carrying out, furthering, and enforcing the requirements and the provisions of this Section, and establishing procedures for complaints. A copy of such administrative rules and regulations shall be on file in the office of the city clerk and posted on the city’s website.

P. Effect of Ordinance on Existing Short-Term Rentals. All owners advertising or operating a short-term rental property on the effective date of the ordinance enacting this Section shall have 60 days from the effective date to submit a short-term rental permit application in compliance with this Section. Failure to submit a short-term rental permit application in compliance with this Section shall result in the owner not being eligible to apply for a short-term rental permit or be authorized to operate a short-term rental for a six-month period after the expiration of the 60 day application period.

Q. Effect of Ordinance on Existing or Proposed Accessory Dwelling Units. Accessory dwelling units and second residential dwellings that are existing, under construction, or in building plan review prior to the adoption of this ordinance may be used as a short-term rental.

R. Definitions. Definitions for this Section are in Development Code Section 9.10.050.

Part 5. Article IX Development Code, Chapter 6 Procedures, Section 6.10.020 Authority for Land Use and Zoning Decisions is hereby amended as follows:

Table 6.1 (Review Authority), below, identifies the Review Authority responsible for reviewing and making decisions on each type of development application required by this Development Code.
<table>
<thead>
<tr>
<th>Type of Action</th>
<th>Code Section</th>
<th>Review Authority</th>
<th>Director</th>
<th>Commission</th>
<th>Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Plan Amendment</td>
<td>7.30</td>
<td>Recommend</td>
<td></td>
<td>Recommend</td>
<td>Decision</td>
</tr>
<tr>
<td>Local Coastal Program Amendment</td>
<td>7.30</td>
<td>Recommend</td>
<td></td>
<td>Recommend</td>
<td>Decision</td>
</tr>
<tr>
<td>Development Code Amendment</td>
<td>7.30</td>
<td>Recommend</td>
<td></td>
<td>Recommend</td>
<td>Decision</td>
</tr>
<tr>
<td>Coastal Development Permit</td>
<td>6.20.040</td>
<td>Recommend(^2)</td>
<td>Decision</td>
<td></td>
<td>Appeal</td>
</tr>
<tr>
<td>Development Permit</td>
<td>6.20.060</td>
<td>Recommend</td>
<td></td>
<td>Decision</td>
<td>Appeal</td>
</tr>
<tr>
<td>Use Permit</td>
<td>6.20.090</td>
<td>Recommend</td>
<td></td>
<td>Decision(^3)</td>
<td>Appeal(^3)</td>
</tr>
<tr>
<td>Variance</td>
<td>6.20.100</td>
<td>Recommend</td>
<td></td>
<td>Decision</td>
<td>Appeal</td>
</tr>
<tr>
<td>Administrative Development Permit</td>
<td>6.20.020</td>
<td>Decision</td>
<td></td>
<td>Appeal</td>
<td>Appeal</td>
</tr>
<tr>
<td>Administrative Use Permit</td>
<td>6.20.030</td>
<td>Decision</td>
<td></td>
<td>Appeal</td>
<td>Appeal</td>
</tr>
<tr>
<td>Home Occupation Permit</td>
<td>6.20.070</td>
<td>Decision</td>
<td></td>
<td>Appeal</td>
<td>Appeal</td>
</tr>
<tr>
<td>Short-Term Rental Permit</td>
<td>4.10.185</td>
<td>Decision</td>
<td></td>
<td>Appeal</td>
<td>Appeal</td>
</tr>
<tr>
<td>Temporary Use Permit</td>
<td>6.20.080</td>
<td>Decision</td>
<td></td>
<td>Appeal</td>
<td>Appeal</td>
</tr>
<tr>
<td>Interpretations</td>
<td>1.10.050</td>
<td>Decision</td>
<td></td>
<td>Appeal</td>
<td>Appeal</td>
</tr>
</tbody>
</table>

Note:
1. The decision by the City Council does not take effect until it is certified by the California Coastal Commission.
2. The Director may approve a Coastal Development Permit in compliance with Section 6.20.040.
3. The City Council shall be the Review Authority for Use Permits for Commercial Cannabis Retailer and Microbusinesses with retailer uses.

