City Council Agenda Report

From: Warren Frace, Community Development Director

Subject: Revised Short-Term Rental Ordinance Zoning Code Amendment (ZC 15-006)

An Amendment to the Zoning Code to add provisions regulating Short-Term Rentals in all Zoning Districts throughout the City.

Date: June 4, 2019

Facts

1. Short-term rentals (also known as “vacation rentals”) refer to the practice of renting rooms or houses for a period of less than 30 days.

2. Short-term rentals fall under the Transient Occupancy lodging definition of the City Municipal Code (21.08.444), which requires the payment of transient occupancy tax (TOT) and a business license.

3. The City does not have any specific code provisions that regulate short-term rentals.

4. Due to the growing popularity of short-term rental websites such as Airbnb and VRBO, there are currently estimated to be 350± short-term rentals operating in Paso Robles, up from 167 in November 2016.

5. In December 2014, the City had issued 71 business licenses for short-term rentals.

6. As of February 2019, the City had issued 323 business licenses for short-term rentals with the requirement to pay TOT to the City.

7. In spring 2015, as a result of increasing public complaints, the City Council requested staff to analyze the operation and impacts of short-term rentals within the City.

8. In August 2015, the Assistant City Manager prepared a Short-Term Rental Outreach Plan that called for: (1) a Focus Group meeting of short-term rental operators; and (2) a public workshop.

9. On September 23, 2015, staff hosted a “focus” group at the EOC that was attended by five local short-term rental operators. The theme of the operator comments was, limited regulations creating a level playing field for short-term rental operators was a good idea, and short-term rentals were an important tourism and economic development resource. The group preferred voluntary “good neighbor” guidelines rather than strict City standards.
10. On November 4, 2015, the City hosted a short-term rental community workshop in Council Chamber attended by a standing-room-only crowd that appeared to be a balance of operators and concerned neighbors. The theme of the meeting comments was balanced between the need to protect residential neighborhoods while promoting tourism and economic development.

November 4, 2015 Community Workshop

11. On March 15, 2016, the City Council considered a Short-Term Rental Policy update report and authorized the City Manager to form an advisory panel consisting of operators and neighbors to work collaboratively with staff on policy recommendations for the City Council’s consideration.

12. On April 21, 2016, following a public application process, the following people were appointed to the Short-Term Rental Task Force:
   - Kathy Bonelli
   - Bill Haas
   - Stacie Jacob
   - Dan Jones
   - Meridith Maas
   - Mark McConnell
   - Jill Ogorsolka

13. From May to September 2016, the Short-Term Rental Task Force met eight separate times to review short-term rental issues and explore potential policy options.

14. On September 9, 2016, the Short-Term Rental Task Force recommended a draft Short-Term Rental Ordinance and a Statement Concerning Density of Short-Term Rentals to the City Manager for consideration.

15. On January 31, 2017, the City Council held a public workshop to review the short-term rental task force recommendation. The City Council was in general agreement with the Task Force’s recommendation but requested a number of refinements. The primary changes were to streamline the requirements and move the occupancy and parking limits to the Good Neighbor Brochure as guidelines.
16. Staff and the City Attorney worked together to revise the draft ordinance to address the City Council’s concerns and consistency issues with other Code sections.

17. On September 9, 2017, the Short-Term Rental Task Force was reconvened to review the revised draft ordinance. The Task Force considered the draft, along with public comments, and asked staff to make some minor adjustments to the ordinance, which were incorporated in a revised draft ordinance.

18. On October 10, 2017, the Planning Commission held a public hearing to consider the proposed short-term rental ordinance and continued the hearing to October 24, 2017 with direction to staff to further analyze the section of the ordinance prohibiting transfers of permits and the 3-year term.

19. On October 24, 2017, the Planning Commission reconvened the public hearing and voted to recommend the City Council approved the proposed ordinance. In addition to the recommendation, the Planning Commission forwarded the following comments for consideration:
   a. The long-term impacts of short-term rental density will need to be monitored and should be reviewed in the future by the Planning Commission.
   b. The City Council should consider an amnesty program for existing short-term rentals that are not making transient occupancy tax payments.
   c. There are privacy concerns regarding the posting of short-term rental addresses on the City’s website, but there are no easy alternatives for providing public information regarding short-term rental locations.

20. The City Council deferred taking action on the ordinance in 2017. However, since that time, additional concerns have been expressed regarding the increasing number of short-term rentals and their impacts upon residential neighborhoods.

21. On February 5, 2019, the City Council adopted an urgency ordinance and held first reading of a regular ordinance regarding short-term rentals, both on 4-0 votes. However, due to potential conflict of interest issues, the Council was asked to consider repealing the urgency ordinance and not hold second reading of the regular ordinance.

22. On February 19, 2019, the City Council repealed the urgency ordinance and did not re-introduce an ordinance for first reading, but referred the short-term rental ordinance back to the Short-Term Rental Task Force for additional review.

23. On February 28, 2019, the Short-Term Rental Task Force reconvened with the following members:
   - Kathy Bonelli
   - Bill Haas
   - Danna Stroud
   - Dan Jones
   - Scott Laycock
   - Mark McConnell
   - Jill Ogorsolka

24. This second Short-Term Rental Task Force held eight public meetings over an eight-week period. The meetings were well attended by the public and the public was given ample opportunity to raise issues and ask questions during the process.
25. At the last Short-Term Rental Task Force meeting on April 17, 2019, the Task Force endorsed a series of recommendations that are shown in Attachment 1. Those recommendations have been incorporated into the proposed Ordinance (Attachment 2) and the Short-Term Rental Permit Processing and Numeric Limits Resolution (Attachment 3).

26. The Planning Commission held a hearing on the proposed ordinance on April 23, 2019. Prior to the meeting, the City Attorney determined (based on a recent revisions to the FPPC regulations) that any Commissioner owning residential property within 500 feet of a licensed short-term rental may have a disqualifying conflict of interest. Consequently, only Commissioners Donaldson and Castillo were eligible to vote on the item. In order to establish a quorum, the conflicted Commissioners drew straws to determine which two additional Commissioners would hear the item. Commissioners Koegler and Jorgensen were selected to stay and the other Commissioners left the room.

27. The Planning Commission heard from 20 members of the public. The Commission voted 4-0 (Castillo, Donaldson, Koegler and Jorgensen) to continue the item to the May 14, 2019 Planning Commission meeting and refer back to staff for additional analysis the following items:

1. Expand the neighborhood noticing requirement to 300 feet.
2. Establish escalating fines for first and second violations.
3. Prohibit exterior signage.
4. Consider more restrictive on-street parking restrictions, with different requirements for STRs in the R-1 zones.
5. Consider more restrictive occupancy standards, with different requirements in the R-1 zones.
6. Consider options to require a reduction of the number of R-1 short-term rentals, by reconsidering the grandfathering, analyzing the logic of the 100 permit cap.

28. The Planning Commission reconvened a continued public hearing to consider the proposed Short-Term Rental Ordinance on May 14, 2019, where Commissioner Donaldson stepped down due to a potential new conflict of interest. In order to establish a quorum, Commissioners Davis and Neel drew straws again to determine which one would hear the item. Commissioners Davis was selected to stay and Commissioner Neel left the room. The Planning Commission voted 4-0 to continue the hearing to May 15, 2019 to allow Commissioner Davis time to listen to the tape of the April 23, 2019 Planning Commission meeting and otherwise prepare.

29. The Planning Commission held a public hearing to consider the proposed Short-Term Rental Ordinance on May 15, 2019, where they considered a staff report and took comments from 43 members of the public in attendance, as well as a full packet of correspondence, prior to recommending the City Council adopt a revised version of the Short-Term Rental Ordinance (Attachment 2) and procedure resolution (Attachment 5) attached to this Staff Report, which would implement the following requirements:

- Ministerial permits for home-share and vacation rentals in all residential districts, subject to a numeric limit on the number of permits that may be issued.
- Requirement to pay transient occupancy taxes and obtain business licenses.
- Minimum separation requirements in the R-1 zoning district.
- Occupancy limits and parking requirements.
- Requirement to comply with “Good Neighbor” guidelines.
- Creation of a complaint hot-line system to resolve neighborhood issues.
Options

1. Take no action;
2. Adopt the “Planning Commission” version of the Short-Term Rental Ordinance (Ordinance A) and Resolution of Short-Term Rental Permit Processing; or
3. Adopt the “Short-Term Rental Task Force” version of the Short-Term Rental Ordinance (Ordinance B) and Resolution of Short-Term Rental Permit Processing; or
4. Adopt the “Alternative – R-1 Non-Hosted Phase Out” version of the Short-Term Rental Ordinance (Ordinance C) and Resolution of Short-Term Rental Permit Processing; or
5. Adopt a revised version of the proposed Short-Term Rental Ordinance and Resolution of Short-Term Rental Permit Processing Policies, based on Council direction; or
6. Refer back to staff, and/or the Planning Commission for additional analysis.

Public Outreach
The short-term rental process began in 2016 and has involved a significant public participation process including:

- Two Short-term Rental Task Forces: 17 public meetings
- Planning Commission: 5 public meetings
- City Council: 7 public meetings (including this meeting)

During this process the Short-Term Rental Task Force, Planning Commission, and City Council have all taken testimony and received written comments from many hundreds of members of the public with concerns on all sides of this important community issue. The City has received numerous short-term rental comments from the public since the last Planning Commission hearing. The comments are included as Attachment 1.c.

The November 4, 2015 Short-Term Rental Community Workshop revealed the complexity of the issues related to short-term rentals. The “word clouds” below highlight the frequency of different words and terms raised during the Workshop. A separate word cloud was prepared for short-term rental operator comments and for concerned neighbors. The key terms identified by the operators were: tourism, owner responsibility, and no change. The key terms identified by concerned neighbors were: protect residential character, safety, and parking. The proposed short-term rental ordinance is written to address and balance the concerns of both sides.
Word Cloud Summary of November 4, 2015 Community Workshop Comments

Short-Term Rental Owner/Other Comments Word Cloud

- General Enforcement
- Extra Income
- Owner Responsibility
- Economic Health
- Protect Housing Stock
- More TOT
- 24 Hr Contact
- No Change
- Tourism

Neighbor Comments Word Cloud

- Parking
- Temporary Moratorium
- Protect Residential Character
- Property Value Increase
- Economic Health
- Owner Responsibility
- Protect Housing Stock
- Limit guests/units
- No Change
- Safety
1. **Short-Term Rental Task Force Process and Recommended Ordinance**

   The goal of appointing a Short-Term Rental Task Force representing all of the interests in the issue, was to find a balanced policy solution that was acceptable to all stakeholders.

   The Task Force identified the following principles to guide development of the short-term rental policy:
   - Protection of residential neighborhoods and quality of life
   - Encouraging compliance
   - Maximize Transient Occupancy Tax collections
   - Ensure a “level playing field” for all lodging businesses regardless of size and type
   - Create realistic and enforceable regulations
   - Provide rules that “fit” Paso Robles

   Over the course of eight meetings that included significant public input, the Task Force created a draft Ordinance organized around the following sections:
   - Definitions
   - Licensing Requirements
   - Responsible Party Designation
   - Operational Requirements
   - Violation Enforcement

   This draft Ordinance was reviewed by the City Council in January, 2017 and was revised based on City Council direction. The Short-Term Rental Task Force met in September, 2017 to make additional refinements. The proposed ordinance was considered again by the Council, but not adopted.

   Since then much has changed. There are more short-term rentals than there were in 2017, with the current count over 300. Almost all now have business licenses. Several neighborhoods, such as Hilltop Drive and Ridgeview Court, have been significantly impacted. In addition, the housing shortage for long-term rentals has continued.

   In November, 2018 the City Council requested that the Task Force be reconstituted. Practices of a number of owners and tenants of short-term rentals in the Hilltop area and elsewhere, made it clear that regulations were necessary given such issues as increased noise and traffic, including charter buses, as a result of short-term rentals. In January, 2019 the Planning Commission held a public session on short-term rentals. Based on the testimony received, the Planning Commission unanimously requested urgency in addressing the existing problems. At the January 16th City Council meeting, the Council requested that the ordinance be brought back immediately to address the current problems.

   On February 5, 2019, the City Council adopted an urgency ordinance and held first reading of a regular ordinance regarding short-term rentals. However, due to potential conflict of interest issues, the Council was asked to consider repealing the urgency ordinance and not hold second reading of the regular ordinance. On February 19, 2019, the City Council repealed the urgency ordinance and did not re-introduce an ordinance for first reading, but referred the short-term rental ordinance back to The Short-Term Rental Task Force for additional review.

   On February 28, 2019, the Short-Term Rental Task Force reconvened. The new Task Force held eight public meetings over an eight-week period. The meetings were well attended by the public and the public was given ample opportunity to raise issues and ask questions during the process. At the last Task Force meeting on April 17, 2019, the Task Force endorsed a series of recommendations (Attachment 1). Those recommendations have been incorporated into the Draft Ordinance (Attachment 2) and the Short-Term Rental Permit Processing and Numeric Limits Resolution (Attachment 3).
2. **Planning Commission Process and Proposed Ordinance**

   The Task Force recommendations then went to the Planning Commission where they were considered on April 23, 2019 and on May 15, 2019. The following section is a summary of the key elements of the version of the ordinance as proposed by the Planning Commission. In general, the Planning Commission’s version is more restrictive than the version proposed by the Task Force. The “standard” text of the attached ordinance and resolution are the original recommendation of the Short-term Rental Task Force and staff. The track-changes (strike-through and underlining) are the changes the Planning Commission is recommending.

### A. Definitions

The Definitions section lists all of the terms and processes used in the Ordinance. The key definitions include:

- “Short-Term Rental” means any habitable structure constructed for residential occupancy under the California Building Code for which a rental contract for occupancy has been made for a term of 30 days or less and which the Short-Term Rental use is permitted to operate, pursuant to a current and valid Permit on file with the City. Short-Term Rentals include both Homeshares and Non-Hosted Accommodations.

### Attachment 2

**Ordinance A – Planning Commission Version**

14. The Permittee shall allow the City, upon 24-hour notice from the city, to inspect, with cause, the Short Term Rental for compliance with the requirements of this Chapter. Permittee shall pay an inspection fee in an amount set by the City Council by resolution for the city’s master fee schedule based on the estimated reasonable cost to perform the inspection.

15. Within 10 days of permit issuance, the Owner or agent shall notify all neighbors, within 300 feet of the perimeter of the property, that a Short-Term Rental Permit has been obtained. Notification will include a copy of the Good Neighbor Brochure and the owner’s name and phone number as specified in the following table:

<table>
<thead>
<tr>
<th>Zoning District</th>
<th>Minimum Notification Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning District</td>
<td>All directions for property lines</td>
</tr>
<tr>
<td>R-1 Zoning District</td>
<td>300 feet from property perimeter</td>
</tr>
<tr>
<td>Outside R-1 Zone</td>
<td>50 feet from property perimeter</td>
</tr>
</tbody>
</table>

16. No exterior signs related to the operation of the short-term rental shall be displayed.

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• “Non-Hosted Accommodation” means a Short-Term Rental structure that is not occupied by either the Owner or an Authorized Agent while it is being occupied by a Renter. A Non-Hosted Accommodation permit may operate as a Homeshare, but not the converse.

• “Homeshare” means a Short-Term Rental structure in which the Owner both resides and remains during the time a Renter is occupying the Short-Term Rental unit. This can include an accessory dwelling unit (ADU) located on the same parcel as with the primary residence occupied by the owner.

B. Expand the Neighborhood Noticing Requirement

A new table was added to the ordinance that set a 300-foot neighborhood notification in the R-1 zone and a 50-foot neighborhood notification in all other zones. A 300-foot notification in the Downtown T-zones seemed to be excessive due to the smaller lot sizes and the existing concentration of short-term rentals.

<table>
<thead>
<tr>
<th>Zoning District</th>
<th>Minimum Notification Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-1 Zoning District</td>
<td>300 feet from property perimeter</td>
</tr>
<tr>
<td>Outside R-1 Zone</td>
<td>50 feet from property perimeter</td>
</tr>
</tbody>
</table>

C. Prohibit Exterior Signage

The signage prohibition was added to Section 21.34.030.E.16.

16. No exterior signs related to the operation of the short-term rental shall be displayed.

D. Consider More Restrictive On-Street Parking Restrictions

Table 21.34.030.2. has been amended to require on-site parking and reduce the allowable number of on-street parking to a single space. The on-street parking standards would be the same inside and outside the R-1 zone.

The Planning Commission added an exception where the Director may approve exceptions to the parking requirements for Short-Term Rentals with existing, non-conforming on-site parking deficiencies.

<table>
<thead>
<tr>
<th># of Bedrooms</th>
<th>Minimum On-site Parking (must be used prior to street parking)</th>
<th>Outside R-1 Zone: Maximum # of additional Vehicles Parked on Public Streets</th>
<th>R-1 Zone: Maximum # of additional Vehicles Parked on Public Streets</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 / 1 bedroom</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>4 bedrooms</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>5 bedrooms</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

E. Consider More Restrictive Occupancy Standards

Table 21.34.030.2. has been amended to reduce the maximum overnight and daytime occupants in 4 and 5 bedroom short-term rentals. The occupancy standards are the same inside and outside the R-1 zone.
<table>
<thead>
<tr>
<th># of Bedrooms</th>
<th>Total # of Overnight Occupants (9 pm. to 7 a.m.)</th>
<th>Maximum # of Daytime Occupants (7 a.m. to 9 p.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 / 1 bedrooms</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>4 bedrooms</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>5 bedrooms</td>
<td>10</td>
<td>14</td>
</tr>
</tbody>
</table>

F. Options to Grandfather and Reduce the Number of R-1 Short-Term Rentals
Section 21.34.030.B. has been amended to increase the short-term rental separation in the R-1 zone from 100 to 200-feet. Also, Short-Term Rental Permits with separation conflicts would be issued for 3-years ("grandfathered"). After 3-years, the Short-Term Rental Ordinance will be reviewed or will sunset. During this process the City Council will determine the process for renewing permits with a conflict.

R-1 Zoning Buffer Conflicts

<table>
<thead>
<tr>
<th>Separation / Buffer</th>
<th>Conflicts</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 ft. separation / 50 ft. buffer</td>
<td>79 conflicts</td>
</tr>
<tr>
<td>200 ft. separation / 100 ft. buffer</td>
<td>108 conflicts</td>
</tr>
<tr>
<td>300 ft. separation / 150 ft. buffer</td>
<td>133 conflicts</td>
</tr>
</tbody>
</table>

Zoning District Minimum Separation Distance Interpretation

<table>
<thead>
<tr>
<th>Zoning District</th>
<th>Minimum Separation Distance</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-1 – Single-Family Residential</td>
<td>200 feet</td>
<td>1. Measured from perimeter of property line.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Does not apply to a second short-term rental permit on the same lot.</td>
</tr>
<tr>
<td>All other zones</td>
<td>0 feet</td>
<td>No separation requirement</td>
</tr>
</tbody>
</table>

The total number of short-term rental permits has been reduced in the zones outside the R-1 District to 200 permits, with a total city-wide total of 300 permits. Currently there are 210 business licenses in the R-1 Zone and 139 business licenses in all the other zones. Under the numeric limit table, 110 R-1 short-term rental would be eliminated over time while the other zones could increase by 61 permits.

Short-Term Rental Permit Numeric Limits Resolution B

<table>
<thead>
<tr>
<th>Zoning District</th>
<th>Maximum Non-Hosted Accommodation Permits</th>
<th>Homeshare Permits</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-1 – Single-Family Residential</td>
<td>100 permits</td>
<td>No limit</td>
</tr>
<tr>
<td>All other zones</td>
<td>200 permits</td>
<td>No limit</td>
</tr>
<tr>
<td>Total all zones</td>
<td>300 permits</td>
<td>No limit</td>
</tr>
</tbody>
</table>
G. California Building Code Consistency Questions
During the 4/23/19 Planning Commission hearing a member of the public submitted information and requested clarification regarding how the California Building Code applies to short-term rentals. The City’s Chief Building Official has reviewed the issue and provided the following summary.

The California Building Code Classifies a Single-Family Home as **Residential R-3 occupancy** (R-3 building code occupancy is not related to the City’s R-3 zoning districts).

Residential R-3 Occupancy Includes:
- Buildings with 1 or 2 dwelling units (Single-Family Home or Duplex)
- Boarding Houses (Transient ≤10 Occupants)
- Congregate Residences (Transient ≤10 Occupants)
- Lodging Houses (≤5 Guest Rooms)

**Conclusion:**
From a California Building Code standpoint, use of a Single-Family Home or Duplex as a Short-Term Vacation Rental or Home Share is allowed.

H. Licensing Requirements
This section identifies all of the different types of land uses that are included under the definition of short-term rental and the licensing requirement and City review process. Short-Term Rental Permits would be ministerial permits (no discretionary approvals or hearings required) that would be issued by staff if an applicant complies with the short-term rental ordinance requirements. The Planning Commission has added a restriction that only one (1) short-term rental permit may be issued for an R-1 parcel.

This section also identifies the application requirements and ability of the City to charge cost recovery fees. Bed and Breakfasts are nearly identical in use to a short-term rental home share with the exception of the requirement of a County Health permit for food service. For this reason, the existing Bed and Breakfasts code provisions will be repealed and combined with the short-term rental requirements. Bed and Breakfasts will continue to require a conditional use permit, which could be approved with allowances for special events like weddings.
Table 21.34.030.1. Short Term Rental Permitting Table

<table>
<thead>
<tr>
<th>Rental Type</th>
<th>Homeshare Permit</th>
<th>Non-Hosted Accommodation Permit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Term Rental</td>
<td>Short-Term Rental Permit may be issued for the following:</td>
<td>Short-Term Rental Permit may be issued for the following:</td>
</tr>
<tr>
<td></td>
<td>• Primary dwelling</td>
<td>• Primary dwelling</td>
</tr>
<tr>
<td></td>
<td>• Second Units</td>
<td>• Second Unit</td>
</tr>
<tr>
<td></td>
<td>• Guest Houses</td>
<td>• Residential portions of</td>
</tr>
<tr>
<td></td>
<td>• Multi-family residential apartments</td>
<td>Mixed Use structures</td>
</tr>
<tr>
<td></td>
<td>• Residential portions of Mixed Use structures</td>
<td>Interpretations:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. A maximum of one (1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Homeshare Short-Term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rental Permits will be issued</td>
</tr>
<tr>
<td></td>
<td></td>
<td>per legal parcel in the R-1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>zoning district</td>
</tr>
<tr>
<td>Bed &amp; Breakfast - Food Service</td>
<td>Conditional Use Permit</td>
<td>Not permitted</td>
</tr>
<tr>
<td></td>
<td>San Luis Obispo County health permit</td>
<td></td>
</tr>
</tbody>
</table>

I. Permit Conditions

One of the key issues the Task Force identified was the need for both short-term rental owners and guests to be respectful of residential neighborhoods. The ordinance requires the Permittee (owner or agent) take full responsibility for ensuring all renters are aware of and follow City rules.

