CITY OF CARPINTERIA
SPECIAL MEETING OF THE PLANNING COMMISSION

David Allen
Jane L. Benefield
John Callender, Vice-Chair
Glenn La Fevers
John Moyer, Chair

City Council Chamber
5775 Carpinteria Avenue
Carpinteria, CA 93013
Time: 5:30 p.m.
Agenda Posted: 2/25/16

AGENDA

MARCH 2, 2016

THE PLANNING COMMISSION RESERVES THE RIGHT TO CHANGE THE ORDER IN WHICH ITEMS ARE HEARD. APPLICANTS NOT IN ATTENDANCE WHEN THEIR ITEM IS CALLED MAY HAVE THEIR ITEM CONTINUED TO THE NEXT REGULAR MEETING.

Any information presented to the Planning Commission by the public on any agenda item and during Public Comment using electronic media to be displayed on the overhead projector must be arranged with staff for review of materials in advance of the meeting and no later than Friday prior to the Planning Commission meeting.

Any written, printed or electronic material and/or exhibit presented at this meeting becomes the property of the City, and a copy must be provided to City staff.

This meeting will be broadcast live on Government Access Television Channel 21 and rebroadcast on Friday after the meeting at 8:00 p.m. and on Saturday at 5:00 p.m.

1. CALL TO ORDER and ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. INTRODUCTIONS, PRESENTATIONS, ANNOUNCEMENTS

4. PUBLIC COMMENT

This time on the agenda provides an opportunity for the public to address the Planning Commission on items within the jurisdiction of the Commission and <u>not</u> listed on other sections of the agenda. Please limit comments to no more than five minutes. Depending on the number of speakers wishing to make comments, the Chair may further limit the time available to each speaker to control the amount of time spent on this part of the agenda. If you wish to speak on a **CONSENT CALENDAR** item, please do so during this part of the meeting.

Please be advised that California law does not allow the Planning Commission to discuss or take action on any issue presented by the public during this portion of the meeting. The Commission may ask a question for clarification, provide a brief response to public comment, refer the matter to staff for review and a later report or direct staff to place an item on a future agenda.

The City is not responsible for the content of statements made during the public comment period or the factual accuracy of any such statements.

5. NEW PUBLIC HEARING

Short-term Rentals Ordinance **Planner: Shanna Farley-Judkins**
Project 15-1785-LCPA/ORD

Hearing on the request of the City of Carpinteria to consider Case No. 15-1785-LCPA/ORD, proposing to amend the City's Local Coastal Program to reflect changes to the City Municipal Code, Zoning Code and Zoning Map to include regulations regarding Short-term Rentals (Home Stays and Vacation Rentals). Changes to the Municipal Code include adoption of Chapter 14.52 titled, "Short-term Vacation Rentals," adoption of Chapter 14.53 titled, "Short-term Home Stay Rentals," adoption of Chapter 14.45 titled, "Short-term Rental Overlay District," addition of new definitions to Chapter 14.08, and addition of new use types to Chapter 14.12 R-1 Single-Family Residential District, 14.14 PRD Planned Residential Development District, 14.16 PUD Planned Unit Development and 14.18 MHP Mobile Home Park Planned Development District; and to approve an Exemption pursuant to §15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The project would impact a number of parcels throughout the City located in residential zone districts.

1. Disclosure of Ex Parte Communications
2. Staff Presentation
3. Public Hearing
4. Planning Commission Action

6. OTHER BUSINESS

7. MATTERS PRESENTED BY COMMISSIONERS

8. ADJOURNMENT

Notes
All actions of the Planning Commission may be appealed to the City Council. Appeals must be filed with the City Clerk within 10 calendar days of the Commission's action. Appeal deadline for items on this agenda: 5:00 p.m., March 12, 2016. The next regular Planning Commission meeting will be held on Monday, March 7, 2016 at 5:30 p.m. in the Council Chamber.

If you challenge any of the Planning Commission's decisions related to the agenda items above in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence to the Planning Commission prior to the public hearing.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Community Development Department by email at lorenae@ci.carpinteria.ca.us or by phone at (805) 755-4410 or the California Relay Service at (866) 735-2929. Notification two business days prior to the meeting will enable the City to make reasonable arrangements for accessibility to this meeting.

PLANNING COMMISSION
STAFF REPORT

MEETING DATE: March 2, 2016

ITEM FOR CONSIDERATION

SHORT-TERM RENTALS ORDINANCE DISCUSSION

Project 15-1785-LCPA/ORD

Continued discussion of Ordinance No. 708 amending provisions of the City's Local Coastal Program and Zoning Code regarding Short-term Rentals (Home Stays and Vacation Rentals) and amending the City's Zoning Map to establish a Vacation Rental Overlay District. Changes to the Zoning Code include: the addition of Chapter 14.47 titled, "Vacation Rental Overlay District" and Chapter 14.52 titled, "Home Stays"; the amendment of Section 14.04.060 Overlay Districts, adding new overlay districts; the amendment of Chapter 14.08 Definitions, adding terms related to the Short-term Rental provisions; and the amendment of Chapter 14.12 R-1 Single-Family Residential District, Chapter 14.14 PRD Planned Residential Development District, and Chapter 14.16 PUD Planned Unit Development District, adding new use types.

Report prepared by: Shanna R. Farley-Judkins, Assistant Planner
Community Development Department

Shanna R. Farley-Judkins
SIGNATURE

Reviewed by: Steve Goggia, Acting Director
Community Development Department

Steve Goggia
SIGNATURE

Applicant: City of Carpinteria

Project Location: Citywide

I. RECOMMENDATION

Hear and receive this report regarding the draft Short-term Rental Ordinance, Project 15-1785-LCPA/ORD (Ordinance) currently under development amending the Carpinteria Municipal Code (Municipal Code), Zoning Code and Zoning Map regarding Short-term Rentals. Direction should be provided to staff to further develop specific regulations identified by City Councilmembers.

II. PROJECT DESCRIPTION

The Ordinance would amend the Municipal Code, Zoning Code and Zoning Map. This report is intended to serve as a discussion item to aid in the continued development of the Ordinance for future review by the Planning Commission and City Council.

Zoning Map Amendments: The Zoning Map amendments would create a new overlay district which would apply to certain residentially zoned properties. The draft Vacation Rental Overlay District would apply to parcels zoned for multi-family residential use located in the Downtown Beach Neighborhood and the Downtown Core / Old Town Neighborhood. Five options are analyzed for possible boundaries of the draft Vacation Rental Overlay District, and are shown on the Zoning Map as Exhibit 3, Attachment A.

Municipal Code and Zoning Code Text Amendments: The Ordinance would modify several sections of the Municipal Code to create the Vacation Rental Overlay District, including regulations and definitions of Vacation Rentals and Home Stays and permitted and prohibited uses in the residential zone districts. The changes would occur within Title 14, the Zoning Chapter of the Municipal Code.

Local Coastal Program Amendments: The City's Zoning Map and Zoning Code are part of the City's certified Local Coastal Program (LCP). The above-described amendments to the Zoning Map and Municipal Code would therefore require amendments to the City's LCP. If approved by the City Council, the Ordinance would be submitted to the California Coastal Commission for review and certification before becoming effective.

III. BACKGROUND

On August 10, 2015, the City Council initiated development of the draft Ordinance in response to concerns about the impacts of Short-term Rentals on the character of the residential neighborhoods, and possible effects on the limited availability and cost of affordable and workforce housing in the City. Initial discussions were presented to the Planning Commission on December 7, 2015. On January 4, 2016, the Planning Commission reviewed and recommended that the City Council amend the City's LCP, specifically consisting of amendments and additions to the City's Zoning Code and Zoning Map as presented at the meeting of the same date.

On February 8, 2016, the City Council considered the draft Ordinance, as recommended by the Planning Commission. The City Council received comments from members of the public, including property owners, residents, realtors, and property managers addressing concerns related to the proposed regulations. The Council members considering the item included Mayor Carty, Councilmember Clark and Councilmember Shaw. Councilmember Nomura and Councilmember Stein stepped down from the hearing due to possible conflicts of interest. The available Councilmembers failed to develop a motion which could be supported by a majority of the Council and therefore the draft Ordinance failed to move forward. Instead, the Council advised staff to reconsider several areas of the draft Ordinance and to return to the Planning Commission for development of a revised ordinance.

The Council guided staff to develop alternatives and research options for the following areas:

Vacation Rental Overlay District. The City Council requested that staff provide specific information about the location and number of (1) existing residential units and (2) the number of residential units currently being used as Vacation Rentals, focusing primarily on the beach area and central downtown areas. The Council discussed various options to change the boundaries of the Vacation Rental Overlay District, including options to reduce the overall size.