**Part 6.** Article IX Development Code, Chapter 6 Procedures, Section 6.20.075 Short-Term Rental Permit is hereby added as follows:

**6.20.075 Short-Term Rental Permit**

Refer to Section 4.10.185.

**Part 7.** Article IX Development Code, Chapter 6 Procedures, Section 6.30.080 Permit Revocations is hereby amended as follows:

A. **Permit Revocations.** The City’s action to revoke a permit or approval shall have the effect of terminating the permit or approval and denying the privileges granted by the original approval.

B. **Hearing and notice required.** The Commission shall hold a public hearing to revoke a permit or approval granted in compliance with the provisions of this Development Code. The hearing shall be noticed and conducted in compliance with Section 7.10 (Public Hearings).
   1. Ten days before the public hearing, notice shall be mailed or delivered to the applicant being considered for revocation and the property owner of the site.
   2. **Exceptions.**
a. The only exception to the 10-day notice provision shall be for Temporary Use Permits, which shall only require a 24-hour notice, because of their short-term nature.

b. Short-Term Rental Permits.

C. Findings

1. Permits. A Use Permit or other development permit or approval (except a Variance, see Subsection 2., below) may be revoked by the Commission, if it makes any one of the following findings:

   a. Circumstances under which the permit or approval was granted have been changed by the applicant to an extent that one or more of the findings that justified the original approval can no longer be made, and the public health, safety, and welfare require revocation.

   b. The permit or other approval was granted, in whole or in part, on the basis of a fraud, misrepresentation, or omission of a material statement in the application, or in the applicant’s testimony presented during the public hearing, for the permit or approval.

   c. One or more of the conditions of the original permit or approval have not been substantially fulfilled or have been violated.

   d. The approved use or structure has ceased to exist or has been suspended for a period in excess of 12 months.

   e. An improvement authorized in compliance with the permit or approval is in violation of any applicable code, law, ordinance, regulation, or statute.

   f. The improvement/use allowed by the permit or approval has become detrimental to the public health, safety, or welfare or the manner of operation constitutes or is creating a nuisance.

2. Variances. A Variance may be revoked by the Commission, if the Commission makes any one of the following findings, in addition to any one of the findings specified in Subsection 1, above:

   a. Circumstances under which the original approval was granted have been changed by the applicant to a degree that one or more of the findings contained in the original approval can no longer be made in a positive manner, and the grantee has not substantially exercised the rights granted by the Variance.

   b. One or more of the conditions of the Variance have not been met, or have been violated, and the grantee has not substantially exercised the rights granted by the Variance.

**Part 8.** Article IX Development Code, Chapter 9 Definitions, Section 9.10.020 is hereby amended as follows:
**Bed and Breakfast Inn (B&B).** The use of a single residential structure with three up to five bedrooms that are used for the purpose of lodging transient guests. No meals may be prepared or sold to persons other than overnight guests.

**Part 9.** Article IX Development Code, Chapter 9 Definitions, Section 9.10.050 Short-Term Rental Definitions are hereby added as follows:

### 9.10.050 Short-Term Rental Definitions

"Advertise", “Advertisment” or “Advertising” shall mean the publication of any statements, phrases, words, photographs, drawings or other images for the purpose of informing any member of the public of the ability or availability to use a specific dwelling unit for short-term rental purposes, as described in this Section. For purposes of this definition, publication shall include but not be limited to verbal, written, printed, electronic, televised or broadcast set forth or contained in any newspaper, magazine, newsletter, website, solicitation, handbill, business card, flyer, outdoor advertising display, billboard, cable, satellite or digital radio or television broadcast, social networking site or any other electronic and digital media.

“Applicable laws, rules and regulations” means any federal, state and local laws, rules, and regulations and private governing documents, including, without limitation, conditions, covenants and restrictions (“CC&Rs”) that are valid and enforceable pursuant to the Davis-Stirling Common Interest Development Act, as set forth in California Civil Code Section 4000 et seq., pertaining to the use and occupancy of a privately owned single-family dwelling, multi-family dwelling or mobile home as a short-term rental.

“Bedroom” means any habitable room normally occupied with no less than 70 square feet of floor area and no horizontal dimension less than seven feet with at least one wall located along an exterior wall with a window and equipped with a heating source as required by the California Building Code.

“Good Neighbor Brochure” means a document prepared by the City that summarizes the general rules of conduct and applicable short-term rental regulations to be adhered to by renters.

