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W14b

LCP-2-HMB-21-0078-2 (Short Term Rentals and Home Occupations) March 8, 2023

EXHIBITS

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EXHIBITS

Exhibit 1 – Proposed IP Amendment

ORDINANCE NO. C-2021-03
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AMENDING CHAPTER 18.06.025 "USE REGULATIONS" AND RELATED PROVISIONS OF THE
ZONING AND REVENUE AND FINANCE TITLES OF THE HALF MOON BAY MUNICIPAL CODE
RELATED TO SHORT-TERM VACATION RENTALS AND HOME OCCUPATIONS

THE CITY COUNCIL OF THE CITY OF HALF MOON BAY DOES ORDAIN AS FOLLOWS:

Section 1. Findings. The City Council of the City of Half Moon Bay hereby amends Chapter 18.06.025 "Use regulations" and related provisions of the Zoning and Revenue and Finance Titles of the Half Moon Bay Municipal Code related to Short-Term Vacation Rentals and Home Occupations ("Short Term Vacation Rental and Home Occupation Ordinance" or "Ordinance"). The City Council finds and declares as follows:

- a) The City of Half Moon Bay is located fully within the California Coastal Zone.
- b) The City of Half Moon Bay's certified Local Coastal Program includes an implementation plan which is in part comprised of the Zoning Ordinance.
- c) Half Moon Bay is a highly desirable destination for coastal tourism. The City has nearly 600 existing rooms in hotel and motel establishments and over 200 campsites accommodating campers and recreational vehicles.
- d) Half Moon Bay also has the highest rate of employed residents who work from home in San Mateo County and home occupations are an important means of employment in the City.
- e) The City Council seeks to support lower-cost visitor serving uses, including accommodations, and coastal access pursuant to the California Coastal Act and its Local Coastal Program, while also providing opportunities for income generating uses in areas that are already developed.
- f) The City Council further seeks to protect neighborhood integrity.
- g) The City Council has identified affordable housing as a multi-year priority and directed that existing housing stock be preserved for residential use.
- h) More than one hundred short-term vacation rentals have operated within the city limits without benefit of compatible use regulations and registration requirements.
- i) Short-term vacation rental use has in some cases eliminated residential use of dwelling units, especially those used as "whole house" or unhosted operations, and thereby reduced housing stock.
- j) The operation of some short-term vacation rentals has caused significant disruption within various neighborhoods and required repeated code enforcement efforts;

however, absent compatible use regulations and registration requirements, enforcement has not always resulted in sustained improvement.

- k) City research of the short-term vacation rentals operating within the city limits concludes that short-term vacation rentals with direct oversight from the property owner and/or long-term tenant operate more compatibly within their surrounding neighborhood and tend to be lower-cost.
- l) Short-term vacation rentals and home occupations can be conducted so as to safeguard neighborhood integrity, promote coastal access, and protect coastal resources.
- m) Many other cities, including cities within the coastal zone, have implemented short-term vacation rental regulations by imposing a primary residence requirement to ensure better local oversight and neighborhood compatibility.
- n) Many other cities, including cities within the coastal zone, have implemented short-term vacation rental regulations that limit the number of overnight stays per year for “whole house” or unhosted short-term vacation rental operations because unlimited and/or predominate use of residential dwelling units as unhosted short-term vacation rentals diminishes, and in some cases leads to discontinuance of, the primary use of the residence as a dwelling unit and thereby reduces local housing stock.
- o) Many other cities, including cities within the coastal zone, have implemented short-term vacation rental regulations that do not limit the number of overnight stays for hosted short-term vacation rental operations in part because hosted short-term vacation rentals are maintained as residential dwelling units which is the intended primary use for residential development and maintenance of local housing stock.
- p) The San Mateo County 21 Elements collaborative group supports housing policy in San Mateo County and has identified that primary residence requirements and disallowing short-term rental use of accessory dwelling units are effective regulations for preserving housing stock for residential use.
- q) The Ordinance is consistent with the California Coastal Act and Half Moon Bay’s certified Local Coastal Land Use Plan which includes policies addressing residential land use compatibility, the preservation of housing stock, short-term vacation rentals, home occupations, and coastal access provisions relative to infrastructure capacity and the need for lower cost visitor serving accommodations, specifically:

Policy 2-7. Housing Stock Preservation. Safeguard existing housing stock so that it is preserved and used as full-time housing through the establishment of programs and ordinances.

Policy 2-72. Residential Land Use Compatibility. Ensure that development, including a change in intensity of use, in residential land use designations avoids impacts on the residential living environment and the adjacent land

uses, including proximate agricultural and agricultural compatible land uses, with respect to noise, lighting, parking, loading, and aesthetics. Consider other aspects of non-residential uses permitted in residential land use designations that may be impactful on a neighborhood setting or the adjacent land uses and require strategies to avoid such impacts.

Policy 2-75. Home Occupations. Permit home occupations within residences for business types and activities that are compatible with the residential living environment and subservient to the primary residential use of each property. Establish performance standards in the IP for traffic, parking, noise, and other considerations with respect to home occupations.