Quantitative Cap. The City Council also discussed various different approaches to subarea quantitative caps, based on potential changes to the boundary of the Vacation Rental Overlay District. Staff was asked to identify the specific number of total dwelling units and Vacation Rentals which are currently located in each subarea of the Vacation Rental Overlay District. The City Council also provided guidance to staff to consider alternative caps in each subarea and across the entire Vacation Rental Overlay District.

Non-Conforming Uses and Amortization. A reduced Vacation Rental Overlay District would create approximately 13 non-conforming Vacation Rentals. The Council provided guided to staff to consider alternative amortization periods.

Transferability of Licenses. Several members of the public expressed concerns with the draft Ordinance's limit on the transfer of a Vacation Rental License to a subsequent owner of the property. Concerns were primarily focused on retention of perceived property values with and without the ability to obtain a Vacation Rental License. The City Council guided staff to revisit the expiration of a Vacation Rental License upon sale of the property in the draft Ordinance.

Home Stays. The City Council indicated that they would be in favor of more conservative operating standards for Home Stays to further reduce potential impacts on the single family residential neighborhoods. Specifically, Councilmembers suggested that staff consider reducing the maximum occupancy limit and including more restrictive parking standards.

The Minutes of the February 8, 2016 City Council are included as Exhibit 1.

IV. DISCUSSION

As summarized above, the City Council provided guidance to City staff to study additional options and take a revised Ordinance back to the Planning Commission for their consideration and recommendation. The following discussion is organized by issue area and presents several options for each discussion topic. The Planning Commission may consider these options individually or in any number of combinations.

Vacation Rental Overlay District

The Vacation Rental Overlay District, included in the initial draft of Ordinance No. 708, contemplated four subareas covering the Beach Neighborhood and portions of the PRD-zoned properties in the downtown neighborhoods. The map showing the boundaries presented to the

Council on February 8, 2016 is attached as Exhibit 2. City Councilmembers indicated that the boundaries of the Vacation Rental Overlay District, as originally proposed, included where Vacation Rental use is not appropriate. Councilmembers further guided staff to reduce the total area included within the Vacation Overlay District and to focus primarily on the Beach Neighborhood (Subarea 1) and possibly Subarea 2 (downtown, west of Linden Avenue), removing Subareas 3 and 4 from consideration. Based on several comments posed by the Councilmembers, staff has prepared a revised Vacation Rental Overlay District map to focus more closely on these specific neighborhood areas. The updated map (Figure 1, below) is broken down into five study areas, identified as Areas A-E. The areas generally represent those identified in the Council's discussion, which contain the majority of the City's existing licensed Vacation Rentals.

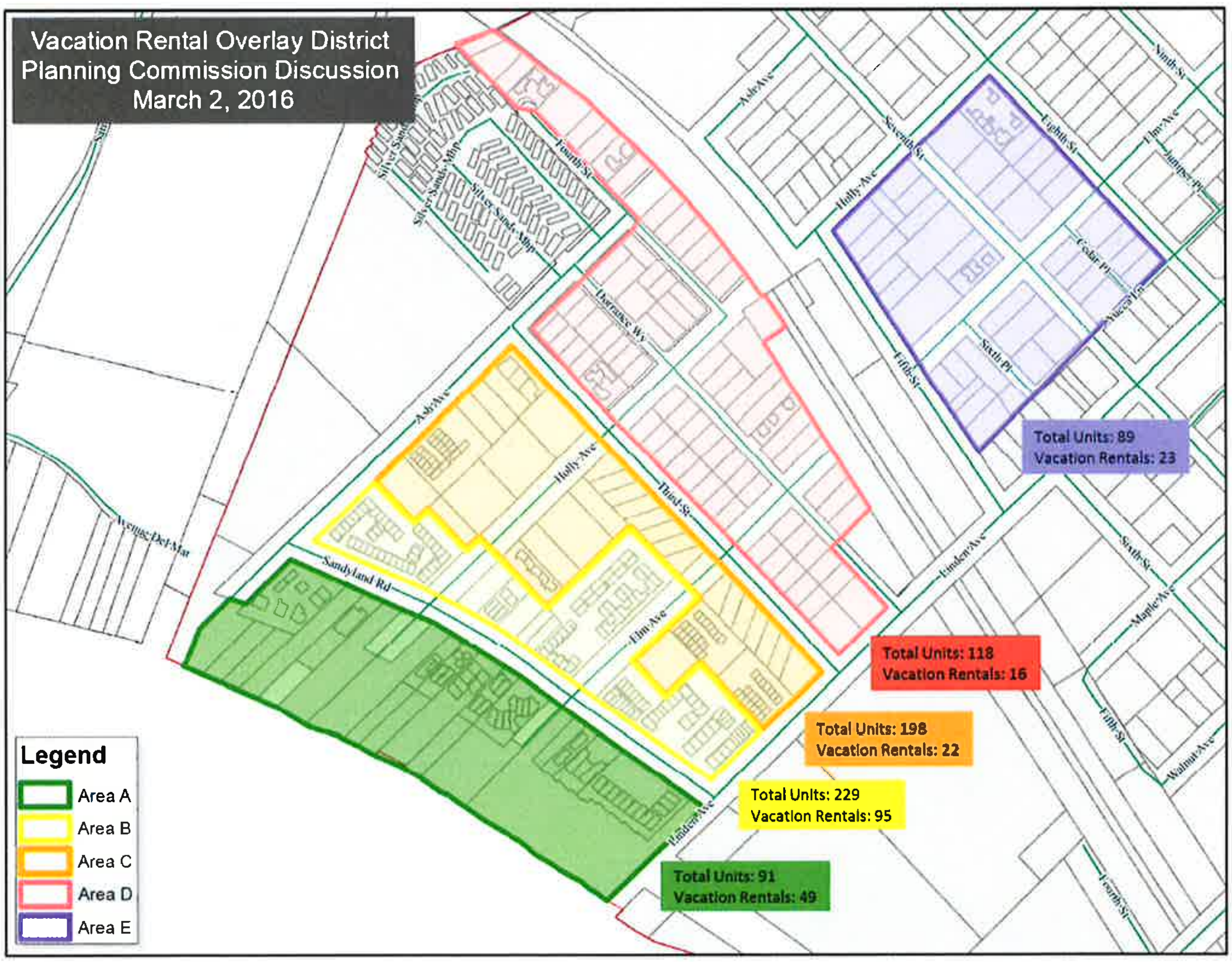


***Figure 1** Vacation Rental Overlay District - Planning Commission Discussion Map*

Area	Total No. Units	Total No. Parcels	UNIT Types	SFD	Condos	DUPLEX	TRIPLEX	4 Units	5 Units	6 Units	7 Units	8 Units	9 Units	10 Units	11 Units	12 Units	13 Units	14 Units	15 Units	16 Units	17 Units	18 Units	19 Units
A	91	88		1	85	1	1																
B	229	213			209	2						2											
C	198	98		14	72		1	2	1	1	1			1		2		1		1			1
D	118	83		48	11	14	7	1		1													
E	89	48		15	10	17		1	1	1	1	1											
TOTALS	725	530		78	387	34	9	4	2	3	2	3	0	1	0	2	0	1	0	1	0	0	1

***Figure 2** Area Discussion Statistics*

During the February 8, 2016 hearing, City Councilmembers focused much of their discussion on what was identified as the "Sandyland Corridor" (i.e., residences with addresses on Sandyland Road). The Council noted that the Sandyland Corridor was what they believed to be the primary area where Vacation Rentals have historically occurred and where it maybe best suited to allow Vacation Rentals to continue into the future. Although there was not agreement reached on defining the corridor, Councilmembers engaged in a lengthy deliberation regarding how far beyond the "Sandyland Corridor" the Vacation Rentals Overlay District should be allowed to extend. In general, the Council indicated that a boundary limited to the beach Neighborhood should the starting point for discussion, even though no specific consensus was reached. Figure 1 represents a reduced Vacation Rental Overlay District based on the areas City Councilmembers indicated as being most likely to lead to consensus. Figure 1 also identifies the total number of residential units and the existing number of licensed Vacation Rentals in each of the different areas. Figure 2 provides a further breakdown of the statistics for each of the areas, including the number of residential units and parcels in each area and the specific building types (e.g., single family dwelling, duplex, etc.). Figures 1-2 are attached as Exhibit 3, Attachments A-B.

Below is a brief description of each of the areas identified in the Figure 1 map and their statistics.

