



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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Terri C. Schaeffer, Housing Program Coordinator
MEETING DATE: April 6, 2016
SUBJECT: Second Reading of Ordinance to Permit Home Sharing
CEQA: Initial Study/Negative Declaration Adopted on March 24, 2016

RECOMMENDATION

Hold second reading and Adopt an Ordinance to amend Pacific Grove Municipal Code Chapter 23 to add a new Section 23.64.370 related to permitting Home Sharing. Adopt the Initial Study/Negative Declaration (IS/ND).

DISCUSSION

At its March 24, 2016 meeting the City Council adopted the Initial Study/Negative Declaration and introduced an Ordinance amending Pacific Grove Municipal Code Chapter 23 and adding a Section entitled "Home Sharing" to PGMC Chapter 23.64 General Provisions and Exceptions to permit the activity of single room rental on a short term basis.

Previously, the Planning Commission had recommended approval of Home Sharing as a separate Ordinance from short term rentals in general because Home Sharing is an owner occupied, self-selected, and self-supervised activity. Section "23.64.370 Home Sharing" will permit property owners desiring to rent a room to guests for less than 30 days for remuneration, to obtain a permit for this use in any residential dwelling unit. Home sharing will be limited to single family dwelling units in any residential or commercial zone. Home sharing will not be permitted in any of the following dwelling units:

1. Lawfully established as second units established pursuant to Chapter 23.80 PGMC;
2. Any accessory to a dwelling unit, or any detached room, or a detached portion of a residential unit that does not provide internal access to both kitchen and bathroom facilities;
3. Any room that is part of a bed and breakfast inn, motel, hotel, or timeshare development condominium, multi-family dwelling unit or any other "tenants in common" dwelling unit.

An owner or owner representative of any qualifying residential property shall submit for an administrative home sharing permit to the City, along with payment of the approved fees, an affidavit affirming smoke detectors are installed and maintained in all sleeping quarters and common areas, that fire extinguishers are accessible, and a carbon monoxide alarm is installed on each level.

Prior to issuance of the permit the owner or owner representative shall provide: access to the site; information to a certified inspector to ensure the health and safety of the site; a report verifying inspection of the site has occurred; and that the Home Sharing site conforms to all requirements of PGMC Section 23.64.370.

Once a permit is approved, all transient occupancy taxes as set forth in Chapter 6.09 PGMC, and fees, as adopted from time to time in the City's Master Fee Schedule shall be collected and remitted to the City, as applicable.

CEQA COMPLIANCE

The City adopted an Initial Study and Mitigated Negative Declaration. This Ordinance has been mitigated to a point where the proposed project will not have the potential to significantly degrade the environment; will have no significant impact on long-term environmental goals; will have no significant cumulative effect upon the environment; and will not cause substantial adverse effects on human beings, either directly or indirectly.

A summary of the ordinance was published in accordance with legal requirements in the Monterey County Herald. After holding the public hearing, Council may approve or reject the second reading of the ordinance. Council may make substantive modifications to the draft measure, but may only do so after holding a further first reading.

OPTIONS

1. Take no action.
2. Provide recommendations to amend the ordinance

ATTACHMENTS

1. Draft Ordinance

FISCAL IMPACT

An increase in transient occupancy tax revenue and administrative fees may be anticipated.

RESPECTFULLY SUBMITTED,



Terri C. Schaeffer
Housing Program Coordinator

REVIEWED BY,



Ben Harvey
Interim City Manager

ORDINANCE NO. 16-

AN ORDINANCE OF THE CITY OF PACIFIC GROVE AMENDING THE PACIFIC GROVE MUNICIPAL CODE AT PGMC §23.64 TO PERMIT AND REGULATE HOME SHARING

FACTS

1. The Pacific Grove Municipal Code (PGMC) controls land use and zoning through PGMC Title 23, “Zoning.”
2. Title 23 allows for the transient use of residential property. Home sharing, by which the resident of a home provides accommodations for less than 30 days to unrelated guests, while the owner or long-term tenant is present, is one possible type of transient use of residential property commonly considered in Pacific Grove and elsewhere.
3. The City Council has the authority to legalize home sharing.
4. To ensure home sharing fully considers the health and safety of the short-term tenants, and preserves or enhances the existing character of the neighborhood in which the home is shared, it is desirable for the City to adopt regulations similar to, but in some ways different from, those regulations adopted for motels, hotels, bed and breakfasts, and other short-term transient uses. Such standards, conditions and regulations established by Council shall be in addition to and harmonious with the Coastal Act and the City’s General Plan.
5. Pursuant to PGMC Sec. 23.84.060, the Council finds as follows:
 - (a) The proposed amendment is consistent with the general plan and the local coastal program in that home sharing does not constitute a change in single-family residential land use as described in the Land Use Element of the General Plan, and would provide additional opportunities for visitor accommodations consistent with the Coastal Act and the City’s local coastal program.
 - (b) The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the city in that the proposed regulations would establish permit procedures that include required conformance with health and safety standards.
 - (c) The proposed amendment is internally consistent with other applicable provisions of these regulations.
6. Enactment of this ordinance action is a Project, as defined by California Environmental Quality Act (CEQA), and an Initial Study/Negative Declaration (“IS/ND”) was prepared and posted for public review on February 10, 2016 pursuant to CEQA Guidelines Sec. 15070 et seq. Subsequent to the posting of the IS/ND, changes were made to the draft regulations as described in the City Council staff report, however pursuant to CEQA Guidelines Sec. 15073.5 those changes do not require substantial revisions to the IS/ND or recirculation of

the IS/ND. The Council has considered the IS/ND together with all public comments and the recommendation of the Planning Commission, and finds that on the basis of the whole record that there is no substantial evidence that the proposed amendment to the City's home sharing regulations will have a significant effect on the environment, and that the IS/ND reflects the Council's independent judgment and analysis. The City Clerk is the custodian of the documents which constitute the record of proceedings upon which the Council's decision is based.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE:

