

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: 3/17/16**

AGENDA MARCH 21, 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 Wednesday 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 not 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. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine and are normally enacted by one unanimous vote of the Commission. Individual items may be removed and considered separately at the request of a Commissioner. Any item removed from the Consent Calendar will be added to another section of the agenda.

a. Minutes of the regular Planning Commission meeting held March 2, 2016.

6. CONTINUED PUBLIC HEARING

**Short-term Rentals Ordinance
Project 15-1785-LCPA/ORD**

Planner: Shanna Farley-Judkins

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

7. OTHER BUSINESS

8. MATTERS PRESENTED BY COMMISSIONERS

9. 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:

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5:00 p.m., March 31, 2016. The next regular Planning Commission meeting will be held on Monday, April 4, 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.

CALL TO ORDER and ROLL CALL Chair Moyer called the meeting to order at 5:30 p.m. Commissioners Present: David Allen Jane L. Benefield John Callender, Vice-Chair John Moyer, Chair Commissioners Absent: Glenn La Fevers Others Present: Steve Goggia, Acting Community Development Director Shanna G. Farley, Assistant Planner Jena Shoaf Acos, Legal Counsel Approximately 45 interested persons	CALL TO ORDER & ROLL CALL
PLEDGE OF ALLEGIANCE - Chair Moyer called for the flag salute.	PLEDGE OF ALLEGIANCE
INTRODUCTIONS, PRESENTATIONS, ANNOUNCEMENTS - None	ANNOUNCEMENTS
PUBLIC COMMENT Harry Manuras thanked the members of the Planning Commission for donating their time and representing the people in a fair manner.	PUBLIC COMMENT
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 Assistant Planner Shanna Farley-Judkins presented the staff report. On February 8, 2016 the City Council considered a draft Ordinance, as recommended by the Planning Commission. The draft Ordinance was then returned to the Planning Commission for a revision. Based on Councilmembers' comments, staff prepared, among other things, a revised Vacation Rental Overlay District map broken into five study areas, A-E, with A-D in the Beach Neighborhood, and E located inland of the railroad tracks. The City Council asked for alternatives and research from the Planning Commission in the following areas: Vacation Rental Overlay District boundaries, quantitative cap, amortization of non-conforming	NEW PUBLIC HEARING

vacation rentals, transferability of vacation rental licenses, home stay occupancy standards, and home stay parking standards.

Regarding amortization periods of non-conforming Vacation Rentals, Legal Counsel Jena Acos explained that legal authority implies that amortization is not required when Short-term Rental regulations are enacted that prohibit them in certain areas. She said many jurisdictions have enacted Short-term Rental regulations, and a number of them have not included amortization provisions. She suggested it might be appropriate to take a conservative approach and include an amortization provision to account for unique circumstances.

Assistant Planner Shanna Farley-Judkins provided details about transferability of licenses, explaining that business and temporary licenses are not transferable, unlike land use permits and CUPs. She said staff recommends maintaining the non-transferability clause, but special exemptions can be developed further, if the Planning Commission wants. She said our administrative policies can address allowing exceptions in certain cases.

Mrs. Acos said from a legal standpoint, it is inappropriate to have a license transferable, but there are ways to get around it if we want to create some sort of administrative policy to let buyers of properties with a license also use a property as a Short-term Rental in the future.

Regarding Home Stays, Mrs. Farley-Judkins spoke about how their impacts can be greater than those of a Short-term Vacation Rental. She reviewed a list of options regarding Home Stay Occupancy Standards with the Commission. Acting Community Development Director Steve Goggia added that a difference between Home Stays and Short-term Vacation Rentals is that the Vacation Rentals would be allowed in certain districts and Home Stays would be allowed in all residential neighborhoods, including R-1s.

Mrs. Farley-Judkins pointed out that there had been an error in the City Council minutes of 2-08-16 and staff did not agree that there had been a consensus by the Council, as stated. She said the minutes would be corrected at the next meeting. She stated that if consensus was reached by the Planning Commission tonight, staff would return to a special meeting scheduled for March 21 with a draft Ordinance, which if to move forward, would be presented to the City Council.

Mrs. Farley Judkins and Mrs. Acos proceeded to answer the commissioners questions about Short-term Vacation Rentals. Topics included how many have been located in the Sandyland area over the years, the consequences of a deadlocked City Council, the amount of TOT revenues, the possibility of formation of a special commission to draft an ordinance, conflicts of interest affecting the councilmembers, and the burden long amortization periods creates for City staff.

PUBLIC HEARING OPENED
Chair Moyer opened the public hearing at 6:25 p.m.

1. Louise Hansen read a letter written by Leslie Gascoigne expressing opposition to Short-term Rentals and said she agreed with it 100%. The following points were made in the letter: With regards to preserving residential neighborhoods, residents live in them, not tourists. It is becoming increasingly difficult to enjoy the recreational opportunities for citizens when so many tourists crowd our roads, beaches and parking.

Carpinteria has an inadequate amount of housing compared to jobs. Five hotels are being considered for Carpinteria that have the potential to house tourists. Limit Short-term Rentals to the Sandyland subarea specified at the last meeting.

2. Jim Reginato agreed with Ms. Gascoigne's letter and said it is next to impossible to find long-term rental housing in this town but short-term rentals are everywhere. He said he is totally against Short-term Rentals in any residential neighborhood, whether PRD or R-1, but he is willing to compromise and have them in the Sandyland corridor.

3. Alec Bruice, president of the Santa Barbara Association of Realtors, urged the Planning Commission to consider all viewpoints. He said property owners should have reasonable flexibility with their property use, neighbors' concerns need to be addressed, and the City needs to regulate land use and ensure neighborhood character is protected. He suggested that the City of Goleta rental ordinance, which he described as a fair and balanced approach, be reviewed and adopted.

4. Carla Stein, general manager of Sandyland Shores, stated that the majority of her units are Short-term Rentals, and there are two management people on-site. She suggested that an umbrella license be allowed for the property, noting the time constraints and paperwork in dealing with 51 different owners obtaining business licenses. She said it is possible owners will prefer to leave the properties vacant rather than obtain a license, and she asked that they be discouraged from doing that.

5. Harry Manuras said the biggest problem we face is the enforcement of the complaints. He questioned why we are currently failing. He said people are complaining about existing problems, so let's do something. He said off-street parking should be required. He likes something available for people who get off the train, and there should be consideration for Short-term Rentals in that area.

6. Vera Bensen said her biggest concern is that family residential areas need to be protected.

7. William Reed complimented the Planning Commission's plan, noting that it creates no non-conforming properties and limits vacation rentals. He said he lives in Subarea 3 which was arbitrarily eliminated, and the City Council is trying to arbitrarily shove Short-term Rentals into the beachfront. He said because the Zoning Code is silent on Short-term Rentals, it means they are allowed. He also asked that the Planning Commission stop allowing parking modifications on new construction.

8. Adrea Caren, manager and owner of Sea Shell Apartments, 180 Holly Ave., said she has owned the building for 25 years and when purchased, each bedroom had a family of six, and the crime and problems were unbelievable. She explained how she rents to tourists from June to mid-August and then to students for the remaining nine months. She said vacations rentals arose because she could not afford to improve the property without further income. She asked if the community is attracting enough people to pay enough rent so owners can survive. She said when rents are good, Short-term Rentals are not needed.

9. Stella Anderson said she lives in the Funk Zone and her property was zoned industrial upon purchase but was changed to residential. She said she is the only BnB on the street. The area is industrial, commercial and residential, and she'd like them to consider returning it to that.

10. Woodrow White questioned what Linden Avenue is going to look like if we eliminate Short-term Rentals. Will we lose 20-25% of the businesses?

11. Terence Ford said there are Vacation Rentals on either side of him and across the street, but he cannot find out from the City whether the rentals have licenses. He commented that the reason for the ordinance was to lessen the impact on affordable housing, yet we have done a great job with affordable housing.

PUBLIC HEARING CLOSED

Chair Moyer closed the public hearing at 7:05 p.m.

Commissioner Benefield suggested establishing a hierarchy of discussion points and made the following comments: We have to agree whether we want an ordinance and, if we do, what is the city's value system. Her concern is the depletion of housing inventory, all housing and not just affordable housing. She asked whether we bend more toward tourism like Palm Springs and, if so, Carpinteria has hundreds of hotel rooms and campsites, and is anticipating two new resorts and a hotel on Via Real. She asked whether we trade small town beach community and feel for income of property owners and the City. She questioned whether we should have an ordinance at all and identify areas where we want STRs. She suggested using Transient Occupancy Tax money for affordable housing. She recommended that units not included in the Ordinance be allowed a CUP after a review of their history and that we say yes or no. She asked that we start with our values and purpose for being here.

Chair Moyer asked that commissioners stay on track and provide feedback on the summary areas outlined by staff.

Commissioner Allen commented that with respect to values, the principal one for him is protecting what we have in terms of housing for long-term residents. He said the beach area is appropriate for vacation rentals, with the character and nature of the neighborhood such that neighbors would not expect their quality of life to be impacted or different. He provided the following feedback:

VACATION OVERLAY RENTAL BOUNDARIES: He would like north of the tracks, "E", amortized and phased out, with long-term amortization.
QUANTITATIVE CAP: A cap on C and D would be appropriate. He is not wed to a particular cap but is leaning toward existing numbers (he later clarified no need for a cap on areas A and B).
AMORTIZATION OF NON-CONFORMING: Long-term amortization north of the railroad tracks.
LICENSE TRANSFERABILITY: He would like transferability for family members, spouses and children. Beyond that, he is not sure, but he is not opposed to simplifying the process for purchasers of property where there has been an existing license.
HOME STAY OCCUPANCY: He would reduce occupancy to no more than 4 where there are 2 bedrooms available. When there are more than 4 and different families in multiple bedrooms, it is more difficult for on-site managers and impacts neighbors.
HOME STAY PARKING: He would not want more than 2 vehicles and is inclined to say 1. He said it would be silly to say 1 if staff has analyzed the capacity as something different.