J. Good Neighbor Brochure and Hotline

A Good Neighbor Brochure (refer to Attachment 4) will be provided by the permittee to all renters, who must then comply with its requirements. A third-party Hotline Response would be established to notify permittees of neighborhood complaints prior to involving the Police Department. The short-term rental licensing fees would fund the Hotline.

Permittee would be required to respond to any Hotline notifications as follows:

- The Owner or Authorized Agent shall resolve the complaint within thirty (30) minutes of being notified of a complaint by the Hotline.
- The Owner or Authorized Agent shall notify the Hotline attendant of the corrective action taken and results obtained within thirty (30) minutes of being notified of a complaint by the Hotline.
If the Owner or Authorized Agent believes the situation is un-safe, they shall immediately contact the Police Department for assistance. Proactively contacting the Police Department for assistance will not be counted as a permit violation.

K. Violations and Enforcement
This section provides an escalating process for addressing violations to the Short-Term Rental Ordinance ranging from administrative citations, revocation of permit, to criminal prosecution.

Violations would be defined as follows:

- Permittee provided materially false or misleading information in any submittal required under this Chapter;
- the Permittee has committed a total of three (3) violations of a combination of any of the violations specified in Section 21.34.060.B within any 365 day period;
- the Permittee fails to maintain an active business license tax certificate per Chapter 5.04

Any enforcement action of the Director may be appealed to the Planning Commission by the applicant or anyone interested.

L. Establish Escalating Fines for First and Second Violations
The ordinance and policy resolution incorporate references to Section 1.03.020. of the Paso Robles Municipal Code that establishes Administrative Fines for code violations that would be applied to short-term rental ordinance violations. The third, $500 fine would be combined with the permit revocation process. These fines are one remedy option the City may impose for violations of the short-term rental ordinance, but the ordinance also allows the City to pursue other remedies as appropriate, including nuisance abatement.

Section 1.03.020 - Administrative fines.

1. A fine not exceeding one hundred ($100) dollars for a first violation;
2. A fine not exceeding two hundred ($200) dollars for a second violation of ordinance or permit within one year from the date of the first violation;
3. A fine not exceeding five hundred ($500) dollars for each additional violation of ordinance or permit within one year from the date of the first violation.

M. Permit Fees
Consistent with City policy, the administration of the program and hotline service costs should be covered by the short-term permit fee. Staff has reviewed the ordinance process and determined the following cost factors:

- Each permit application will take an average of 1.5 hours of staff time to process plus 1 hour for noticing.
- A compliance contractor could operate the hotline and do periodic checking to ensure all short-term rentals are licensed for a projected $20,000± annually.

Based on this analysis, the non-refundable Short-Term Rental Permit Fee (3-year term) is set at $550 (includes permit processing, noticing, and the hot-line fee). Homeshares with only one bedroom available to rent would pay a reduced Permit Fee of $300.

N. Short-Term Rental Permit Processing Procedure
The following Short-Term Rental Permit processing procedures would be adopted by the City Council to ensure an orderly and consistent conversion of existing short-term rental business licenses into Short-Term Rental Permits:
1. On the effective date of the ordinance, the City shall stop accepting and issuing Short-Term Rental Business Licenses without proof of a valid Short-Term Rental Permit issued to the applicant.

2. On the effective date of the ordinance, Short-Term Rental Permit applications will be accepted only from owners in possession of an existing, valid Short-Term Rental Business License whose business license application was submitted to the City on or before April 12, 2019. To be considered for the initial issuance of permits, Short-Term Rental Permit applications must be submitted within 30 days of the effective date of the ordinance.

3. Short-term rental operators that complied with the provisions in section 2 above, may continue to operate until a Short-Term Rental Permit is issued or denied by the City. If a permit is denied and an appeal is filed, the short-term rental may operate until the appeal process is exhausted.

4. Starting 30 days after the effective date of the ordinance, no additional Short-Term Rental Permit applications will be accepted by the City.

5. All short-term rentals with a valid business license may operate without restrictions to the morning after June 30, 2019.

6. On July 1, 2019, business licenses for short-term rentals will only be renewed if a Short-Term Rental Permit has been issued for the business.

7. Starting 90 days after the effective date of the ordinance, Short-Term Rental Permit applications may be accepted, with permits to be issued to eligible applicants on a first come basis consistent with the density and separation requirements of the ordinance.

8. In the event the City is unable to issue a permit solely due to the numerical limits established herein, the City will develop and maintain a permit availability list and may place applicants on the list. If a permit becomes available, the City will notify the applicant by US Mail who has been on the permit availability list the longest and allow him or her a reasonable time to provide the City with any information necessary to ensure the application is current and otherwise complies with the ordinance. If the applicant fails to respond and/or provide current information within 30 days, the City shall remove the applicant from the permit availability list and repeat the process until a permit has been issued or all of the applicants on the permit availability list have been notified.

O. Sunset Clause
   The ordinance would include a sunset clause to expire within three (3) years of the effective date unless the City Council has conducted a review of its provisions and either extended or amended the Short-Term Rental Ordinance.
3. **Alternate Version of the Proposed Ordinance**

Since the very beginning, the consideration of STRs has been a community issue, not just a City government issue. Over the past two-and-a-half years, the level of community interest and involvement has only intensified. Suggestions have even been made that the Council put the entire issue in front of the community as a ballot measure.

Similar to what has happened in other communities, the community’s views on this issue have evolved. Based on the experiences of other communities, the community’s views here in Paso Robles are also likely to continue to evolve. This is one of major reasons to not have the community decide the issue through a ballot measure: once it goes to the voters, the Council will not be able to make changes to reflect the changing community views. Only the voters would be able to make changes and could do so only every two years. As communities throughout California have realized, on this issue and others, once the voters adopt an approach, it is unlikely to change, and becomes frozen in time.

Whereas early in the process there might have been the opportunity to craft an ordinance that reflected a community consensus, that appears no longer possible. Owners of non-hosted accommodations, and persons sharing their perspective, want minimal restrictions. Many residents in neighborhoods already impacted by non-hosted accommodations, and persons sharing their perspective, want them banned from single family residential zones.

It appeared that owners of non-hosted accommodations, and persons sharing their perspective, generally prefer the version of the ordinance developed by the Task Force (Ordinance B - Attachment 3). Even after all of the work invested by the Planning Commission, input received to date would indicate that there is a relatively small minority that prefers the version developed by the Planning Commission (Ordinance A - Attachment 2). Those residents of neighborhoods already impacted by non-hosted accommodations, and persons sharing their perspective, who have expressed their views, appear to support neither version.

Thus, to ensure the City Council has virtually a full range of options to consider, a third Alternative Version of the ordinance is provided (Ordinance C – Attachment 4), one that phases out non-hosted accommodations from the City’s R-1 zone. It is important to note, however, that this version has not been considered by either the Task Force or the Planning Commission. That, in and of itself, over and above the provisions it includes, is going to anger a significant subset of our community. To give the Council anything less, however, ensures that a version of the ordinance that might otherwise appear in November 2020 as a ballot measure, will not yet have been considered.

This version takes the version recommended by the Planning Commission and uses track changes to identify all differences.
4. **Key Differences Between and Among the Three Versions.**
The following chart focuses in on the crucial differences among the three Ordinances.

<table>
<thead>
<tr>
<th>Short-Term Rental Policy</th>
<th>Ordinance A Planning Commission</th>
<th>Ordinance B Task Force</th>
<th>Ordinance C Alternative Version</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-1 Non-Hosted Permits Allowed</td>
<td>100 permits</td>
<td>100 permits</td>
<td>0 permits 18 month phase out</td>
</tr>
<tr>
<td>Total Non-Hosted Permits allowed</td>
<td>300 permits</td>
<td>350 permits</td>
<td>300 permits</td>
</tr>
<tr>
<td>in City</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-1 Non-Hosted Separation</td>
<td>200 feet</td>
<td>100 feet</td>
<td>N/A</td>
</tr>
<tr>
<td>Requirements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-1 Neighborhood Noticing</td>
<td>300 feet</td>
<td>50 feet</td>
<td>300 feet</td>
</tr>
<tr>
<td>Requirement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-1 Homeshare Permits</td>
<td>1 per lot</td>
<td>2 per lot</td>
<td>1 per lot</td>
</tr>
<tr>
<td>Commercial Signage</td>
<td>Not Permitted</td>
<td>Permitted</td>
<td>Not Permitted</td>
</tr>
<tr>
<td>On Street Parking</td>
<td>1 space</td>
<td>Up to 3 spaces</td>
<td>1 space</td>
</tr>
<tr>
<td>On Site Parking Director</td>
<td>Director Exception Process</td>
<td>Director Exception</td>
<td></td>
</tr>
<tr>
<td>Process</td>
<td></td>
<td>Process</td>
<td></td>
</tr>
<tr>
<td>0 bedrooms</td>
<td>1 space</td>
<td>0 spaces</td>
<td>1 space</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>1 space</td>
<td>0 spaces</td>
<td>1 space</td>
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<td>2 bedrooms</td>
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<tr>
<td>3 bedrooms</td>
<td>2 spaces</td>
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<tr>
<td>4 bedrooms</td>
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<td>0 spaces</td>
<td>3 spaces</td>
</tr>
<tr>
<td>5 bedrooms</td>
<td>4 spaces</td>
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<td>4 spaces</td>
</tr>
<tr>
<td>Occupancy Limits - night</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 bedrooms</td>
<td>2</td>
<td>2</td>
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</tr>
<tr>
<td>1 bedroom</td>
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<td>4</td>
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<tr>
<td>3 bedrooms</td>
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<td>8</td>
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<td>Occupancy Limits - day</td>
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<td>12</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>5 bedrooms</td>
<td>14</td>
<td>18</td>
<td>14</td>
</tr>
</tbody>
</table>
Fiscal Impact

The collection of transient occupancy tax (TOT) from short-term rentals is revenue positive to the City. Attachment 1b provides a summary of transient occupancy tax collection for the past 3 years. All three versions of the ordinance prohibit the operation of a short-term rental without a permit and payment of transient occupancy tax.

The version recommended by the Task Force would have the least financial impact on the City; the version that phases out all non-hosted accommodations from the R-1 zone would have the most.

Implementation of the Ordinance will also require increased staff resources to administer, as well as an additional fee to operate the Telephone Hotline. Implementation of the permit system, in and of itself, should be cost neutral by adding a Short-Term Rental Permit Fee to the City’s Comprehensive Fee Schedule.
Recommendations

1. **Planning Commission Recommendation**
The Planning Commission is recommending Option 2 - The City Council adopts the Ordinance A version of the proposed Short-Term Rental Ordinance and approve the Short-Term Rental Processing Policies.

2. **Alternative Recommendation**
All three versions of the ordinance are fully implementable and are all are presented for Council consideration.

   - Ordinance A - Planning Commission Version
   - Ordinance B - Short-Term Rental Task Force Version
   - Ordinance C - Short-Term Rental Ordinance Alternative (Phase Out All Non-Hosted Accommodations in the R-1 Zone)

3. **City Council Action**
Regardless of the version of the Ordinance preferred by the Council, the Council would take the following actions:


   2. Approve Resolution X approving the Short-Term Rental Permit Processing Fee, Procedures, Numeric Limits, Administrative Citation Fines, Violation Enforcement, and Annual Monitoring Policies.

Attachments

1. 4/18/19 Short-Term Rental Task Force recommendations
   a. Short-term Rental Business License Location Map and Buffers
   b. Transient Occupancy Tax Summary
   c. Public Comments Received Since 5/15/19 Planning Commission Meeting
2. Ordinance A - Short-Term Rental Ordinance as Recommended by the Planning Commission
3. Ordinance B - Short-Term Rental Ordinance as Recommended by the Task Force
4. Ordinance C - Short-Term Rental Ordinance Alternative (phase out all non-hosted accommodations in the R-1 Zone)
5. Resolution X - Short-Term Rental Permit Processing Fee, Procedures, Numeric Limits, Administrative Citation Fines, Violation Enforcement and Annual Monitor Policies
6. Draft Good Neighbor Brochure
7. City Council Hearing Legal Notice
Short-term Rental Task Force #2 Recommendations

April 18, 2019 - 2019 Short-Term Rental Task Force meeting #8

Task Force Members
Bill Haas present
Dan Jones present
Danna Stroud present
Jill Ogorsolka absent
Kathy Bonelli present
Mark McConnell present
Scott Laycock present

Short Term Rental Task Force Recommendations

The Short Term Rental Task Force reviewed the 2019 Draft Short Term Rental Ordinance presented to the City Council on February 19, 2019 line-by-line and made recommendations for changes to the existing language and topics covered in the ordinance. Those changes are summarized below in Table 1. In addition, the task force made recommendations to address concerns raised by members of the public during public comment and feedback from the Planning Commission. The task force purposely dedicated large portions of the first two meetings to public comment to ensure that residents’ concerns informed their recommendations. In order to do so, the task force made recommendations to add sections to the ordinance.

The recommendations below represent a general consensus that was reached by the members of the task force. A great deal of debate led to these recommendations and on many topics unanimity was not possible, as the task force members were chosen to represent a broad cross-section of opinions on this topic.

Recommendations

Definitions:

“Short-Term Rental” (STR) means any habitable structure constructed for residential occupancy under the California Building Code for which a rental contract for occupancy has been made for a term of 30 days or less and for which the Short-Term Rental use is permitted to operate, pursuant to a current and valid Permit on file with the city. STRs include both homeshares and non-hosted accommodations.

“Homeshare” means a Short-Term Rental structure or property in which the owner both resides and remains during the time a renter is occupying the STR. This can include an accessory dwelling unit that shares an assessor parcel number (APN) with the primary residence of the owner.

“Non-hosted accommodation” (NHA) means a STR structure or property that is not occupied by either the owner or an authorized agent while it is being occupied by a renter. A NHA-permitted parcel can operate as a homeshare, but not the converse.

Zoning requirements
Attachment 1

Short-term Rental Task Force #2 Recommendations

The task force discussed the appropriate zoning for the NHAs and homeshares. Of the zoning districts where STRs are currently allowed, the task force reached consensus that both homeshares and NHAs should be permitted in all of the zoning districts associated with the Uptown Specific Plan and the R-2 zone without further restrictions. There was also general consensus that they should be permitted in the R-1 zoning district with additional restrictions. Nothing in this ordinance changes other parts of the zoning ordinance that are not specifically discussed in this section.

Restrictions

1. **Density limits** – the task force expressed sensitivity to neighbors’ complaints of the density of NHAs in single-family residential neighborhoods.

   a. **Buffering** – the task force reached a consensus that there should be a 50-foot buffer between NHAs only (homeshares would be exempt) in the R-1 Zone. Buffers are not allowed to conflict, effectively creating a 100-ft separation between NHAs. Of the 79 NHAs conflicts, 40 would have to go away to satisfy the buffers.

   b. **Max cap of STR permits** – the task force reached a consensus that the overall number of NHAs and home shares allowed in the City should be capped. There was no consensus on a number or process for determining that number. Some members suggested that the number be capped at the total number of business licenses of NHAs at the time of the adoption of this ordinance. A moratorium on the issuing of new business licenses go into effect immediately upon approval of ordinance. Cap at time of adoption of NHAs with a goal of no more than 100 in the R-1. 250 cap with the rest of the zoning districts. Homeshares would not be limited to by the cap.

2. **Grandfathering and Pipeline** – A number of task force members expressed a desire not to take away the ability of current NHA owners, who are actively operating within the current rules (valid business license, timely remittance of T.O.T., limited noise complaints, etc.) and raised the concept of grandfathering those NHAs. This grandfathering would allow the operators to continue operating their units regardless of buffers or other restrictions that would prohibit their operation. A plurality of the task force members expressed the belief that additional regulations would initiate a reduction of operators and this natural attrition would result in a significant number of NHAs becoming long-term rentals or primary residences. These grandfathered units would be permitted only to the current owner, as permits would not be transferrable to another location or to a new owner of the permitted property. With regard to the definition of a pipeline for projects, the task force recognized that this ordinance is distinguished from other zoning in that the permits do not run with the land.

Revocation for Cause

The task force wanted to ensure that the ordinance have “teeth” to ensure enforceability. To that end, the task force developed language to include in the ordinance.

Cause as it relates to loss, forfeiture, or suspension of a license to operate:

1. Failure to remit required fees and taxes. (Of the 344 NHAs, the owners of ______ have paid TOT for 3 of the last 6 months.) (Task force may be willing to limit qualifying owners to: have bus license; have paid TOT; no outstanding code enforcement issues; etc.)
2. Attempt to transfer of the permit to another owner.
3. Operation for other than the specific purpose of the property as a NHA including, but not limited to:
   a. Criminal activity, habitual public nuisance or serial violation of the ordinance take place at, on, or with respect to the vacation rental property
   b. Keeping of a disorderly place is cause for revocation; that is, the ownership and/or management of any property purported to be a vacation rental where unlawful practices regularly occur will result in the loss of the vacation rental permit
   c. Operation of the property for other than the specific purpose of a vacation rental including but not limited to allowing or taking part in dealing of controlled substances, gambling, pandering or prostitution, or sub-letting for such illegal use or uses is cause for permit revocation
4. Keeping of a disorderly place, defined as one or more criminal complaints verified within a one-year period or two or more complaints requiring law enforcement response, also within a one-year period.
5. Being judged by the Community Development Director to pose an imminent danger to the public health and safety, per City Code for failure to meet sanitation standards, or being determined by the Building Official to be unsafe or unfit for human occupancy.
6. Failing to comply with regulations specified (by written notice) all related corrective measures within a 30-day period.
7. Advertising the vacation rental and not including in the advertisement display the vacation rental permit identification.

**Owner/manager responsibilities** – The task force reached consensus that in the event of a complaint from a neighbor with regard to an STR, the owner or their designated manager is required to be available at any time that the unit is rented and will be expected to:

1. Respond immediately to the hotline operator when called regarding a complaint.
2. If after a second call the owner/manager does not respond, then the hotline will contact the police department and the owner will be in violation of their permit.
3. If the owner/manager does respond, they are required to be onsite within 30 mins. of the initial call from the hotline.
4. The owner/manager must respond in person and contact the renter.
5. If they are unable to mitigate the complaint themselves and require police for assistance, then they are required to call the police and liaise with the police to ensure the complaint is addressed.
6. They are also required to report back to the hotline as to how the complaint was resolved.
7. Assuming the owner/manager responds as described above, they will not be in violation of the permit and even if police response is required, the incident will not necessarily be considered cause for revocation of their permit.

**Three-year Sunset/Review**

In addition to the additional restrictions and revisions in Table 1, the task force recommended that the ordinance sunset or be subject to a mandatory review in three years to assess what effect the ordinance has had and make any necessary revisions.