SECTION 1. The foregoing Facts are adopted as findings of the City Council as though set forth fully herein.

SECTION 2. Existing Municipal Code section of Chapter 23.64 "General Provisions and Exceptions" shall be amended by the addition of Section 23.64.370, "Home Sharing," the addition of all text shown in bold, italic, underscored text (***bold, italic, underscored text***), as follows:

PGMC §23.64.370 Permitting Home Sharing

- (a) **Definitions. For the purposes of this section, certain terms used herein shall have the meanings set forth below or in section 23.64.350, and such meanings shall prevail in case of conflict with the definitions set forth in Chapter 23.08 PGMC.**
 - (1) **"Guest" means a person who rents a bedroom and ancillary facilities at a home sharing site**
 - (2) **"Home sharing" means an activity whereby Residents host Guests in their homes, for compensation, for periods of 30 consecutive days or less, while at least one of the dwelling unit's Residents lives in the dwelling unit.**
 - (3) **"Home sharing site" means property occupied and used for home sharing purposes.**
 - (4) **"Resident" means a person legally residing in a dwelling unit in excess of 30 consecutive days. Such Resident may be the owner or a tenant living there with the approval of the owner.**
- (b) **Home sharing for remuneration is allowed pursuant to this chapter, provided that a separate home sharing permit has first been granted and validly maintained for each home sharing site.**
- (c) **Each home sharing permit shall meet all requirements of this section, including:**
 - (1) **Each "Home Sharing" permit shall be subject to the following conditions:**
 - a) **Home sharing is limited to single family dwellings in any residential or commercial zone. Home sharing is not permitted in dwelling units lawfully established as second units pursuant to Chapter 23.80 PGMC; in any accessory unit to a single family dwelling; in any condominium, multi-family dwelling unit or any other "tenants in common" dwelling unit; in any room, detached rooms, or any portion of a single family that does not provide both kitchen and bathroom facilities; or as part of a bed and breakfast inn, motel, hotel, timeshare development, or other transient use.**

- b) The resident shall also occupy the home throughout the duration of any home sharing;
 - c) A maximum of one bedroom in the home may be rented to adults; a second bedroom may be rented to children as part of the same contract;
 - d) No more than 2 adults shall occupy the rented bedroom;
 - e) Guest(s) shall have exclusive use of the rented bedroom(s) and shared use of a full bathroom and kitchen;
 - f) Neither bedrooms nor bathrooms shall contain cooking facilities;
 - g) A designated on-site parking space for use by overnight guests, if it exists, or one parking space on any on-site driveway, if it exists.
- (2) Owner or owner representative of any qualifying residential property may submit an application to the City for an administrative home sharing permit, along with payment of the approved fees, an affidavit affirming that smoke detectors are installed and maintained in all sleeping quarters and common areas, that fire extinguishers are accessible, and a carbon monoxide alarm is installed on each level. The owner or owner representative shall provide access and information to a certified inspector to ensure health and safety of the home share site, prior to issuance of the permit; a report verifying inspection of the site has occurred, and that the Home Sharing site conforms to all requirements of PGMC Section 23.64.370.
- (3) A home sharing permit shall continue in force, as long the conditions are met, except upon cancellation by the owner or owner representative, or upon the sale or transfer of the property.
- (4) Once a permit is approved, all transient occupancy taxes as set forth in Chapter 6.09 PGMC, and fees, as adopted from time to time in the City's Master Fee Schedule shall be collected and remitted to the City, and are applicable.
- (5) Evidence of transient occupancy of a permitted home sharing site, statements and records, failure to file statement or corrected statement, payment of transient occupancy tax, appeal of tax, additional power of City, permit nontransferability, permit denial or revocation, appeal of revocation or suspension, penalties, and liens, shall be as provided in sections 7.40.110 through 7.40.210, inclusive.
- (d) Liability and Enforcement. For the purposes of this section, liability and enforcement shall be the same as PGMC section 23.64.350 (c).

SECTION 3. In accord with Article 15 of the City Charter, this ordinance shall take effect thirty days following passage and adoption hereof.

SECTION 4. The City Manager and City Clerk are directed to perform all tasks necessary to implement this ordinance. This measure may, but shall not be required to, cause republication of the Pacific Grove Municipal Code.

SECTION 5. If any provision, section, paragraph, sentence, clause, or phrase of this ordinance, or any part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, or any part

thereof, or its application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses, or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

**PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF
PACIFIC GROVE** this _____ day of _____, 2016, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

BILL KAMPE, Mayor

ATTEST:

SANDRA KANDELL, Deputy City Clerk

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney