City of Grover Beach
Short-Term Rental Ordinance

Bruce Buckingham, Community Development Director
May 22, 2019
Short-Term Rental Ordinance

Background

- 2018-19 Council Goal for Neighborhood Preservation includes regulating short-term rentals in the city
- Currently no ordinance or regulations specific to short-term rentals (STRs)
- Short-Term Rentals defined as residential rental of less than 30 days
- STRs required to pay 12% TOT
- Purpose of the STR ordinance
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Background

- In January Council had first meeting to discuss policy options
- In April Council reviewed a regulatory framework and directed staff to draft a STR ordinance
- In May Council reviewed the draft ordinance and directed staff to make refinements to the ordinance
- Staff has incorporated Council comments and finalized for Commission review
- Commission will make a recommendation to Council
- Council meeting scheduled for June 3
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Applicability

- STRs would be allowed in all residential and commercial zones
- STR operators subject to regulatory requirements
- STR ordinance would allow both owner-occupied and non-owner occupied units
- Currently there are no STR regulations which may have contributed to poorly managed STRs
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Applicability

- STRs would be permitted in legally constructed residential dwellings
- Prohibited in live-work units, caretaker residences, and deed restricted affordable housing
- Prohibited in ADUs unless existing, under construction or in plan review
- STRs also prohibited in RVs and trailers
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Application Approval

- Community Development Department to review STR permit applications
- Permit approved if determined to be in compliance with ordinance requirements and agree to abide by permit conditions
- Site inspection to verify compliance for non-owner occupied; self-certification for owner-occupied
- Permit issued and notification sent to allow property owners within 150 feet for non-owner occupied STRs
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Maximum Number of STRs

- The STR ordinance would allow Council to establish a limit or “cap” on the number of STRs.
- Council has discussed and tentatively indicated support for a cap of 50 on non-owner occupied STRs.
- No limit on owner-occupied STRs.
- Council will discuss at June 3 meeting.
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Number of Renters Non-Owner Occupied

- Maximum number of renters for non-owner occupied based on 2 renters per bedroom
- Maximum of 8 renters
- Maximum number of guests based on number of bedrooms
- Guests limited to 7:00 a.m. to 10:00 p.m.
## Short-Term Rental Ordinance

### Maximum Occupancy Non-Owner Occupied

<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>
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<tr>
<td>1</td>
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<td>3</td>
<td>6</td>
<td>4</td>
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<tr>
<td>4 or more</td>
<td>8</td>
<td>5</td>
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</table>
Short-Term Rental Ordinance
Number of Renters Owner Occupied

- Maximum number of 2 bedrooms with up to 6 renters
- No limit on guests
- Difficult to differentiate between owners’ guests and renter guests
- Relies on STR owner to regulate number of guests
- Revise Bed and Breakfast regulations to 3 or more bedrooms
- Differentiate between STR of up to 2 bedrooms from Bed and Breakfast of 3 or more bedrooms
# Short-Term Rental Ordinance

## Maximum Occupancy Owner-Occupied

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</table>
Five Cities Fire Authority recommends basic life safety requirements

- Smoke detectors in each bedroom
- Carbon monoxide detector
- Fire extinguisher in or near kitchen
- Site plan indicating electrical, gas and water shut off locations
- An inspection of fire sprinklers
Residents wanting to make a complaint about the operation of a STR would call the 24-hour hotline.
Could upload pictures/videos to document complaints.
Hotline attendant would call the local contact person and advise they have 30 minutes to resolve issue.
Hotline attendant would contact complainant in 30 minutes to determine if issue was resolved.
If issue not resolved, a violation could be issued.
Citation amounts of $500, $750 and $1000.
Three citations within 2 years and permit revoked.
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Administrative Rules

- City Manager to prepare administrative rules and regulations consistent with provisions of the ordinance
- Allows staff to make administrative revisions to clarify and enforce regulations without amending ordinance
- Provides flexibility to address changing industry trends
- Includes procedures for receiving and addressing complaints
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STR Permit Process Upon Ordinance Adoption

- Upon adoption STR permit information available on website and at public counter
- All STRs sent a letter indicating 60 days to submit STR permit application
- Transient occupancy tax (TOT) would be required upon effective date of ordinance
- Failure to submit a STR permit application would result in an initial $500 citation followed by a $1000 citation
Council has discussed the STR permit fee and annual renewal fee

Adoption of fees are not within Commission purview

Council to discuss at June 3 or subsequent meeting
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Consulting Services

- Staff has hired Host Compliance to provide STR services
- Host Compliance works with 200 cities around the country, including many in SLO County
- Provide information on STR identification and best practices
- Expanded services include compliance monitoring, STR activity and tax auditing, and 24-hour hotline
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Planning Commission Options

- Recommend Council adopt STR ordinance and approve the LCP Amendment
- Recommend Council adopt STR ordinance with recommended revisions and approve the LCP Amendment
- Provide alternative direction to staff
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Questions or Comments?