**Noticing to Neighbors**
The task force voiced interest in seeing a requirement of noticing to neighbors within 50 feet of the STR.
# Table 1

<table>
<thead>
<tr>
<th>Issue</th>
<th>Citation</th>
<th>Discussion</th>
<th>Recommended Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarify the Use Table</td>
<td>21.34.030.1</td>
<td>BNB vs. Homeshare guest house vs. ADU</td>
<td>Revise table to clarify that a guest house differs, because it does not have a full kitchen.</td>
</tr>
<tr>
<td>Definitions of Apartments</td>
<td>21.34.030.1</td>
<td>Ensure that Apartment buildings do not become hotels</td>
<td>Clarify language to ensure that apartments buildings cannot be converted to NHAs.</td>
</tr>
<tr>
<td>Homeshare Definition</td>
<td>B. 2. Application</td>
<td>Consensus around APN rather than structure</td>
<td>The task force recommends that the definition of Homeshare be revised to include ADUs that share an APN with the primary residence of the owner/manager of the STR. In addition, the task force recommended that they be allowed in every residential zone and not be subject density limits.</td>
</tr>
<tr>
<td>Duplication of statements</td>
<td>B. 9&amp;13</td>
<td>Remove 13</td>
<td>Remove 13 and renumber</td>
</tr>
<tr>
<td>Add revocation of permit to 11</td>
<td>B. 11.</td>
<td>Adding “teeth” to the ord.: grounds for permit revocation needs to be clear</td>
<td>The task force recommends that the 3 strikes policy include definition of cause.</td>
</tr>
<tr>
<td>Nuisance complaints</td>
<td>B.12</td>
<td>Verification of legitimate complaints needs to be clear</td>
<td>Add verification language to the Ord. to ensure that the hotline operator is able to verify validity of complaints.</td>
</tr>
<tr>
<td>Payment for City services</td>
<td>B. 12</td>
<td>Council and task force have stated that this needs to go away.</td>
<td>Remove from Ord.</td>
</tr>
<tr>
<td>Payment for Permitting</td>
<td>C. 1</td>
<td>The task force would like to discuss the possibility of refunding partial payment for permit applications that are denied.</td>
<td>The task force did not discuss this at length, but recommends that partial permit fees be refunded if the permit is denied.</td>
</tr>
<tr>
<td>Permit Term</td>
<td>D. 1.</td>
<td>The task force expressed consensus that 3 years is appropriate.</td>
<td>Maintain 3-year permit</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------</td>
<td>-----------------------------------------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Good Neighbor Brochure</td>
<td>D.2.</td>
<td>The task force would like to see the GNB posted in the residence and required as part of the rental agreement.</td>
<td>Revise Ord. to include in applicable areas.</td>
</tr>
<tr>
<td>Occupancy</td>
<td>D.5.</td>
<td>There was a question as to the enforcement of the occupancy restrictions.</td>
<td>The task force did not provide additional recommendations on increasing the occupancy restrictions.</td>
</tr>
<tr>
<td>Refuse and Recycling cans</td>
<td>D. 8.</td>
<td>There was a question about leaving bins out longer than 24 hours.</td>
<td>Ensure consistency with the Muni Code and whether this is cause for a complaint that might count toward permit revocation.</td>
</tr>
<tr>
<td>Exterior Signage - Visually Impaired Signage</td>
<td>D. 9.</td>
<td>The task force feels it is unnecessary.</td>
<td>Strike from Ord.</td>
</tr>
<tr>
<td>Responsibility to respond to complaints</td>
<td>D. 10 &amp; 11</td>
<td>The task force feels that there is a conflict in the language as to the role of the owner/manager.</td>
<td>Staff needs to prepare a bullet list of possible responses to clarify the expectations on the owner/managers. The task force clarified their recommendations as to what constitutes an adequate response to a complaint.</td>
</tr>
<tr>
<td>Revocation for Cause</td>
<td>21.34.060 A</td>
<td>The task force developed a definition of cause for revocation.</td>
<td>Include the new definition of cause.</td>
</tr>
<tr>
<td>FY</td>
<td># OF ROOMS</td>
<td>JUL</td>
<td>AUG</td>
</tr>
<tr>
<td>-------</td>
<td>------------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>FY 2019</td>
<td>1,415</td>
<td>$570,121</td>
<td>$475,893</td>
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<tr>
<td>FY 2018</td>
<td>1,415</td>
<td>$590,977</td>
<td>$434,082</td>
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<tr>
<td>FY 2017</td>
<td>1,413</td>
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</table>

**HOTEL/MOTELS**

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<tr>
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<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
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<tr>
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<td>$33,918</td>
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**RV PARKS**

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<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>TOTAL</th>
<th>% INCREASE</th>
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<tbody>
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<td>$50,515</td>
<td>$52,311</td>
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<td>$24,467</td>
<td>$34,174</td>
<td>$43,829</td>
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<td>282</td>
<td>$54,146</td>
<td>$31,872</td>
<td>$41,742</td>
<td>$47,773</td>
<td>$42,269</td>
<td>$34,846</td>
<td>$18,657</td>
<td>$23,456</td>
<td>$39,500</td>
<td>$46,706</td>
<td>$49,911</td>
<td>$60,141</td>
<td>$491,017</td>
<td>34.3%</td>
</tr>
<tr>
<td>FY 2017</td>
<td>207</td>
<td>$34,901</td>
<td>$26,380</td>
<td>$29,805</td>
<td>$36,516</td>
<td>$32,921</td>
<td>$20,955</td>
<td>$16,779</td>
<td>$18,011</td>
<td>$28,253</td>
<td>$33,140</td>
<td>$42,012</td>
<td>$46,056</td>
<td>$365,731</td>
<td></td>
</tr>
</tbody>
</table>

**SHORT TERM VACATION RENTALS**

<table>
<thead>
<tr>
<th>FY</th>
<th># OF ROOMS</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>TOTAL</th>
<th>% INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019</td>
<td>1,415</td>
<td>$570,121</td>
<td>$475,893</td>
<td>$444,632</td>
<td>$450,277</td>
<td>$396,045</td>
<td>$318,455</td>
<td>$259,470</td>
<td>$297,672</td>
<td>$386,337</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$3,598,903</td>
<td>-27.5%</td>
</tr>
<tr>
<td>FY 2018</td>
<td>1,415</td>
<td>$590,977</td>
<td>$434,082</td>
<td>$455,648</td>
<td>$453,232</td>
<td>$378,736</td>
<td>$302,902</td>
<td>$259,504</td>
<td>$310,628</td>
<td>$368,963</td>
<td>$431,724</td>
<td>$466,500</td>
<td>$512,926</td>
<td>$4,965,821</td>
<td>3.3%</td>
</tr>
<tr>
<td>FY 2017</td>
<td>1,413</td>
<td>$533,492</td>
<td>$512,710</td>
<td>$442,586</td>
<td>$407,239</td>
<td>$363,335</td>
<td>$269,309</td>
<td>$238,382</td>
<td>$281,021</td>
<td>$367,686</td>
<td>$445,035</td>
<td>$454,164</td>
<td>$492,137</td>
<td>$4,807,096</td>
<td></td>
</tr>
</tbody>
</table>

City of Paso Robles TOT Summary By Lodging Category
FY 2017 thru FY 2019 YTD
Hello Warren

I’m an owner and resident and I urge you to support open and easy vacation rentals. Many of us who now call Paso home first (and many subsequent times) experiences Paso as a short term renter. Also it seems a good fit for the town and for guests. I think tourism itself will suffer if rental homes are limited. I for one can’t really feature staying in a hotel for a Paso visit (unless maybe I could swing Cheval— but even then )

This kind of tourism is good for the city and good for those of us who can’t yet be in Paso all year or who like to travel during the summer

Empty houses don’t support restaurants, wineries or any other local business

Thank you for considering this

--

John Denissen

Sent from my iPhone. Please excuse brevity and typos.

--

John Denissen

(310) 849-2935

Sent from my iPhone. Please excuse brevity and typos.

Hi Tim,

Thanks for asking for clarification on this question, I understand the confusion.

First of all, keep in mind the Paso Robles Municipal Code is a massive dictionary (over 600 pages) of rules for the operation of the City.

The Paso Robles Municipal Code is divided into 22 separate Titles that cover everything from Personnel to Purchasing to Zoning. Each Title exists independent of the of the other Titles (each stands on it own), but can refer to specific sections as needed.

The Title you are referring to is Title 5 Business Licenses which contains Chapter 5.06. Transient Occupancy Tax.

The definitions under Section 5.06.020. are specific to the Transient Occupancy Tax chapter. Furthermore, the tax collection definition of “Hotel” under this chapter is written as broadly as possible because “Hotel” is the term used in Section 5.06.030. to impose the requirement for the payment of transient occupancy taxes.
The Zoning Code is Title 21 of the Paso Robles Municipal Code, and has its own set of definitions for the purpose of regulating land uses within the City of Paso Robles.

Under Section 21.08.050, the land use definition of “Hotel” is a building with 6 or more guest rooms. Because short-term rentals are less than 6 rooms, they don’t fit the hotel definition, but they are also not single-family residential either. Consequently, the determination has been made that short-term rentals are an undefined use under the Zoning Code and the City needs to adopt zoning regulations for short-term rentals. That is why the short-term rental zoning ordinance has been under review since 2015.

In summary, both Title 5 and Title 21 use the term “Hotel,” but the term is defined differently for different purposes. For land use purposes in Table 21.16.200.H.2., the Title 21 definition prevails.
Warren,

Did I understand you when you told me last night that Definition 5.06.020 of the Paso Robles code of ordinances is for the purpose of defining 5.06.010 (Transient Occupancy Tax)? So, you can collect Transient Occupancy Tax on a Hotel, tourist home or any house operating as such, but land use ordinance H: 2 defining where these lodgings you collect TOT on can and cannot be placed is irrelevant?

Thanks

Warren.

---

Warren Frace
City of Paso Robles
wfrace@PRCity.com

From: Tim Joannes <tim.joannes@yahoo.com>
Sent: Thursday, May 16, 2019 9:13 AM
To: Warren Frace <WFrace@prcity.com>; tfructhey@prcity.com; Council <Council@prcity.com>; Planning <planning@prcity.com>; Steve Martin <SMartin@prcity.com>
Subject: Land zoning

Warren,

Did I understand you when you told me last night that Definition 5.06.020 of the Paso Robles code of ordinances is for the purpose of defining 5.06.010 (Transient Occupancy Tax)? So, you can collect Transient Occupancy Tax on a Hotel, tourist home or any house operating as such, but land use ordinance H: 2 defining where these lodgings you collect TOT on can and cannot be placed is irrelevant?
5.06.010 - Title.

This chapter shall be known as the Uniform "Transient Occupancy Tax Ordinance of the City of Paso de Robles."

(Ord. 746 N.S. (part), 1998)

5.06.020 - Definitions.

Except where the context otherwise requires, the definitions given in this section govern the construction of this chapter:

A "campground" or "recreational vehicle park" which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, shall be considered a "hotel" for purposes of this chapter, and shall be subject to the tax imposed by section 5.06.030, notwithstanding the existence or nonexistence of any structure.

"Hotel" means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes an inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobilehome or house trailer at a fixed location or any similar structure or portion thereof.
<table>
<thead>
<tr>
<th>LAND USE</th>
<th>AG</th>
<th>RA</th>
<th>R1</th>
<th>R2</th>
<th>R3</th>
<th>R30</th>
<th>R4</th>
</tr>
</thead>
<tbody>
<tr>
<td>10. Personal services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Barber/beauty shops, nails &amp; tanning salons, massage</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>b. Laundries, non-plant</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>c. Laundromats</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>d. Locksmiths</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>e. Mortuaries (* if located within 300 feet of existing cemetery)</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>C*</td>
<td>C*</td>
<td>C*</td>
<td>C*</td>
</tr>
<tr>
<td>f. Parcel services</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>g. Tailor/dressmakers, alterations, shoe repair</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>11. Printing, publishing, blueprinting, duplicating</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>12. Recycling</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Collection centers for aluminum glass, paper, plastic, etc. (does not include collection of hazardous/toxic items)</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>b. Composting, green waste</td>
<td>C</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>13. Small motor repair (electrical motor rewinding lawnmower repair, etc.)</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>14. Upholstery (includes Auto Upholstery)</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>H. Transient Lodgings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Bed &amp; breakfast inns (* See Chapter 21.15A)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Hotels &amp; motels</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Requires a finding that a hotel or motel will not be detrimental to the City's efforts to revitalize the historic downtown</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The City of L

Launch
Turn your business into a reality.

1. Zoning Check

Certain business types are permitted in designated parts of the city and it is prohibited to run a business in a building that is not permitted or zoned for that type of activity.
The longer I contemplate the use of 3 year permits, the more troubled I become. There is nothing specific cited in what happens at a yearly review as far as attrition. A review is not going to do anything for the impacted neighborhood unless there is action taken if the numbers are not adequate to bring the units into line of the 100 cap of STR in R1 zones. What would that number be, 33% of the 107 needed to meet the required 100? It is obvious that the one year review would be even shorter notice to an operator if the numbers are not showing a strong direction toward the numbers mandated so how would that work if 18 months was deemed too short of a period to start the process of reducing the numbers? In other words, the neighborhoods, especially the impacted neighborhoods, have no guarantee of any relief. If the City were to wait until the end of the three year period to enact the 100 unit rule, then how long would it take to make that happen? When would that methodology be established? It has to be established now or we will forever be sitting at five hour meetings. By then we are at a seven year odyssey. That is unreasonable. Even then, there nothing in writing that another Commission, City Council or City Staff can’t circumvent. This is an unbelievable sloppy job. Please, get this right. Have you ever thought that we permanent owners would like some guarantee of what to plan for in the next three years? Some of us may want to, or need to, move. Hard to find a buyer with STR’s scattered through a neighborhood. I am very tired of hearing how the investor should be protected. When is a city or a neighborhood responsible for the success of an individual’s business? The burden has been placed on neighborhoods by a City that failed to honor their own codes/definitions. Time to accept that responsibility. Rules only cover the cause, not address the reason.

Please read thoughtfully and consider,
Linda Colwell
PS
What are the terms to be advised at the time of permits being issued? Who is to say at the time of sunset of the current proposed ordinance that we won’t have to start this relentless process again?

In preparation for the meeting on STR’s please read the independent study above. Once again, (see results from 5/15 Planning Commission) it seems the neighborhoods, especially those impacted, are being placed behind a small industry infringing upon R1 zones. The final statement in the above summary is very telling.

Thank you for your time.
Linda Colwell

EPI is an independent, nonprofit think tank that researches the impact of economic trends and policies on working people in the United States. EPI’s research helps policymakers, opinion leaders, advocates, journalists, and the public understand the bread-and-butter issues affecting ordinary Americans.

- **The economic costs Airbnb imposes likely outweigh the benefits.** While the introduction and expansion of Airbnb into U.S. cities and cities around the world carries large potential economic benefits and costs, the costs to renters and local jurisdictions likely exceed the benefits to travelers and property owners.

- **Airbnb might, as claimed, suppress the growth of travel accommodation costs, but these costs are not a first-order problem for American families.** The largest and best-documented potential benefit of Airbnb expansion is the increased supply of travel accommodations, which could benefit travelers by making travel more affordable. There is evidence that Airbnb increases the supply of short-term travel accommodations and slightly lowers prices. But there is little evidence that the high price of travel accommodations is a pressing economic problem in the United States: The price of travel accommodations in the U.S. has not risen particularly fast in recent years, nor are travel costs a significant share of American family budgets.

- **Rising housing costs are a key problem for American families, and evidence suggests that the presence of Airbnb raises local housing costs.** The largest and best-documented potential cost of Airbnb expansion is the reduced supply of housing as properties shift from serving local residents to serving Airbnb travelers, which hurts local residents by raising housing costs. There is evidence this cost is real:
  - Because housing demand is relatively inelastic (people’s demand for somewhere to live doesn’t decline when prices increase), even small changes in housing supply (like those caused by converting long-term rental properties to Airbnb units) can cause significant price increases. High-quality studies indicate that Airbnb introduction and expansion in New York City, for example, may have raised average rents by nearly $400 annually for city residents.
  - The rising cost of housing is a key problem for American families. Housing costs have risen significantly faster than overall prices (and the price of short-term travel accommodations) since 2000, and housing accounts for a significant share (more than 15 percent) of overall household consumption expenditures.

- **The potential benefit of increased tourism supporting city economies is much smaller than commonly advertised.** There is little evidence that cities with an increasing supply of short-term
Bed and Breakfasts are included in the Short Term Rental Ordinance. They are defined as a Homeshare with a County food service permit and still require a conditional use permit.

Hi Grace,

Bed and Breakfasts are included in the Short Term Rental Ordinance. They are defined as a Homeshare with a County food service permit and still require a conditional use permit.

Airbnb rental accommodations are seeing a large increase in travelers. Instead, accommodations supplied via Airbnb seem to be a nearly pure substitution for other forms of accommodation. Two surveys indicate that only 2 to 4 percent of those using Airbnb say that they would not have taken the trip were Airbnb rentals unavailable.

- Studies claiming that Airbnb is supporting a lot of economic activity often vastly overstate the effect because they fail to account for the fact that much of this spending would have been done anyway by travelers staying in hotels or other alternative accommodations absent the Airbnb option.

- Property owners do benefit from Airbnb's capacity to lower the transaction costs of operating short-term rentals, but the beneficiaries are disproportionately white and high-wealth households. Wealth from property ownership is skewed, with higher wealth and white households holding a disproportionate share of housing wealth overall—and an even more disproportionate share of housing wealth from nonprimary residences because they are much more likely to own nonprimary residential property (such as multi-unit Airbnb rentals).

- The shift from traditional hotels to Airbnb lodging leads to less reliable tax payments to cities. Several large American cities with a large Airbnb presence rely heavily on lodging taxes. Airbnb has largely blocked the ability of these cities to transparently collect lodging taxes on Airbnb rentals that are equivalent to lodging taxes on hotel rooms. One study found that the voluntary agreements Airbnb has struck with state and local governments "undermine" tax fairness, transparency, and the rule of law.

- City residents likely suffer when Airbnb circumvents zoning laws that bar lodging businesses from residential neighborhoods. The status quo of zoning regulations in cities reflects a broad presumption that short-term travelers likely impose greater externalities on long-term residents than do other long-term residents. Externalities are economic costs that are borne by people not directly engaged in a transaction. In the case of neighbors on a street with short-term rentals, externalities include noise and stress on neighborhood infrastructure like trash pickup. These externalities are why hotels are clustered away from residential areas. Many Airbnb rental units are in violation of local zoning regulations, and there is the strong possibility that these units are indeed imposing large costs on neighbors.

- Because Airbnb is clearly a business competing with hotel lodging, it should be subject to the same taxation regime as hotels. In regard to zoning regulations, there is no empirical evidence that the net benefits of Airbnb introduction and expansion are so large that policymakers should reverse long-standing regulatory decisions simply to accommodate the rise of a single company.
The Short-Term Rental Task Force reached the conclusion that Homeshares are generally compatible with the R-1 zone and require the least regulation.

The primary focus of the Short-Term Rental Ordinance is the vacation home. Although a conditional use permit could address some of the neighborhood issues, the reality is that there is no way to process 350 conditional use permits. The conditional use permit is intended for unique uses that require special rules. Short-term rental are no longer a unique use and are better regulated by a single set of consistent regulations, which is the focus of the short-term rental ordinance.

Let me know if you have any more questions.

Thanks

Warren

---

**Table 21.34.030.1. Short Term Rental Permitting Table**

<table>
<thead>
<tr>
<th>Rental Type</th>
<th>Homeshare Permit</th>
<th>Non-Hosted Accommodation Permit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Term Rental</td>
<td>Short-Term Rental Permit may be issued for the following:</td>
<td>Short-Term Rental Permit may be issued for the following:</td>
</tr>
<tr>
<td></td>
<td>- Primary dwelling</td>
<td>- Primary dwelling</td>
</tr>
<tr>
<td></td>
<td>- Second Units</td>
<td>- Second Unit</td>
</tr>
<tr>
<td></td>
<td>- Guest Houses</td>
<td>- Residential portions of Mixed Use structures consistent with interpretation (2).</td>
</tr>
<tr>
<td></td>
<td>- Multi-family residential apartments</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Residential portions of Mixed Use structures</td>
<td></td>
</tr>
<tr>
<td>Bed &amp; Breakfast - Food Service</td>
<td>Conditional Use Permit San Luis Obispo County health permit</td>
<td>Not permitted</td>
</tr>
</tbody>
</table>

Interpretations:
1. Multi-family residential apartment units (4 or more dwellings per lot) may not be used as Non-Hosted Short-Term Rentals.
2. No more than two (2) Non-Hosted Short-Term Rental Permits will be issued per legal parcel.

---

**From:** Steve Martin <SMartin@prcity.com>

**Sent:** Monday, May 20, 2019 7:23 AM

**To:** Warren Frace <WFrace@prcity.com>

**Subject:** Fwd: Question re Short Term Rentals

Steve Martin

Begin forwarded message:

**From:** "Grace Pucci" <gracepucci@att.net>

**Date:** May 17, 2019 at 11:05:30 AM PDT

**To:** "Steve Martin" <smartin@prcity.com>

**Subject:** Question re Short Term Rentals

---
Hello Steve,

I have been listening with interest to the issues regarding STR’s in Paso Robles. Unfortunately, as I don’t have a caregiver for mom in the evenings, I have been unable to attend the meetings.

As you may recall, when I moved to Paso Robles in 1985, I opened my home as a bed and breakfast. At the time I believe my section of Vine Street was zoned R-2. It was necessary for me to apply for a Use Permit and then go before the Planning Commission for final approval. Some of the hoops I had to jump through included:

1. Provide off-street parking for three vehicles (one for each room rented) and a covered space for my personal vehicle. This involved moving my backyard fence about 3 feet into my yard.
2. Paving the alley behind my home from my north property line to 14th street and providing a cement approach to the alley.
3. Notifying in writing all of my neighbors within 200 yards of my home that I was requesting the Use Permit and informing them of the date of the PC hearing. In addition to the notice I personally walked the neighborhood with the lady from whom I was purchasing the house, speaking with my future neighbors and answering any questions they might have.
4. Installing a handrail on my front porch per the Planning Commission.
5. Inspection by the FR Fire Marshal (Terry Minshull at the time).
6. Inspection by the SLO Health Department, requiring a commercial dishwasher and coved seamless flooring in the kitchen. Sealing up a doorway in the kitchen as there was a requirement for three doors between the food prep area and the bathroom (all this for a few muffins and coffee in the mornings).
7. I paid all TOT taxes and Sales Tax on the breakfast I served.
8. It was required that the owner (myself) or full time manager reside on the property at all times.

Given all this, I was curious to know why a use permit is not required for the vacation rentals in the R-1 zones. It might actually be a more efficient way to deal with requirements and neighbors. It seems to me that the requirement for the owner/operator to reside on site made for a much better situation for the surrounding properties. I know that is not possible with STR’s but if a use permit was required for the R-1 zones, it would probably allay a lot of the neighbor’s concerns and allow for their participation in the process. Just food for thought. Thanks Steve.

Grace

Grace Pucci
(805) 238-6414
(805) 712-6361

From: Beth Burk <bburkco@montrose.net>
Sent: Sunday, May 19, 2019 9:47 PM
To: Council <Council@prcity.com>
Subject: Short-Term Rental Ordinance and Process

Dear Members of the City Council,

I spoke at the Planning Commission meeting on May 15 to voice my concerns about the turn the process took after the Planning Commission requested on April 23 that city staff review items in the proposed STR ordinance. As a result, the very public process engaged in by the Task Force was sent behind closed doors and the product is disturbing.

In multiple places in the Planning Commission meeting agendas it is stated they sent six specific items in the ordinance back to staff for “additional analysis,” “review,” and to “consider.” The commissioners did not, at least according to the printed record, direct staff to create “additional options.”

It is remarkable that between them, both the Planning Commission and city staff only considered a review of items in the context of making them more restrictive and burdensome, rather than a neutral review of the weeks/years of work by the Task Force. Why did staff not endorse a single one of the Task Force’s recommendations regarding the six items?

It has also been suggested that no particular rationale exists as a basis for the decisions made in these areas by the Task Force, yet no more compelling rationale was offered for the city staff’s suggested changes, merely that they were asked to create “additional options.” For example, no rationale was offered for the reduction of the number of permits in All Other Zones from 250 to 200.

In addition, some mischaracterization of the work of the Task Force process occurred, e.g. when questions were asked about their discussion of occupancy standards. While it was suggested at the May 15 Planning Commission meeting that the Task Force spent little to no time on these restrictions and thus had no rationale behind them, it is more accurate to say they addressed this and other items briefly at the beginning of their first meeting and deemed them appropriate in their existing form, based on the work of
the first iteration of the Task Force. There was general consensus among members of the Task Force that no additional time needed to be spent on some items because they were already acceptable.

I believe the city staff is, in effect, overturning significant portions of the lengthy, considered work of the Task Force through bringing only more restrictive, burdensome options, rather than providing neutral analysis, review and consideration. Why has the publicly visible, open-to-public-comment, City Council-mandated Task Force’s work been compromised in this way?

