



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of City Council
FROM: Terri C. Schaeffer, Housing Program Coordinator/Code Compliance Officer
MEETING DATE: October 7, 2015
SUBJECT: Residential Housing Concept Report
CEQA: Does not Constitute a “Project” per California Environmental Quality Act (CEQA) Guidelines

RECOMMENDATION

Receive report and provide direction to staff.

DISCUSSION

The issue of short term vacation rentals (STVR) has brought focus and attention on the impact of rental properties on the quality of the fabric of residential neighborhoods. For example, the question of whether a property owner may rent a single room for transient use (STVR) has been raised. Staff requests the City Council’s direction regarding concepts that should be brought to the Planning Commission for consideration regarding amendment of the Pacific Grove Municipal Code (PGMC) and Chapter 23 (Zoning Code). Below are several concepts for the City Council to consider.

- Define Residential Property in PGMC § 23.64.350 to clarify the term “residential dwelling unit” does not include a room, detached rooms or a portion of a residential unit that does not provide both kitchen and bathroom facilities.
- Prohibit the short term rental of second units or rental of any accessory unit to a primary single family dwelling. Consider that accessory units established prior to 2003 and currently established second units may not be licensed for transient use. (An exception might apply to second units approved before 1992.)
- Consider home-sharing concepts (rental of a bedroom with shared kitchen and bath facilities) as a permitted use of residential property. Consider approval of this type of use by an administrative use permit, or defined as a “home business.” Consider limits on this use such as rental for less than 30 days. Consider required conditions such as on-site parking, occupancy by the owner, etc. Consider other restrictions such as possession of a business license, and payment of business tax and/or transient occupancy tax. (This is the model presently used in San Luis Obispo and Santa Monica.)
- Consider property maintenance issues affecting the rental housing stock. Consider use of a residential rental unit registry, periodic inspection and payment of appropriate fees. (This is a model presently used in Santa Cruz and San Francisco.)

- Consider affordable rental housing needs and review of PGMC Chapter § 23.80, Second Unit. The current Second Unit Ordinance excludes most existing accessory structures because of strict set back and parking requirements. Development standards could be relaxed for units verified to have existed prior to 2003, in conformance with Policy 2.4 of the Housing Element:

“The City shall go through the public review process to revise the Second Unit Ordinance to relax standards to encourage the development of second units. Second units approved under these relaxed restrictions shall require a deed restriction stipulating that the units remain affordable to low-income households in perpetuity. The Ordinance should continue to allow second units in all residential zones, with the exception of R-1-B-4.”

- Consider the household income level required for second units by PGMC § 23.80.060 (m) (2) (A). The Code currently specifies:

“Occupant(s) shall qualify as no greater than a median income household according to HUD income level guidelines, as determined by the community development director. Rent charges shall not exceed 30 percent of median or below median income levels as determined annually by HUD.”

This standard is not acceptable to the State, as household income needs to be lower than median for the area, such as either 60% or 50% of median to be considered affordable.

- Consider problems posed by vacant properties in disrepair, PGMC § 11.101 could be revised to require residential property left vacant for an extended period (such as longer than one year) to be actively managed and maintained or be subject to penalties and fines.

OPTIONS

1. Do nothing.
2. Provide alternative direction

FISCAL IMPACT

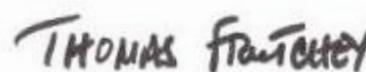
None.

RESPECTFULLY SUBMITTED,



Terri C. Schaeffer
Housing Program Coordinator/
Code Compliance Officer

RESPECTFULLY SUBMITTED,



Thomas Frutchey
City Manager