Policy 2-76. Short-Term Rentals. Allow short-term rental businesses within the established neighborhoods. Short-term rental uses should be subordinate to primary residential uses such that residential units continue to be used for long-term residential occupancy. Establish land use regulations in the IP with performance standards necessary to protect coastal resources and the residential living environment of the neighborhoods, such as standards for property management, traffic, parking, noise, and trash. Short-term rental businesses shall pay transient occupancy tax to the City. Non-permanent housing such as for seasonal farmworker housing and short-term boarding for researchers and others employed or otherwise affiliated with agricultural uses are not short-term transient lodging facilities or uses and are not subject to transient occupancy tax.

Policy 5-1. Maximum Coastal Access and Recreational Opportunities. Provide maximum coastal access and recreational opportunities for all people consistent with public safety needs and the need to protect public rights, rights of property owners, and natural resource areas from overuse.

Policy 5-70. New Overnight Accommodations. Consider the carrying capacity of the coast, visitor demand over a range of affordability levels for various accommodation types, and consistency with all applicable LCP and General Plan policies before approving any new overnight accommodation development proposals. Prioritize lower-cost visitor-serving accommodations over higher-cost lodging.

- r) The Ordinance is further consistent with Half Moon Bay's certified Local Coastal Land Use Plan which requires careful oversight of infrastructure capacity and resource management.
- s) The Ordinance is further consistent with Half Moon Bay's certified Local Coastal Land Use Plan which provides for accessory uses in residential development in substantially developed Planned Development areas including home occupations.

- t) The Ordinance is further consistent with the California Coastal Act and Half Moon Bay's certified Local Coastal Land Use Plan, in that it includes mechanisms to ensure protection of coastal resources.
- u) The Ordinance is consistent with the City of Half Moon Bay certified Housing Element, which contains programs to preserve housing stock.
- v) The Ordinance supports short-term vacation rental operations throughout the City as one of many available accommodation types. The City currently has significant visitor-serving capacity, including camping, RV parks, and hotels of every class, from economy to luxury. Short-term vacation rentals, as part of this broader portfolio of accommodations, will continue to support lower-income visitors as well as visitors seeking diversity with respect to accommodation type and location.
- w) The Ordinance supports lower cost visitor serving accommodations through broad allowances for hosted short-term vacation rentals, which have been found through review of rental listings to offer some of the lowest cost lodging rates in Half Moon Bay, as explained in the materials; while continuing to provide for higher cost accommodations for un-hosted and higher occupancy short-term vacation rentals that conform to the Local Coastal Land Use Plan policies as implemented through the standards contained in the ordinance for these more intense uses of residential properties.

Section 2. Amendments. The following sections of the Municipal Code are amended as specified below and in Attachment A. Attachment A generally shows additions with underlined text and deletions with ~~strike-out text~~.

Municipal Code Provision	Action
Section 18.06.025	Amendments as shown in Attachment A
Section 18.02.040	Definitions show in Attachment A to be inserted in alphabetical order
Section 18.06.020	Amendments as shown in Attachment A
Section 18.07.020	Amendments as shown in Attachment A
Section 18.07.025	Amendments as shown in Attachment A
Section 18.08.020	Amendments as shown in Attachment A
Section 18.08.025	Amendments as shown in Attachment A
Section 18.15.025	Amendments as shown in Attachment A
Section 18.16.025	Amendments as shown in Attachment A
Section 18.16.030	Amendments as shown in Attachment A
Section 3.12.020	Amendments as shown in Attachment A

Section 3. Severability. If any section, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and

adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 4. CEQA. The City Council finds that the Ordinance is exempt from CEQA under CEQA Guidelines sections 15301 (existing facilities), 15305 (minor alterations to land use limitations) and 15061(b)(3) (common sense exemption). The City currently permits short-term vacation rentals and home occupations to operate in the City. Prior to restrictions resulting from the COVID-19 pandemic, approximately 80-100 short-term vacation rentals were operating in the City. The City would expect these short-term vacation rentals to return as pandemic-related restrictions ease. During COVID-19 restrictions, home occupations have likely increased. The proposed amendments restrict and regulate short-term vacation rental uses. Consequently, a modest decrease in short-term vacation rental activity, as well as any related environmental effects, is reasonably anticipated as a result of these amendments. The amendments to the Home Occupation provisions do not involve a change in land use or density. As it can be seen with certainty that there is no possibility that the amendments may have a significant effect on the environment, the common sense exemption applies.

Section 5. Regular Reviews. In order to ensure monitoring and management of the potential depletion of housing stock and impacts on neighborhood integrity that may be caused by short-term vacation rentals, the City of Half Moon Bay shall evaluate the number of short-term rentals operating in each neighborhood and in the City as a whole six (6) months and twelve (12) months after certification of the Ordinance by the California Coastal Commission, and annually thereafter.

Section 6. Publication. The City Clerk of the City of Half Moon Bay is hereby directed to publish this Ordinance pursuant to Government Code section 36933.

Section 7. Effective date. This Ordinance shall take effect and be in force on the thirtieth (30th) day from and after its final passage and upon certification by the California Coastal Commission.