“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. Guests shall only be allowed at the short-term rental between the hours of 7:00 a.m. and 10:00 p.m.

“Hotline” means the telephonic service operated by or for the city for the purpose of receiving complaints regarding the operation of any Short-Term Rental and forwarding the complaints to the local contact person.

“Local Contact Person” means the person designated on the short-term rental permit who shall be available 24-hours a day, seven days a week for the purpose of responding in-person to the short-term rental site within 30 minutes of receiving a complaint regarding the condition, operation, or conduct of guests and is authorized by the owner to take remedial action and who responds to violations.

“Non-Owner Occupied Short-Term Rental” is a short-term rental in which the owner does not reside in the residence during the time a renter is occupying the residence.
“Owner Occupied Short-Term Rental” is a short-term rental in which the owner resides in the residence during the time a renter is occupying the residence and no more than two bedrooms shall be occupied by renters. If more than one residential dwelling exists on a property, only the residence in which the owner resides shall be an owner-occupied short-term rental.

“Owner” means the person or entity holding legal title and/or equitable title to the real property that is the subject of a short-term rental permit. The owner may allow a person to act as their authorized agent.

“Renter” means a person renting or occupying a short-term rental property in accordance with the terms of this Section. For purposes of this Section, “renter” shall have the same meaning as “transient,” as defined in Municipal Code Article X Chapter 6.

"Short-term rental" or "STR" shall mean the rental of a private residence, or any portion of the private residence, for less than thirty or less consecutive days for which a rental contract for occupancy has been made which the short-term rental use is permitted to operate, pursuant to a current and valid short-term rental permit on file with the city. A short-term rental may be either an owner-occupied or non-owner occupied short term rental.

Part 10. Severability. The City Council declares that, should any provision, section, paragraph, sentence or word of this ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this ordinance as hereby adopted shall remain in full force and effect.

Part 11. Repeal of Conflicting Provisions. The provisions of this ordinance shall govern and supersede any other provisions of the Grover Beach Municipal Code as heretofore adopted by the City of Grover Beach that are in conflict with the provisions of this ordinance.

Part 12. Effective Date. This Ordinance shall not become effective and in full force and effect until 12:01 a.m. on the thirtieth day after adoption by the City Council, or 12:01 a.m. on the day after final certification by the California Coastal Commission, whichever occurs later. However, within fifteen (15) days after adoption by the City Council, the Ordinance shall be published once, together with the names of the Council Members voting thereon, in a newspaper of general circulation within the City.

INTRODUCED at a regular meeting of the City Council held on ______ and PASSED, APPROVED, and ADOPTED by the City Council on ____, on the following roll call vote, to wit:

AYES: Council Members -
NOES: Council Members -
ABSENT: Council Members -
ABSTAIN: Council Members -
RECIUSED: Council Members -
**DRAFT**

JEFF LEE, MAYOR

Attest:

WENDI SIMS, CITY CLERK

Approved as to Form:

DAVID P. HALE, CITY ATTORNEY
RESOLUTION NO. 19-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH
AUTHORIZING AND DIRECTING THE COMMUNITY DEVELOPMENT DIRECTOR
TO SUBMIT THE LOCAL COASTAL IMPLEMENTATION AMENDMENT
ASSOCIATED WITH ORDINANCE NO. 19-XX TO THE
CALIFORNIA COASTAL COMMISSION FOR FINAL CERTIFICATION

WHEREAS, the Local Coastal Program Amendment associated with Ordinance 19-XX
would amend the City’s Development Code to regulate short-term rentals; and

WHEREAS, the Ordinance requires a Local Coastal Program Amendment because it is
amending Development Code Chapters 2, 3, 6, and 9; and

WHEREAS, the Local Coastal Program Amendment is intended to be carried out in a
manner that is fully in conformity with the Coastal Act; and

WHEREAS, the Planning Commission held a public hearing on May 22, 2019 and
recommended the City Council approve the Development Code Amendment and Local Coastal
Program Amendment; and

WHEREAS, the amendments are not a project within the meaning of the California
Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and
CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.) Section 15378
because the amendments will not result an direct or indirect physical change in the
environment; and

WHEREAS, the City Council at its meeting on June 3, 2019 conducted the first reading
of Ordinance 19-XX; and