Three additional items:

1) Again, what is so magical about April 12? By publishing a date after which the procurement of a business license becomes meaningless, city staff managed to create a de facto moratorium on STRs, outside of the purview of the City Council. No moratorium should exist until after voted on by the City Council. One realizes the April 12 date has no enforceability until enacted by the City Council, but in being published it has had a chilling effect on STRs, before anything has been approved by the City Council.

2) I would suggest that as you consider caps and buffer zones, you think about creating a system that allows for a waiting list or lottery process for obtaining new STR licenses and permits, once the number comes in lower than the cap (opt in). If you institute a lottery process that would force removal of existing STRs from license and/or permit (forced opt out), you will be risking potential legal action from homeowners to whom you have previously given permission to use their home as an STR. How is a “luck of the draw” option appropriate when the city has already approved these STRs via licensing? A more positive “opt in” approach only requires a little patience.

(In what rational world does it make sense to draw straws between STRs that have been in existence, sometimes for as long as 14 years, and those who have just recently procured licenses? This question is particularly pertinent in light of the many new licenses pulled by some who profess to be opposed to STRs, thus creating artificial “hot zones” on the west side.)

3) Please spell out the relationship between complaints and violations in the ordinance. Is it an accurate understanding that only an unresolved complaint = a violation? E.g. if an inappropriately parked car is moved within the 30-minute response window, does that resolve the complaint and thus avoid a violation? (And how does one know that a car parked in front of a particular residence may not be an out-of-town friend or relative visiting someone else on the block?)

At previous meetings the City Council voiced a commitment to screen out frivolous and harassing complaints. It is difficult to see how a one-minute vehicle “idle” rule will not be abused in the complaint/hot-line system. How will anyone be able to effectively enforce a one-minute rule? One can easily envision scenarios that have nothing to do with STRs, but lead to multiple complaints. Perhaps a neighbor is picking up a friend, dropping off a child, running back into the house for a forgotten item....

I ask you to consider the appearance and product created by the Planning Commission having referred the Task Force-endorsed ordinance and recommendations back to city staff with the pejorative direction to consider only more restrictive, burdensome approaches. I ask you to bring the process back out into the sunshine and consider directly the recommended ordinance proposed by the Task Force, before recent city staff intervention.

Thank you,

Beth Burk

\*Footnotes:
- As per agenda for Planning Commission meeting April 23 and May 14 in re agenda item #2, Rezone 15-006 - Short-Term Rental Ordinance Zoning Code Amendment (ZC 15-006): Refer back to staff, and/or the Short-Term Rental Task Force for additional analysis.
- In agenda item #2 in the City of Paso Robles Planning Commission Agenda Report for the May 14 meeting, Fact 27 states: The Planning Commission heard from 20 members of the public. The Commission voted 4-0 (Castillo, Donaldson, Koegler and Jorgensen) to continue the item to the 5/14/19 Planning Commission meeting and refer back to staff for additional analysis.
- And Option 3, 3. Refer back to staff, and/or the Short-Term Rental Task Force for additional analysis, leads into:

Additional Analysis Items On April 23, 2019, the Paso Robles Planning Commission held a public hearing for the proposed short-term rental ordinance. The Commission voted to continue the item to the May 14th Planning Commission meeting, with direction to staff to review the following items:

- Expand the neighborhood noticing requirement to 300 feet
- Establish escalating fines for first and second violations.
- Prohibit exterior signage.
- Consider more restrictive on-street parking restrictions, with different requirements for STRs in the R-1 zones.
- Consider more restrictive occupancy standards, with different requirements in the R-1 zones.
- 6. Consider options to require a reduction of the number of R-1 short-term rentals, by reconsidering the grandfathering, analyzing the logic of the 100 permit cap.
May 30, 2019

Dear City of Paso Robles,

We own a vacation rental at the Paso Robles airport. To my knowing we have not another any of the flights. I submitted my plans for the rooms with a vacation rental included twice and paid for the plans twice. I have always had a business license and paid local taxes.

I am now worried because I have quite an investment invested.

Yours,

Margarite Nunn
Thanks for the clarification. It confirms my understanding. So when you give these conflicted units a 3 year permit instead of an 18 month, nothing will change except for possible attrition. That’s asking the hot spot neighbors to wait too long. Please consider giving the council an option for 18 months.

Dan

Sent from my iPhone

On May 17, 2019, at 11:27 AM, Warren Frace <WFrace@prcity.com> wrote:

Hi Dan,

Thanks for coming to the Planning Commission meeting – it was a long one.

Here are some answers:

- The Commission removed the 18-month permit provision for short-term rentals with proximity conflicts. Permits with proximity conflicts would be issued for 3-years as recommended.
- The Commission was very focused on the proximity conflict issue and appeared to want to see what affect natural attrition would have on R-1 proximity conflicts instead of requiring the 18-month forced reduction. The Commission is recommending the City Council conduct an annual review to monitor natural attrition rates.
- The 200-ft separation has 108 conflicts. Removing half of these (54 short-term rentals) would likely address most of the conflicts, but this isn’t an exact science because many short-term rentals have multiple conflicts that don’t resolved themselves in a predictable way.
- When short-term rental operators receive a short-term rental permit they will be advised of the term of the permit.

Thanks

Warren.

Warren Frace
City of Paso Robles
wfrace@PRCity.com

-----Original Message-----
From: Dan Jones <cdanj@charter.net>
Sent: Thursday, May 16, 2019 2:14 PM
To: Warren Frace <WFrace@prcity.com>
Subject: Separation buffers

Hey Warren. Long night! Clear up something for me. The commission changed the time for the separations to go into effect to 3 years, right? So that means the neighbors in the hot zones will have to wait three years before they see any results in lowering numbers from the separation buffers. Is that correct? The original 18 months would have been plenty of time for a conflicted owner to sell or convert. Did the commissioners really understand that? Also with the 200 ft separation, there were 108 conflicts but only 54 of those will have to change, right? When will those owners know they will lose their permits?

Dan

PS. I felt staff’s recommendations went a long way to help the situation. I’m sorry the commissioners felt they had to micromanage this.

Sent from my iPad
Hello Tom

I’m an owner and resident and I urge you to support open and easy vacation rentals. Many of us who now call Paso home first (and many subsequent times) experiences Paso as a short term renter. Also it seems a good fit for the town and for guests. I think tourism itself will suffer if rental homes are limited. I for one can’t really feature staying in a hotel for a Paso visit (unless maybe I could swing Cheval—but even then)

This kind of tourism is good for the city and good for those of us who cant yet be in Paso all year or who like to travel during the summer
Thank you for considering this

--
John Denissen

Sent from my iPhone. Please excuse brevity and typos.
--
John Denissen
(310) 849-2935
Sent from my iPhone. Please excuse brevity and typos.

Please clarify our conversation after the Planning Commission meeting 5/15/19. My question to you was :
If, after the first year of the permit period, there is not sufficient “attrition” toward the goal of meeting the 100 limit of STR’s in the R1 zones, a methodology would be put in place and ACTIVATED at that time to assure that number would be met by the third year. You stated, “yes, that was your understanding.” I expressed my concern that the action was not be activated until the end of the three year permit period. If that is the fact, then nothing has been given to the impacted (hot spots if you will) until three years from the date of the ordinance.

Is it possible, depending on the clarification, that the Commissioners got confused to the outcome? They seemed to have every intent of some nearly immediate relief. Three years is unreasonable.
Thank you,
Linda Colwell

I understand the city of Paso Robles is considering ordinances that would not allow vacation rentals to operate within the city limits. I have utilized this option for past vacations. Having homes or condos available for travelers is an extremely helpful option when considering stays of longer than one or two nights. With this type of property comes the convenience of kitchens and living rooms that provide more comfort for longer term stays.

I think the city would lose some of its vacation traffic if these changes were put in place. Would I still come to Paso? yes, but most likely limit my stay to a night and then move on to somewhere I could have a home to stay in for the balance of my week’s vacation.
Paso is an excellent vacation destination. I much prefer it to Napa region because of its welcoming culture. But, given the distance I travel to get there, I need to spend a week or so visiting. I would not

Sandra Sanders

CityManager

Tuesday, May 28, 2019 8:01 AM
do that week in a hotel, it just is not convenient enough for comfort. Please consider options available to make the vacation rentals remain in the city.

--
Cheers!
Sandra
ORDINANCE NO. XXXX N.S.

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF EL PASO DE ROBLES ADOPTING
A ZONING CODE AMENDMENT ORDINANCE
REPEALING SECTIONS 21.15.210, 21.15.220, 21.15.230, and 21.15.240 OF CHAPTER 21.15,
AND ADDING CHAPTER 21.34 TO THE PASO ROBLES MUNICIPAL CODE REGARDING
SHORT-TERM RENTALS

WHEREAS, the growing popularity of “home-sharing” and other short-term vacation rentals, through the use of websites such as Airbnb, VRBO, and Homeaway, allow individual homeowners, landlords, and tenants to list homes, apartments, and rooms for rent at the price and duration of their choosing; and

WHEREAS, the City Council finds that unregulated “home-sharing” and use of existing housing as short-term rentals can escalate the demand for City services and create adverse impacts in residential zones by introducing commercial activity in neighborhoods, adversely affecting the available housing stock in the City, and increasing adverse impacts such as noise, unpermitted special events, and traffic and parking congestion in residential areas; and

WHEREAS, in 2016 the City conducted several community workshops attended by operators of short-term rentals and concerned neighbors; and

WHEREAS, a Short-Term Rental Task Force met eight times to review issues related to short-term vacation rentals and explore potential policies; and

WHEREAS, there was a consensus that there should be a reasonable balance between the regulation of short-term rental operations, which pay transient occupancy tax (“TOT”) to the City, and the recognized need to protect the character of residential neighborhoods; and

WHEREAS, the Short-Term Rental Task Force submitted an outline of items to be addressed in a short-term rental ordinance; and

WHEREAS, the proposed ordinance is beneficial to the public health, safety and general welfare of the community as it establishes performance standards to ensure the compatibility between short-term vacation rentals and the residential character of neighborhoods in which they may be located;

WHEREAS, on October 10, 2017 the Planning Commission held a public hearing to consider the proposed Short-Term Rental Ordinance and continued the hearing to October 24, 2017 with direction to staff to further analyze the section of the ordinance prohibiting transfers of permits and the 3-year term;

WHEREAS, on October 24, 2017 the Planning Commission reconvened the public hearing to consider a recommendation the City Council on the proposed Short-Term Rental Ordinance; and

WHEREAS, on November 7, 2017 the City Council held a duly noticed public hearing to consider a recommendation from the Planning Commission and heard public testimony on the proposed Short-Term Rental Ordinance; and
WHEREAS, the City Council deferred taking action on the proposed ordinance in November 2017; and

WHEREAS, between November, 2016 and February, 2019, the number of business licenses issued by the City for short-term rentals has increased from 167 to 323; and

WHEREAS, due to the significant increase in the number of business licenses issued to short-term rentals and additional community concerns regarding the impacts of short-term rentals upon their neighborhoods, the City Council held a duly noticed public hearing on February 5, 2019 to consider a proposed Short-Term Rental Ordinance urgency ordinance;

WHEREAS, due to a voting conflict, on February 19, 2019 the City Council rescinded adoption of the Short-Term Rental Ordinance urgency ordinance and referred the draft ordinance back to the Short-Term Rental Task Force for additional review and public input; and

WHEREAS, the Short-Term Rental Task Force held eight public meetings from February to April 2019 and forwarded a recommendation to the City Manager regarding changes to the Short-Term Rental Ordinance; and

WHEREAS, the Short-Term Rental Task Force's recommendations have been reviewed by City staff and the City Attorney and incorporated into the following draft Short-Term Rental Ordinance.

WHEREAS, the Planning Commission held a public hearing to consider the proposed Short-Term Rental Ordinance on April 23, 2019 and voted 4-0 to continue the hearing to May 14, 2019 with direction to staff to further analyze various sections of the ordinance; and

WHEREAS, the Planning Commission reconvened a continued public hearing to consider the proposed Short-Term Rental Ordinance on May 14, 2019 and voted 4-0 to continue the hearing to May 15, 2019 to allow Commissioner Davis time to prepare; and

WHEREAS, the Planning Commission held a public hearing to consider the proposed Short-Term Rental Ordinance on May 15, 2019, where they consider a staff report and public comments prior to recommending the City Council adopt the following Short-Term Rental Ordinance,

WHEREAS, on June 5, 2019 the City Council held a duly noticed public hearing at the adjourned June 4, 2019 regular City Council meeting to consider a recommendation from the Planning Commission and heard public testimony on the proposed Short-Term Rental Ordinance,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The City Council hereby finds the recitals of this resolution as true and correct, and such recitals are hereby incorporated by reference as though fully set forth in the text of this draft Ordinance.

Section 2. This proposed ordinance is Statutorily Exempt from CEQA consistent with Section 15061.b.3, that there no possibility the activity in question may have a significant effect on the environment.

Section 3. The City Council adopt the following Ordinance as shown in in Sections 4, 5 and 6 attached hereto, and incorporated herein by reference.
Attachment 2

Ordinance A - Planning Commission Version


Section 5. The following sections in Chapter 21.23A are hereby amended as follows:

Section 21.23A.010 - Purpose: Paragraph O. is hereby added to read as follows:

O. Short-Term Rental Permits

Section 21.23A.020 - Authority to make decisions: – Sub-paragraph l. to Paragraph C.1 is hereby added to read as follows:

l. Appeals to modify or overrule decisions of the Director of community development with respect to the issuance, denial or revocation of Short-Term Rental Permits, in accordance with Chapter 21.34.

Section 21.23A.030 - Hearing requirements: Paragraph O. is hereby added to read as follows:

O. Appeal of Short-Term Rental Permits. Public hearings, noticed as prescribed by Section 21.23A.040(A) shall be conducted by the planning commission.

Section 21.23A.050 - Effective date of decisions: Paragraph O is hereby added to read as follows:

O. Short-Term Rental Permit Appeals. Fifteen calendar days following planning commission adoption of a resolution specifying the decision made; provided that an appeal has not been filed to the city council and that the city council has not called the Short-Term Rental Permit up for council hearing.

Section 6. Chapter 21.34 is hereby added to the Municipal Code of the City of Paso Robles as follows:

CHAPTER 21.34 SHORT-TERM RENTAL PERMITS

21.34.010 Scope, Purpose and Findings.

A. The purpose of this Chapter is to document the procedures and regulations that govern the application for, and the issuance and implementation of, permits for the operation of any short-term rental use within the city.

B. The city council hereby finds that unregulated transient occupancy uses in residential and non-residential districts present a threat to the public welfare relating to compatibility with residential uses and preservation of the character of the neighborhoods in which they are located.

C. The city council hereby finds that the adoption of a comprehensive ordinance regulating the issuance of and operating conditions attached to short-term rental permits is necessary to protect the public health, safety and welfare. The purpose of this Chapter is to provide a permit system and to impose operational requirements to minimize the potential adverse impacts to surrounding neighbors of transient uses in residential neighborhoods and zoning districts, such as traffic congestion, street parking, and noise, and to ensure the health, safety and welfare of renters and guests patronizing short-term rentals.
D. The provisions of this Chapter will also benefit the public welfare by providing an additional source of revenue to the city, as operators of short-term rentals are required to pay transient occupancy tax to the city, which will offset some of the additional costs of providing services to the renters.

E. The City Council hereby finds that the city’s regulation of short-term rental uses in accordance with this Chapter is a valid exercise of the city’s police power in furtherance of the legitimate governmental interests documented in this Chapter.

F. The City Council hereby finds that short-term rentals are an allowable accessory use to legally permitted, existing residential dwellings within all zoning districts subject to the regulations of this code section.

21.34.020 Definitions

A. “Applicant” means any person, firm, partnership, association, joint venture, corporation, or an entity, combination of entities or consortium, who seeks or seek approval of a Short-Term Rental Permit under the authority of this Chapter.

B. “Authorized Agent” means the person specifically authorized by an Owner, in writing, to represent and act on behalf of the Owner and to act as an operator, manager and contact person of a Non-Hosted Accommodation, and, along with the Owner, to provide and receive any notices identified in this Chapter on behalf of the Owner.

C. “Bed and Breakfast” means a Homeshare with no more than five (5) bedrooms, a permit issued by the San Luis Obispo County Health Department for food service, and which may be used for special events only when special events are authorized by a conditional use permit issue in compliance with this Code.

D. “Bedroom” means any habitable room with no less than 70 square feet of floor area and no dimension less than seven (7) feet, in a dwelling, with at least one wall located along an exterior wall with a window that can be used for emergency egress, and equipped with ventilation, heating, smoke detector and carbon monoxide detector. Egress window requirements shall be based on the California Building Code requirements at the time of original construction of the room.

E. “Director” means the Director of Community Development of the City, or a designee of the Community Development Director or City Manager.

F. “Enforcement Officer” means the Director, chief building official, fire marshal, city manager or any other city employee designated by the Director or city manager to enforce this Chapter.

G. “Good Neighbor Brochure” means a handbook prepared by the city regarding the general rules of conduct to be followed by Renters and applicable provisions of the Paso Robles Municipal Code.

H. “Guest” means an invitee of a Renter or other person visiting a Renter of a Short-Term Rental unit who does not rent the unit.

I. “Homeshare” means a Short-Term Rental structure in which the Owner both resides and remains during the time a Renter is occupying the Short-Term Rental unit. This can include an
accessory dwelling unit (ADU) located on the same parcel as with the primary residence occupied by the owner:

J. “Hotline” means the telephonic service maintained by the city for the purpose of receiving complaints regarding the operation of any Short-Term Rental.

K. “Hotline Contact” means the person designated on the Permit who shall be available by telephone 24 hours a day, 7 days a week during the entire time a Short-Term Rental property is occupied by a Renter.

L. “Non-Hosted Accommodation” means a Short-Term Rental structure that is not occupied by either the Owner or an Authorized Agent while it is being occupied by a Renter. A Non-Hosted Accommodation permit may operate as a Homeshare, but not the converse.

M. “Owner” means the person or entity holding fee title to the real property that is the subject of a Short-Term Rental Permit.

N. “Permit” means the permit issued by the city, in accordance with the procedures set forth in this Chapter, allowing an Owner or Authorized Agent to rent a Short-Term Rental unit at the specified location.

O. “Permittee” means the person or entity to whom a Permit is issued pursuant to this Chapter.

P. “Renter” means a person, not an Owner or Authorized Agent, renting or occupying a Short-Term Rental property in accordance with the terms of this Chapter. For purposes of Chapter 5.06, “Renter” shall have the same meaning as “Transient,” as defined in Section 5.06.020.

Q. “Short-Term Rental” means any habitable structure constructed for residential occupancy under the California Building Code for which a rental contract for occupancy has been made for a term of 30 days or less and which the Short-Term Rental use is permitted to operate, pursuant to a current and valid Permit on file with the City. Short-Term Rentals include both Homeshares and Non-Hosted Accommodations

21.34.030 Permit Requirements

A. No Owner may operate, or allow a subject property to be operated, as a Short-Term Rental unless and until it has been issued (1) a Permit issued by the city in accordance with this Chapter 21.34; and (2) a business license tax certificate, pursuant to Chapter 5.04 of the Paso Robles Municipal Code. Together, the Owner and Owner’s Authorized Agent shall be responsible for applying for and for renewing the business license tax certificate and the Permit.

B. All short-term rental permits shall consistent with Table 21.34.030.1. and Table 21.34.030.2.
Table 21.34.030.1  Short Term Rental Permitting Table

<table>
<thead>
<tr>
<th>Rental Type</th>
<th>Homeshare Permit</th>
<th>Non-Hosted Accommodation Permit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Term Rental</td>
<td>Short-Term Rental Permit may be issued for the following:</td>
<td>Short-Term Rental Permit may be issued for the following:</td>
</tr>
<tr>
<td></td>
<td>• Primary dwelling</td>
<td>• Primary dwelling</td>
</tr>
<tr>
<td></td>
<td>• Second Units</td>
<td>• Second Unit</td>
</tr>
<tr>
<td></td>
<td>• Guest Houses</td>
<td>• Residential portions of Mixed Use structures consistent with interpretation (2).</td>
</tr>
<tr>
<td></td>
<td>• Multi-family residential apartments</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Residential portions of Mixed Use structures</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Interpretations:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. A maximum of one (1) Homeshare Short-Term Rental Permits will be issued per legal parcel in the R-1 zoning district.</td>
<td></td>
</tr>
<tr>
<td>Bed &amp; Breakfast - Food Service</td>
<td>Conditional Use Permit San Luis Obispo County health permit</td>
<td>Not permitted</td>
</tr>
</tbody>
</table>

Table 21.34.030.12  Non-Hosted Accommodation Separation Requirement

No short-term rental permit for a Non-Hosted Accommodation shall be issued in conflict with this table.

Exceptions:

1. Permit applicants in possession of a valid short-term rental business license, with an application submitted date on or before April 12, 2019 shall be exempt from the minimum separation requirement for purposes of Permit issuance.  
2. Homeshare Permits are not subject to the separation requirement.

<table>
<thead>
<tr>
<th>Zoning District</th>
<th>Minimum Separation Distance</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-1 - Single-Family Residential</td>
<td><strong>400-200</strong> feet</td>
<td>1. Measured from perimeter of property line.</td>
</tr>
<tr>
<td>All other zones</td>
<td>0 feet</td>
<td>No separation requirement</td>
</tr>
</tbody>
</table>

**BC.** The application form for a Permit shall be available from the Community Development Department. A separate Permit application is required for each rental address or individual rental unit. The Owner (for a Homeshare Permit) or the Owner and registered Authorized Agent (for a Non-Hosted Accommodation Permit) shall be required to provide, maintain and keep current the following information on the Permit application:

1. Name and contact information (including home/ business telephone numbers, mobile phone numbers, email address and permanent mailing address) of the Owner and Authorized Agent, if any, of the Short-Term Rental property.

2. Identification of whether the Short-Term Rental is a Homeshare and/or Non-Hosted Accommodation.

3. Address of the Short-Term Rental property.

4. Floor plan (to scale) showing all interior rooms and location of each Bedroom with number of beds (including sofa beds or hide-a-beds) to be rented as part of the Short-Term Rental and approximate square footage in the Short-Term Rental property, and the maximum number of overnight Renters, subject to the limitations set forth in Section 21.34.030 D., below.