INTRODUCED at a regular meeting of the City Council of the City of Half Moon Bay, California, held on the 7th of September, 2021.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Half Moon Bay, California, held on the 21st of September, 2021, by the following vote:

Ayes, Councilmembers: Jimenez, Penrose, Rarback, Ruddock, Brownstone
 Noes, Councilmembers:
 Absent, Councilmembers:
 Abstain, Councilmembers:

ATTEST:



 Jessica Blair, City Clerk

APPROVED:



 Robert Brownstone, Mayor

ATTACHMENT A

Chapter 18.06 Residential Land Use (R-1, R-2, R-3)

18.06.025 Use regulations.

Additional regulations for permitted uses in each residential district shall be met for the following uses:

A. – E. *[Intentionally omitted. No changes to these subsections are proposed]*

F. Home Occupations. Home occupations are ~~permitted~~ allowed in all residential districts and shall comply with the following:

1. ~~Eligible Employees~~ Resident Only. No one other than a resident of the dwelling ~~and one non-resident employee may~~ shall be employed on site or report to work at the site of a home occupation. This limitation ~~prohibition~~ also applies to independent contractors.
2. No Inconsistent Activity. There shall be no interior or exterior activity related to the home occupation ~~that interferes with or is detrimental to residential use of adjacent property inconsistent with or interfering with residential use of the property or detrimental to property in the vicinity.~~
3. Entirely Within. A home occupation shall be conducted entirely within a building, either the main residence or an accessory building, and shall occupy no more than five hundred square feet of floor area. No outdoor storage of materials or supplies shall be ~~allowed~~ permitted in conjunction with the home occupation.
4. No Visibility. The existence of a home occupation shall not be apparent beyond the boundaries of the site, and no home occupation shall involve the use of a sign, nor the display of products visible from the street.
5. No On-site Retail. The home occupation shall not involve on-site retail business, interior or exterior alterations, nor construction features not normally found in dwellings. Retail business operating entirely by mail are permitted.
6. ~~No Traffic.~~ A home occupation shall not create pedestrian, automobile, or truck traffic detrimental to property in the vicinity. Visitor vehicle trips to the home occupation such as for customers, clients, vendors, or suppliers, are limited to one visitor vehicle at a time, with no more than two occurrences per day. Incidental traffic associated with deliveries may take place.
7. Parking. Parking shall be provided on site for any employee of the home occupation.
8. Non-Priority Use. Home occupations shall not be considered Coastal Act Priority Uses, as that term is defined in the Local Coastal Land Use Plan.

9. Business License Submittal Required. Prior to the issuance of a business license for a home occupation, the applicant shall submit to the community development director a written description of the operational characteristics of the proposed home occupation. The community development director shall determine that the proposed home occupation complies with the requirements of this section. Decisions of the community development director may be appealed to the planning commission by the applicant or by any interested party.

108. Violations/Complaints. ~~Violations of the provisions of this section or other city requirements shall be enforced according to Title 4 of the Municipal Code. In the event a complaint is received regarding a home occupation, the community development director shall refer the issue to the planning commission to review the operational characteristics of the use. Both the complaining party and the operator of the home occupation shall be notified of the time, place, and date of the planning commission meeting. In the event it is determined that the home occupation is detrimental to the neighborhood, the planning commission may impose any conditions necessary to maintain consistency with the provisions of this chapter.~~

G. Short-term vacation rentals. Short-term vacation rentals are allowed as accessory uses to residential dwelling units subject to this section:

1. Short-Term Vacation Rental Registration and Compliance Review Required. No person shall offer any short-term vacation rental unless the short-term vacation rental is registered and found to be in compliance with this chapter.

2. Application. Prior to operation of a short-term vacation rental, the operator shall submit an application that includes all of the following:

a. Name and contact information of the operator. All adults for whom the property is a permanent residence shall be listed as operator.

b. A written description of the proposed short-term vacation rental's compliance with this section on a form prepared by the community development director.

c. Site plan showing location of all existing buildings and location and dimensions of on-site parking.

d. Floor plan showing all rooms with each room labeled as to room type.

e. Description of rooms or dwelling unit to be used for the short-term vacation rental.

f. If the operator is not the property owner, the property owner's written consent to the short-term vacation rental use.

g. If the property is subject to a homeowner's association (HOA), the HOA's written consent to the short-term vacation rental use.

h. Proof of primary residence. The operator shall provide documentation that the property where the short-term vacation rental use is to be conducted is the operator's primary residence, if required by this section.

i. Consent to inspection. Consent to physical inspection(s) by City staff, contractors, or representatives for the purpose of verifying compliance with this Chapter during regular business hours (7:30 a.m. to 5:30 p.m.) or if in response to a complaint, regardless of the time. Consent to provide records of compliance to the City within one (1) week upon request.

j. Municipal services. The short-term vacation rental property shall have an adequate water and sewer connections and shall be served by local utility agencies for water and sewer service. In the event that the short-term vacation rental property is served by a well for potable water and/or by a private sewage treatment system such as a septic system, the short-term vacation rental operator shall provide written proof of safe yield and/or adequate capacity by San Mateo County Environmental Health Services or other applicable oversight agency.

k. Water use. For any renewal or registration of an existing short-term vacation rental, the operator shall provide documentation of the water use at the property for the prior year during the period in which the property was used as a short-term vacation rental.

l. Proof of Rental Nights. For any renewal, the operator shall provide documentation of the number of nights the unit was rented during the prior year, including whether the unit was used as a hosted short-term rental or an unhosted short-term rental.

m. Fee. The operator shall pay a registration fee prescribed by City Council resolution, no part of which shall be returnable to the operator. The City Council may establish fees that are different for initial registration of a new short-term vacation rental and renewals or registrations of existing short-term vacation rentals.

n. Additional materials as deemed necessary by the community development director.