WHEREAS, the City Council at its meeting on __________, 2019 adopted Ordinance
19-XX; and

WHEREAS, the proposed Local Coastal Program Amendment will take effect
automatically upon final certification by the Coastal Commission unless revisions are made by
the Coastal Commission.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grover
Beach DOES HEREBY AUTHORIZE AND DIRECT the Community Development Director to
submit a Development Code amendment to regulate short-term rentals associated with
Ordinance No. 19-XX, to the California Coastal Commission for final certification.
On motion by Council Member ________, seconded by Council Member ________, and on the following roll-call vote, to wit:

| AYES: | Council Members - |
| NOES: | Council Members - |
| ABSENT: | Council Members - |
| ABSTAIN: | Council Members - |
| RECUSED: | Council Members - |

the foregoing RESOLUTION NO. 19-__ was PASSED, APPROVED, and ADOPTED at a regular meeting by the City Council on ________, 2019.

**DRAFT**

JEFF LEE, MAYOR

Attest:

WENDI SIMS, CITY CLERK
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/
**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.

**Occupy 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.

<table>
<thead>
<tr>
<th>Number of Bedrooms (sleeping rooms)</th>
<th>Please park on the property to the extent possible – Limit Cars parked on the street as follows:</th>
<th>Total # Overnight Occupants (9 p.m. to 7 a.m.)</th>
<th>Additional Daytime Occupants (7 a.m. to 9 p.m.)</th>
<th>Total Daytime Occupants (7 a.m. to 9 p.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>4</td>
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<td>5</td>
<td>3</td>
<td>12</td>
<td>6</td>
<td>18</td>
</tr>
</tbody>
</table>

**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.
Dear Mayor and Councilmembers,

Thank you for your attention to what is a complex process and difficult to know how to regulate it. Unfortunately, I cannot be at the meeting Monday night to speak during public comment. I have had experience of short term rentals here in Grover Beach, out of state, even abroad, as a guest and an owner for 16 months now. I’m hoping that my experience of STRs can help create a straightforward ordinance.

1. Have the City work with VRBO and Airbnb to have TOT paid directly to the City.

2. There is no distinction between residential and commercial neighborhoods and mixed-use buildings. For instance, there are three STRs operating on S. 3rd St. This is commercial zoning. Some of the rules should differ according to zoning, i.e. no signs allowed in residential, but what about commercial? (not that I personally would want to have one.) S. 3rd St. is in the Commercial Coastal Visitor Serving zone where boutique businesses and exactly this kind of visitor-serving have been the vision of the City and also the Coastal Commission.

3. A $300 permit fee plus a business license and perhaps recouping more staff costs. Owners have had too many increases from the city: 20% increase in TOT, business license, increase in property taxes for streets bond. Setting up a structure as proposed sets up owners for even more costs to be passed to them This will be a barrier to entry to some people. How much will the fees really be? Will there be a charge for the Community Development Department or Code Compliance Officer to inspect? What will the total cost be for owners?

4. You could forgo this in commercial zones. Does owner-occupied apply to second homes where the owners stay there sometimes and rent it out when they are not there? Section 4.10.185.F. Permit Approval Notification. This section indicates that the City will notify all property owners and occupants in writing within a 150 foot radius upon issuance of a short-term rental permit indicating the rental address, owner’s name, 24-hour hotline number, and the maximum number of occupants allowed. As an alternative, the Council could require the notification only for non-owner occupied STRs based on the owner-occupied STRs continuing to operate as the primary residence.
5. Almost impossible to determine ages and to limit them online. **Section 4.10.185.H. Permit and Operating Requirements.** Based on Council direction, the maximum number of renters for a non-owner occupied short-term rental would be two renters per bedroom plus two additional renters under the age of 16. It’s not unreasonable to offer a sofa bed in a living room for a night or two, regardless of age.