Regarding transferability of licenses, Commissioner Allen clarified that he meant "work around" and not exceptions for family members.

Commissioner Callender said the process was already done once and he already gave his input. He questioned whether a reduced set of boundaries would result in something Councilmember Clark would accept. He said he would like to create as few non-conforming properties as possible. He acknowledged the importance of maintaining long-term housing stock but said he is not sure if this approach will do much for us in accomplishing long-term housing goals. He expressed concern about the fairness of existing property owners being saddled with the burden of helping the City

meet a larger issue. He said he was not sure if there is any version of the Ordinance they can come back with that he would be happy voting for; the direction would be to move away from what he thought was a good balance already.

Commissioner Benefield offered the following feedback:

VACATION OVERLAY RENTAL BOUNDARIES: A, B, C, D, are fine. Limit 50% to the beach areas A and B, with the other two areas having a smaller percentage. For area E, she likes the idea of using CUPs for areas that historically exist. She wants some option to continue with Vacation Rentals in places that are perfectly good for them.
QUANTITATIVE CAP: Similar to what is already there.
AMORTIZATION OF NON-CONFORMING: Going for middle ground.
LICENSE TRANSFERABILITY: Allen's idea is a good one.
HOME STAY OCCUPANCY: She can see it getting out of hand in all zones. She agreed with Allen's comments regarding limits.
HOME STAY PARKING: Look at each individual case. She noted some might not even need parking.

Chair Moyer offered the following feedback:

VACATION OVERLAY RENTAL BOUNDARIES: Leave boundaries status quo (upon questioning, he clarified he meant in PRD).
QUANTITATIVE CAP: Leave decision to the City Council - we gave input and they did not like it. He would leave it exactly as now - it doesn't make sense to legislate to reduce STRs but then increase them at the same time.
AMORTIZATION OF NON-CONFORMING: Grandfather in the beach corridor; it's the only way to avoid litigation.
LICENSE TRANSFERABILITY: "Work around" for spouse and do not include children.
HOME STAY OCCUPANCY: This is an area where you restrict and they use the back door.
HOME STAY PARKING: Leave the decision to City staff.

Chair Moyer spoke about how the business climate can change. He said that we have experienced four years of the best summers we have ever had, and if we return to normal weather where it is foggy from mid-May to mid-July, who is going to want to spent \$4000 to stay in a house here?

Commissioner Allen stated that as an alternative to amortization, he would be willing to look at allowing CUPs for non-conforming STRs. He also asked if the City could answer questions about whether a property is licensed, and Assistant Planner Shanna Farley-Judkins explained that staff has a list and maps, but they are not published.

Commissioner Allen brought to attention the importance of complying with Housing Element requirements. He said the state does not look at Short-term Rentals as part of our housing stock and imposes mandates through review of the Housing Element. He said it is not easy for us to meet the numbers, particularly at the lower ranges, and when we lose properties that we thought would provide housing, a burden is imposed on the next cycle to make up for the lost housing, and it does not always happen in ways the community is happy with.

He pointed out another issue the Planning Commission faces. He noted the Commission had a long discussion about some properties that were represented as affordable housing, only for them to turn around and become