3. Registration Requirements. The community development director shall register short-term vacation rentals that comply with all of the requirements of this Section 18.06.025 (G), including:

a. Building and Fire Code Inspection. There shall be no outstanding building, electrical, plumbing, fire, health, housing, police, or planning code violations or enforcement actions, including any notices of violation, notices to cure, orders of abatement, cease and desist orders, or correction notices related to the property on which the short-term vacation rental is to be located.

b. Indemnification. The property owner and any separate operator shall jointly and severally agree to indemnify, hold harmless and defend the City and its officials, employees, and agents from any and all liability, actions, claims, damages, costs and expenses, including reasonable attorney's fees and costs, which may be asserted by any person or entity arising from or related to the issuance of the short-term vacation rental registration or its operation.

c. Insurance. The operator shall file a certificate of insurance showing the maintenance of insurance in the amount appropriate to cover any liability of the operator for property damage and injuries to persons in connection with short-term vacation rental activities.

d. Business License. The operator shall obtain a City of Half Moon Bay business license.

e. Transient Occupancy Tax. Evidence of compliance with the provisions of transient occupancy tax, Chapter 3.12 including registration certificate. For short-term vacation rentals operating prior to the date of application, payment of all taxes, penalties, and interest due is also required.

f. Notification. The operator shall have notified neighbors within 100 feet of the short-term vacation rental property, posted a temporary sign for thirty (30) days on the property indicating intent to register as a short-term vacation rental. The notification and signage shall include the contact information of the responsible party designated to respond to a complaint pursuant to Section 18.06.025 (G)(5)(g).

g. Water Use. If the water use documentation demonstrates short-term vacation rental water use exceeding an average of 300 gallons per day, the operator shall include strategies to reduce water use to below an average of 300 gallons per day during the next year. If such strategies are ineffective, the registration shall not be renewed.

h. Compliance. The property on which the short-term vacation rental will be located has not had two (2) or more violations of the City's Municipal Code within the last twelve (12) months from registration submittal and has not been denied registration or had registration revoked within the preceding twelve (12) months. The operator has not had two (2) or more violations of the City's Municipal Code within the last twelve (12) months from registration submittal related to any short-term vacation rental, has not been denied registration for any other short-term vacation rental within the preceding twelve (12) months, and has not had a short-term vacation rental registration revoked at any time.

i. Nuisance. Operation of the short-term vacation rental would not a public nuisance or threat to the public health, safety, or welfare.

4. Registration Term. The initial short-term vacation rental registration is valid for one (1) year and renewable through an administrative review by the community development director thereafter, if in good standing. Registration renewals shall comply with subsection (3), except for the inspection and notification provisions. Registrations are not nontransferable to another property or operator.

5. Operation Requirements.

a. Residential Unit Type.

i. Single-family and residential condominium dwelling unit: One short-term vacation rental may operate as an accessory use to a single-family unit or residential condominium dwelling unit; provided, however that minimum lot sizes for short-term vacation rental use on any single-family lot developed with a detached single-family home is as follows:

1. R-1, R-2, R-3, and C-R zoning districts: 4,125 square feet
2. PUD zoning district: The lot size established for the site when the coastal development permit was issued for the applicable subdivision in place as of the effective date of this ordinance
3. PUD-X zoning district: 10,500 square feet

ii. Duplexes and triplexes: Short-term vacation rentals may operate from duplexes and triplexes under limited conditions as follows:

1. At least one unit within the duplex or triplex is the primary residence of the property owner; and
2. No more than one unit in a duplex or triplex may be registered and operated for short-term vacation rental use.

iii. Mixed-use development: In the Commercial-Downtown, Commercial-General, and Commercial-Visitor Serving Zoning Districts, in mixed-use developments with at least two dwelling units, no more than one unit may be registered and operated for short-term vacation rental use.

iv. Prohibited: Short-term vacation rentals may not operate from mobile homes, recreational vehicles, multi-family developments with four or more units, any mixed-use or residential development containing one or more units restricted to be affordable to lower income households, farmworker housing, accessory dwelling units except pursuant to Chapter 18.33, in the Open Space Reserve (OS-R) or Urban Reserve (U-R) zoning districts, or in the substantially undeveloped Planned Developments in Chapter 2 of the Land Use Plan.

b. Primary Residence. No dwelling unit shall be operated for short-term vacation rental use unless the dwelling is the primary residence of the operator. Short-term vacation rentals permitted to operate in the Commercial-Downtown, Commercial-General, or Commercial-Visitor Serving Zoning District pursuant to subsection (a)(i) or (a)(iii) are exempt from this primary residence requirement.

c. Maximum Number of Rental Nights. An unhosted short-term vacation rental shall be operated no more than sixty (60) nights per calendar year. There are no rental night limitations for hosted short-term vacation rentals.

i. An unhosted short-term vacation rental is defined as a short-term vacation rental use where a primary resident is not present during the course of the rental.

ii. A hosted short-term vacation rental is defined as a short-term vacation rental use where a primary resident, who is the operator and acting as a host, occupies one or more bedrooms in a dwelling unit while other areas of the unit are rented for the purpose of transient overnight lodging.

d. Maximum Number of Short-Term Vacation Rentals per Operator. The maximum number of short-term vacation rentals per operator within the city limits is one.