5. Site plan showing entire property on which Short-Term Rental unit is located, including the power panel disconnect, house water main valve, number and location of designated on-site parking spaces available (including garage parking) for use by Renter(s) and storage location of trash containers and scheduled day for trash pickup.

6. Evidence satisfactory to city that each Bedroom meets all local building and safety code requirements.

7. Acknowledgement that the Owner and the Authorized Agent, if any, has read all regulations pertaining to the operation of a Short-Term Rental, including this Chapter, the city’s business license tax requirements (Chapter 5.04), the city’s transient occupancy tax requirements (Chapter 5.06), City Council Resolution 17-082 creating the Paso Robles Tourism Improvement District and agreement to pay the required assessments thereunder, the San Luis Obispo County Visitors and Conference Bureau (dba Visit SLO CAL) and agreement to pay the required assessments thereunder, and to comply with any additional administrative regulations promulgated by the Director to implement this Chapter.

8. The name and all forms of contact information of the registered contact person (who may be the Owner or the Authorized Agent, if any) who shall be available by telephone 24 hours a day, 7 days a week, and who shall be able to respond within 30
minutes of receipt of a complaint while the Short-Term Rental property is occupied by a Renter.

9. Any other information as the Director deems reasonably necessary to administer this Chapter.

10. Acknowledgement and agreement that any and all use of the property for Short-Term Rental shall cease upon transfer of the property, expiration of the Permit, or revocation of the Permit, pursuant to Section 21.34.060.

11. Agreement to hold harmless, indemnify, and defend the city against any claims or litigation arising from the issuance or revocation of the Permit.

12. Agreement to pay any costs to enforce the conditions of the Permit, including, but not limited to any city authority response to verified nuisance complaints, or inspections of the Short-Term Rental Property.

14. Certification under penalty of perjury as to the accuracy of the information provided on the Permit application and agreement to comply with all conditions of the Permit and this Chapter.

CD. Permit Application Process.

1. Processing Fee. The City Council, by resolution, shall specify from time to time, in its master fee schedule, the amount of the Permit application and processing fee, based upon the city's reasonable estimated costs for processing and reviewing the Permit application materials and maintaining the Hotline. The Permit application and processing fee shall be non-refundable.

2. Numeric Limits on the Processing and Issuance of Short-Term Rental Permits. The City Council, by resolution, may adopt procedures to implement permit issuance, including the establishment of application periods, waitlists and/or grace periods for applicants already in possession of valid short-term rental business licenses, and may limit the total number of Short-Term Rental Permits available for issuance.

3. Review. Upon review of the materials submitted with the Permit application, the Director shall determine whether a Permit will be issued or the application is incomplete and notify the Applicant within 60 days. If the Director determines that the Permit may be issued upon compliance with certain conditions, the Director shall notify the Applicant in writing of the nature of the conditions that must be satisfied in order to receive a Permit. If the Director determines that the Permit should be denied, the Director shall notify the applicant in writing of the reasons for the denial. The decision of the Director may be appealed to the Planning Commission pursuant to the procedures set forth in Chapter 21.23A.

4. Permit Renewal. No earlier than 12 months and at least sixty (60) days prior to the expiration of a Permit, the Owner and the Authorized Agent, if any, of a Short-Term Rental shall submit an application to renew the Permit on a form available from the City, along with a renewal fee in an amount to be established by resolution of the City Council in the city's master fee schedule. The Owner or Authorized Agent shall identify any notice of violation or concern (including any compliance or citation
Ordinance A – Planning Commission Version

issued by the city) issued for the Short-Term Rental use during the Permit Term, and shall document how the violation or concern has been addressed. If the Director determines that any past violation or concern has not been adequately addressed, or that a history of past violations is detrimental to the public health, safety, or welfare, the Director may determine that the Permit is ineligible for renewal for a period of 12 months. The Applicant or any interested person may appeal the decision of the Director to the Planning Commission pursuant to the procedures set forth in Chapter 21.23A.

5. **Permit Transfer Prohibited.** No Permittee shall transfer, or attempt to transfer, a Permit to any other person.

**D.E. Permit Conditions.** Each Permit issued pursuant to this Chapter shall be subject to all of the following conditions:

1. The term of each Permit issued pursuant to this Chapter shall be for three (3) years. Permits must be renewed prior to expiration and must meet current density and separation requirements to be renewed. Upon the expiration or lapse of any Permit, it shall be of no further force or effect.

2. A copy of the Permit and Good Neighbor Brochure shall be posted in a prominent location inside the Short-Term Rental unit.

3. The Permittee shall require any Renter to sign an agreement acknowledging receipt of the Good Neighbor Brochure and agreement to comply with its terms. If the rental is through a third party hosted on-line platform, the Permittee shall require the third party to provide an on-line link to the Good Neighbor Brochure and a mechanism by which a Renter shall provide an acknowledgement of receipt of the Good Neighbor Brochure and agreement to comply with its terms.

4. The Permittee shall require Renters to utilize the designated on-site parking spaces, to the maximum extent possible prior to using on-street parking.

5. The Permittee shall limit enforce the (i) parking on public streets, (ii) overnight occupancy, and (iii) daytime guests of the Short-Term Rental property to the numbers specified in the following table:

**Table 21.34.030.2. Short-Term Rental Parking and Occupancy Limits**

<table>
<thead>
<tr>
<th># of Bedrooms</th>
<th>Minimum On-site Parking (must be used prior to street parking)</th>
<th>Outside R-1 Zone: Maximum # of additional Vehicles Parked on Public Streets</th>
<th>R-1 Zone: Maximum # of additional Vehicles Parked on Public Streets</th>
<th>Total # of Overnight Occupants (9 pm. to 7 a.m.)</th>
<th>Maximum # of Daytime Occupants (7 a.m. to 9 p.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-bedrooms</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>0/1 bedrooms</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4 2</td>
<td>6</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>2</td>
<td>1</td>
<td>21</td>
<td>6 4</td>
<td>9 8</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>2</td>
<td>1</td>
<td>21</td>
<td>8 6</td>
<td>12 10</td>
</tr>
<tr>
<td>4 bedrooms</td>
<td>3</td>
<td>1</td>
<td>31</td>
<td>10 9 8</td>
<td>15 13 12</td>
</tr>
<tr>
<td>5 bedrooms</td>
<td>4</td>
<td>1</td>
<td>31</td>
<td>12 10</td>
<td>18 14</td>
</tr>
</tbody>
</table>
5.a. Exception: The Director may approve exceptions to the parking requirements for short-term rentals with existing, non-conforming on-site parking deficiencies.

6. The Permittee shall provide access to the garage of the Short-Term Rental if the garage has been included in the determination of the number of available on-site parking spaces.

7. It is the intent of the city to enforce sections of the Streets and Highways Code related to the provision for emergency vehicle access. Accordingly, no limousine or bus parking, and no stopping without the driver’s presence, shall be allowed in any manner that would interfere with emergency vehicle access. In the event of an emergency, the vehicle driver shall immediately move the vehicle from the emergency vehicle access area. Stopped vehicles shall not idle engines longer than 1-minute.

8. The Permittee shall provide appropriate refuse and recycling service for the Short-Term Rental property. Property shall be free of debris both onsite and in the street. Refuse and recycling cans shall be maintained in a clean and sanitary condition, stored in the approved onsite location, moved to the pickup location no more than 24 hours prior to trash pickup, and returned to storage no more than 24 hours after pickup.

9. The Permittee shall post in a conspicuous interior location near the entry door, an informational sign for Renters with important notices, rules and regulations; immediate contact information for Owner/Agent, Police, and Emergency Services; Hotline telephone number; emergency procedures; site address; maximum allowed number of permitted overnight renters, daytime occupants, and vehicles; neighborhood quiet time regulations; and trash pickup instructions and trash pickup days.

10. The Permittee shall ensure that the Renters and/or Guests of the Short-Term Rental property do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate provisions of this Code, including but not limited to any City noise regulations including Chapter 9.07 (Prohibited Conduct);

11. The Permittee shall, upon notification that Renters and/or Guests of the Short-Term Rental property have violated any Permit conditions (including any unreasonable noise or disturbances, disorderly conduct, or violations of this Code or state law), promptly act to stop the violator(s) and prevent a recurrence of the violation, provided, however, that the City does not intend to authorize, and the City does not authorize, the Permittee to act as a peace officer or place himself or herself in harm’s way.

12. The Permittee shall not allow the Short-Term Rental property to be used for any gathering where the number of persons will exceed the permitted daytime occupancy limits, as set forth in this Section, unless an approved city use permit for a special event has been obtained.

13. The Owner or Authorized Agent must be available to respond to any nuisance complaints within 30 minutes, at all times when the Short-Term Rental is rented, 24-hours a day.
14. The Permittee shall allow the City, upon 24-hour notice from the city, to inspect, with cause, the Short Term Rental for compliance with the requirements of this Chapter. Permittee shall pay an inspection fee in an amount set by the City Council by resolution for the city’s master fee schedule based on the estimated reasonable cost to perform the inspection.

15. Within 10 days of permit issuance, the Owner or agent shall notify all neighbors, within 50 feet of the perimeter of the property, that a Short-Term Rental Permit has been obtained. Notification will include a copy of the Good Neighbor Brochure and the owner’s name and phone number as specified in the following table:

<table>
<thead>
<tr>
<th>Zoning District</th>
<th>Minimum Notification Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-1 Zoning District</td>
<td>300 feet from property perimeter</td>
</tr>
<tr>
<td>Outside R-1 Zone</td>
<td>50 feet from property perimeter</td>
</tr>
</tbody>
</table>

16. No exterior signs related to the operation of the short-term rental shall be displayed.

E.F. Rental Agreements. The Permittee 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 hosted on-line platform, which agreement shall, at a minimum, include the following:

1. The name, address, mobile phone, text and email address of the Renter.

2. The terms and conditions of the rental agreement, including occupancy limits, noise prohibitions and vehicle parking requirements.

3. Acknowledgment by the Renter that he or she is legally responsible for compliance by all occupants of the Short-Term Rental and any guests with the conditions of this Section and the terms of the rental agreement.

4. Acknowledgment by the Renter of receipt of a copy of the Good Neighbor Brochure.

5. Acknowledgment and agreement that the City may inspect the Short-Term Rental property, for cause, upon 24-hours’ notice.

21.34.040 Occupancy and Guest Limits for Short-Term Rentals.
Attachment 2

Ordinance A - Planning Commission Version

The number of overnight occupants and guests for each Short-Term Rental property shall be limited in accordance with Table 21.34.030.2 and state law, based on the number of Bedrooms identified in the Short-Term Rental Permit.

21.34.050 Short-Term Rental Hotline

A. The City shall establish and maintain a non-emergency Hotline telephone number for the express purpose of receiving complaints regarding the operation of any Short-Term Rental property, and forwarding those complaints to both the Owner and Authorized Agent, if any, for that Short-Term Rental property for immediate resolution of the complaint, and/or, if necessary, to the Paso Robles Police Department if the complaint has not been resolved. Owner/Authorized Agent will be responsible for paying any and all city costs incurred in response to the complaint. The Hotline number and the city complaint policy shall be included in all Permits, the Good Neighbor Brochure, and in all rental agreements for all Short-Term Rental properties. In addition, the city shall post the Hotline number on the city website.

B. The Hotline shall maintain a record of complaints received on the Hotline that shall include the following information:

1. Date and time of complaint;
2. Nature of complaint;
3. Address of the Short-Term Rental property that is the subject of the complaint;
4. Complainant’s name, address and contact information (this information shall be kept confidential); and
5. Actions taken by the Hotline attendant in response to the complaint including, but not limited to: persons contacted, including law enforcement, if applicable, and date and time of actions taken in response to complaint;
6. Corrective action taken by Owner/Authorized Agent in response to complaint.

C. Hotline Response

1. The Owner or Authorized Agent shall resolve the complaint within thirty (30) minutes of being notified of a complaint by the Hotline.
2. The Owner or Authorized Agent shall notify the Hotline attendant of the corrective action taken and results obtained within thirty (30) minutes of being notified of a complaint by the Hotline.
3. If the Owner or Authorized Agent believes the situation is un-safe, they shall immediately contact the Police Department for assistance. Proactively contacting the Police Department for assistance will not be counted as a permit violation.

21.34.060 Enforcement

A. Revocation of Permit. At any time during the term of permit, the Director is authorized to initiate proceedings to revoke a Permit (or pursue any other remedy set forth in Title 1
Attachment 2

Ordinance A - Planning Commission Version

of this Code), if the Director determines in his or her discretion that (i) the Permittee provided materially false or misleading information in any submittal required under this Chapter; or (ii) the Permittee has committed a total of three (3) violations of a combination of any of the violations specified in Section 21.34.060.B within one calendar year any 365 day period; or (iii) the Permittee fails to maintain an active business license tax certificate per Chapter 5.04.

In the event the Director determines that any of the conditions described above exists, the Director is authorized to issue an order specifying the violations to be cured. If the Permittee fails to cure the violations identified in the order within the time period specified, the Director may pursue any of the remedies set forth in Title 1 of this Code, including but not limited to the issuance of an administrative citations, revocation of permit, criminal prosecution, and/or civil action in accordance with Chapter 1.03. The Applicant or any interested person may appeal the decision of the Director to the planning Planning Commission pursuant to the procedures set forth in Chapter 21.23A.

B. Cause for Revocation or Non-Renewal of a Permit

1. Failure to remit required fees and taxes.
2. Attempt to transfer of the permit to another owner.
3. Operation for other than the specific purpose of the property as a short-term rental including, but not limited to:
   a. Criminal activity, habitual public nuisance, or serial violation of the ordinance take place at, on, or with respect to the short-term rental property;
   b. Keeping of a disorderly place; that is, the ownership and/or management of any property purported to be a short-term rental where unlawful practices regularly occur will result in the loss of the short-term rental permit;
   c. Operation of the property for other than the specific purpose of a short-term rental including but not limited to allowing or taking part in dealing of controlled substances, gambling, pandering, or prostitution, or sub-letting for such illegal use or uses;
4. Keeping of a disorderly place, defined as one or more criminal complaints verified within a one-year period or two or more complaints requiring law enforcement response, also within calendar year any 365 day period;
5. The property constitutes a public nuisance pursuant to Section 9.06.030 of the Paso Robles Municipal Code. In addition to any other remedy allowed by law, the City may enforce the provisions of this Ordinance through the provisions Chapter 9.06 of the Paso Robles Municipal Code, including civil, criminal, and administrative abatement proceedings, as well as administrative citations pursuant to 1.03.020, and penalties.
6. Failing to comply with regulations specified (by written notice) all related corrective measures within a 30-day period;
7. Advertising the short-term rental and purposely not including in the advertisement display the short-term rental permit identification;
8. Failure to comply with the short-term rental occupancy and parking requirements;
9. Failure to maintain solid waste and recycling consistent with short-term rental requirements.

    BC. Operating without a Permit. Operating a Short-Term Rental without a permit is a violation of the Paso Robles Municipal Code and subject to the enforcement process and penalties of Section 1.03.020. Each Owner and/or Authorized Agent is guilty of a separate offense for each and every day during any portion of which the violation of this chapter or any rule or regulation promulgated there under is continued. The penalties in Section 1.03.020 are in addition to, and not in lieu of, any other available remedy at law. All remedies prescribed under this Chapter shall be cumulative and the election of one or more remedies shall not bar the City from the pursuit of any other remedy for the purpose of enforcing the provisions hereof or in the abatement of any public nuisance.

    CD. Pursuant to California Government Code Section 38771, the city council hereby declares the following condition to constitute a public nuisance: operating and/or maintaining a Short-Term Rental without a valid Permit.

21.34.070. Sunset Clause

This ordinance shall expire within three (3) years of the effective date unless the City Council has conducted a review of its provisions and either extended or amended the Short-Term Rental Ordinance.
Section 7. Severability. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 8. Effective Date. This Ordinance shall be in full force and effect 30 days after its passage and adoption as provided by Government Code section 36397.

Section 9. Publication. The City Clerk shall certify as to the adoption of this Ordinance and shall cause a summary thereof to be published at least five (5) days prior to the meeting at which the proposed Ordinance is to be adopted and shall post a certified copy of the proposed Ordinance in the Office of the City Clerk. Within fifteen (15) days of the adoption of the Ordinance, the City Clerk shall cause a summary of the Ordinance to be published, including the vote for and against the same, in accordance with Government Code Section 36933.

INTRODUCED at an adjourned regular meeting of the City Council held on June 5, 2019, for first reading by the City Council of the City of El Paso de Robles, and adopted on the ___ day of ______, 2019, by the following vote:

AYES: 
NOES: 
ABSENT: 
ABSTAIN:

______________________________
Steven W. Martin, Mayor

Attest:

______________________________
Kristen L. Buxkemper, Deputy City Clerk
ORDINANCE NO. XXXX N.S.


(City of Paso Robles - Short-Term Rental Ordinance)

WHEREAS, the growing popularity of “home-sharing” and other short-term vacation rentals, through the use of websites such as Airbnb, VRBO, and Homeaway, allow individual homeowners, landlords, and tenants to list homes, apartments, and rooms for rent at the price and duration of their choosing; and

WHEREAS, the City Council finds that unregulated “home-sharing” and use of existing housing as short-term rentals can escalate the demand for City services and create adverse impacts in residential zones by introducing commercial activity in neighborhoods, adversely affecting the available housing stock in the City, and increasing adverse impacts such as noise, unpermitted special events, and traffic and parking congestion in residential areas; and

WHEREAS, in 2016 the City conducted several community workshops attended by operators of short-term rentals and concerned neighbors; and

WHEREAS, a Short-Term Rental Task Force met eight times to review issues related to short-term vacation rentals and explore potential policies; and

WHEREAS, there was a consensus that there should be a reasonable balance between the regulation of short-term rental operations, which pay transient occupancy tax (“TOT”) to the City, and the recognized need to protect the character of residential neighborhoods; and

WHEREAS, the Short-Term Rental Task Force submitted an outline of items to be addressed in a short-term rental ordinance; and

WHEREAS, the proposed ordinance is beneficial to the public health, safety and general welfare of the community as it establishes performance standards to ensure the compatibility between short-term vacation rentals and the residential character of neighborhoods in which they may be located;

WHEREAS, on October 10, 2017 the Planning Commission held a public hearing to consider the proposed Short-Term Rental Ordinance and continued the hearing to October 24, 2017 with direction to staff to further analyze the section of the ordinance prohibiting transfers of permits and the 3-year term;

WHEREAS, on October 24, 2017 the Planning Commission reconvened the public hearing to consider a recommendation the City Council on the proposed Short-Term Rental Ordinance; and

WHEREAS, on November 7, 2017 the City Council held a duly noticed public hearing to consider a recommendation from the Planning Commission and heard public testimony on the proposed Short-Term Rental Ordinance; and
WHEREAS, the City Council deferred taking action on the proposed ordinance in November 2017; and

WHEREAS, between November 2016 and February 2019, the number of business licenses issued by the City for short-term rentals has increased from 167 to 323; and

WHEREAS, due to the significant increase in the number of business licenses issued to short-term rentals and additional community concerns regarding the impacts of short-term rentals upon their neighborhoods, the City Council held a duly noticed public hearing on February 5, 2019 to consider a proposed Short-Term Rental Ordinance urgency ordinance;

WHEREAS, due to a voting conflict, on February 19, 2019 the City Council rescinded adoption of the Short-Term Rental Ordinance urgency ordinance and referred the draft ordinance back to the Short-Term Rental Task Force for additional review and public input; and

WHEREAS, the Short-Term Rental Task Force held eight public meetings from February to April 2019 and forwarded a recommendation to the City Manager regarding changes to the Short-Term Rental Ordinance; and

WHEREAS, the Short-Term Rental Task Force's recommendations have been reviewed by City staff and the City Attorney and incorporated into the following draft Short-Term Rental Ordinance.

WHEREAS, the Planning Commission held a public hearing to consider the proposed Short-Term Rental Ordinance on April 23, 2019 and voted 4-0 to continue the hearing to May 14, 2019 with direction to staff to further analyze various sections of the ordinance; and

WHEREAS, the Planning Commission reconvened a continued public hearing to consider the proposed Short-Term Rental Ordinance on May 14, 2019 and voted 4-0 to continue the hearing to May 15, 2019 to allow Commissioner Davis time to prepare; and

WHEREAS, the Planning Commission held a public hearing to consider the proposed Short-Term Rental Ordinance on May 15, 2019, where they consider a staff report and public comments prior to recommending the City Council adopt a different version of the Short-Term Rental Ordinance,

WHEREAS, on June 5, 2019 the City Council held a duly noticed public hearing at the adjourned June 4, 2019 regular City Council meeting to consider a recommendation from the Planning Commission and heard public testimony on the proposed Short-Term Rental Ordinance,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The City Council hereby finds the recitals of this resolution as true and correct, and such recitals are hereby incorporated by reference as though fully set forth in the text of this draft Ordinance.

Section 2. This proposed ordinance is Statutorily Exempt from CEQA consistent with Section 15061.b.3, that there no possibility the activity in question may have a significant effect on the environment.

Section 3. The City Council adopt the following Ordinance as shown in in Sections 4, 5 and 6 attached hereto, and incorporated herein by reference.

Section 5. The following sections in Chapter 21.23A are hereby amended as follows:

Section 21.23A.010 - Purpose: Paragraph O. is hereby added to read as follows:

O. Short-Term Rental Permits

Section 21.23A.020 - Authority to make decisions: Sub-paragraph l. to Paragraph C.1 is hereby added to read as follows:

l. Appeals to modify or overrule decisions of the Director of community development with respect to the issuance, denial or revocation of Short-Term Rental Permits, in accordance with Chapter 21.34.

Section 21.23A.030 - Hearing requirements: Paragraph O. is hereby added to read as follows:

O. Appeal of Short-Term Rental Permits. Public hearings, noticed as prescribed by Section 21.23A.040(A) shall be conducted by the planning commission.

Section 21.23A.050 - Effective date of decisions: Paragraph O is hereby added to read as follows:

O. Short-Term Rental Permit Appeals. Fifteen calendar days following planning commission adoption of a resolution specifying the decision made; provided that an appeal has not been filed to the city council and that the city council has not called the Short-Term Rental Permit up for council hearing.

Section 6. Chapter 21.34 is hereby added to the Municipal Code of the City of El Paso de Robles as follows:

CHAPTER 21.34 SHORT-TERM RENTAL PERMITS

21.34.010 Scope, Purpose and Findings.

A. The purpose of this Chapter is to document the procedures and regulations that govern the application for, and the issuance and implementation of, permits for the operation of any short-term rental use within the city.

B. The city council hereby finds that unregulated transient occupancy uses in residential and non-residential districts present a threat to the public welfare relating to compatibility with residential uses and preservation of the character of the neighborhoods in which they are located.

C. The city council hereby finds that the adoption of a comprehensive ordinance regulating the issuance of and operating conditions attached to short-term rental permits is necessary to protect the public health, safety and welfare. The purpose of this Chapter is to provide a permit system and to impose operational requirements to minimize the potential adverse impacts to surrounding neighbors of transient uses in residential neighborhoods and zoning districts, such as traffic congestion, street parking, and noise, and to ensure the health, safety and welfare of renters and guests patronizing short-term rentals.
D. The provisions of this Chapter will also benefit the public welfare by providing an additional source of revenue to the city, as operators of short-term rentals are required to pay transient occupancy tax to the city, which will offset some of the additional costs of providing services to the renters.

E. The City Council hereby finds that the city’s regulation of short-term rental uses in accordance with this Chapter is a valid exercise of the city’s police power in furtherance of the legitimate governmental interests documented in this Chapter.

F. The City Council hereby finds that short-term rentals are an allowable accessory use to legally permitted, existing residential dwellings within all zoning districts subject to the regulations of this code section.

21.34.020 Definitions

A. “Applicant” means any person, firm, partnership, association, joint venture, corporation, or an entity, combination of entities or consortium, who seeks or seek approval of a Short-Term Rental Permit under the authority of this Chapter.

B. “Authorized Agent” means the person specifically authorized by an Owner, in writing, to represent and act on behalf of the Owner and to act as an operator, manager and contact person of a Non-Hosted Accommodation, and, along with the Owner, to provide and receive any notices identified in this Chapter on behalf of the Owner.

C. “Bed and Breakfast” means a Homeshare with no more than five (5) bedrooms, a permit issued by the San Luis Obispo County Health Department for food service, and which may be used for special events only when special events are authorized by a conditional use permit issue in compliance with this Code.

D. “Bedroom” means any habitable room with no less than 70 square feet of floor area and no dimension less than seven (7) feet, in a dwelling, with at least one wall located along an exterior wall with a window that can be used for emergency egress, and equipped with ventilation, heating, smoke detector and carbon monoxide detector. Egress window requirements shall be based on the California Building Code requirements at the time of original construction of the room.

E. “Director” means the Director of Community Development of the City, or a designee of the Community Development Director or City Manager.

F. “Enforcement Officer” means the Director, chief building official, fire marshal, city manager or any other city employee designated by the Director or city manager to enforce this Chapter.

G. “Good Neighbor Brochure” means a handbook prepared by the city regarding the general rules of conduct to be followed by Renters and applicable provisions of the Paso Robles Municipal Code.

H. “Guest” means an invitee of a Renter or other person visiting a Renter of a Short-Term Rental unit who does not rent the unit.

I. “Homeshare” means a Short-Term Rental structure in which the Owner both resides and remains during the time a Renter is occupying the Short-Term Rental unit. This can include an
accessory dwelling unit (ADU) located on the same parcel as with the primary residence occupied by the owner:

J. “Hotline” means the telephonic service maintained by the city for the purpose of receiving complaints regarding the operation of any Short-Term Rental.

K. “Hotline Contact” means the person designated on the Permit who shall be available by telephone 24 hours a day, 7 days a week during the entire time a Short-Term Rental property is occupied by a Renter.

L. “Non-Hosted Accommodation” means a Short-Term Rental structure that is not occupied by either the Owner or an Authorized Agent while it is being occupied by a Renter. A Non-Hosted Accommodation permit may operate as a Homeshare, but not the converse.

M. “Owner” means the person or entity holding fee title to the real property that is the subject of a Short-Term Rental Permit.

N. “Permit” means the permit issued by the city, in accordance with the procedures set forth in this Chapter, allowing an Owner or Authorized Agent to rent a Short-Term Rental unit at the specified location.

O. “Permittee” means the person or entity to whom a Permit is issued pursuant to this Chapter.

P. “Renter” means a person, not an Owner or Authorized Agent, renting or occupying a Short-Term Rental property in accordance with the terms of this Chapter. For purposes of Chapter 5.06, “Renter” shall have the same meaning as “Transient,” as defined in Section 5.06.020.

Q. “Short-Term Rental” means any habitable structure constructed for residential occupancy under the California Building Code for which a rental contract for occupancy has been made for a term of 30 days or less and which the Short-Term Rental use is permitted to operate, pursuant to a current and valid Permit on file with the City. Short-Term Rentals include both Homeshares and Non-Hosted Accommodations.

21.34.030 Permit Requirements

A. No Owner may operate, or allow a subject property to be operated, as a Short-Term Rental unless and until it has been issued (1) a Permit issued by the city in accordance with this Chapter 21.34; and (2) a business license tax certificate, pursuant to Chapter 5.04 of the Paso Robles Municipal Code. Together, the Owner and Owner’s Authorized Agent shall be responsible for applying for and for renewing the business license tax certificate and the Permit.

B. All short-term rental permits shall consistent with Table 21.34.030.1. and Table 21.34.030.2.
## Table 21.34.030.1. Short Term Rental Permitting Table

<table>
<thead>
<tr>
<th>Rental Type</th>
<th>Homeshare Permit</th>
<th>Non-Hosted Accommodation Permit</th>
</tr>
</thead>
</table>
| Short-Term Rental            | Short-Term Rental Permit may be issued for the following:  
  - Primary dwelling  
  - Second Units  
  - Guest Houses  
  - Multi-family residential apartments  
  - Residential portions of Mixed Use structures | Short-Term Rental Permit may be issued for the following:  
  - Primary dwelling  
  - Second Unit  
  - Residential portions of Mixed Use structures consistent with interpretation (2). Interpretations:  
  1. Multi-family residential apartment units (4 or more dwellings per lot) may not be used as Non-Hosted Short-Term Rentals.  
  2. No more than two (2) Non-Hosted Short-Term Rental Permits will be issued per legal parcel. |
| Bed & Breakfast - Food Service | Conditional Use Permit  
San Luis Obispo County health permit | Not permitted                                                                                                                                                                                                         |

## Table 21.34.030.1. Non-Hosted Accommodation Separation Requirement

No short-term rental permit for a Non-Hosted Accommodation shall be issued in conflict with this table.

Exceptions:

1. Permit applicants in possession of a valid short-term rental business license, with an application submitted date on or before April 12, 2019 shall be exempt from the minimum separation requirement for purposes of Permit issuance.
2. Homeshare Permits are not subject to the separation requirement.

<table>
<thead>
<tr>
<th>Zoning District</th>
<th>Minimum Separation Distance</th>
<th>Interpretation</th>
</tr>
</thead>
</table>
| R-1 - Single-Family Residential | 100 feet                     | 1. Measured from perimeter of property line.  
2. Does not apply to a second short-term rental permit on the same lot. |
| All other zones          | 0 feet                       | No separation requirement                                                          |
Attachment 3

Ordinance B - Short-Term Rental Task Force Version

B. The application form for a Permit shall be available from the Community Development Department. A separate Permit application is required for each rental address or individual rental unit. The Owner (for a Homeshare Permit) or the Owner and registered Authorized Agent (for a Non-Hosted Accommodation Permit) shall be required to provide, maintain and keep current the following information on the Permit application:

1. Name and contact information (including home/ business telephone numbers, mobile phone numbers, email address and permanent mailing address) of the Owner and Authorized Agent, if any, of the Short-Term Rental property.

2. Identification of whether the Short-Term Rental is a Homeshare and/ or Non-Hosted Accommodation.

3. Address of the Short-Term Rental property.

4. Floor plan (to scale) showing all interior rooms and location of each Bedroom with number of beds (including sofa beds or hide-a-beds) to be rented as part of the Short-Term Rental and approximate square footage in the Short-Term Rental property, and the maximum number of overnight Renters, subject to the limitations set forth in Section 21.34.030 D., below.

5. Site plan showing entire property on which Short-Term Rental unit is located, including the power panel disconnect, house water main valve, number and location of designated on-site parking spaces available (including garage parking) for use by Renter(s) and storage location of trash containers and scheduled day for trash pickup.

6. Evidence satisfactory to city that each Bedroom meets all local building and safety code requirements.

7. Acknowledgement that the Owner, and the Authorized Agent, if any, has read all regulations pertaining to the operation of a Short-Term Rental, including this Chapter, the city’s business license tax requirements (Chapter 5.04), the city’s transient occupancy tax requirements (Chapter 5.06), City Council Resolution 17-082 creating the Paso Robles Tourism Improvement District and agreement to pay the required assessments thereunder, the San Luis Obispo County Visitors and Conference Bureau (dba Visit SLO CAL) and agreement to pay the required assessments thereunder, and to comply with any additional administrative regulations promulgated by the Director to implement this Chapter.

8. The name and all forms of contact information of the registered contact person (who may be the Owner or the Authorized Agent, if any) who shall be available by telephone 24 hours a day, 7 days a week, and who shall be able to respond within 30 minutes of receipt of a complaint while the Short-Term Rental property is occupied by a Renter.

9. Any other information as the Director deems reasonably necessary to administer this Chapter.

10. Acknowledgement and agreement that any and all use of the property for Short-Term Rental shall cease upon transfer of the property, expiration of the Permit, or revocation of the Permit, pursuant to Section 21.34.060.
11. Agreement to hold harmless, indemnify, and defend the city against any claims or litigation arising from the issuance or revocation of the Permit.

12. Agreement to pay any costs to enforce the conditions of the Permit, including, but not limited to any city authority response to verified nuisance complaints, or inspections of the Short-Term Rental Property.

14. Certification under penalty of perjury as to the accuracy of the information provided on the Permit application and agreement to comply with all conditions of the Permit and this Chapter.

C. Permit Application Process.

1. Processing Fee. The City Council, by resolution, shall specify from time to time, in its master fee schedule, the amount of the Permit application and processing fee, based upon the city’s reasonable estimated costs for processing and reviewing the Permit application materials and maintaining the Hotline. The Permit application and processing fee shall be non-refundable.

2. Numeric Limits on the Processing and Issuance of Short-Term Rental Permits. The City Council, by resolution, may adopt procedures to implement permit issuance, including the establishment of application periods, waitlists and/ or grace periods for applicants already in possession of valid short-term rental business licenses, and may limit the total number of Short-Term Rental Permits available for issuance.

3. Review. Upon review of the materials submitted with the Permit application, the Director shall determine whether a Permit will be issued or the application is incomplete and notify the Applicant within 60 days. If the Director determines that the Permit may be issued upon compliance with certain conditions, the Director shall notify the Applicant in writing of the nature of the conditions that must be satisfied in order to receive a Permit. If the Director determines that the Permit should be denied, the Director shall notify the applicant in writing of the reasons for the denial. The decision of the Director may be appealed to the Planning Commission pursuant to the procedures set forth in Chapter 21.23A.

4. Permit Renewal. No earlier than 12 months and at least sixty (60) days prior to the expiration of a Permit, the Owner and the Authorized Agent, if any, of a Short-Term Rental shall submit an application to renew the Permit on a form available from the City, along with a renewal fee in an amount to be established by resolution of the City Council in the city’s master fee schedule. The Owner or Authorized Agent shall identify any notice of violation or concern (including any compliance or citation issued by the city) issued for the Short-Term Rental use during the Permit Term, and shall document how the violation or concern has been addressed. If the Director determines that any past violation or concern has not been adequately addressed, or that a history of past violations is detrimental to the public health, safety, or welfare, the Director may determine that the Permit is ineligible for renewal for a period of 12 months. The Applicant or any interested person may appeal the decision of the Director to the Planning Commission pursuant to the procedures set forth in Chapter 21.23A.
5. **Permit Transfer Prohibited.** No Permittee shall transfer, or attempt to transfer, a Permit to any other person.

D. Permit Conditions. Each Permit issued pursuant to this Chapter shall be subject to all of the following conditions:

1. The term of each Permit issued pursuant to this Chapter shall be for three (3) years. Upon the expiration or lapse of any Permit, it shall be of no further force or effect.

2. A copy of the Permit and Good Neighbor Brochure shall be posted in a prominent location inside the Short-Term Rental unit.

3. The Permittee shall require any Renter to sign an agreement acknowledging receipt of the Good Neighbor Brochure and agreement to comply with its terms. If the rental is through a third party hosted on-line platform, the Permittee shall require the third party to provide an on-line link to the Good Neighbor Brochure and a mechanism by which a Renter shall provide an acknowledgement of receipt of the Good Neighbor Brochure and agreement to comply with its terms.

4. The Permittee shall require Renters to utilize the designated on-site parking spaces, to the maximum extent possible.

5. The Permittee shall limit (i) parking on public streets, (ii) overnight occupancy, and (iii) daytime guests of the Short-Term Rental property to the numbers specified in the following table:

<table>
<thead>
<tr>
<th># of Bedrooms</th>
<th>Maximum # of Vehicles Parked on Public Streets</th>
<th>Total # of Overnight Occupants (9 pm. to 7 a.m.)</th>
<th>Maximum # of Daytime Occupants (7 a.m. to 9 p.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 bedrooms</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>1</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>2</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>2</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>4 bedrooms</td>
<td>3</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>5 bedrooms</td>
<td>3</td>
<td>12</td>
<td>18</td>
</tr>
</tbody>
</table>

6. The Permittee shall provide access to the garage of the Short-Term Rental if the garage has been included in the determination of the number of available on-site parking spaces.

7. It is the intent of the city to enforce sections of the Streets and Highways Code related to the provision for emergency vehicle access. Accordingly, no limousine or bus parking, and no stopping without the driver’s presence, shall be allowed in any manner that would interfere with emergency vehicle access. In the event of an emergency, the vehicle driver shall immediately move the vehicle from the emergency vehicle access area.
8. The Permittee shall provide appropriate refuse and recycling service for the Short-Term Rental property. Property shall be free of debris both onsite and in the street. Refuse and recycling cans shall be maintained in a clean and sanitary condition, stored in the approved onsite location, moved to the pickup location no more than 24 hours prior to trash pickup, and returned to storage no more than 24 hours after pickup.

9. The Permittee shall post in a conspicuous interior location near the entry door, an informational sign for Renters with important notices, rules and regulations; immediate contact information for Owner/Agent, Police, and Emergency Services; Hotline telephone number; emergency procedures; site address; maximum allowed number of permitted overnight renters, daytime occupants, and vehicles; neighborhood quiet time regulations; and trash pickup instructions and trash pickup days.

10. The Permittee shall ensure that the Renters and/or Guests of the Short-Term Rental property do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate provisions of this Code, including but not limited to any City noise regulations including Chapter 9.07 (Prohibited Conduct);

11. The Permittee shall, upon notification that Renters and/or Guests of the Short-Term Rental property have violated any Permit conditions (including any unreasonable noise or disturbances, disorderly conduct, or violations of this Code or state law), promptly act to stop the violator(s) and prevent a recurrence of the violation, provided, however, that the City does not intend to authorize, and the City does not authorize, the Permittee to act as a peace officer or place himself or herself in harm's way.

12. The Permittee shall not allow the Short-Term Rental property to be used for any gathering where the number of persons will exceed the permitted daytime occupancy limits, as set forth in this Section, unless an approved city use permit for a special event has been obtained.

13. The Owner or Authorized Agent must be available to respond to any nuisance complaints within 30 minutes, at all times when the Short-Term Rental is rented, 24-hours a day.

14. The Permittee shall allow the City, upon 24-hour notice from the city, to inspect, with cause, the Short Term Rental for compliance with the requirements of this Chapter. Permittee shall pay an inspection fee in an amount set by the City Council by resolution for the city's master fee schedule based on the estimated reasonable cost to perform the inspection.

15. Within 10 days of permit issuance, the Owner or agent shall notify all neighbors, within 50 feet of the perimeter of the property, that a Short-Term Rental Permit has been obtained. Notification will include a copy of the Good Neighbor Brochure and the owner's name and phone number.

E. Rental Agreements. The Permittee 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 hosted on-line platform, which agreement shall, at a minimum, include the following:
1. The name, address, mobile phone, text and email address of the Renter.

2. The terms and conditions of the rental agreement, including occupancy limits, noise prohibitions and vehicle parking requirements.

3. Acknowledgment by the Renter that he or she is legally responsible for compliance by all occupants of the Short-Term Rental and any guests with the conditions of this Section and the terms of the rental agreement.

4. Acknowledgment by the Renter of receipt of a copy of the Good Neighbor Brochure.

5. Acknowledgment and agreement that the City may inspect the Short-Term Rental property, for cause, upon 24-hours’ notice.

21.34.040 Occupancy and Guest Limits for Short-Term Rentals.

The number of overnight occupants and guests for each Short-Term Rental property shall be limited in accordance with Table 21.34.030.2 and state law, based on the number of Bedrooms identified in the Short-Term Rental Permit.

21.34.050 Short-Term Rental Hotline

A. The City shall establish and maintain a non-emergency Hotline telephone number for the express purpose of receiving complaints regarding the operation of any Short-Term Rental property, and forwarding those complaints to both the Owner and Authorized Agent, if any, for that Short-Term Rental property for immediate resolution of the complaint, and/or, if necessary, to the Paso Robles Police Department if the complaint has not been resolved. Owner/Authorized Agent will be responsible for paying any and all city costs incurred in response to the complaint. The Hotline number and the city complaint policy shall be included in all Permits, the Good Neighbor Brochure, and in all rental agreements for all Short-Term Rental properties. In addition, the city shall post the Hotline number on the city website.

B. The city / Hotline shall maintain a record of complaints received on the Hotline that shall include the following information:

1. Date and time of complaint;

2. Nature of complaint;

3. Address of the Short-Term Rental property that is the subject of the complaint;

4. Complainant’s name, address and contact information; and

5. Actions taken by the Hotline attendant in response to the complaint including, but not limited to: persons contacted, including law enforcement, if applicable, and date and time of actions taken in response to complaint.

6. Corrective action taken by Owner/Authorized Agent in response to complaint.

C. Hotline Response
1. The Owner or Authorized Agent shall resolve the complaint within thirty (30) minutes of being notified of a complaint by the Hotline.

2. The Owner or Authorized Agent shall notify the Hotline attendant of the corrective action taken and results obtained within thirty (30) minutes of being notified of a complaint by the Hotline.

3. If the Owner or Authorized Agent believes the situation is un-safe, they shall immediately contact the Police Department for assistance. Proactively contacting the Police Department for assistance will not be counted as a permit violation.

21.34.060 Enforcement

A. Revocation of Permit. At any time during the term of permit, the Director is authorized to initiate proceedings to revoke a Permit (or pursue any other remedy set forth in Title 1 of this Code), if the Director determines in his or her discretion that (i) the Permittee provided materially false or misleading information in any submittal required under this Chapter; or (ii) the Permittee has committed a total of three (3) violations of a combination of any of the violations specified in Section 21.34.060.B within one calendar year; or (iii) the Permittee fails to maintain an active business license tax certificate per Chapter 5.04.

In the event the Director determines that any of the conditions described above exists, the Director is authorized to issue an order specifying the violations to be cured. If the Permittee fails to cure the violations identified in the order within the time period specified, the Director may pursue any of the remedies set forth in Title 1 of this Code, including but not limited to the issuance of an administrative citations, revocation of permit, criminal prosecution, and/or civil action in accordance with Chapter 1.03. The Applicant or any interested person may appeal the decision of the Director to the planning commission pursuant to the procedures set forth in Chapter 21.23A.

B. Cause for Revocation or Non-Renewal of a Permit

1. Failure to remit required fees and taxes.
2. Attempt to transfer of the permit to another owner.
3. Operation for other than the specific purpose of the property as a short-term rental including, but not limited to:
   a. Criminal activity, habitual public nuisance, or serial violation of the ordinance take place at, on, or with respect to the short-term rental property;
   b. Keeping of a disorderly place; that is, the ownership and/ or management of any property purported to be a short-term rental where unlawful practices regularly occur will result in the loss of the short-term rental permit;
   c. Operation of the property for other than the specific purpose of a short-term rental including but not limited to allowing or taking part in dealing of controlled substances, gambling, pandering, or prostitution, or sub-letting for such illegal use or uses;
4. Keeping of a disorderly place, defined as one or more criminal complaints verified within a one-year period or two or more complaints requiring law enforcement response, also within a calendar year;

5. The property constitutes a public nuisance pursuant to Section 9.06.030 of the Paso Robles Municipal Code. In addition to any other remedy allowed by law, the City may enforce the provisions of this Ordinance through the provisions Chapter 9.06 of the Paso Robles Municipal Code, including civil, criminal, and administrative abatement proceedings, administrative citations, and penalties.

6. Failing to comply with regulations specified (by written notice) all related corrective measures within a 30-day period;

7. Advertising the short-term rental and purposely not including in the advertisement display the short-term rental permit identification;

8. Failure to comply with the short-term rental occupancy and parking requirements;

9. Failure to maintain solid waste and recycling consistent with short-term rental requirements.

B. Operating without a Permit. Operating a Short-Term Rental without a permit is a violation of the Paso Robles Municipal Code and subject to the enforcement process and penalties of Section 1.02.010. Each Owner and/or Authorized Agent is guilty of a separate offense for each and every day during any portion of which the violation of this chapter or any rule or regulation promulgated there under is continued. The penalties in Section 1.02.010 are in addition to, and not in lieu of, any other available remedy at law. All remedies prescribed under this Chapter shall be cumulative and the election of one or more remedies shall not bar the City from the pursuit of any other remedy for the purpose of enforcing the provisions hereof or in the abatement of any public nuisance.

C. Pursuant to California Government Code Section 38771, the city council hereby declares the following condition to constitute a public nuisance: operating and/or maintaining a Short-Term Rental without a valid Permit.

21.34.070. Sunset Clause

This ordinance shall expire within three (3) years of the effective date unless the City Council has conducted a review of its provisions and either extended or amended the Short-Term Rental Ordinance.
Section 7. Severability. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 8. Effective Date. This Ordinance shall be in full force and effect 30 days after its passage and adoption as provided by Government Code section 36397.

Section 9. Publication. The City Clerk shall certify as to the adoption of this Ordinance and shall cause a summary thereof to be published at least five (5) days prior to the meeting at which the proposed Ordinance is to be adopted and shall post a certified copy of the proposed Ordinance in the Office of the City Clerk. Within fifteen (15) days of the adoption of the Ordinance, the City Clerk shall cause a summary of the Ordinance to be published, including the vote for and against the same, in accordance with Government Code Section 36933.

INTRODUCED at an adjourned regular meeting of the City Council held on June 5, 2019, for first reading by the City Council of the City of El Paso de Robles, and adopted on the ___ day of ______, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

__________________________
Steven W. Martin, Mayor

Attest:

__________________________
Kristen L. Buxkemper, Deputy City Clerk
WHEREAS, the growing popularity of “home-sharing” and other short-term vacation rentals, through the use of websites such as Airbnb, VRBO, and HomeAway, allow individual homeowners, landlords, and tenants to list homes, apartments, and rooms for rent at the price and duration of their choosing; and

WHEREAS, the City Council finds that unregulated “home-sharing” and use of existing housing as short-term rentals can escalate the demand for City services and create adverse impacts in residential zones by introducing commercial activity in neighborhoods, adversely affecting the available housing stock in the City, and increasing adverse impacts such as noise, unpermitted special events, and traffic and parking congestion in residential areas; and

WHEREAS, in 2016 the City conducted several community workshops attended by operators of short-term rentals and concerned neighbors; and

WHEREAS, a Short-Term Rental Task Force met eight times to review issues related to short-term vacation rentals and explore potential policies; and

WHEREAS, there was a consensus that there should be a reasonable balance between the regulation of short-term rental operations, which pay transient occupancy tax (“TOT”) to the City, and the recognized need to protect the character of residential neighborhoods; and

WHEREAS, the Short-Term Rental Task Force submitted an outline of items to be addressed in a short-term rental ordinance; and

WHEREAS, the proposed ordinance is beneficial to the public health, safety and general welfare of the community as it establishes performance standards to ensure the compatibility between short-term vacation rentals and the residential character of neighborhoods in which they may be located;

WHEREAS, on October 10, 2017 the Planning Commission held a public hearing to consider the proposed Short-Term Rental Ordinance and continued the hearing to October 24, 2017 with direction to staff to further analyze the section of the ordinance prohibiting transfers of permits and the 3-year term;

WHEREAS, on October 24, 2017 the Planning Commission reconvened the public hearing to consider a recommendation the City Council on the proposed Short-Term Rental Ordinance; and
Attachment 4

Ordinance C - Alternative Version
(Phase out all non-hosted accommodations in the R-1 Zone)

WHEREAS, on November 7, 2017 the City Council held a duly noticed public hearing to consider a recommendation from the Planning Commission and heard public testimony on the proposed Short-Term Rental Ordinance; and

WHEREAS, the City Council deferred taking action on the proposed ordinance in November 2017; and

WHEREAS, between November, 2016 and February, 2019, the number of business licenses issued by the City for short-term rentals has increased from 167 to 323; and

WHEREAS, due to the significant increase in the number of business licenses issued to short-term rentals and additional community concerns regarding the impacts of short-term rentals upon their neighborhoods, the City Council held a duly noticed public hearing on February 5, 2019 to consider a proposed Short-Term Rental Ordinance urgency ordinance;

WHEREAS, due to a voting conflict, on February 19, 2019 the City Council rescinded adoption of the Short-Term Rental Ordinance urgency ordinance and referred the draft ordinance back to the Short-Term Rental Task Force for additional review and public input; and

WHEREAS, the Short-Term Rental Task Force held eight public meetings from February to April 2019 and forwarded a recommendation to the City Manager regarding changes to the Short-Term Rental Ordinance; and

WHEREAS, the Short-Term Rental Task Force’s recommendations have been reviewed by City staff and the City Attorney and incorporated into the following draft Short-Term Rental Ordinance.

WHEREAS, the Planning Commission held a public hearing to consider the proposed Short-Term Rental Ordinance on April 23, 2019 and voted 4-0 to continue the hearing to May 14, 2019 with direction to staff to further analyze various sections of the ordinance; and

WHEREAS, the Planning Commission reconvened a continued public hearing to consider the proposed Short-Term Rental Ordinance on May 14, 2019 and voted 4-0 to continue the hearing to May 15, 2019 to allow Commissioner Davis time to prepare; and

WHEREAS, the Planning Commission held a public hearing to consider the proposed Short-Term Rental Ordinance on May 15, 2019, where they consider a staff report and public comments prior to recommending the City Council adopt a different version of the Short-Term Rental Ordinance,

WHEREAS, on June 5, 2019 the City Council held a duly noticed public hearing at the adjourned June 4, 2019 regular City Council meeting to consider a recommendation from the Planning Commission and heard public testimony on the proposed Short-Term Rental Ordinance,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The City Council hereby finds the recitals of this resolution as true and correct, and such recitals are hereby incorporated by reference as though fully set forth in the text of this draft Ordinance.
Section 2. This proposed ordinance is Statutorily Exempt from CEQA consistent with Section 15061.b.3, that there no possibility the activity in question may have a significant effect on the environment.

Section 3. The City Council adopt the following Ordinance as shown in in Sections 4, 5 and 6 attached hereto, and incorporated herein by reference.


Section 5. The following sections in Chapter 21.23A are hereby amended as follows:

Section 21.23A.010 - Purpose: Paragraph O. is hereby added to read as follows:

O. Short-Term Rental Permits

Section 21.23A.020 - Authority to make decisions: - Sub-paragraph l. to Paragraph C.1 is hereby added to read as follows:

I. Appeals to modify or overrule decisions of the Director of community development with respect to the issuance, denial or revocation of Short-Term Rental Permits, in accordance with Chapter 21.34.

Section 21.23A.030 - Hearing requirements: Paragraph O. is hereby added to read as follows:

O. Appeal of Short-Term Rental Permits. Public hearings, noticed as prescribed by Section 21.23A.040(A) shall be conducted by the planning commission.

Section 21.23A.050 - Effective date of decisions: Paragraph O is hereby added to read as follows:

O. Short-Term Rental Permit Appeals. Fifteen calendar days following planning commission adoption of a resolution specifying the decision made; provided that an appeal has not been filed to the city council and that the city council has not called the Short-Term Rental Permit up for council hearing.

Section 6. Chapter 21.34 is hereby added to the Municipal Code of the City of El Paso de Robles as follows:

CHAPTER 21.34 SHORT-TERM RENTAL PERMITS

21.34.010 Scope, Purpose and Findings.

A. The purpose of this Chapter is to document the procedures and regulations that govern the application for, and the issuance and implementation of, permits for the operation of any short-term rental use within the city.

B. The city council hereby finds that unregulated transient occupancy uses in residential and non-residential districts present a threat to the public welfare relating to compatibility with residential uses and preservation of the character of the neighborhoods in which they are located.
C. The city council hereby finds that the adoption of a comprehensive ordinance regulating the issuance of and operating conditions attached to short-term rental permits is necessary to protect the public health, safety and welfare. The purpose of this Chapter is to provide a permit system and to impose operational requirements to minimize the potential adverse impacts to surrounding neighbors of transient uses in residential neighborhoods and zoning districts, such as traffic congestion, street parking, and noise, and to ensure the health, safety and welfare of renters and guests patronizing short-term rentals.

D. The provisions of this Chapter will also benefit the public welfare by providing an additional source of revenue to the city, as operators of short-term rentals are required to pay transient occupancy tax to the city, which will offset some of the additional costs of providing services to the renters.

E. The City Council hereby finds that the city’s regulation of short-term rental uses in accordance with this Chapter is a valid exercise of the city’s police power in furtherance of the legitimate governmental interests documented in this Chapter.

F. The City Council hereby finds that short-term rentals are an allowable accessory use to legally permitted, existing residential dwellings within all zoning districts subject to the regulations of this code section.

21.34.020 Definitions

A. “Applicant” means any person, firm, partnership, association, joint venture, corporation, or an entity, combination of entities or consortium, who seeks or seek approval of a Short-Term Rental Permit under the authority of this Chapter.

B. “Authorized Agent” means the person specifically authorized by an Owner, in writing, to represent and act on behalf of the Owner and to act as an operator, manager and contact person of a Non-Hosted Accommodation, and, along with the Owner, to provide and receive any notices identified in this Chapter on behalf of the Owner.

C. “Bed and Breakfast” means a Homeshare with no more than five (5) bedrooms, a permit issued by the San Luis Obispo County Health Department for food service, and which may be used for special events only when special events are authorized by a conditional use permit issue in compliance with this Code.

D. “Bedroom” means any habitable room with no less than 70 square feet of floor area and no dimension less than seven (7) feet, in a dwelling, with at least one wall located along an exterior wall with a window that can be used for emergency egress, and equipped with ventilation, heating, smoke detector and carbon monoxide detector. Egress window requirements shall be based on the California Building Code requirements at the time of original construction of the room.

E. “Director” means the Director of Community Development of the City, or a designee of the Community Development Director or City Manager.

F. “Enforcement Officer” means the Director, chief building official, fire marshal, city manager or any other city employee designated by the Director or city manager to enforce this Chapter.
Ordinance C – Alternative Version
(Phase out all non-hosted accommodations in the R-1 Zone)

G. “Good Neighbor Brochure” means a handbook prepared by the city regarding the general rules of conduct to be followed by Renters and applicable provisions of the Paso Robles Municipal Code.

H. “Guest” means an invitee of a Renter or other person visiting a Renter of a Short-Term Rental unit who does not rent the unit.

I. “Homeshare” means a Short-Term Rental structure in which the Owner both resides and remains during the time a Renter is occupying the Short-Term Rental unit. This can include an accessory dwelling unit (ADU) located on the same parcel as with the primary residence occupied by the owner.

J. “Hotline” means the telephonic service maintained by the city for the purpose of receiving complaints regarding the operation of any Short-Term Rental.

K. “Hotline Contact” means the person designated on the Permit who shall be available by telephone 24 hours a day, 7 days a week during the entire time a Short-Term Rental property is occupied by a Renter.

L. “Non-Hosted Accommodation” means a Short-Term Rental structure that is not occupied by either the Owner or an Authorized Agent while it is being occupied by a Renter. A Non-Hosted Accommodation permit may operate as a Homeshare, but not the converse.

M. “Owner” means the person or entity holding fee title to the real property that is the subject of a Short-Term Rental Permit.

N. “Permit” means the permit issued by the city, in accordance with the procedures set forth in this Chapter, allowing an Owner or Authorized Agent to rent a Short-Term Rental unit at the specified location.

O. “Permittee” means the person or entity to whom a Permit is issued pursuant to this Chapter.

P. “Renter” means a person, not an Owner or Authorized Agent, renting or occupying a Short-Term Rental property in accordance with the terms of this Chapter. For purposes of Chapter 5.06, “Renter” shall have the same meaning as “Transient,” as defined in Section 5.06.020.

Q. “Short-Term Rental” means any habitable structure constructed for residential occupancy under the California Building Code for which a rental contract for occupancy has been made for a term of 30 days or less and which the Short-Term Rental use is permitted to operate, pursuant to a current and valid Permit on file with the City. Short-Term Rentals include both Homeshares and Non-Hosted Accommodations.

21.34.030 Permit Requirements

A. No Owner may operate, or allow a subject property to be operated, as a Short-Term Rental unless and until it has been issued (1) a Permit issued by the city in accordance with this Chapter 21.34; and (2) a business license tax certificate, pursuant to Chapter 5.04 of the Paso Robles Municipal
Attachment 4

Ordinance C - Alternative Version
(Phase out all non-hosted accommodations in the R-1 Zone)

Together, the Owner and Owner’s Authorized Agent shall be responsible for applying for and for renewing the business license tax certificate and the Permit.

B. All short-term rental permits shall consistent with Table 21.34.030.1. and Table 21.34.030.2.

1. Non-Hosted Accommodation Permits are prohibited in the R-1 Zoning District.

2. Exceptions: Owners of a valid short-term rental business license shall be entitled to obtain a short-term rental permit with an 18-month term (548 days) from the date of issuance. After expiration of the permit, no extension or renewal of the permit shall be granted.

Table 21.34.030.1. Short Term Rental Permitting Table

<table>
<thead>
<tr>
<th>Rental Type</th>
<th>Homeshare Permit</th>
<th>Non-Hosted Accommodation Permit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Term Rental</td>
<td>Short-Term Rental Permit may be issued for the following:</td>
<td>Short-Term Rental Permit may be issued for the following:</td>
</tr>
<tr>
<td></td>
<td>• Primary dwelling</td>
<td>• Primary dwelling</td>
</tr>
<tr>
<td></td>
<td>• Second Units</td>
<td>• Second Unit</td>
</tr>
<tr>
<td></td>
<td>• Guest Houses</td>
<td>• Residential portions of Mixed Use structures</td>
</tr>
<tr>
<td></td>
<td>• Multi-family residential apartments</td>
<td>Consistent with interpretation (2).</td>
</tr>
<tr>
<td></td>
<td>• Residential portions of Mixed Use structures</td>
<td>Interpretations:</td>
</tr>
<tr>
<td></td>
<td>Interpretations:</td>
<td>1. Multi-family residential apartment units (4 or more dwellings per lot) may not be used as Non-Hosted Short-Term Rentals.</td>
</tr>
<tr>
<td></td>
<td>1. A maximum of one (1) Homeshare Short-Term Rental Permits will be issued per legal parcel in the R-1 zoning district.</td>
<td>2. No more than two (2) Non-Hosted Short-Term Rental Permits will be issued per legal parcel.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. A maximum of one (1) Non-Hosted Short-Term Rental Permits will not be issued per legal parcel in the R-1 zoning district, following an 18-month phase out period.</td>
</tr>
<tr>
<td>Bed &amp; Breakfast - Food Service</td>
<td>Conditional Use Permit San Luis Obispo County health permit</td>
<td>Not permitted</td>
</tr>
</tbody>
</table>

Table 21.34.030.2. Non-Hosted Accommodation Separation Requirement

Interpretations:
1. Multi-family residential apartment units (4 or more dwellings per lot) may not be used as Non-Hosted Short-Term Rentals.
2. No more than two (2) Non-Hosted Short-Term Rental Permits will be issued per legal parcel.
3. A maximum of one (1) Non-Hosted Short-Term Rental Permits will not be issued per legal parcel in the R-1 zoning district, following an 18-month phase out period.
Attachment 4

Ordinance C - Alternative Version
(Phase out all non-hosted accommodations in the R-1 Zone)

No short-term rental permit for a Non-Hosted Accommodation shall be issued in conflict with this table.

Exceptions:

1. Permit applicants in possession of a valid short-term rental business license, with an application submitted date on or before April 12, 2019 shall be exempt from the minimum separation requirement for purposes of Permit issuance.
2. Homeshare Permits are not subject to the separation requirement.

<table>
<thead>
<tr>
<th>Zoning District</th>
<th>Minimum Separation Distance</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-1 — Single-Family Residential</td>
<td>200 feet</td>
<td>1. Measured from perimeter of property line.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Does not apply to a second short-term rental permit on the same lot.</td>
</tr>
<tr>
<td>All other zones</td>
<td>0 feet</td>
<td>No separation requirement</td>
</tr>
</tbody>
</table>

C. The application form for a Permit shall be available from the Community Development Department. A separate Permit application is required for each rental address or individual rental unit. The Owner (for a Homeshare Permit) or the Owner and registered Authorized Agent (for a Non-Hosted Accommodation Permit) shall be required to provide, maintain and keep current the following information on the Permit application:

1. Name and contact information (including home/business telephone numbers, mobile phone numbers, email address and permanent mailing address) of the Owner and Authorized Agent, if any, of the Short-Term Rental property.
2. Identification of whether the Short-Term Rental is a Homeshare and/or Non-Hosted Accommodation.
3. Address of the Short-Term Rental property.
4. Floor plan (to scale) showing all interior rooms and location of each Bedroom with number of beds (including sofa beds or hide-a-beds) to be rented as part of the Short-Term Rental and approximate square footage in the Short-Term Rental property, and the maximum number of overnight Renters, subject to the limitations set forth in Section 21.34.030 D., below.
5. Site plan showing entire property on which Short-Term Rental unit is located, including the power panel disconnect, house water main valve, number and location of designated on-site parking spaces available (including garage parking) for use by Renter(s) and storage location of trash containers and scheduled day for trash pickup.
6. Evidence satisfactory to city that each Bedroom meets all local building and safety code requirements.
Attachment 4

Ordinance C - Alternative Version
(Phase out all non-hosted accommodations in the R-1 Zone)

7. Acknowledgement that the Owner, and the Authorized Agent, if any, has read all regulations pertaining to the operation of a Short-Term Rental, including this Chapter, the city’s business license tax requirements (Chapter 5.04), the city’s transient occupancy tax requirements (Chapter 5.06), City Council Resolution 17-082 creating the Paso Robles Tourism Improvement District and agreement to pay the required assessments thereunder, the San Luis Obispo County Visitors and Conference Bureau (dba Visit SLO CAL) and agreement to pay the required assessments thereunder, and to comply with any additional administrative regulations promulgated by the Director to implement this Chapter.

8. The name and all forms of contact information of the registered contact person (who may be the Owner or the Authorized Agent, if any) who shall be available by telephone 24 hours a day, 7 days a week, and who shall be able to respond within 30 minutes of receipt of a complaint while the Short-Term Rental property is occupied by a Renter.

9. Any other information as the Director deems reasonably necessary to administer this Chapter.

10. Acknowledgement and agreement that any and all use of the property for Short-Term Rental shall cease upon transfer of the property, expiration of the Permit, or revocation of the Permit, pursuant to Section 21.34.060.

11. Agreement to hold harmless, indemnify, and defend the city against any claims or litigation arising from the issuance or revocation of the Permit.

12. Agreement to pay any costs to enforce the conditions of the Permit, including, but not limited to any city authority response to verified nuisance complaints, or inspections of the Short-Term Rental Property.

14. Certification under penalty of perjury as to the accuracy of the information provided on the Permit application and agreement to comply with all conditions of the Permit and this Chapter.

D. Permit Application Process.

1. **Processing Fee.** The City Council, by resolution, shall specify from time to time, in its master fee schedule, the amount of the Permit application and processing fee, based upon the city’s reasonable estimated costs for processing and reviewing the Permit application materials and maintaining the Hotline. The Permit application and processing fee shall be non-refundable.

2. **Numeric Limits on the Processing and Issuance of Short-Term Rental Permits.** The City Council, by resolution, may adopt procedures to implement permit issuance, including the establishment of application periods, waitlists and/ or grace periods for applicants already in possession of valid short-term rental business licenses, and may limit the total number of Short-Term Rental Permits available for issuance.
Attachment 4

Ordinance C - Alternative Version
(Phase out all non-hosted accommodations in the R-1 Zone)

3. **Review.** Upon review of the materials submitted with the Permit application, the Director shall determine whether a Permit will be issued or the application is incomplete and notify the Applicant within 60 days. If the Director determines that the Permit may be issued upon compliance with certain conditions, the Director shall notify the Applicant in writing of the nature of the conditions that must be satisfied in order to receive a Permit. If the Director determines that the Permit should be denied, the Director shall notify the applicant in writing of the reasons for the denial. The decision of the Director may be appealed to the Planning Commission pursuant to the procedures set forth in Chapter 21.23A.

4. **Permit Renewal.** No earlier than 12 months and at least sixty (60) days prior to the expiration of a Permit, the Owner and the Authorized Agent, if any, of a Short-Term Rental shall submit an application to renew the Permit on a form available from the City, along with a renewal fee in an amount to be established by resolution of the City Council in the city’s master fee schedule. The Owner or Authorized Agent shall identify any notice of violation or concern (including any compliance or citation issued by the city) issued for the Short-Term Rental use during the Permit Term, and shall document how the violation or concern has been addressed. If the Director determines that any past violation or concern has not been adequately addressed, or that a history of past violations is detrimental to the public health, safety, or welfare, the Director may determine that the Permit is ineligible for renewal for a period of 12 months. The Applicant or any interested person may appeal the decision of the Director to the Planning Commission pursuant to the procedures set forth in Chapter 21.23A.

5. **Permit Transfer Prohibited.** No Permittee shall transfer, or attempt to transfer, a Permit to any other person.

E. **Permit Conditions.** Each Permit issued pursuant to this Chapter shall be subject to all of the following conditions:

1. The term of each Permit issued pursuant to this Chapter shall be for three (3) years. Permits must be renewed prior to expiration and must meet current density and separation requirements to be renewed. Upon the expiration or lapse of any Permit, it shall be of no further force or effect.

2. A copy of the Permit and Good Neighbor Brochure shall be posted in a prominent location inside the Short-Term Rental unit.

3. The Permittee shall require any Renter to sign an agreement acknowledging receipt of the Good Neighbor Brochure and agreement to comply with its terms. If the rental is through a third party hosted on-line platform, the Permittee shall require the third party to provide an on-line link to the Good Neighbor Brochure and a mechanism by which a Renter shall provide an acknowledgement of receipt of the Good Neighbor Brochure and agreement to comply with its terms.

4. The Permittee shall require Renters to utilize the designated on-site parking spaces prior to using on-street parking.
Attachment 4

Ordinance C - Alternative Version
(Phase out all non-hosted accommodations in the R-1 Zone)

5. The Permittee shall enforce the (i) parking on public streets, (ii) overnight occupancy, and (iii) daytime guests of the Short-Term Rental property to the numbers specified in the following table:

<table>
<thead>
<tr>
<th># of Bedrooms</th>
<th>Minimum On-site Parking (must be used prior to street parking)</th>
<th>Outside R-1 Zone: Maximum # of additional Vehicles Parked on Public Streets</th>
<th>R-1 Zone: Maximum # of additional Vehicles Parked on Public Streets</th>
<th>Total # of Overnight Occupants (9 pm. to 7 a.m.)</th>
<th>Maximum # of Daytime Occupants (7 a.m. to 9 p.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 / 1 bedrooms</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>4 bedrooms</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>5 bedrooms</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>10</td>
<td>14</td>
</tr>
</tbody>
</table>

5.a. Exception: The Director may approve exceptions to the parking requirements for short-term rentals with existing, non-conforming on-site parking deficiencies.