Area A. Area A consists of 91 residential units, all located between Sandyland Road, Ash Avenue to the west, Linden Avenue to the east and the beach to the southwest. The area consists primarily of condominium units and apartment buildings, along with one duplex, one triplex and one single family home. This area includes one large multi-unit development, Carpinteria Shores (which includes 20 Vacation Rentals). Close to 54% of the residential units in Area A are licensed as Vacation Rentals.

Area B. Area B consists of 229 residential units located on the north side of Sandyland Road. The area includes three large condominium complexes (Solimar Sands, Sunset Shores and La Cabana) and several smaller duplex and triplex properties, some of which are operated as condominiums. Area B includes 95 licensed Vacation Rentals, most of which are located within the three larger complexes. This area has the highest number of Vacation Rentals in all five of the identified areas; these 95 Vacation Rental units represent 42% of the total residential units in Area B.

Area C. Area C consists of 198 residential units, bound to the northeast by Third Street, Ash Avenue to the west, and Linden Avenue to the east. This area is a transitional zone, with a number of apartment buildings and condominium complexes, flanked by a row of smaller single family homes. Area C includes 22 licensed Vacation Rentals, which equates to 11% of the residential units in Area C. The majority of the area's Vacation Rentals are located in condominium developments.

Area D. Area D consists of 118 residential units, located between Third Street to the southwest, the railroad track to the northeast, Ash Avenue to the west, and Linden Avenue to the east. This area is far less dense and is primarily made up of single family residences, duplexes and smaller multi-family apartments. Area D includes 16 licensed Vacation Rentals, equivalent to 14% of the total residential units in Area D.

Area E. Area E consists of 89 residential units, and is located inland of the railroad tracks bordered by Fifth Street on the southwest, Holly Avenue on the west, Yucca Lane on the

East and Eighth Street on the northeast. This area is the most varied in terms of types of residential developments and includes a mix of single family and multi-family properties. Area E includes 23 licensed Vacation Rentals, which represents 26% of all the residential units in in the area.

Cumulatively, the five areas described above include a total of 205 Vacation Rentals, which comprise approximately 95% of the total licensed Vacation Rentals in the City of Carpinteria. Therefore, if these boundaries were adopted in whole, it would create 13 non-conforming Vacation Rentals (i.e. existing Vacation Rentals located outside the five areas described above). The Vacation Rental Overlay District boundary could include all five of the study areas. Alternatively, the boundary could be reduced to a subset of these study areas (for example, the Commission could recommend to limit the boundary to Areas A-D, etc.). Currently, Areas A-D include 182 Vacation Rentals and Area E includes 23 Vacation Rentals. Staff requests the Planning Commission to consider the outlined area options and direct staff to develop an appropriate boundary based on the concerns raised by the City Council.

Quantitative Limit

The draft Ordinance presented to the City Council on February 8, 2016 included a quantitative cap or maximum number of Vacation Rentals that would be allowed within the City. This included a cap for each of the four subareas originally included in the Vacation Rental Overlay District, attached as Exhibit 2.

Initially, the Planning Commission and City Council supported a status quo cap plus allowing additional capacity for 5-10 additional Vacation Rentals in each subarea.

At the February 8, 2016 City Council meeting, Councilmembers showed interest in reducing the boundaries of the Vacation Rental Overlay District and in considering different options for setting the quantitative limit(s) on Vacation Rentals. The Council also discussed the option of not having a quantitative cap in Area A and/or Area B, which are both located closer to the beach (i.e., on the "Sandyland Corridor").

Figure 3 identifies the existing number of units and current Vacation Rental licenses for each of the areas and outlines four quantitative limit options. The first option identifies a reduction in the overall number of Vacation Rentals, by a factor of 75% of existing (i.e., a 25% reduction to the number of Vacation Rentals). The second option is to allow the existing number of units or "status quo" to remain (i.e. no reduction or increase in the total number of allowed Vacation Rentals in each area). The third option would allow additional Vacation Rentals to be licensed, above those already licensed. This option allows an increase in Vacation Rentals by a factor of 125%. The fourth option is a no cap scenario, where all residential units within the areas could be permitted to transition to Vacation Rentals.[1] Figures 3 is attached as Exhibit 3, Attachments C. A fifth option is a hybrid of no cap in the Sandyland Corridor (Area A and/or Area B) and one of the cap options in any of the other areas selected. For example, a reduced or status quo limit applied to Areas C and D with no cap in Areas A and B.

[1] The last option shows the current number of residential units, which could fluctuate based on demolition or construction of units.

Existing Units

Area	Total No. Units	Licensed Vacation Rentals	Current % of Units in Area
A	91	49	53.85%
B	229	95	41.48%
C	198	22	11.11%
D	118	16	13.56%
E	89	23	25.84%
TOTALS	725	205	28.28%

Quantitative Limit Options

-25% Reduced	Status Quo	+25% Headroom	No Cap[1]
37	49	61	91
71	95	119	229
17	22	28	198
12	16	20	118
17	23	29	89
154	205	256	725

Figure 3 *Discussion on Quantitative License Limit Options*

The above options can be used to help develop a specific cap or limit for each of the areas or for the whole of the Vacation Rental Overlay District. Each of the options above will have certain benefits and drawbacks. For example, should the Planning Commission recommend a lower cap than the number of existing licenses, additional analysis would need to be considered regarding treatment of newly created non-conforming Vacation Rentals, and how the initial licenses would be issued. Conversely, should the Planning Commission recommend a higher cap or a no cap option for one or more of the areas, acknowledgment of the eventual loss of residential units available for long-term occupancy should be considered.

Non-Conforming Units and Amortization

In general, there are four approaches to dealing with non-conforming uses resulting from enactment of a new regulation: creating an amortization period, allowing a grace period for transition of the property, allowing continuation of the use (i.e., "grandfathering"), or immediate cessation. Grandfathering the use provides the lowest risk against legal challenge, while immediate cessation carries the greatest risk. Staff recommended as a part of draft Ordinance 708, an amortization period as a conservative approach to comply with Constitutional principles, though it may not be strictly required.

Amortization periods are often employed in order to acknowledge and account for economic impacts that may be generated by a new regulation and provide a more gradual transition to properties impacted by the new rule or regulation. In order for the owner to recoup his or her investment, an amortization period would let newly created non-conforming Vacation Rentals continue for a period of time after adoption of the new regulations before they would be required to cease operation as a Vacation Rental.

The initial draft Ordinance 708 included a provision to allow an amortization period of up to two years, one year automatically and one additional year upon showing active participation during the prior period. The Planning Commission and City Council both considered an initial two-year amortization period for currently operating and licensed Vacation Rentals. Both the Planning Commission and City Council were supportive of such a procedure, but the City Council showed an interest in staff revisiting and performing additional research on the issue in light of the potential creation of a greater number of non-conforming Vacation Rentals in the event that the

Vacation Rental Overlay District and/or the quantitative cap for each area were reduced to a figure below those currently existing.

Additional research was conducted to survey how other jurisdictions have handled amortization and issues related to nonconforming uses. Of 31 jurisdictions surveyed, 17 included amortization periods or a "grandfather provision." In the 14 jurisdictions whose regulations lacked an amortization period, no cap or restrictive boundary was identified which would create non-conforming Vacation Rentals. Of those regulations which provided an amortization period, some provided a very short period of time, for example one year, while others allowed three to five years. Four of the 17 jurisdictions that included an amortization provision in their ordinance allowed continual or perpetual use of the Vacation Rental until the site was redeveloped, sold to a new owner or otherwise no longer continued to operate as a non-conforming use for a stated period of time. In jurisdictions that set a limit on the length of the amortization period, the period ranged from a few months to as long as ten years, most falling in the mid-range of three to five years.

Providing no amortization period would ensure immediate adoption of new regulations and would reduce staff time tracking and monitoring non-conforming uses. This would be the most immediate way to handle newly created non-conforming units and may have the potential to create more financial impacts on affected Vacation Rental property owners. Legally, this option would generate the highest degree of risk for litigation from impacted property owners. Should the Planning Commission determine that an amortization period is desirable, the following amortization period options should be considered.