e. Maximum Number of Short-Term Vacation Rentals per Site. The maximum number of short-term vacation rentals is one per assessor's parcel number, one short-term vacation rental per residential condominium dwelling unit, or one short-term vacation rental per site developed with a duplex or triplex. An operator may register different areas of a site for use as a short-term vacation rental, but only one short-term vacation rental may be operated at a time.

f. Maximum Number of Rental Agreements. Only one rental agreement may be in effect for a short-term vacation rental at any one time.

g. Responsible Party. For hosted short-term vacation rentals, the operator shall be the host and the responsible party. For unhosted short term-term vacation rentals, the responsible party may be the property owner, operator, or the operator's agent. In all cases, the responsible party shall be a local contact person; who shall meet all of the following minimum qualifications:

i. Be available twenty-four hours per day and seven days per week when the short-term vacation rental is in operation; and

ii. Be accessible and able to respond in person at the short-term vacation rental within a reasonable time (approximately twenty (20) minutes) to any complaint regarding the condition, operation, or conduct of occupants of the dwelling; and

iii. Be responsive to take remedial action necessary to resolve any violations of the requirements of this section.

h. Maximum Overnight Occupancy. Overnight occupancy for short-term vacation rentals shall be limited to two (2) persons per bedroom, up to a total of eight (8) occupants. For a hosted short-term vacation rental, the bedroom(s) occupied by the host shall not be used in determining the maximum overnight occupancy for guests.

i. Record Keeping. The operator shall retain records documenting the compliance with this section for a period of three (3) years after any short-term vacation rental, including, but not limited to, records indicating the history of all short-term vacation rental reservations on the subject property from the hosting platform or otherwise, records indicating the payment of any and all transient occupancy taxes, length of stay per reservation, and number of persons per reservation. Upon reasonable notice, the operator shall provide any such documentation to the City.

6. Performance Standards. There shall be no interior or exterior activity related to the short-term vacation rental that interferes with or is detrimental to residential use of adjacent property. The following performance standards apply to short-term vacation rentals:

a. Notification of City Registration. The operator shall ensure that all advertising, including, but not limited to, in any written publication or on any online website, or any other medium that lists or offers the availability or existence of the short-term vacation rental property, includes the city-issued short-term vacation rental registration number.

b. Notification of City Requirements. The operator shall prepare a manual of City requirements and standards for short-term vacation rentals. The operator shall provide the manual to all guests in conjunction with any booking as well as prominently displayed in the short-term vacation rental. The manual shall include the contact information for the responsible party and standard language available from the community development director.

c. No Visibility. The existence of a short-term vacation rental shall not be apparent beyond the boundaries of the site, and no short-term vacation rental shall involve the use of a sign, nor the display of products visible from the street.

d. Traffic. A short-term vacation rental shall not create pedestrian, automobile, or truck traffic detrimental to property in the vicinity or neighborhood parking impacts. The property address shall be clearly marked.

e. Parking. The maximum number of vehicles allowed overnight at the short-term vacation rental shall be limited to one (1) vehicle per one-bedroom unit, two (2) vehicles per two- or three-bedroom unit, and one (1) additional vehicle

for four or more bedrooms. On-site parking spaces shall be provided for at least fifty percent of the maximum allowed number of vehicles (half spaces shall be rounded up). No vehicles shall be used for overnight occupancy. Parking exceptions may be considered by the planning commission subject to Section 18.36.085; provided that the planning commission shall consider whether a prior parking exception was previously granted for the property. In the Commercial-Downtown zoning district, exceptions must also comply with Section 18.07.045.

f. Noise Limits. All short-term vacation rental use shall be required to follow the following standards set forth in Chapter 9.23.

g. Building and Fire Codes. All properties on which short-term vacation rental use is occurring shall remain compliant with all applicable building and fire codes.

h. State and Local Laws and Orders. All short-term vacation rental use shall comply with all applicable state and local laws and orders, including any public health order.

i. Special Events. Short-term vacation rentals shall not be concurrently used for any commercial purpose (such as a corporate retreat or conference) or any event that is likely to result in a violation of traffic, parking, noise, or other standards regulating the residential use and character of the neighborhood. Such events include most weddings, concerts, and parties. Home occupations conducted by the primary resident compliant with Section 18.06.025 (F) are allowed provided that parking and all other requirements for both the short-term vacation rental and the home occupation are met.

j. Trash and Recycling Management. Short-term vacation rental use shall comply with trash and recycling requirements and scheduled solid waste pick-up days at least once per week. Trash and recycling containers shall be located to be readily accessible for servicing, but shall not be placed within the limits of any street, road, avenue, way, alley, public place or any other places as to constitute a nuisance.

7. Non-Priority Use. Short-term vacation rentals shall not be considered Coastal Act Priority Uses, as that term is defined in the Local Coastal Land Use Plan.

8. Hosting Platform Regulations.

a. Record Keeping. Hosting platforms shall retain records documenting the compliance with this section for a period of three (3) years after any short-term vacation rental, including, but not limited to, records indicating the history of all short-term vacation rental reservations on the subject property from the hosting platform, the payment of any and all transient occupancy taxes (including via a hosting platform on behalf of a host), the length of stay per reservation, and the number of persons per reservation.

b. Registration Required for Platform Listings. Hosting platforms shall be required to prompt hosts to include the City-issued registration number in their listing(s), in a format designated by the City. Upon notice from the City that a listing is non-compliant, hosting platforms shall cease any short-term vacation rental booking transactions for said listing(s) within five business days. A hosting platform shall not complete any booking transaction for any residential property or unit subject to a City notice, until notified by the City that the residential property or unit is in compliance with the local registration requirement.

c. Safe Harbor. A hosting platform operating exclusively on the Internet, which operates in compliance with subsections (a) and (b) shall be presumed to be in compliance with this Chapter.

d. The provisions of this section shall be interpreted in accordance with otherwise applicable State and Federal law(s) and will not apply if determined by the City to be in violation of, or preempted by, any such law(s).

9. Revocation.

a. Revocation of registration. A short-term vacation rental registration may be revoked for the following reasons:

i. That the registration was obtained by misrepresentation, false statement or fraud;

ii. That the short-term vacation rental activity is being conducted in violation of local or state law;

iii. That two (2) violations of the Municipal Code have occurred on the property on which the short-term vacation rental is located within the preceding twelve (12) months;

iv. That the short-term vacation rental activity has caused or is causing a serious threat to human health or public safety; or

v. That consent to an inspection is not provided.

vi. As used in this Section 18.06.025, the term "violation" shall mean any violation of the Municipal Code, as evidenced by a City-issued citation, unresolved notice of violation, unresolved cease-and-desist order, or other appropriate documentation. Each unique violation of the Municipal Code shall constitute one (1) violation.

b. Process: In any case where substantial evidence indicates that the conditions in subsection (a) exist, revocation proceedings shall occur as follows:

i. The City Manager or his or her designee may issue either a notice of pending revocation or a notice of suspension pending revocation, the latter of which shall require immediate suspension of all short-term vacation rental activity pending a final determination regarding revocation. Any notice of suspension shall explain why the short-term vacation rental activity presents an immediate, serious threat to human health or public safety. The notice shall detail the grounds for potential revocation of the permit and allow thirty calendar (30) days for submission of a written statement and/or supporting documentation disputing such grounds.

ii. The City Manager's or his or her designee's determination shall be made not more than thirty calendar (30) days after the deadline for submittal of documentation provided on the notice.

iii. All notices and determinations shall be mailed to the operator, the property owner (if applicable), and the responsible party (if applicable).

iv. The community development director is authorized to issue administrative guidelines to further define procedures for making revocation determinations.

c. Appeals: If the registration is revoked, the operator shall have the right to appeal the decision as follows:

i. The appellant must file a notice of appeal with the City Clerk within fourteen (14) calendar days of the date of the revocation decision.

ii. The matter shall be scheduled for hearing before an independent hearing officer selected by the City Manager or his or her designee no more than thirty (30) calendar days from the receipt of the appeal.

iii. The appellant shall be served with notice of the time and place of hearing, as well as any relevant materials, at least seven calendar days prior to the hearing.

iv. The hearing may be continued from time to time upon mutual consent. At the time of the hearing, the appealing party and the City Manager or his or her designee may present such relevant evidence as he or she may have relating to the determination from which the appeal is taken.

v. Based upon the submission of such evidence and the review of the city's files, the hearing officer shall issue a written notice and order upholding, modifying or reversing the determination from which the appeal is taken. The notice shall be given within a reasonable time after the conclusion of the hearing and shall state the reasons for the decision. The notice shall be mailed to appellant, and if different from

the appellant, the operator, the property owner, and the responsible party (if applicable). The notice shall specify that the decision is final and subject only to judicial review in accordance with law.

10. Violations. Violations of the provisions of this chapter, or other city requirements shall be enforced according to Title 4 of the Municipal Code.

11. Existing Short-Term Vacation Rentals.

a. Short-term vacation rentals in operation for at least three (3) months at the time of the effective date of this ordinance and in compliance with all previously existing City regulations, including payment of transient occupancy tax ("Existing STVRs"), shall have six (6) months from the effective date of this Ordinance to register. For approved unhosted short-term vacation rental operations, the annual calendar during which up to sixty (60) days of unhosted operations may occur commences on the date of registration issuance.

b. Existing STVRs shall have one (1) year from the effective date of this Ordinance to come into compliance with the primary residence requirement.

c. Discontinued use for six (6) or more months for an Existing STVR shall result in disqualification from these provisions.

GH. Parking Areas. Surfaced parking areas to support commercial uses adjacent to residential districts may be approved by use permit. Any such support parking area shall be subject to review and recommendations by any city council appointed advisory committee or commission prior to consideration by the planning commission of a use permit application.

HJ. Swimming Schools. Swimming schools may be approved by use permit in R-1 and R-2 districts on sites having a minimum of six thousand square feet.

IJ. Commercial Filming. Commercial filming is permitted in all residential districts upon securing all necessary permits and licenses required by this code.

JK. Personal Property Sales. Personal property sales such as garage sales are limited to a maximum of three weekends per calendar year for each site in the R-1 districts and per dwelling unit in the R-2 and R-3 districts.

KL. Construction Trailer. For purposes of this section, a construction trailer is defined as a mobile or temporary office facility for the use of the contractor during the construction of a residential structure or structures. The construction trailer shall be removed from the site within ten days of issuance of a certificate of occupancy or the final building inspection, whichever occurs first. The construction trailer may be converted to a sales office upon approval of a use permit in each case.