6. The Permittee shall provide access to the garage of the Short-Term Rental if the garage has been included in the determination of the number of available on-site parking spaces.

7. It is the intent of the city to enforce sections of the Streets and Highways Code related to the provision for emergency vehicle access. Accordingly, no limousine or bus parking, and no stopping without the driver’s presence, shall be allowed in any manner that would interfere with emergency vehicle access. In the event of an emergency, the vehicle driver shall immediately move the vehicle from the emergency vehicle access area. Stopped vehicles shall not idle engines longer than 1-minute.

8. The Permittee shall provide appropriate refuse and recycling service for the Short-Term Rental property. Property shall be free of debris both onsite and in the street. Refuse and recycling cans shall be maintained in a clean and sanitary condition, stored in the approved onsite location, moved to the pickup location no more than 24 hours prior to trash pickup, and returned to storage no more than 24 hours after pickup.

9. The Permittee shall post in a conspicuous interior location near the entry door, an informational sign for Renters with important notices, rules and regulations; immediate contact information for Owner/Agent, Police, and Emergency Services; Hotline telephone number; emergency procedures; site address; maximum allowed number of permitted overnight renters, daytime occupants, and vehicles; neighborhood quiet time regulations; and trash pickup instructions and trash pickup days.
Attachment 4

Ordinance C - Alternative Version
(Phase out all non-hosted accommodations in the R-1 Zone)

10. The Permittee shall ensure that the Renters and/or Guests of the Short-Term Rental property do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate provisions of this Code, including but not limited to any City noise regulations including Chapter 9.07 (Prohibited Conduct);

11. The Permittee shall, upon notification that Renters and/or Guests of the Short-Term Rental property have violated any Permit conditions (including any unreasonable noise or disturbances, disorderly conduct, or violations of this Code or state law), promptly act to stop the violator(s) and prevent a recurrence of the violation, provided, however, that the City does not intend to authorize, and the City does not authorize, the Permittee to act as a peace officer or place himself or herself in harm’s way.

12. The Permittee shall not allow the Short-Term Rental property to be used for any gathering where the number of persons will exceed the permitted daytime occupancy limits, as set forth in this Section, unless an approved city use permit for a special event has been obtained.

13. The Owner or Authorized Agent must be available to respond to any nuisance complaints within 30 minutes, at all times when the Short-Term Rental is rented, 24-hours a day.

14. The Permittee shall allow the City, upon 24-hour notice from the city, to inspect, with cause, the Short Term Rental for compliance with the requirements of this Chapter. Permittee shall pay an inspection fee in an amount set by the City Council by resolution for the city’s master fee schedule based on the estimated reasonable cost to perform the inspection.

15. Within 10 days of permit issuance, the Owner or agent shall notify all neighbors that a Short-Term Rental Permit has been obtained. Notification will include a copy of the Good Neighbor Brochure and the owner’s name and phone number as specified in the following table:

Table 21.34.030.3. Neighborhood Notification Requirement

<table>
<thead>
<tr>
<th>Zoning District</th>
<th>Minimum Notification Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-1 Zoning District</td>
<td>300 feet from property perimeter</td>
</tr>
<tr>
<td>Outside R-1 Zone</td>
<td>50 feet from property perimeter</td>
</tr>
</tbody>
</table>

16. No exterior signs related to the operation of the short-term rental shall be displayed.
F. Rental Agreements. The Permittee 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 hosted on-line platform, which agreement shall, at a minimum, include the following:

1. The name, address, mobile phone, text and email address of the Renter.

2. The terms and conditions of the rental agreement, including occupancy limits, noise prohibitions and vehicle parking requirements.

3. Acknowledgment by the Renter that he or she is legally responsible for compliance by all occupants of the Short-Term Rental and any guests with the conditions of this Section and the terms of the rental agreement.

4. Acknowledgment by the Renter of receipt of a copy of the Good Neighbor Brochure.

5. Acknowledgment and agreement that the City may inspect the Short-Term Rental property, for cause, upon 24-hours' notice.

21.34.040 Occupancy and Guest Limits for Short-Term Rentals.

The number of overnight occupants and guests for each Short-Term Rental property shall be limited in accordance with Table 21.34.030.2, based on the number of Bedrooms identified in the Short-Term Rental Permit.

21.34.050 Short-Term Rental Hotline

A. The City shall establish and maintain a non-emergency Hotline telephone number for the express purpose of receiving complaints regarding the operation of any Short-Term Rental property, and forwarding those complaints to both the Owner and Authorized Agent, if any, for that Short-Term Rental property for immediate resolution of the complaint, and/or, if necessary, to the Paso Robles Police Department if the complaint has not been resolved. Owner/Authorized Agent will be responsible for paying any and all city costs incurred in response to the complaint. The Hotline number and the city complaint policy shall be included in all Permits, the Good Neighbor Brochure, and in all rental agreements for all Short-Term Rental properties. In addition, the city shall post the Hotline number on the city website.

B. The City Hotline shall maintain a record of complaints received on the Hotline that shall include the following information:

1. Date and time of complaint;

2. Nature of complaint;

3. Address of the Short-Term Rental property that is the subject of the complaint;

4. Complainant’s name, address and contact information (this information shall be kept confidential);
5. Actions taken by the Hotline attendant in response to the complaint including, but not limited to: persons contacted, including law enforcement, if applicable, and date and time of actions taken in response to complaint;

6. Corrective action taken by Owner/Authorized Agent in response to complaint.

C. Hotline Response

1. The Owner or Authorized Agent shall resolve the complaint within thirty (30) minutes of being notified of a complaint by the Hotline.

2. The Owner or Authorized Agent shall notify the Hotline attendant of the corrective action taken and results obtained within thirty (30) minutes of being notified of a complaint by the Hotline.

3. If the Owner or Authorized Agent believes the situation is unsafe, they shall immediately contact the Police Department for assistance. Proactively contacting the Police Department for assistance will not be counted as a permit violation.

21.34.060 Enforcement

A. Revocation of Permit. At any time during the term of permit, the Director is authorized to initiate proceedings to revoke a Permit (or pursue any other remedy set forth in Title 1 of this Code), if the Director determines in his or her discretion that (i) the Permittee provided materially false or misleading information in any submittal required under this Chapter; or (ii) the Permittee has committed a total of three (3) violations of a combination of any of the violations specified in Section 21.34.060.B within any 365 day period; or (iii) the Permittee fails to maintain an active business license tax certificate per Chapter 5.04.

In the event the Director determines that any of the conditions described above exists, the Director is authorized to issue an order specifying the violations to be cured. If the Permittee fails to cure the violations identified in the order within the time period specified, the Director may pursue any of the remedies set forth in Title 1 of this Code, including but not limited to the issuance of an administrative citations, revocation of permit, criminal prosecution, and/or civil action in accordance with Chapter 1.03. The Applicant or any interested person may appeal the decision of the Director to the Planning Commission pursuant to the procedures set forth in Chapter 21.23A.

B. Cause for Revocation or Non-Renewal of a Permit

1. Failure to remit required fees and taxes.

2. Attempt to transfer of the permit to another owner.

3. Operation for other than the specific purpose of the property as a short-term rental including, but not limited to:

   a. Criminal activity, habitual public nuisance, or serial violation of the ordinance take place at, on, or with respect to the short-term rental property;
b. Keeping of a disorderly place; that is, the ownership and/or management of any property purported to be a short-term rental where unlawful practices regularly occur will result in the loss of the short-term rental permit;

c. Operation of the property for other than the specific purpose of a short-term rental including but not limited to allowing or taking part in dealing of controlled substances, gambling, pandering, or prostitution, or sub-letting for such illegal use or uses;

4. Keeping of a disorderly place, defined as one or more criminal complaints verified within a one-year period or two or more complaints requiring law enforcement response, also within any 365 day period;

5. The property constitutes a public nuisance pursuant to Section 9.06.030 of the Paso Robles Municipal Code. In addition to any other remedy allowed by law, the City may enforce the provisions of this Ordinance through the provisions Chapter 9.06 of the Paso Robles Municipal Code, including civil, criminal, and administrative abatement proceedings, as well as administrative citations pursuant to 1.02.010, and penalties.

6. Failing to comply with regulations specified (by written notice) all related corrective measures within a 30-day period;

7. Advertising the short-term rental and purposely not including in the advertisement display the short-term rental permit identification;

8. Failure to comply with the short-term rental occupancy and parking requirements;

9. Failure to maintain solid waste and recycling consistent with short-term rental requirements.

C. Operating without a Permit. Operating a Short-Term Rental without a permit is a violation of the Paso Robles Municipal Code and subject to the enforcement process and penalties of Section 1.02.010. Each Owner and/or Authorized Agent is guilty of a separate offense for each and every day during any portion of which the violation of this chapter or any rule or regulation promulgated there under is continued. The penalties in Section 1.02.010 are in addition to, and not in lieu of, any other available remedy at law. All remedies prescribed under this Chapter shall be cumulative and the election of one or more remedies shall not bar the City from the pursuit of any other remedy for the purpose of enforcing the provisions hereof or in the abatement of any public nuisance.

D. Pursuant to California Government Code Section 38771, the city council hereby declares the following condition to constitute a public nuisance: operating and/or maintaining a Short-Term Rental without a valid Permit.

21.34.070. Sunset Clause

This ordinance shall expire within three (3) years of the effective date unless the City Council has conducted a review of its provisions and either extended or amended the Short-Term Rental Ordinance.
Attachment 4

Ordinance C - Alternative Version
(Phase out all non-hosted accommodations in the R-1 Zone)
Section 7. Severability. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 8. Effective Date. This Ordinance shall be in full force and effect 30 days after its passage and adoption as provided by Government Code section 36397.

Section 9. Publication. The City Clerk shall certify as to the adoption of this Ordinance and shall cause a summary thereof to be published at least five (5) days prior to the meeting at which the proposed Ordinance is to be adopted and shall post a certified copy of the proposed Ordinance in the Office of the City Clerk. Within fifteen (15) days of the adoption of the Ordinance, the City Clerk shall cause a summary of the Ordinance to be published, including the vote for and against the same, in accordance with Government Code Section 36933.

INTRODUCED at an adjourned regular meeting of the City Council held on June 5, 2019, for first reading by the City Council of the City of El Paso de Robles, and adopted on the ___ day of ______, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

______________________________
Steven W. Martin, Mayor

Attest:

______________________________
Kristen L. Buxkemper, Deputy City Clerk
RESOLUTION NO. 19-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF EL PASO DE ROBLES

APPROVING A SHORT-TERM RENTAL PERMIT FEE SCHEDULE, NUMERIC LIMITS TO SHORT-TERM RENTAL PERMITS, VIOLATION ENFORCEMENT POLICY AND ANNUAL MONITORING POLICY

(Short-Term Rental Permit Policies)

WHEREAS, State law governing municipal planning and finance in California recognizes the validity of, and authorizes, the imposition by cities of fees for services; and

WHEREAS, the City prepared a Cost of Service Study with the assistance of Maximus, Inc. in 2005 to ensure that the City's fees for services are reasonable and equitable and do not exceed the reasonable cost of providing the services, which has been reviewed annually to ensure that fees do not exceed the reasonable cost of the service; and

WHEREAS, the City Council adopted a comprehensive fee schedule for City services based upon the 2005 Cost of Service Study (Resolution No. 05-192); and

WHEREAS, the City Council is considering, and Planning Commission recommends, the adoption of an ordinance (the “Ordinance”) that would require a property owner or authorized agent of a property owner to obtain a permit for the short-term rental of a residential unit and would also establish a telephone hotline that will require additional staff and consultant time to implement; and

WHEREAS, the General Plan and City policy require City service costs to be recovered through the collection of permit fees; and

WHEREAS, the City has prepared a Comprehensive Fee Schedule for City Services FY 2018-19, which reflects the Consumer Price Index (“CPI”) adjustments to fees authorized by Resolution No. 05-192, as well as certain fees based on the updated analysis of the cost of providing certain specific services; and

WHEREAS, the proposed cost recovery fees in this Resolution meet the requirements that the fees be reasonable and equitable as they are based on reasonable staff hour estimates of 1.5 hours of staff time to process short-term rental applications, plus one hour of staff time for noticing requirements, and they do not exceed the cost of providing the services; and

WHEREAS, the City has the discretion, in a given situation, to determine that it should charge less than the amount necessary to fully recover its cost; and

WHEREAS, the Short-Term Rental Task Force held eight public meetings from February to April 2019 and forwarded a recommendation to the City Manager regarding changes to the Short-Term Rental Ordinance; and

WHEREAS, the Short-Term Rental Task Force recommends that restrictions be placed on the processing and number of short-term rental permits in order to protect the public welfare.

WHEREAS, the Short-Term Rental Task Force's recommendations have been reviewed by City staff and the City Attorney and incorporated into the following draft Short-Term Rental Ordinance.
WHEREAS, the Planning Commission held a public hearing to consider the proposed Short-Term Rental Ordinance on April 23, 2019 and voted 4-0 to continue the hearing to May 14, 2019 with direction to staff to further analyze various sections of the ordinance; and

WHEREAS, the Planning Commission reconvened a continued public hearing to consider the proposed Short-Term Rental Ordinance on May 14, 2019, prior to recommending the City Council adopt the following Short-Term Rental Permit Policies; and

WHEREAS, on June 5, 2019 the City Council held a duly noticed public hearing at the adjourned June 4, 2019 regular City Council meeting to consider a recommendation from the Planning Commission and heard public testimony on the proposed Short-Term Rental Permit Policies,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLÉS DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. All of the above recitals are true and correct and incorporated herein by reference.

Section 2. The City Council approves the following non-refundable fees in furtherance of the Ordinance adding Chapter 21.34 to the Paso Robles Municipal Code regarding Short-Term Rentals:

   a. Short-Term Rental Permit Fee (3-year term) of:
      1). $550 for all short-term rentals, except for homeshares with only one (1) bedroom available to rent, which shall be subject to the Permit fee in Section 2.a.2., below. “Homeshares” are defined in Chapter 21.34 of the Paso Robles Municipal Code.
      2). $300 for homeshares with only one (1) bedroom available to rent; and

   b. Short-Term Rental Inspection Fee of $75 per inspection will be charged based on staff time incurred.

Section 3: The City Council orders the issuance of Short-Term Rental Permits be processed and numerically limited consistent with Exhibit A.

Section 4. This resolution shall take effect immediately.

APPROVED this 5th day of June 2019, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

______________________________  
Steven W. Martin, Mayor

ATTEST:

Kristen L. Buxkemper, Deputy City Clerk
Exhibit A: Short-Term Rental Permit Processing, Numeric Limits, and Administrative Citation Fine, Violation Enforcement Policy and Annual Monitoring Policy

1. Short-Term Rental Permit Numeric Limits

<table>
<thead>
<tr>
<th>Zoning District</th>
<th>Maximum Non-Hosted Accommodation Permits</th>
<th>Homeshare Permits</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-1 – Single-Family Residential</td>
<td>100 permits</td>
<td>No limit</td>
</tr>
<tr>
<td>All other zones</td>
<td>250-300 permits</td>
<td>No limit</td>
</tr>
<tr>
<td>Total all zones</td>
<td>250-300 permits</td>
<td>No limit</td>
</tr>
</tbody>
</table>

2. Short-Term Rental Permit Processing Procedure

a) On the effective date of the ordinance, the City shall stop accepting and issuing Short-Term Rental Business Licenses without proof of a valid Short-Term Rental Permit issued to the applicant.

b) On the effective date of the ordinance, Short-Term Rental Permit applications will be accepted only from owners in possession of an existing, valid Short-Term Rental Business License whose business license application was submitted to the City on or before April 12, 2019. To be considered for the initial issuance of permits, Short-Term Rental Permit applications from owners in possession of an existing, valid Short-Term Rental Business License, whose business license application was submitted to the City on or before April 12, 2019, must be submitted within 30 days of the effective date of the ordinance.

c) Short-term rental operators that complied with the provisions in section Section 2-b above, may continue to operate until a Short-Term Rental Permit is issued or denied by the City. If a permit is denied and an appeal is filed, the short-term rental may operate until the appeal process is exhausted.

d) Starting 30 days after the effective date of the ordinance, no additional Short-Term Rental Permit applications will be accepted by the City.

e) All Short-term rentals with a valid business license may operate without restrictions to the morning after June 30, 2019.

f) Effective July 1, 2019, business licenses for short-term rentals will only be renewed if a Short-Term Rental Permit has been issued for the business.

g) Starting 90 days after the effective date of the ordinance, Short-Term Rental Permit applications may be accepted, with permits to be issued to eligible applicants on a first-come basis consistent with the numeric permit limits established by the City Council in this Resolution, as well as the density and separation requirements of Chapter 21.34 of the Paso Robles Municipal Code.

h) In the event the City is unable to issue a permit solely due to the numerical limits established herein, the City will develop and maintain a permit availability list and may place applicants on the list. If a permit becomes available, the City will notify the applicant by US Mail who has been on the permit availability list the longest and allow him or her a
reasonable time to provide the City with any information necessary to ensure the application is current and otherwise complies with the ordinance. If the applicant fails to respond and/or provide current information within 30 days, the City shall remove the applicant from the permit availability list and repeat the process until a permit has been issued or all of the applicants on the permit availability list have been notified.

3. **Short-term Rental Violations - Summary Reference to Section 1.03.020 - Administrative fines**
   
   a) 1. A fine not exceeding one hundred ($100) dollars for a first violation;
   
   b) 2. A fine not exceeding two hundred ($200) dollars for a second violation of ordinance or permit within one year from the date of the first violation;
   
   c) 3. A fine not exceeding five hundred ($500) dollars for each additional violation of ordinance or permit within one year from the date of the first violation.

4. **Short-term Rental Ordinance Monitoring**
   
The City Council shall conduct an annual review of the Short-Term Rental Ordinance prior which will include the following items:
   
   a) Review of attrition rate of Short-Term Rental Permits in the R-1 zone.
   
   b) Review of Short-Term Rental Permit concentration in R-1 zones.
   
   c) Review the number of “in-active” short-term rental permits.
What else should I know?

It is important to be a good neighbor – whether you’re at home or on vacation. Please keep your neighbors in mind during your stay in Paso Robles. Compliance with these rules will assure that you and your neighbors will both enjoy your stay.

Disturbance or violations of the City’s Vacation Rental Ordinance could result in citations or fines from the City, or even eviction by the owner. Keep in mind, City residents have the right to call a 24-hour Vacation Rental Hotline to report violations of the rules outlined in this brochure.

Most importantly, we hope you enjoy your stay in beautiful Paso Robles! We are glad you are here! For information on things to do and see, please visit the following websites:

www.travelpaso.com
www.prcity.com/visit/
www.pasowine.com/visit/
Welcome to Paso Robles

The City of Paso Robles welcomes you! We encourage you to review the important information included within this Good Neighbor brochure regarding your stay in a vacation rental.

Please remember that you are vacationing among many permanent residents who chose Paso Robles as a quiet and safe place to live. They, and the City, are looking to you to help preserve that special sense of peace and quiet.

In short, being a vacation renter means simply being a good neighbor.

**Occupancy Limits**

Each short term/vacation rental is approved for a certain number of bedrooms, parking spaces and occupants. The following table reflects those limits. Your compliance with these limits is an important part of being a good neighbor to the surrounding residents and will be taken into account in the event that a complaint is filed.

**What you need to know**

This brochure is intended to highlight a few ways you can be a good neighbor during your stay in Paso Robles. Please review these guidelines and make sure all your guest follow them.

**Important Good Neighbor Guidelines**

- Parking
- Occupancy Limits
- Noise
- Trash
- Dogs
- Complaint Hotline

**Parking**

Please use the on-site parking designated for your rental only. If you need to park on the street, please park in front of the vacation rental. Never park in front of someone else’s driveway or block a fire lane; your vehicle may be towed.

**Dogs**

If your vacation rental allows pets, make sure they are on their best behavior. Be aware that barking or wandering dogs disturb neighbors. Paso Robles requires that all dogs be on leashes when they are outside. Cleaning up after your dog is also required.

For a list of dog parks and pet-friendly wineries and restaurants, go to www.TravelPaso.com.

**Trash and Recycling**

During your stay, please keep the rental property clean and use the appropriate container for trash (black can), recycling (blue can) and green waste (green can). Contact your owner if you run out of trash can space.

**Noise**

Enjoy your peaceful stay in the neighborhood and be mindful of your neighbors who are not on vacation. Please do not create noise disturbances or engage in disorderly conduct and remember quiet hours are from 10:00 p.m. to 7:00 a.m. A little consideration goes a long way. Most vacation rental complaints are a result of noise disturbances.

**Complaint Hotline**

Please remember that your neighbors have access to a 24/7 hotline to file a complaint should anyone in your party violate any of the rules listed here.

The homeowner or an appointed agent will be expected to respond to any complaint within 30 minutes or the Paso Robles Police Department will be called. Our officers can issue citations for violations of the City’s Noise Ordinance.

---

### Occupancy Limits

<table>
<thead>
<tr>
<th>Number of Bedrooms (sleeping rooms)</th>
<th>Please park on the property to the extent possible – Limit Cars parked on the street as follows:</th>
<th>Total # Overnight Occupants (9 p.m. to 7 a.m.)</th>
<th>Additional Daytime Occupants (7 a.m. to 9 p.m.)</th>
<th>Total Daytime Occupants (7 a.m. to 9 p.m.)</th>
</tr>
</thead>
<tbody>
<tr>
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**Note:**

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In the Superior Court of the State of California
In and for the County of San Luis Obispo

AD #4228283
CITY OF PASO ROBLES

STATE OF CALIFORNIA

COUNTY OF SAN LUIS OBISPO

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen and not interested in the above entitled matter; I am now, and at all times embraced in the publication herein mentioned was, the principal clerk of the printers and publishers of THE TRIBUNE, a newspaper of general circulation, printed and published daily at the City of San Luis Obispo in the above named county and state; that notice at which the annexed clippings is a true copy, was published in the above-named newspaper and not in any supplement thereof — on the following dates to wit: MAY 24, 2019 that said newspaper was duly and regularly ascertained and established a newspaper of general circulation by Decree entered in the Superior Court of San Luis Obispo County, State of California, on June 9, 1952, Case #19139 under the Government Code of the State of California.

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.  

(Signature of Principal Clerk)

DATE: MAY 24, 2019
AD COST: $235.95