



# NOTICE OF MEETING

## CITY OF PACIFIC GROVE

### CITY COUNCIL

### SPECIAL MEETING AGENDA

Monday, November 13, 2017, 5:00 P.M.

Pacific Grove Community Center – 515 Junipero Avenue, Pacific Grove, CA

The Council will not begin consideration of any item on this agenda later than 10:00 p.m. unless such consideration is approved. Any items on this agenda not considered this evening will be continued to a future meeting.

*Copies of the agenda packet are available for review at the Pacific Grove Library located at 550 Central Avenue; the main counter in City Hall at 300 Forest Avenue, Pacific Grove; and on the internet at [www.cityofpacificgrove.org/agendas](http://www.cityofpacificgrove.org/agendas). The most effective method of communication with the City Council is by sending an email to [citycouncil@cityofpacificgrove.org](mailto:citycouncil@cityofpacificgrove.org). In order to allow the City Council adequate time to review communication related to an agenda item, and in order to allow for the communication to be photocopied and placed within the Reading File, it is recommended that the communication be sent no later than 9:00 AM on the day prior to the City Council meeting.*

## AGENDA

### CALL TO ORDER

### PLEDGE OF ALLEGIANCE: Councilmember Cuneo

1. APPROVAL OF AGENDA
2. COUNCIL AND STAFF ANNOUNCEMENTS (City-Related Items Only)

### REGULAR AGENDA

### 3. UNFINISHED AND ONGOING BUSINESS

#### A. [Short-Term Rental Workshop](#)

PG 3

Reference: Ben Harvey, City Manager

Recommended Action:

1. Hold a public workshop to discuss the proposed short-term rental lottery procedure, block density definition and sunset provisions; and
2. Direct staff to revise the proposed STR ordinance based upon workshop outcome.

***CEQA: An Initial Study and an accompanying Negative Declaration has been adopted.***

### ADJOURNMENT

NOTICE OF ADA COMPLIANCE: Pursuant to Title II of the Americans with Disabilities Act (Codified At 42 United States Code Section 12101 and 28 Code of Federal Regulations Part 35), and Section 504 of the Rehabilitation Act of 1973, the City of Pacific Grove does not discriminate on the basis of race, color, religion, national origin, ancestry, sex, disability, age or sexual orientation in the provision of any services, programs, or activities. The City of Pacific Grove does not discriminate against persons with disabilities. City Hall is an accessible facility. A limited number of assisted listening devices will be available at this meeting. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting or provide the requested agenda format.

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**



## **AGENDA REPORT**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Ben Harvey, City Manager  
**MEETING DATE:** November 13, 2017  
**SUBJECT:** Short-Term Rental Workshop  
**CEQA STATUS** An Initial Study and an accompanying Negative Declaration has been adopted.

### **RECOMMENDATION**

1. Hold a public workshop to discuss the proposed short-term rental lottery procedure, block density definition and sunset provisions; and
2. Direct staff to revise the proposed STR ordinance based upon workshop outcome.

### **BACKGROUND**

The second read of the revised short-term rental ordinance was scheduled for hearing at the November 1, 2017 City Council meeting. Due to time constraints and a perceived need to carve out certain components of the ordinance for focused discussion and review, the City Council directed staff to convene a public workshop on the proposed short-term rental lottery procedure, block density definition and sunset provisions. Further, the City Council directed staff to revise the ordinance based on the public workshop outcomes and present a revised first reading of the ordinance to the City Council following the workshop.

### **DISCUSSION**

Block density, and lottery and sunset procedures for existing STRs remain some of the most challenging areas of concern as the City transitions from the existing to a revised STR program. The public workshop is intended to provide City staff with the opportunity for a presentation to allow for a focused and detailed discussion on the proposed lottery procedure, and corresponding block density and sunset provisions. Within the presentation that will be presented at the workshop, staff will provide a comprehensive overview of the over-dense blocks, their unique configurations and recommendations for how these blocks will interact within the proposed lottery. Further, staff will also provide recommended changes to PGMC section 7.40.030 (b)(3) of the revised ordinance.

### **FISCAL IMPACT**

There is no fiscal impact in convening a public workshop; however, suggestions stemming from the public workshop will be brought back for City Council review as part of an ordinance first reading and may include potential fiscal impacts.

### **GOAL ALIGNMENT**

Neighborhoods: Review and update the short-term vacation rental program.

### **OPTIONS**

1. Provide alternative direction.
2. Do nothing.

**ATTACHMENT**

1. Draft suggested language regarding PGMC section 7.40.030 (b)(3).

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to read "Ben Harvey". The signature is written in a cursive, flowing style.

---

Ben Harvey, City Manager

## **PROPOSED DRAFT LANGUAGE FOR REVISED STR ORDINANCE \_\_\_\_\_, SECTION 3**

### **Section 3**

1. Sunset determination process means a method in which existing licenses (those issued on or before the effective date of ordinance adoption) are considered for renewal or to be discontinued (sunset). The process will recognize the fifteen percent (15%) density limit while also adapting for transition to new criteria based on the 55' zone of exclusion.
2. Following the effective date of this Ordinance, each existing STR license shall either be selected for renewal or for discontinuation (sunset), through a public lottery. The public lottery will be administered by an independent qualified professional firm in accord with procedures. STRs not selected for renewal shall sunset and be null and void on December 31, 2018.

The order of selection will be as follows:

- (i) All STRs on blocks at or below the 15% density limit will be exempt from the lottery process, and eligible to renew their license.
- (ii) All STRs are located outside of the Zone of Exclusion for all other STRs will be exempt from the lottery process, and eligible to renew their license.
- (iii) STRs on all remaining blocks will be required to enter the lottery process. Each block shall be considered in turn by the lottery, as determined by random order.
- (iv) When each block is considered in the lottery, each STR in that block shall be reviewed in random sequence selected by block; the STR will be designated for continuation if:
  - a. The number of STRs already designated for continuation on that block, plus the number yet undetermined, including the STR being reviewed, are within the density limit of the block, or
  - b. The STR now stands outside of the Zone of Exclusion for all other STRs that have not yet been designated to be discontinued (sunset).
3. New STR licenses shall not be issued within blocks subject to the lottery process where density exceeded 15%, or where the issuance of the license would cause the density to exceed 15%, until on or after January 1, 2019. At that time, the Zone of Exclusion criterion will apply for the location of the STR, as well as the city-wide cap.