LM. Large family day care is allowed incidental to a residential use in all residential zoning districts subject to a determination by the community development director that the large family day care conforms to all of the following:

1. Concentration of Uses. No more than one large family day care shall be permitted within three hundred linear feet of the property line of any existing large family day care.
2. Parking. On-site parking beyond that required for the residential use shall not be required.
3. Passenger Loading. In addition to available on-street loading, a minimum of one passenger loading space shall be provided on the site during pick-up and drop-off periods.
4. Noise. Operation of a large family day care shall conform to the noise limitations of Chapter 9.23.
5. Screening of Outdoor Play Areas. A solid fence in conformance with the requirements of this chapter shall be provided to screen outdoor play areas located in the rear yard.
6. Residency. The operator of a large family day care must be a full-time resident of the dwelling unit in which the day care is located.
7. Garage. No portion of a garage providing "required" parking shall be utilized for the day care.
8. Fire and Building Code Requirements. Large family day care shall conform to the requirements of the State Fire Marshall.
9. State and Other Licensing. Large family day care shall be state licensed and operated according to all applicable state and local regulations.

Chapter 18.02 Definitions

Section 18.02.040 Definitions

The following definitions shall be inserted in alphabetical order:

“Hosting Platform” means a person, legal entity, or an association of individuals that provide a means, which may or may not be internet-based, through which a short-term vacation rental is offered to the public, in exchange for a fee or other compensation. A hosting platform generally has the following attributes: allows a host to advertise a short-term vacation rental, and provides a means to arrange and enter into agreements to occupy short-term vacation rentals, whether payment of rent is made directly to the host or through the hosting platform.

“Primary residence” means residential property at which a person resides a majority of the time, carries on basic living activities, and the place he or she usually returns to, in the event of travel. Evidence, such as motor vehicle registration, voter registration, a homeowner’s exemption on the property tax bill, long-term lease of the residential property, or other similar documentation, may be required by the City to determine whether the property is the primary residence. For a renter-occupied property, a long-term tenant must have resided for a majority of time on the property for at least two years prior to initiating short-term vacation rental use.

“Short-term vacation rental” means a residential or mixed-use property that contains a dwelling unit or habitable portion thereof that is offered for hire for transient occupancy for periods of thirty days or less as a use that is incidental to the principal residential use of a dwelling unit or property. Non-permanent housing such as for seasonal farmworker housing and short-term boarding for researchers and others employed or otherwise affiliated with agricultural uses are not short-term transient lodging facilities.

Chapter 18.06 Residential Land Use (R-1, R-2, R-3)

Section 18.06.020 Schedule of Uses.

Table A-4 is amended as follows:

Table A-4

SCHEDULE OF ACCESSORY USES

Accessory Uses	Allowed by Zoning	With a Use Permit	Additional Regulations
Accessory dwelling units	All R		
<u>Home occupation</u>	<u>All R</u>		
<u>Short-term vacation rental</u>	<u>All R</u>		

Chapter 18.07 Commercial Land Use (C-D, C-R)

Section 18.07.020 Permitted Uses.

Table 18.07.020E is amended as follows:

Table 18.07.020E

ACCESSORY USES

C-D Commercial-downtown zoning district

C-R Commercial-residential zoning district

C-D (Heritage Main Street) commercial-downtown zoning district—Main Street between Pilarcitos Creek and Correas Street, first fifty feet of frontage depth on ground floor

OK = Allowed without permit

UP = Use permit required

NO = Not allowed

UPCC = Use permit required under certain circumstances

CDD = Requires community development director determination if use qualifies as active ground-floor dependent use or as ancillary to a permitted use

Key	Accessory Uses	C-D Zoning	C-R Zoning	C-D Heritage Main Street
E-1	Accessory Use or Structure	OK	OK	CDD
E-2	Accessory Dwelling Unit	OK	OK	OK
E-3	Mixed Commercial and Residential	UP	UP	OK
<u>E-4</u>	<u>Home Occupation</u>	<u>OK</u>	<u>OK</u>	<u>NO</u>
<u>E-5</u>	<u>Short-Term Vacation Rental</u>	<u>OK</u>	<u>OK</u>	<u>NO</u>

Section 18.07.025 Use regulations.

Subsection E is amended as follows:

E. Accessory Uses.

E-1 Accessory Use or Structure. Accessory uses and structures are permitted when they are incidental to the principal permitted or conditionally permitted use or structure on a site and are customarily found on the same site. Accessory uses to a residential use would include home occupations and garage sales. Accessory uses for retail or office uses would include storage incidental to a permitted use. Accessory structures such as garages or storage and maintenance sheds are permitted. For uses in the first fifty feet of frontage depth on the ground floor of Heritage Main Street, accessory uses or structures shall be ancillary to a permitted use on Heritage Main Street.

E-2 Accessory Dwelling Unit. No additional regulations specified.

E-3 Mixed Commercial and Residential. No additional regulations specified.

E-4 Home Occupation. Home occupations are allowed subject to the requirements of Section 18.06.025 (F).

E-5 Short Term Vacation Rentals. Short-Term Vacation Rentals are allowed subject to the requirements of Section 18.06.025 (G).

Chapter 18.08 Commercial Land Use (C-VS, C-G)

Section 18.08.020 Permitted Uses.