6. What if the owner wants to do a house exchange, or go out of town and rent their home out while out of town? What if they have 4 bedrooms? Why are they discriminating against owner-occupants? Owner-occupied are the LEAST likely to put someone on a sofa bed in a non-bedroom because the owners are also using the living room. Better to let them use an additional bedroom if they have one! Owner-occupied STRs would be limited to renting a maximum of two bedrooms. Owner-occupied STRs would be limited to two renters per bedroom and two additional renters, with a maximum of six renters for a two bedroom STR. The Council could consider reducing the number of renters and/or place limitations on the number of guests for owner-occupied STRs. The Development Code currently allows bed and breakfast inns in all residential zones subject to approval of a Use Permit. Staff is unaware of any operating bed and breakfasts in the city and the evolution of short-term rentals has likely replaced bed and breakfasts. However, based on staff’s recommendation to limit owner-occupied STRs to a maximum of two bedrooms, staff is recommending the definition of bed and breakfasts be revised to indicate that it would apply to the short-term rental of three or more bedrooms. This would differentiate the owner-occupied STR of two bedrooms but still allow an owner to apply for a bed and breakfast if they wanted to have three or more bedrooms available for rent.

7. The example brochure they presented will be hard to get people to read because it’s too long. **Section 4.10.185.I. Rental Agreements.** This section requires the owner to enter into a written contract with basic information and that the renter acknowledge they have read the Good Neighbor Brochure.

8. Police have managed noise and parking issues. We don’t need a whole new system. **STR Permit and Annual Renewal Fee** The initial STR Permit will require a review by staff of the application materials, research to determine the STR residence was legally constructed, and a site inspection to verify compliance with the regulations. As a result, the initial STR Permit would be approximately $300, which includes approximately $100 associated with the one-time review and inspection and approximately $200 for the ongoing regulatory oversight discussed below. The STR Permit annual renewal fee would cover the costs associated with the ongoing regulatory oversight which would include a third party vendor hired by the City to continually monitor all STRs operating in the city, operate a 24-hour hotline for complaints.

9. We may not be able to get email and phone number for the contract due to restrictions of online platforms. The online platforms block phone numbers and emails if they are entered. Re entry notice of 24 hours will be obsolete when one-night guests aren’t even there for 24 hours. **I. Rental Agreements.** The owner 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 rental agency, or hosted online platform, which agreement shall, at a minimum, include the following: 1. The name, address, mobile phone, and email address of the renter. 5. Acknowledgment and agreement that the City may inspect the short-term rental property for cause upon 24-hour notice.

10. We cannot advertise on site. This definition says we can't advertise at all. If that's the case, there will be no short term rentals. "Advertise”, “Advertisement” or “Advertising” shall mean the publication of any statements, phrases, words, photographs, drawings or other images for the purpose of informing any member of the public of the ability or availability to use a specific dwelling unit for short-term rental purposes, as described in this Section. For purposes of this definition, publication shall include but not be limited to verbal, written, printed, electronic, televised or broadcast set forth or contained in any newspaper, magazine, newsletter, website, solicitation, handbill, business card, flyer, outdoor advertising display, billboard, cable, satellite or digital radio or television broadcast, social networking site or any other electronic and digital media.

Thanks for taking the time to read my input.

Debbie Peterson, Broker
BRE License No. 01257839
Grover Beach, CA 93433
PetersonTeam@charter.net
Like Us on Facebook @DebbiePetersonTeam
I am writing this letter in response to the Short Term Rental Regulatory Framework meeting that was held on 4/1/19. Since my concerns would take more than the 3 minute time allowed I have drafted this document which I hope you will consider in the development of the new policy.

I am in favor of a STR ordinance but it must encompass all aspects of the safety, security and preservation of the city's citizens and homeowners. I also understand that this policy along with several others is a way to collect and generate desperately needed income for our city. I think both issues can be accomplished with some short term and long term planning and ideas. Other cities have done this successfully and there is no reason we cannot do the same. I think it is wise to look at the other cities policies and see how they are working and if we need to adopt or amend similar policies.

I have itemized my concerns below and tried to be concise and clear, however if you have any questions or concerns I am very happy to either meet with you personally or via some other form of communication

1. Limitation of total units allowed
   All of our neighboring cities have a limitation on the total number of units allowed. This is for a very good reason. Unlimited proliferation of STRs does cause devaluation of property values and neighborhood preservation. According to the copy of the City Staff report dated 1/22/19 57.9% of GB residential units are non-owner occupied. If just half of those became STRs then that means that almost 30% of the city would be STRs. GB is a small city with no more room for growth, so I think a limitation to 10% of the total residential units would be practical. Also by limiting the number of units allowed it would help enforce the allowed units to maintain and adhere to policy out of fear of losing their permit and having to wait an undetermined length to get another one.

2. Proximity limitations
   The reason for this is the same as above regarding neighborhood preservation. Having many STRs within close proximity of each other alters the character of the neighborhood and reduces property values. Several members of the council expressed their tribulations with STRs in their areas which would only get worse if unregulated. Imagine having STRs on both sides of you and behind or across the street. Most homeowners who do STRs do it for the income. They often do not have the income to properly maintain the property nor regulate the tenants. They are basically running an unlicensed hotel with the benefit of not paying for a business license.

3. Regulation vs additional costs to the city
   I heard some concern as to implementing these ideas would create additional drain of limited city resources and staff. However other cities have managed to do this without significant increase in costs. It would be very simple for the city to create a spreadsheet and map of where each permitted unit is located. Then by a few simple clicks of a mouse and circle could be drawn around each one to tell you if another unit is within the limitations of the ordinance. Also fines should be steep and strictly enforced. This would ensure those in charge of the STRs are
complying and managing the units as intended which would put less strain on city resources. In addition permits should be renewed on an annual basis, with a limited time frame and additional expense for late renewals. Permits should be void if property transfers title. The fees generated from the policy should be more than sufficient to cover any costs to the city.

I have been in the real estate business for over 40 years. I was an asset manager in the foreclosure department at Great Western Bank. I was responsible for central California which included SLO County. I have seen the area grow and prosper but also have seen the mistakes that have been made. It is my hope that I can contribute to the continued growth of the area and help avoid making costly decisions. Even though GB is small and lacks some of the natural resources of the other towns, we have an opportunity to become a beautiful, welcoming and desirable community. We can attract new businesses and increase property values which would add additional revenue for the city.
ATTENTION: This email originated from outside the City of Grover Beach. Use caution with links and attachments

Mayor Pro Tem Shah, thank you for taking our concerns to heart and getting back to us as soon as you did. I went to the city today and confirmed with a representative from planning that our new structure is in fact considered an accessory dwelling unit. According to her it would be subject to the rules currently proposed regarding STR's as they don't make any exceptions for structure size, owners on-site, etc. Our new home is 1000 sqft. 2 bed, 2 bath. It has it's own backyard that we would landscape before renting out short term, as well as room to park multiple vehicles off the street. As I mentioned in my previous email, our intention was only ever to be able to recoup our additional monthly costs from the build, while retaining control of both homes for friends and family to visit. Our main home is only 1200 sqft. 2 bed, 2 bath, so having family stay can be pretty uncomfortable. My wife Sylvia and I are supportive of regulations that protect the people of Grover Beach from the pitfalls of excessive tourism. We are sympathetic to anyone not wishing to live next to an absentee owner STR, or potentially two STR's in the case a property owner wants to live elsewhere and rent out a home they own with an ADU as a vacation rental. That isn't what we want for this city, what we'd want from a neighbor, or anything we would be interested in doing with our property. We currently rent our main home out as an STR (we live in the accessory) and we have only positive reviews from our guests and neighbors. Our goal is to someday move back into the main home and oversee the rental of the addition while still living full time on the property. Should we (as owners on-site) be allowed to do this, you can rest assured we would be in full compliance with all city mandates regarding inspections, fees, licensing, etc. Thank you again for your time, and for being accessible to input from the public!

Sincerely
Jeff and Sylvia Bohrer
Grover Beach CA
93433

Hi Mr. Bohrer,

Thank you so much for your input. Our staff suggested banning STR's in the case of Accessory Dwelling Units (ADU's), but when I asked about this, they assured me that this was a rather new designation created by state law to encourage additional long term housing. I am thinking, although I cannot confirm, that your unit would likely qualify as a guest unit with the owner on sight. As a council, we recognized that owner-occupied units such as yours certainly
do pose less risk and hassle for neighbors. As such, we instructed staff to make fees on these units as minimal as possible and not to set a limit on the number of owner-occupied STR's allowed in Grover Beach. (We suggested limiting the # of non-owner occupied units to 50.) Staff will be bringing this item back to the city council in the next few weeks. I would encourage you to check with the community development department on how exactly your unit would be categorized, and then weigh in on the ordinance from there. If the proposed version of the ordinance does in fact limit your ability to use / rent your unit, that is certainly something I would want to know and consider.