> **Short Amortization Period.** A short amortization period of one year would provide a limited period of time, including one summer season, for the owner of a Vacation Rental to recoup his or investment in the property and to make arrangements for a different legal use of the property (i.e., long-term rental, personal vacation residence, etc.). Courts generally disfavor amortization periods as short as two years.
>
> **Moderate Amortization Period.** A mid-length amortization period of three to five years would provide an extended period of time, including at least two summer seasons, to recoup a greater amount of investment and a lengthier time frame to consider alternative uses of the site or arrange for sale of the property. This moderate option would allow a manageable time frame for staff to monitor uses and ensure nonconforming Vacation Rentals are incrementally phased out. Legally, a moderate amortization period of three to five years appears to be favored by the courts.
>
> **Long Amortization Period.** A longer amortization period, of five to 10 years would allow a much greater amount of time to recoup investment on the site and allow owners to consider a long-term plan for the future legal use of the unit(s). Long-term monitoring required for long amortization periods may be more difficult to monitor and enforce in the long run. Additional legal documentation of such deadlines might be appropriate and require recordation of requirements on property titles to ensure future cessation of use of non-conforming Vacation Rentals.

The above amortization options could also include extensions for special circumstances. Typically, such extensions could be granted at the discretion of the City Manager or his/her designee. Should the Planning Commission find such flexibility should be considered, further development of the above amortization periods could include a hardship extension clause which would include findings for such determinations.

Another approach to addressing non-conforming uses that could be taken in the Ordinance is to establish a grace period through the delay of the effective date of the Ordinance. This would allow a non-conforming use to continue and after its effective date the use would be required to cease immediately. Should the Planning Commission wish to implement a grace period, direction should be provided concerning the length of time.

In some jurisdictions, a non-ending or "grandfathered" permit can be considered to allow a small number of long-standing legal nonconforming uses to continue in perpetuity (or until certain conditions occur, such as sale or transfer of the property). Typically, these provisions include uses which have been established, usually for several decades and would likely not have significant value without major reinvestment in the site or allowing the continued nonconforming use. Like a Conditional Use Permit, a special permit would be issued and could include conditions or deadlines to address any concerns at the site. Such conditions could require cessation of use upon redevelopment of the site or change of ownership.

License Transferability

The initial draft Ordinance contemplated allowing Vacation Rental use pursuant to receiving a license from the City. Licenses, by nature, are non-transferrable. Accordingly, the draft Ordinance included a provision noting that Vacation Rental Licenses would automatically expire upon sale or transfer of a property to a new owner. This differs from a use or development permit which runs with the land and can be transferred from owner to owner. Due to the inherent uncertainty in acquiring a Vacation Rental License with a cap limit in place, the buyer and seller would not be able to assume that a Vacation Rental License would be available. Some property owners expressed concern that this would have a limiting effect on the sale price of units. Based on comments from the public, the City Council asked that additional alternatives be explored and presented to the Planning Commission.

Staff reviewed 25 jurisdictions' Vacation Rental ordinances in relation to similar limitations on transferability of licenses upon sale of a property. In 17 jurisdictions, where there are no caps or other limiting factors impacting how someone can obtain a Vacation Rental License, transferability is not mentioned. This is because without a cap on the number of Vacation Rental licenses, transferability has no bearing since a new owner can simply apply for and obtain a license.

All eight of the other jurisdictions that include a cap on the number of Vacation Rentals have non-transferability clauses built into their regulations. These jurisdictions typically include a lottery process or waiting list to allow new owners to apply for a license upon acquisition of a property. The ordinances in these jurisdictions also include language clarifying that the Vacation Rental licenses are not automatically guaranteed upon sale of a site.

Several of the eight jurisdictions surveyed that prohibit transferability provide limited work-arounds or exceptions to the rule. In some of these communities, although licenses are not automatically transferred to a new owner at the time of sale, the required fees and/or inspections associated with a new Vacation Rental License for the property may be waived where a new owner applies for the new license within a fixed time period after taking ownership. In these scenarios, although the license is not guaranteed, the costs and/or documentation burden on the new owner is reduced should they have the opportunity to acquire a license. In several other communities, an exception has been established allowing a new owner first opportunity to obtain a new License for a Vacation Rental in cases where the transfer occurs within a family or to a spouse upon the death of the original licensee.

Staff recommends that the Planning Commission consider options for transfer of Vacation Rental Licenses. Below is a list of a few options which could be considered:

> **Maintain Non-Transferability Clause.** Because the non-transferability of a license is a matter of law, staff recommends that this be maintained in the regulation. This would not preclude the City from adopting standards which no longer restricted the ability to obtain a Vacation Rental License, like removal of the quantitative cap that would eliminate the concerns regarding the ability to obtain a Vacation Rental upon sale of a home to a new owner.
>
> **Non-Transferability Clause Exception.** Should there be a desire to provide a hardship exception, certain special provisions could allow buyers of an existing licensed Vacation Rental to step to the front of the line and avoid participation in a general license lottery. One of the most common exceptions found, allowed an exception to the lottery provisions when the new applicant is an immediate family member or spouse, when the original owner of the Vacation Rental passed away. This would not be a transfer of a license, rather it would allow the immediate family or spouse to jump to the front of the application pool and avoid participation in a lottery process. This type of exception could be further expanded to allow new ownership configurations, like change in title, addition of partners or name changes due to marriage or divorce to be allowed to obtain a Vacation Rental License outside of the lottery process. Again, this sort of provision would not be considered a transfer of a license and would be a separate administrative provision outside of a lottery. Certain administrative policies, as a practical matter, should be considered when developing the administrative policies associated with a lottery or issuances of Licenses if a cap is met.
>
> **Maintain Non-Transferability Clause / Reduced Fee or Burden.** The regulations could allow some reduction in fees or submittal requirements for new applicants where the prior owner of licensed Vacation Rental is in good standing. Such reduced burden would not automatically transfer a License to the same site unless the cap has not been met and there is no additional demand for Licenses. Such a provision might have little impact on the concerns raised by the public.

<u>Home Stay Regulations</u>

The City Council also showed interest in having staff study and develop more restrictive operating standards for Home Stays in order to reduce the potential for impacts to single family neighborhoods. In particular, Councilmembers provided guidance consider a reduction in the maximum occupancy allowed in Home Stays and to consider more restrictive parking standards.

Other than the items noted above, Home Stays have been regulated by jurisdictions in several different ways. Home Stays could be limited to a maximum number of bedrooms to be used in the Home Stay or maximum number of nights rented per year. The License could restrict the configuration or number of certain amenities within a Home Stay, like kitchens or wet bars which can be considered a separate dwelling. Some jurisdictions require a minimum dwelling unit size, therefore limiting the number of homes capable of operating a Home Stay. Some communities require a minimum distance between Home Stays to minimize impacts which might be anticipated from clustered Home Stays. Monitoring of some of these provisions may be difficult and time consuming and/or rely on community complaints to identify violations of the regulations. Staff recommends that the Planning Commission consider the ability of staff to effectively enforce the regulations in consideration of the specific provisions which may be recommended to the City Council.

Home Stay Occupancy Standard

The initial draft Ordinance allowed the same maximum occupancy in Vacation Rentals and Home Stays. Maximum occupancy was drafted to allow a base occupancy of two occupants per unit, plus two occupants per bedroom (for example, two occupants in a studio unit, four occupants in a one bedroom unit, six occupants in a two bedroom unit, etc.). The Home Stay occupancy standard was further clarified to note that the occupancy took into account the primary occupants of the home, in addition to any Home Stay rental occupants. Based on guidance from the City Council, several options to further reduce the maximum occupancy allowed in Home Stays are provided below.

> **No Change / Maintain the Same Occupancy Standard for Home Stays as Vacation Rentals.** The initial draft Ordinance included an occupancy limit which would allow no more than two occupants per unit, plus two occupants per bedroom, including the permanent residents. This results in a total number of occupants as follows: two occupants for a studio unit, four occupants in a one bedroom, six occupants in a two bedroom, eight occupants in a three bedroom, 10 occupants in a four bedroom, etc. This would ensure that monitoring and administration of the program would be consistent between both the Home Stay and Vacation Rental Licenses.
>
> **Reduce Occupancy Standard of Home Stays.** The Home Stay occupancy standard could be reduced slightly, as compared to that allowed in a Vacation Rental. The occupancy standard could prohibit Home Stays in studio units and allow a lower occupancy based on bedroom counts, for example two occupants per bedroom. This would result in the following occupancies: two occupants in a one bedroom unit, four occupants in a two bedroom, six occupants in a three bedroom, and eight occupants in a four bedroom. Again under this option, the occupancy limit would include the permanent residents of the unit. This would reduce the overall occupancy of the unit by two and reduce general impacts on the neighborhood.
>
> **Set an Occupancy Cap Regardless of Number of Bedrooms.** The Home Stay occupancy standard could be modified to set a cap on total rental guests, rather than based on a bedroom count. For example, a maximum number of renters could be set at two or four guests per Home Stay License. This would reduce concerns about

tracking permanent residents living in the home and would set a specific expectation for neighbors. By setting a lower occupancy standard, it would also tend to reduce concerns about multiple vehicles which generate parking and traffic impacts. It may also be easier for staff to administer and monitor a set occupancy standard which does not depend on knowing the bedroom count or permanent resident count.

