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Th13b

LCP-3-GRB-24-0009-1 (SHORT-TERM RENTALS)

MAY 9, 2024 HEARING

EXHIBITS

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Exhibit 1: Proposed IP Amendment (shown in strikethrough and underline)

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-unit dwelling, multi-unit 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 uses, which are regulated separately.
2. Short-term rental units shall only be allowed within a legally constructed single-unit dwelling, multi-unit dwelling, multi-unit dwellings within a mixed-use project, 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, ~~Single Room Occupancy Facilities (Section 4.10.200), Two-Unit Housing Development projects (Section 4.25.060), Urban Lot Splits (Section 8.160), and Accessory Dwelling Units and Junior Accessory Dwelling Units (Section 4.10.015) unless exempt as specified in Subsection Q.~~ Short-term rental permits shall be limited to the issuance of one permit per property or one permit per building when units share common walls within multi-unit dwellings or within a mixed-use project for all new permits issued after October 1, 2021.
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.** The maximum number of non-owner occupied STRs shall be 40 within the Coastal Zone area and 60 within the non-Coastal Zone area. There is no limit on the number of owner-occupied STRs in the city. STR permit applications shall be reviewed on a first-come, first-serve basis with a waiting list for new STR permits once all authorized STR 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:

Number of Bedrooms	Maximum Number of Renters	Additional Daytime Guests Allowed from 7:00 a.m. to 10:00 p.m.
0 (studio)	2	0
1	4	2
2	6	3
3	8	4
4 or more	10	5

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:

Number of Bedrooms	Maximum Number of Renters	Additional Daytime Guests Allowed from 7:00 a.m. to 10:00 p.m.
0 (studio)	2	No Limit
1	4	No Limit
2	6	No Limit
3	8	No Limit
4 or more	10	No Limit

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:
- If a garage is utilized as required parking, access shall be provided at all times the short-term rental is operational.
 - The property owner shall require the renters to utilize the designated on-site parking to the maximum extent feasible.
 - 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 ~~45~~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. **Minimum Stay Requirement.** All non-owner occupied permits shall have a minimum of 12 overnight stays during the permit year, as defined by the Administrative rules. Any permittees not meeting this requirement shall not be eligible for permit renewal.
 15. **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.
 16. **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 administrative citations 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. Unless otherwise provided herein, any person issued an administrative citation pursuant to this Section shall for each separate violation be subject to those fines consistent with the Grover Beach Master Fee Schedule.
4. Penalties. It is unlawful to violate any provision of this Section 4.10.185 of Chapter 4 of Article IX. Violations of this Section are punishable as misdemeanors. Violations of this Section may alternatively be punished as administrative violations as provided in Chapters 1 and 4 of Article I. Any administrative or criminal penalties imposed in accordance with this Section shall be consistent with those penalties and fines enumerated in the Grover Beach Master Fee Schedule. Each separate day or rental night in which a violation exist may be considered a separate violation whether for administrative citations or as a misdemeanor.
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 no longer provides~~ adequate onsite parking, as required and set forth in Subsection H.3., or changes to the property have occurred that would impede prevent 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-unit dwelling, multi-unit 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, renewal requirements, 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 Non-Compliant Short-Term Rentals.~~ Short-Term Rentals with a valid permit, issued prior to any amendments to this Section, shall continue to be operated consistent with the original approval, however, renewal of any existing Short-Term Rental Permit shall only be allowed if the Short-Term Rental meets all applicable requirements of this Section at the time of renewal. 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 September 11, 2020 may be used as a short-term rental. Short-Term Rental Permits that have been issued for a Short-Term Rental within an Accessory Dwelling Unit, Junior Accessory Dwelling Unit, or residential development project established under the HOME Act (Government Code Section 65852.21 and 66411.7), shall be considered non-compliant Short-Term Rentals. Notwithstanding their designation as a non-compliant Short-Term Rental, any Short-Term Rental permitted within any residence described herein shall not be eligible for renewal.~~

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

9.10.050 Short-Term Rental Definitions

“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 ~~45~~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.