Thank you again, Mariam Shah, Mayor Pro Tem

From: Jeff Bohrer
Sent: Saturday, May 11, 2019 9:51 AM
To: Mariam Shah
Subject: Letter concerning new short term rental policies

ATTENTION: This email originated from outside the City of Grover Beach. Use caution with links and attachments

Hello, my name is Jeff Bohrer and I'm a homeowner in Grover Beach. My wife Sylvia and I have been following the proceedings related to new regulations on short term rentals closely. We've both attended council meetings to voice our thoughts on the matter and stay informed on the decisions of the council moving forward. The most current draft of policies touches on secondary dwelling units, and since there may not be another opportunity for the public to address the issues before rules are implemented, I thought it necessary to reach out via email on this. For the past several years my wife and I have worked very hard and jumped through every hoop imaginable to build a second home on our property as a guest house. We have nearly 3/4ths of an acre and very little of the property was being used, so it seemed like a smart thing to do. We invested over $200k dollars on this additional unit, and have taken on costs of roughly $2k dollars per month in addition to our primary home's mortgage to make this secondary dwelling a possibility. We built the secondary dwelling with the intention of someday using it as a STR, and nothing in the city's framework at the time we invested our resources in the home suggested we wouldn't be able to do that. Our intention was always to live on the property in the primary home, and operate an STR as a way to afford the additional investment. We feel that living on the property gives us an exceptional level of control regarding how renters behave while they're staying, and our neighbor's happiness is a genuine priority for us. Those of us who have struggled to build additional dwellings and gone about it the right way with all applicable permits and inspections shouldn't be prevented from a viable and mutually beneficial way of recouping our building costs. The intention of our addition was always to serve as a guest house, and we do not want full time renters as we prefer to have access to both homes. If the city chooses to ban STR's altogether in additional dwellings, the
likelihood of people operating "rogue" STR's with no city oversight or generated tax money increases exponentially. Because STR's in additional dwellings on owner occupied properties represent a safer, and more neighbor friendly alternative to absentee owner STR's, I would ask the council to consider allowing for STR's in additional dwellings for homeowners who reside on the property. STR's are a great asset to the city provided they are operated responsibly, and I believe this setup allows for the best possible scenario for neighbors and the community. Thank you for your time and consideration. We look forward to working with the council in adopting sensible and mutually beneficial policies regarding STR's in the near future.

Sincerely
Jeff Bohrer
Grover Beach CA
93433

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Hello Wendi

I do have a 3 bedroom and allow up to 8 as I allow inflatable beds. The maximum I allow is 8 period.

Ninette

Sent from Yahoo Mail for iPad

On Thursday, May 2, 2019, 4:29 PM, Wendi Sims <wsims@groverbeach.org> wrote:

**Sent via email only**

Attn: At the request of the Community Development Department, links to the following information posted on the City website is being forwarded to you:

• Grover Beach City Council - "Meeting Agenda"

• Review of Draft Short-Term Rental Ordinance – Agenda Item No. 9

If you have questions regarding this information, please contact Community Development Director Bruce Buckingham at (805) 473-4520 or by email to comdev@groverbeach.org.

On behalf of the Community Development Department,

Respectfully,

Wendi Sims
Bruce Buckingham,

We are the Architectural Committee that enforces the Covenants, Conditions & Restrictions for our quiet 55+ Senior community in the Golden West Gardens, Grover Beach. (Includes Lynne, Rebecca, Janet, Anita, Jennifer and Shanna streets.)

Our CC&Rs state that all units are to be used for residential purposes only, and of course, all residents (with a few exceptions) are to be 55 years or older.

It would be an immense help to us if the city eliminated short-term rentals in the senior community of Golden West Gardens that has restrictive CC&Rs.

It is advantageous for Grover Beach to apply and enforce regulations for short-term rentals and collect its respective fees. Any updating and enforcement standards would be welcome. Including referencing CC&R compliance would be very much appreciated.

Should you have any questions or comments, please contact us.

Thank you.

Pam Oberkamp (805-459-5928 after 10am)

Golden West Gardens Architectural Committee
goldenwestgardens@yahoo.com
P.O. Box 912, Oceano, CA 93475-0912
Victor J., Manuel O. and Pam O.