Home Stay Parking Standard

The initial draft Ordinance included an operating standard which limited vehicles associated with the Home Stay to a specific number as determined by staff at the time of application for a Home Stay. Pursuant to this standard, staff would consider the available parking spaces available on the site to determine the maximum number of Home Stay vehicle which can be parked on the site.

The above standard would have allowed staff to determine the appropriate parking allowed at each site, based a number of factors, including but not limited to available parking areas on the site, the owner's own vehicle ownership, and size and availability of parking on site, etc. The license would be conditioned to allow only the specific number of vehicles. As an administrative function of the program, staff anticipated development of a rationale which would be used to consider parking at each site. In order to tighten or restrict parking further, a variety of options are available to limit parking at Home Stay sites.

Specify a Maximum Cap on Parking. Rather than allowing staff to determine parking allowances for Home Stays on a case-by-case basis, the regulation could set a specific maximum number of vehicles allowed as part of a Home Stay rental agreement. For example, Home Stay guests may be allowed no more than one or two vehicle(s) and shall be required to sign an agreement stating such. This would limit impacts to neighborhoods where Home Stays operate and would establish a set parking figure, rather than a number determined by staff. Such a regulation would be more easily enforced by Code Compliance staff than a case-by-case parking limit. The regulation would require no special consideration during the application review process and would therefore reduce process time for both applicants and staff.

Develop a Parking Ratio. Rather than using a specific cap, a parking ratio could be developed to allow a sliding number of guest vehicles based on specific criteria and the sites' available parking. For example, the regulation could allow one guest vehicle per available driveway parking space, in addition to the parking required for the primary occupant's vehicles. Such a ratio would require applicants to provide a site plan indicting the number of parking spaces available on the site and the number of vehicles associated with the permanent occupants of the site. Sites where the permanent occupants own fewer vehicles would be granted a higher guest vehicle count, than sites with a higher number of permanent occupant vehicles. Such a regulation may be burdensome to administer as it would require additional staff time when reviewing applications and verifying that parking is easily accessible and available as noted in the application. Sites with no available parking may not be permitted to allow vehicles as part of their Home Stays.

No Parking. A more restrictive regulation could prohibit guest parking in relation to Home Stays. Such limitation would reduce impacts of Home Stays on the residential quality of neighborhoods and would continue to protect available neighborhood parking for permanent residents. Due to the growing availability of alternative transportation options, many visitors often do not bring vehicles, using services instead like taxis, Uber, railroad, etc. Some Home Stay hosts have identified that they provide transportation services or bikes to their guests and report many choose to use alternative transportation for their travels. Such a regulation may be overly taxing on Home Stays and may make their accommodations less desirable than other transient lodging options where parking would be allowed. Such a regulation tempts violation of the rule and may be difficult to identify whether illegal parking is related to a Home Stay or not. It could be expected that Home Stay guest would park in the public parking areas in a neighborhood and further burden neighborhood quality if no consideration of onsite parking is required.

Staff Determined Parking. The regulation could be formatted, as previously included in the draft Ordinance, to allow staff to determine, site by site, the number of guest vehicles that can be allowed for each Home Stay. Discretion would allow staff to base the parking on various aspects of the site and Home Stay to reduce potential impacts on neighborhoods and parking. For example, a site where a number of permanent vehicles are associated with the homeowner's occupation may raise concerns about the actual number of parking spaces available for Home Stay guests. In such a scenario, staff could reduce or eliminate the ability to allow Home Stay parking in the interest of the preservation of available parking on the street for the general neighborhood. Allowing staff to use discretion could be beneficial to make site specific conditions, where staff may be able to identify either issues or opportunities for parking on a site. If such discretion is deemed appropriate, staff could include guidelines in their administrative policies which explain the general rationale used to review and determine available parking at the site. This regulation would generate additional submittal requirements for applicants and additional staff review time during the application process. Monitoring and compliance efforts for this requirement may be more complicated and require additional tracking on the part of compliance staff.

Based on the comments made by the City Council, staff recommends that the Planning Commission consider a specific parking cap of one guest vehicle per Home Stay.

V. SUMMARY

In conclusion, the aforementioned Short-term Rental topics are provided to generate a discussion regarding further development of the draft Short-term Rental Ordinance. Staff intends to take comments and direction from the Planning Commission's discussion and use it to prepare a revised Short-term Rental Ordinance. Staff anticipates scheduling another special Planning Commission hearing to consider the revised Ordinance, prior to further presentation of the draft Ordinance to the City Council.

Staff requests that the Planning Commission identify specific direction in each of the following topics areas which were identified by the City Council and discussed in this staff report.

1. Vacation Rental Overlay Boundary
2. Quantitative Cap for Vacation Rentals
3. Amortization of Non-Conforming Vacation Rentals
4. Non-transferability of Vacation Rental Licenses
5. Maximum Occupancy Standards in Home Stays
6. Parking Restrictions in Home Stays

VI. ACTION OPTIONS

The Commission may receive this report, to continue the hearing to a special meeting on March 21, 2016 and direct staff to return to the Commission with the revised Draft Ordinance at the March 21, 2016 special meeting of the Planning Commission. The Commission may also provide comments or provide direction regarding issues addressed in this report or during the hearing.

VII. ATTACHMENTS

Exhibit 1 City Council Minutes of February 8, 2016

Exhibit 2 Draft Vacation Rental Overlay District Map – City Council February 8, 2016

Exhibit 3 Map and Map Statistics

Attachment A – Figure 1 Vacation Rental Overlay District - Planning Commission Discussion Map
Attachment B – Figure 2 Area Discussion Statistics
Attachment C – Figure 3 Discussion on Quantitative License Limit Options

Exhibit 1
City Council Minutes
February 8, 2016

Short-term Rentals Ordinance
PROJECT 15-1785-LCPA/ORD

Planning Commission Special Hearing
March 2, 2016

6. Introduction (first reading) Of Ordinance No. 708 amending provisions of the City's Local Coastal Program and Zoning Code regarding Short-term Rentals (Home Stays and Vacation Rentals) and amending the City's Zoning Map to establish a Vacation Rental Overlay District. Changes to the Zoning Code include: the addition of Chapter 14.47 titled, "Vacation Rental Overlay District" and Chapter 14.52 titled, "Home Stays"; the amendment of Section 14.04.060 Overlay Districts, adding new overlay districts; the amendment of Chapter 14.08 Definitions, adding terms related to the Short-Term Rental provisions; and the amendment of Chapter 14.12 R-1 Single-Family Residential District, Chapter 14.14 PRD Planned Residential Development District, and Chapter 14.16 PUD Planned Unit Development District, adding new use types, as read by title only.

Recommendation: City Council approve Resolution No. 5644, as read by title only, certifying that Ordinance No. 708 is intended to carry out the policies of the City's Coastal Land Use Plan consistent with the California Coastal Act and direct the proposed amendments and additions to the Zoning Code, as part of Ordinance No. 708, be transmitted to the California Coastal Commission; and approve Ordinance No. 708 as read by title only (first reading).

Councilmember Stein recused himself from this item because his wife works for Sunset Shores. Councilmember Nomura recused himself from this item because his wife is a realtor. Councilmembers Stein and Nomura stepped down from the dais and exited the Council Chambers at 5:47 p.m.

Peter Brown on behalf of Brownstein Hyatt Farber Schreck, LLP, acting as City Attorney of the City of Carpinteria, noted that the Government Code provides that when the City Council adopts an ordinance a majority vote is required of the full City Council; therefore, three affirmative votes would be needed in order to adopt the ordinance and the resolution.

Peter Durflinger, City Manager, presented the staff report.

Shana Farley-Judkins presented a PowerPoint presentation of proposed Ordinance No. 708 and Administrative Policy.

Jena Acos on behalf of Brownstein Hyatt Farber Schreck, LLP, acting as City Attorney of the City of Carpinteria, spoke regarding the broad police powers that authorizes cities to regulate short-term vacation rentals.

Councilmember Carty inquired regarding the State of California's regulations for short-term vacation rentals. Jena Acos on behalf of Brownstein Hyatt Farber Schreck, LLP, acting as City Attorney of the City of Carpinteria responded that she believed the State Legislature was still the process of creating a bill; however, she believed it does not affect how local agencies regulate short-term rentals. She also stated she believed the State regulations would deal with enforcement that will affect Airbnb and vacation rent by owner (VRBO), and may address transient occupancy tax (TOT) requirements. Peter Brown on behalf of Brownstein Hyatt Farber Schreck, LLP, acting as City Attorney of the City of Carpinteria Peter Brown added that nothing had come before the Legislature for final action at this point.

Councilmember Clark inquired whether short-term vacation rentals were currently legal in commercial business district zones. Ms. Farley-Judkins responded that short-term vacation rentals could be permitted under the current bed and breakfast permit or motel regulation as part of a development plan. She noted there were a number of properties that could convert to short-term vacation rentals; however, they would need to go before the Planning Commission as part of a development permit.

Councilmember Clark inquired whether the side street areas on Linden next to the commercial business district could become legal areas for short-term vacation rentals. Ms. Farley-Judkins referred to the zoning map and noted that the Downtown T is one block from Linden. She also noted that small motels and small apartment units fall under older vacation rental regulations and these units would not be permitted as short-term vacation rentals in the future.

Councilmember Clark noted there were issues and concerns regarding home stays due to inability to regulate these units and he inquired whether there would be a cap placed on the number of guests who can stay in home stay units. Ms. Farley-Judkins responded that regulations for home stays would be similar to the short-term vacation rentals with the exception that the permanent homeowners are included in the number of guests.

Councilmember Clark noted that the proposed ordinance was based upon significant research on policies and regulations from several coastal resort cities. He inquired whether staff had explored the policies and regulations from the City of Santa Barbara. Ms. Farley-Judkins responded that staff had explored these policies and regulations. She stated that the City of Santa Barbara is an anomaly because of their different view of regulations. She also stated that it was her understanding that the City of Santa Barbara enforces a prohibition of vacation rentals in their residential neighborhoods.

Councilmember Clark referred to the ordinance section regarding Purpose and Intent regarding the Rental Overlay District and noted that short-term vacation rentals would only be allowed in the Vacation Rental Overlay District. He inquired whether short-term vacation rentals could exist anywhere else in the City. Ms. Farley-Judkins responded that short-term vacation rentals would only be permissible in this overlay boundary and home stays could be permitted in residential districts.

Vice Mayor Shaw noted that correspondence was received regarding concerns with takings and licensing. Jena Acos on behalf of Brownstein Hyatt Farber Schreck, LLP, acting as City Attorney of the City of Carpinteria responded that legal counsel did not believe the City would have liability regarding takings; however, there would always be the possibility that a challenge could be brought forth. She stated that in this situation a license does not grant a permanent right and a license might add value to the property.

Mayor Carty opened the Public Hearing at 7:00 p.m.

Gay McMichael, beach area property owner, stated that she purchased her condominium for personal use and for vacation rental. She noted that her condominium has been licensed as a vacation rental since 2007. She spoke in support of the transferability language in the ordinance. She expressed concern with property values for properties with and without a license. She also expressed concern that during the Planning Commission meeting comments were made that there were very few complaints; however, comments were made during this meeting that there were complaints, which caused this process to move forward. She noted that her condominium is in Subarea 1 and she questioned the differentiation within Subarea 1. She asked for clarification on the legal requirement for the property owner to post contact information on the outside of the property. Dave Durflinger, City Manager, responded that differentiation was based on comment letters the City received in part on the City's history. He stated that it was suggested in the comment letters that not all things are equal in the beach neighborhood defined as Subarea 1. For example, some properties are closer to the beach and there are differences in development pattern and density.

Alec Bruice, President of Santa Barbara Association of Realtors, noted the Association submitted a letter regarding this issue. He thanked the City Council on its approach related to the vacation rental issue in order to strike a balance on how a property owner may utilize their property and ensure that they are good neighbors. He asked the City Council to reconsider the quantitative cap because it is unnecessary with the Vacation Rental Overlay zone and it could become problematic as soon as the cap is reached. He urged the City Council to remove the provision for a quantitative cap so that all property owners within the Vacation Rental Overlay zone would have the same rights.

Stella Anderson suggested that the City Council consider the sale of one of these properties and the fact that certain properties have increased in value 25 to 35 percent due to the fact that the property owners may rent their properties on a short-term basis. She expressed concern on how a property would be valued based on whether it could be rented on a short-term basis. She suggested that when a property is sold the new owner should have the first option for a permit for a short-term rental.

Leslie Gascoigne, resident on Olive Avenue, stated she was opposed to short-term rentals in the City. She also stated she lives in the beach area near one of the recommended vacation short-term rental zones. She referred to the General Plan and read the following, "The goal of the community is to preserve the essential character of their small beach town, its family-oriented residential neighborhoods, its unique visual and natural resources, and its open rural surroundings while enhancing recreational, cultural, and economic opportunities for our citizens." She stated she wanted to focus on the fact that residents, not tourists, live in residential neighborhoods, and she noted that the General Plan also states that the City has an inadequate amount of housing compared to the number of jobs. She commented that VRBOs do not improve this situation, and there were currently five hotels being considered for Carpinteria that have the potential to house hundreds of tourists. She expressed concern with the amount of extra work the City will need to do if VRBOs are approved. She requested that the City Council consider a fair approach so that the impacts are distributed throughout the City versus specific zone districts, place a cap on the amount of short-term rentals, and create a lottery system.

Jim Reginato asked the City Council to reject the ordinance as a whole. He suggested the City Council look at how the City of Santa Barbara handles short-term vacation rentals by rejecting them all. He stated that people who move into a residential area expect it to be residential, and zoning areas should remain how they were adopted.

Michael Noling, Boardmember, Treasurer, and unit owner of the Solimar Sands Condominium Homeowners Association, expressed concern that the proposed ordinance restricts Solimar Sands condominium owners from renting their units now or in the future. He stated that the proposed ordinance would restrict property owners of their property rights by revoking short-term rental rights when they transfer or sell their units. He also stated that the proposed ordinance would negatively impact their property value and reduce their rental operation income. He expressed that he believed the beach neighborhood should continue to be the primary area for licensed vacation rentals. He suggested that should the City Council go forward with adopting this ordinance, that the City Council consider increasing the number of eligible vacation rental licenses in the beach neighborhood to 250 units. He also suggested that if quantitative caps are adopted on vacation rentals in the beach neighborhood, that the City Council allow owners to transfer a vacation rental license upon sale and explain how the ordinance and staff will manage the administrative process.

Gail Marshall stated that she supports adequate affordable housing for individuals who work in Carpinteria. She also stated there were currently 218 known vacation rental properties, enforcement is difficult and expensive, there is not enough staff, and permitting is a very long, problematic process. She also stated that she did not see the prudence in increasing the number of vacation rentals, and it takes away from affordable rentals for local workers.

Dana Rosenberg, 20-year resident and renter in Carpinteria, stated she is an attorney who has represented several local property owners and two homeowners associations on Sandy Land Road. She indicated that she recognizes the need to house the local critical workforce community. She stated there needed to be some differentiation in Subarea 1 because these units were purchased with the knowledge that some of the units would be used as vacation rentals. She expressed concern that quantitative capping of the number of vacation rentals does not serve the goal of the law to avoid nuisances, does not increase the rental market, and would not create low-income or moderate housing. She asked the City Council to reconsider the quantitative cap instead of basing this on how many units are currently rented, and consider units that are professionally managed.

Lynn Gates, local realtor, stated she manages rentals and short-term rentals in the beach area. She noted that addresses and information are not posted on VRBOs due to security reasons. She asked that the City Council look at vacation rentals as a whole in the downtown and in residential areas. She stated that she believed Subarea 1 is different and not allowing short-term rentals would leave the units vacant, bring less business to the downtown, and create a loss of activities in those areas. She asked the City Council to consider quantitative caps in Subarea 1. She also stated that she did not believe that eliminating vacation rentals would create more rental housing opportunities.

Eileen Mira, accompanied by Gail McAdcar, stated they own four properties on Sandy Land. She noted that three of their units have a professional onsite manager with two of the units having licenses and the third in the midst of remodeling with the intent of renting the unit. She stated that she believed there was only one single-family residence on Sandy Lane, and many people have rented units in Sandy Land for 30 to 40 years. She expressed her hopes that her license will be transferable, and stated that she believed it would be detrimental to place a cap. She also stated she believed the proposed ordinance should be considered for the right of the property owners and for what is right for Carpinteria.

Mary Clark, 45-year resident of Carpinteria, stated that she owns a condominium in the beach area and she has lived in the unit for 27 years. She also stated that once she is physically unable to live in her unit, she would like to have the ability for her or her family to rent out her unit.

Mayor Carty closed the Public Hearing at 7:35 p.m.

Mayor Carty noted that Sandy Land Corridor Subarea 1 has been the primary short-term vacation rental area in Carpinteria. He expressed his support that the Sandy Land Corridor not have a quantitative cap.

Vice Mayor Shaw stated that he agreed with Mayor Carty; however, there was an issue of fairness for the people who live between there and the railroad tracks who own duplexes and triplexes, and who would also like to have transferability of their properties. He inquired what would occur should the City Council cease allowing short-term vacation rentals or place a cap on them, and what would that do as far as the transferability and property tax values of the entire Sandy Land Corridor. He also inquired regarding the fee schedule for renewing the annual license and suggested the fee should be tiered for those who already have a license. He also inquired regarding the addition of 10 short-term vacation rentals in Subarea 4 and he expressed concern because there are a lot of single-family homes in that area along Palm Avenue and near

Main School. He also expressed concern with parking, especially in Subarea 4 and Subarea 3.

Councilmember Clark expressed his opinion that the City Council should not have permitted short-term vacation rentals in residential and PRD zones. He expressed concern with the availability of affordable housing for local workers and families. He also expressed concern that the City could be encouraging bad practice when there are hotels available for tourists. He addressed the comments made regarding property rights and suggested that property owners should refer to the property's zoning designation. He stated he was not in favor of zone districts in the proposed ordinance, but believes there is value in regulating short-term vacation rentals. He stated that he could support continuing to allow short-term vacation rentals in the beach area and give further consideration to the Sandy Land issue. He also stated he would not support short-term vacation rentals in any of the PRD zones, and he would support eliminating Zones 2, 3, and 4.

Motion by Councilmember Clark to authorize staff to go back and research his suggestions, and send it to the Planning Commission.

Vice Mayor Shaw stated he would be comfortable with eliminating Zones 3 and 4 completely. He noted that Zone 2 is long-standing. He also stated he could support breaking off Sandy Land on its own, allowing short-term vacation rentals in Zone 1, and allowing what is currently in Zone 2.

Mayor Carty stated he supports the Sandy Land Corridor not having a quantitative cap on residences that face Sandy Land and on the beach side. He also stated he supports increasing Subarea 2 to 20 short-term vacation rental units instead of 12, and increasing Subarea 3 by three more short-term vacation rentals for a total of five.

Councilmember Clark's motion failed for lack of a second.

Motion by Mayor Carty to approve staff's recommendation with the exception of making the Sandy Land Corridor without a quantitative cap.

Mr. Durflinger stated that based on the City Council's discussion, it appeared the City Council would support creating a Sandy Land Corridor district to be a subpart of Subarea 1 and if there is no cap then the transfer issue would not apply. He stated there were other options available for the remainder of Subarea 1 including no transfer of license. He also stated that if the City Council wanted to create some special conditions rather than the lottery process, such as a first right of refusal from a new owner, that staff could bring back information regarding this alternative.

Councilmember Clark expressed his support for keeping the caps as they currently exist.

Ms. Farley-Judkins stated there were currently 300 total units that fall within the boundary of units fronting Sandy Land Road either on the beach or mountainside. She also stated that there were 140 licensed vacation rentals in that boundary, and the area not fronting Sandy Land included 200 total units with 30 vacation rentals.

Councilmember Clark expressed his concern with having 300 units in Sandy Land area that could become vacation rentals and with the impacts for that area.

Motion restated by Mayor Carty to approve staff's recommendation and splitting off Sandy Land Corridor without a quantitative cap, and a quantitative cap of 150 short-term vacation rentals in the remainder of Subarea 1. Motion died for lack of a second.

Mr. Durflinger stated that if the City Council could not take action to approve the ordinance with the required three votes nor agree on direction, then the matter would end tonight and the status quo would continue.

Mayor Carty stated that he wanted to maintain residential neighborhoods and maintain short-term vacation rentals. He noted that Sandy Land has always been a primary vacation rental area.

Councilmember Clark requested that the City Manager fully enforce the PRD Zone Code and not permit any more short-term rentals in PRD Zone Code.

It was the consensus of the City Council to have Sandy Land stand alone from Subarea 1, eliminate areas 2, 3, 4 by a two-year amortization period, and have staff take these options back to the Planning Commission for deliberation.

Mr. Durflinger noted that the City Council did not discuss home stays under the short-term rental umbrella, and without further direction home stays regulations would remain status quo.

The City Council expressed their concern with home stays in residential areas due to traffic impacts.

Mr. Durflinger noted the first alternative considered and rejected by the Planning Commission was to treat home stays the same as short-term vacation rentals and apply the same limits that home stays would not be permitted in single-family residences. He stated that staff would take back to the Planning Commission parking and occupancy standards to describe what the standards would be in the proposed ordinance, research other jurisdictions' regulations and approaches, discuss transferability options, and bring back to the City Council after the Planning Commission's deliberation.

The City Council recessed to a break at 8:30 p.m. and reconvened at 8:39 p.m.

Councilmembers Nomura and Stein returned to the Council Chambers and took their seats at the dais.

OTHER BUSINESS:

7. 2015 Annual Integrated Pest Management (IPM) Report

Recommendation: Receive and file.

Matt Roberts, Parks and Recreation Director, presented the staff report.

Councilmember Clark inquired regarding the status of the IPM Committee. Mr. Roberts responded that staff attempted five times to call a meeting of the IPM Committee; however, they were unable to have a quorum and the committee did not meet the past year. He noted that City staff operated under the intent of the IPM policy.

Councilmember Nomura noted that last year they discussed injecting some of the Cambiem trees for tree bores. He inquired whether the results were tracked and whether they were successful. Mr. Roberts responded that the only tree application done last year were to the Tipuana trees on Linden Avenue for an insecticidal soap. He noted that injection to the Cambien trees were done two years ago; however, there was a concern because the product used could move into the bee population. Councilmember Nomura noted that the City recently received a notice of the Asian Citrus Psyllid and he inquired whether this was being addressed. Mr. Roberts responded that this was not being addressed in the parks system; however, it might be that it was being addressed by the Agriculture Commission or the USDA working with areas that have citrus trees. Councilmember Nomura suggested placing articles regarding the City's IPM efforts.

There were no Public Comments.

Motion by Councilmember Stein, seconded by Vice Mayor Shaw, to receive and file 2015 Annual Integrated Pest Management (IPM) Report.

Upon voice vote, motion carried unanimously.

8. Ordinance No 709, Amending Chapters 3.04, 3.08, 3.12, 3.20, 3.38, 3.45 and 5.04 of the Carpinteria Municipal Code.

This ordinance would impose a "pay first", litigate later" obligation for litigating tax and assessment disputes, requiring persons challenging such taxes and assessments to make payments to the City prior to commencing any actions in court.