Table 18.08.020E is amended as follows:

Table 18.08.020E

ACCESSORY USES

C-VS Visitor-serving commercial zoning district

C-G General commercial zoning district

OK = Allowed without permit

UP = Use permit required

NO = Not allowed

UPCC = Use permit required under certain
circumstances

Key	Accessory Uses	C-VS Zoning	C-G Zoning
E-1	Accessory Use or Structure	OK	OK
E-2	Accessory Dwelling Unit	OK	OK
E-3	Mixed Commercial and Residential	UP	OK
<u>E-4</u>	<u>Home Occupations</u>	<u>OK</u>	<u>OK</u>
<u>E-5</u>	<u>Short-Term Vacation Rentals</u>	<u>OK</u>	<u>OK</u>

Section 18.08.025 Use regulations.

Subsection E is amended as follows:

E. Accessory Uses.

E-1 Accessory Use or Structure. Accessory uses and structures are permitted when they are incidental to the principal permitted or conditionally permitted use or structure on a site and are customarily found on the same site. Accessory uses to a residential use would include home occupations and garage sales. Accessory uses for retail or office uses would include storage incidental to a permitted use. Accessory structures such as garages or storage and maintenance sheds are permitted.

E-2 Accessory Dwelling Unit. No additional regulations specified.

E-3 Mixed Commercial and Residential. No residential uses are permitted as part of mixed-use development in the C-VS district unless ancillary to a permitted use and upon the approval of a use permit in each case. In the C-G district, no additional regulations specified.

E-4 Home Occupation. Home occupations are allowed subject to the requirements of Section 18.06.025 (F).

E-5 Short Term Vacation Rentals. Short-Term Vacation Rentals are allowed subject to the requirements of Section 18.06.025 (G).

Chapter 18.15 Planned Development Land Use (PUD)

18.15.025 Permitted land uses.

Only the following uses shall be permitted on any site within a planned unit development district:

A. Uses Consistent with the General Plan, Adopted Planned Unit Development Plan, Specific Plan or Precise Plan. Permitted uses, densities, and intensities shall be consistent with those established in the land use plan, general plan or an approved planned unit development plan or specific plan, for the site.

B. Continuation of Existing Uses. The continuation of an existing land use prior to the adoption of a planned unit development plan as provided for in this chapter may be incorporated into the overall development plan if the existing use is consistent with the general plan and this chapter, or the existing use shall terminate in accordance with a specific abatement schedule approved as a part of a planned unit development plan for the site.

C. Interim or Temporary Uses. Interim or temporary uses and structures when approved by the community development director or the planning commission when consistent with the general plan and will not impact the health, safety, and general welfare of persons working or residing in the vicinity of the proposed temporary use or building, and any other ordinances or policies of the city, subject to the following conditions:

1. Temporary Uses and Structures Not to Exceed Ninety Days. The community development director may authorize the temporary use of structures and land in any planned unit development district for a period of time not to exceed ninety days. Prior to taking action on a request for temporary uses and/or structures, the community development director shall inform the planning commission and any other party requesting such information of the request. The action of the community development director may be appealed pursuant to the provisions of Section 18.22.200.

2. Temporary Uses and Structures in Excess of Ninety Days. The planning commission may authorize the temporary use of structures or land in any planned unit development district for periods of time in excess of ninety days, subject to the review and approval of a use permit in each case. In approving a use permit for the temporary use of structures or land, the planning commission may impose whatever conditions deemed necessary to assure that the purpose and intent of the general plan and this chapter are carried out. The use permit shall establish a specific point in time when the temporary use is to be terminated and the site restored. The planning commission may authorize additional extensions of time for temporary use permits at a duly noticed public hearing.

D. Home Occupations. Home occupations are allowed subject to the requirements of Section 18.06.025 (F).

E. Short Term Vacation Rentals. Short-Term Vacation Rentals are allowed subject to the requirements of Section 18.06.025 (G).

Chapter 18.16 Dykstra Ranch

18.16.025 Permitted uses.

The following uses are permitted within the Dykstra Ranch planned unit development:

- A. Single-family residences on separate lots;
- B. Accessory uses which are directly related to and incidental to the primary residential use of the property, including but not limited to living quarters for persons employed as service to the residents;
- C. Public parks and recreational facilities as shown on the Dykstra Ranch planned unit development plan;
- D. Private parks and open space as shown on the Dykstra Ranch planned unit development plan;
- E. Community centers, tennis courts, and other private recreational facilities owned and operated by the homeowners association for the use and enjoyment of the residents;
- F. Public utility structures and facilities required for the service of the development;
- G. Temporary sales centers, construction yards and structures, signs and other facilities required for the development and marketing of the property. All signs and any temporary structures or construction yard sites intended to exist for more than one year shall be subject to the approval of the community development director;
- H. Home occupations are allowed subject to the requirements of Section 18.06.025 (F).
- I. Short-Term Vacation Rentals are allowed subject to the requirements of Section 18.06.025 (G).
- JH. Other uses which in the opinion of the community development director are consistent with the intent and purpose of this planned unit development plan.

18.16.030 Prohibited uses.

Any retail, office, or commercial activity or use is prohibited in the Dykstra Ranch planned unit development, ~~including any home occupation that would require deliveries to the residence, or any employees, patrons, visitors to the residence with the express intent of participating in the business activity.~~

Chapter 3.12 Transient Occupancy Tax

Section 3.12.020 Definitions

Subsection A is amended as follows:

A. "Hotel" means any structure or facility, or any portion of any structure or facility, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house (including any short-term vacation rental), motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, campground or other similar structure or facility, or portion thereof, wherein overnight accommodations are offered for hire.

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