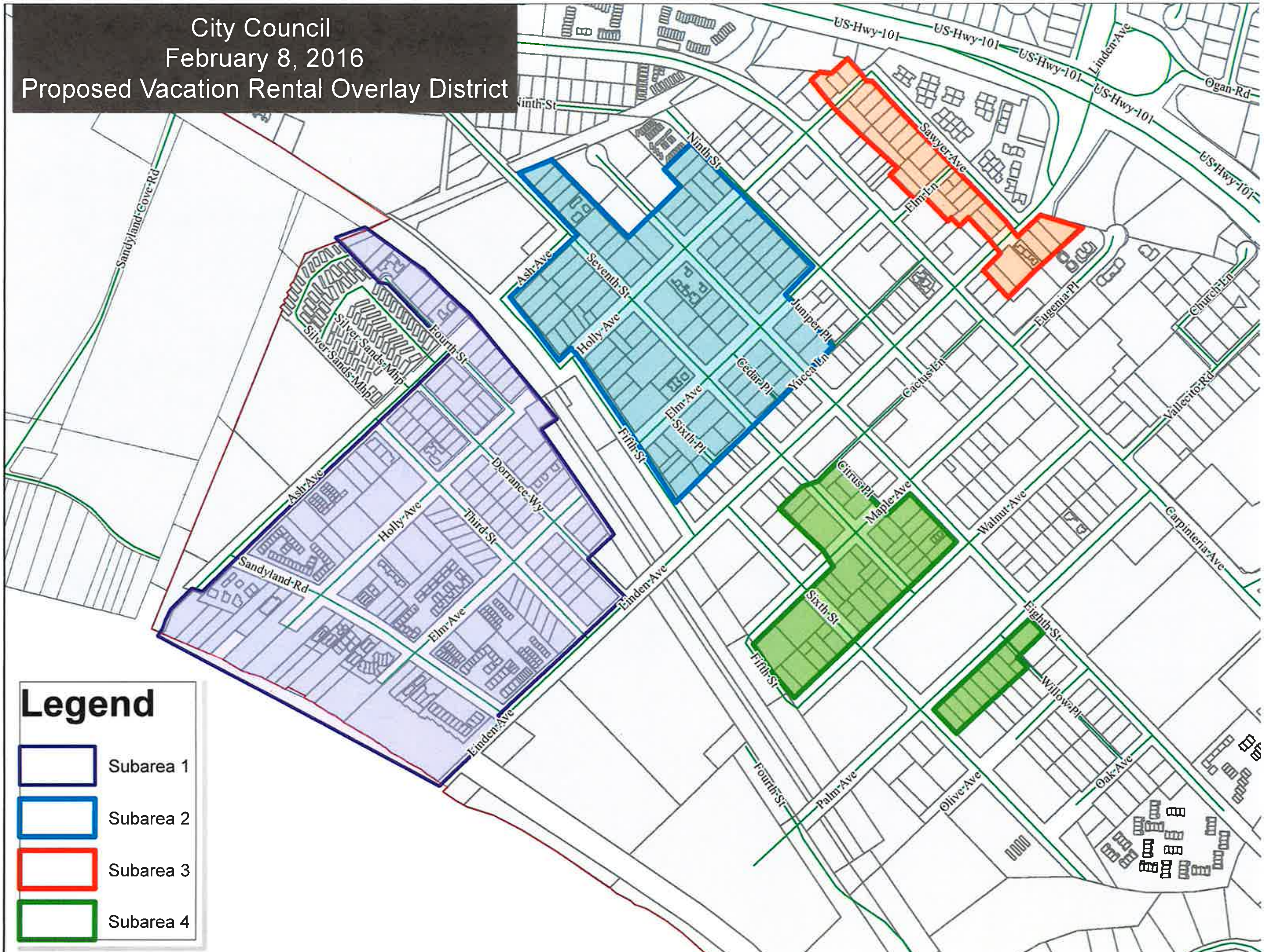
Recommendation: Approve Ordinance 709, as read by title only (first reading).

Exhibit 2
Vacation Rental Overlay District Map
City Council February 8, 2016

Short-term Rentals Ordinance
PROJECT 15-1785-LCPA/ORD

Planning Commission Special Hearing
March 2, 2016

City Council
February 8, 2016
Proposed Vacation Rental Overlay District



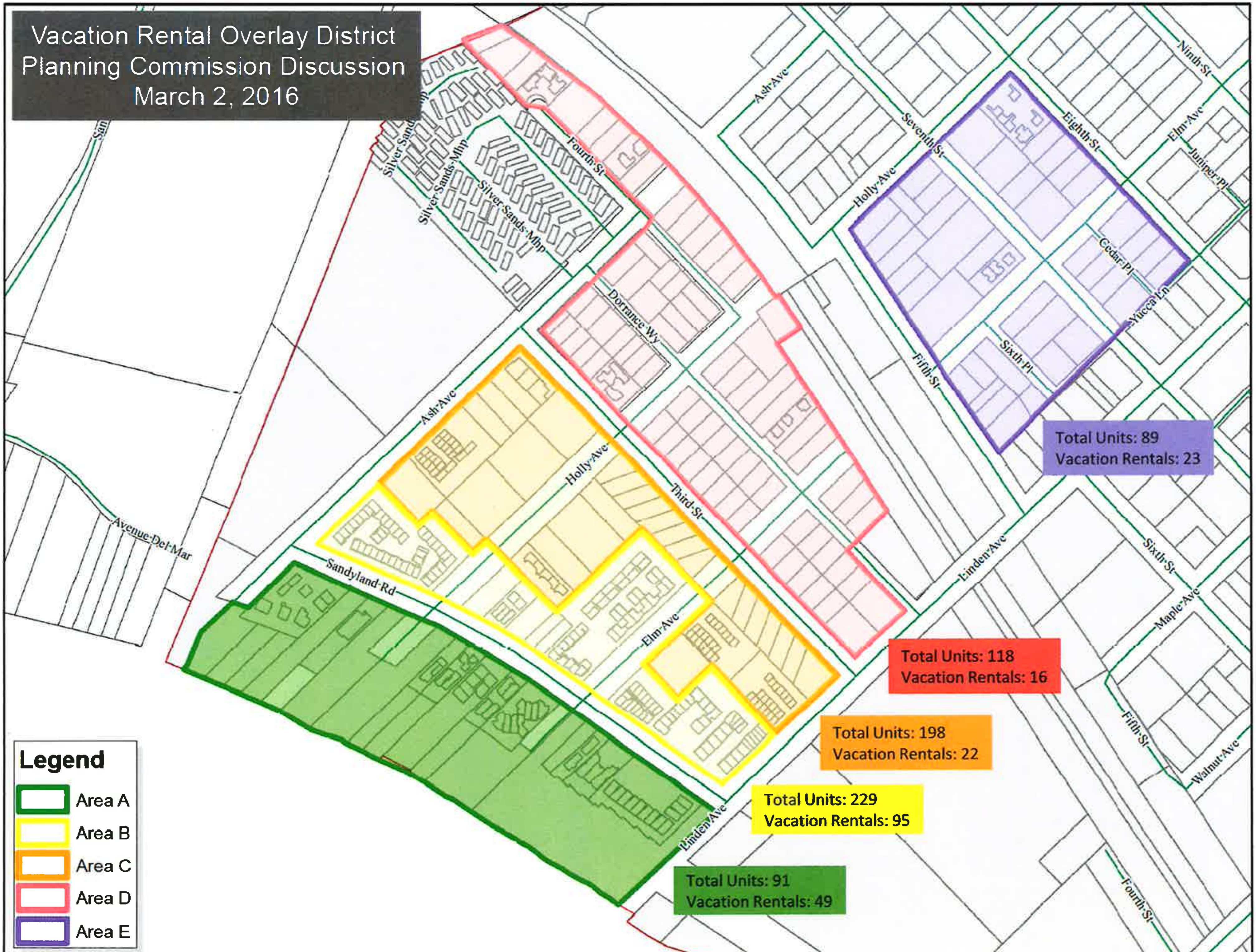
Legend

- Subarea 1
- Subarea 2
- Subarea 3
- Subarea 4

Exhibit 3
Attachment A:
Figure 1
Vacation Rental Overlay District
Planning Commission Discussion Map

Short-term Rentals Ordinance
PROJECT 15-1785-LCPA/ORD

Planning Commission Special Hearing
March 2, 2016



Date: 2/24/2016

Exhibit 3
Attachment B:
Figure 2
Area Discussion Statistics

Short-term Rentals Ordinance
PROJECT 15-1785-LCPA/ORD

Planning Commission Special Hearing
March 2, 2016

Area	Total No. Units	Total No. Parcels	UNIT Types	SFD	Condos	DUPLEX	TRIPLEX	4 Units	5 Units	6 Units	7 Units	8 Units	9 Units	10 Units	11 Units	12 Units	13 Units	14 Units	15 Units	16 Units	17 Units	18 Units	19 Units
A	91	88		1	85	1	1																
B	229	213			209	2						2											
C	198	98		14	72		1	2	1	1	1			1		2		1		1			1
D	118	83		48	11	14	7	1		1													
E	89	48		15	10	17		1	1	1	1	1											
TOTALS	725	530		78	387	34	9	4	2	3	2	3	0	1	0	2	0	1	0	1	0	0	1

Figure 2
Vacation Rental Overlay District Discussion
Area Statistics

Exhibit 3
Attachment C:
Figure 3
Discussion on Quantitative License Limit Options

Short-term Rentals Ordinance
PROJECT 15-1785-LCPA/ORD

Planning Commission Special Hearing
March 2, 2016

Area	Total No. Units	Licensed Vacation Rentals	Current % of Units in Area
A	91	49	53.85%
B	229	95	41.48%
C	198	22	11.11%
D	118	16	13.56%
E	89	23	25.84%
TOTALS	725	205	28.28%

Quantitative Cap Options

-25% Reduced	Status Quo	+25% Headroom	No Cap
37	49	61	91
71	95	119	229
17	22	28	198
12	16	20	118
17	23	29	89
154	205	256	725

Reduced Formula Total =.75
Status Quo Equal to Current Licenses = 1
Headroom Formula Total = 1.25
No Cap = Current Total Number of Units = No Limit

Figure 3
Vacation Rental Overlay District Discussion
Quantitative License Limit Options