Short-term Vacation Rentals. Commissioner Benefield stated that it is not likely the Coastal Commission will allow the banning of vacation rentals, which is why it is important to find regulations that work for us. Assistant Planner Shanna Farley-Judkins asked if they could move forward with a boundary that only includes the beach area. Chair Moyer said he could, but he would be reflecting the wishes of the elected officials. Commissioner Callender spoke about how we are not all the same in Carpinteria. Some want to raise a family, some want to retire, others want to swing a vacation rental, etc. Everyone has a different idea of a small beach town. He expressed concern about the fairness of creating so many non-conforming properties, noting that it creates a burden for both the city and property owners. He said the earlier version of the ordinance would have created 13 non-conforming units, which he was okay with; a new map with sections A-E would create 35-38; and lopping off E would create 55. He said he could not vote for something that results in 55 non-conforming ones. Assistant Planner Shanna Farley-Judkins clarified that amortization becomes an important part of the discussion when talking about the different boundaries. She asked if a CUP "grandfathered" permit allowing units to remain would be something most would agree on. Commissioner Callender said it would help a lot. He said his key concern is fairness, and grandfathering a permit for the life of the owner would go a long way. With respect to fairness, Commissioner Allen questioned whether grandfathering for the life of the permit should take into consideration how long licenses have been held. He cited the case of some recently constructed units that were presented as affordable housing before the Planning Commission only to be converted to Short-term Rentals. Chair Moyer said he would support grandfathering units with a CUP, with no transferable license. Regarding distinct caps being appropriate for different areas, Assistant Planner Shanna Farley-Judkins asked if there was any common thread of thought. Chair Moyer said he would not want low-income brackets priced out of the beach area. He expressed concern it could become a party zone, and he likes the area integrated. Commissioner Benefield suggested graduated percentages from the beach area to the railroad tracks, starting at 60% at the beach area and being reduced. Commissioner Allen said he would not be virulently opposed to suggestions from City Council members. He said it is clear the largest percentage would be in the Sandyland area and it could be graduated in residential areas. Commissioner Benefield said there is a 2-2 vote here and a 2-1 vote at the City Council, and the question is do we want an ordinance and how much are we willing to compromise. She said she is willing to compromise to	
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have an ordinance. Commissioner Allen commented that things are going in that direction. MOTION Upon a motion by Commissioner Allen, seconded by Chair Moyer, the Planning Commission voted 4-0 (Allen, Benefield, Callender and Moyer in favor; none opposed) that the meeting be continued to March 21, 2016 and that staff return with a draft ordinance attempting to reflect the points where consensus and quasi-consensus were reached, with the Chair indicating his willingness to look at what the City Council is leaning toward.	
OTHER BUSINESS - None	OTHER BUSINESS
MATTERS PRESENTED BY COMMISSIONERS Commissioner Benefield asked about signage regulations regarding "for lease" signs in the city, and Assistant Planner Shanna Farley-Judkins stated they are allowed and limited to 16 square feet per frontage.	MATTERS PRESENTED
ADJOURNMENT - Chair Moyer adjourned the meeting at 8:00 p.m. ATTEST: Secretary, Planning Commission Chair, Planning Commission	ADJOURNMENT

PLANNING COMMISSION
STAFF REPORT

MEETING DATE: April 4, 2016

ITEM FOR CONSIDERATION

SHORT-TERM RENTALS ORDINANCE

Project 15-1785-LCPA/ORD

Continued review of Ordinance No. 708 amending provisions of the City's Local Coastal Program and Zoning Code regarding Short-term Rentals (Vacation Rentals and Home Stays) 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


SIGNATURE

Reviewed by: Steve Goggia, Acting Director
Community Development Department


SIGNATURE

Applicant: City of Carpinteria

Project Location: Citywide

I. RECOMMENDATION

That the Planning Commission recommend the City Council adopt Ordinance No. 708, included at Attachment A, amending Title 14 (Zoning) of the Carpinteria Municipal Code (Municipal Code) by establishing a Vacation Rental Overlay District, as delineated in Exhibit 1 of the Ordinance, and adding provisions related to the regulation of Short-term Rentals.

II. PROJECT DESCRIPTION

Zoning Map Amendments: The Zoning Map amendments would create a new Vacation Rental 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. The draft Vacation Rental Overlay District Map is included as Exhibit 1.

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 Councilmembers 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 existing residential units and 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 Council also discussed various 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 a number of non-conforming Vacation Rentals. The Council provided guided 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 Council guided staff to revisit the expiration of a Vacation Rental License upon sale of the property in the draft Ordinance.

Home Stays. The 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.

On March 2, 2016, the Planning Commission considered several options as suggested by the City Council. The Planning Commission deliberated and discussed concerns related to the size of the Vacation Rental Overlay District, the quantitative caps, amortization and permitting of nonconforming vacation rentals, and Home Stay occupancy and parking standards. The Planning Commission advised staff to develop a revised Ordinance in light of their comments and return for further review. The item was continued to the meeting date of March 21, 2016.

IV. DISCUSSION

As summarized above, the Planning Commission provided guidance to develop a revised Ordinance and return for their consideration and recommendation of the draft Ordinance (includes map). The following discussion is organized by issue area and presents a proposed revision to the Ordinance. In addition to the recommendations made by the Planning Commission, staff has provided alternatives to several of the sections in light of concerns regarding the administration of the new regulations.

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. A discussion map was provided to the Planning Commission on March 2, 2016 and was broken down into five study areas in a reduced area, as

suggested by the City Council, including the Beach Neighborhood and a small portion of the downtown north of Fifth Street. These five areas represented those areas identified in the Council's discussion, which contain the majority of the City's existing licensed Vacation Rentals. 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, the existing number of licensed Vacation Rentals in each of the different areas and the proposed Quantitative Cap noted in the next section.

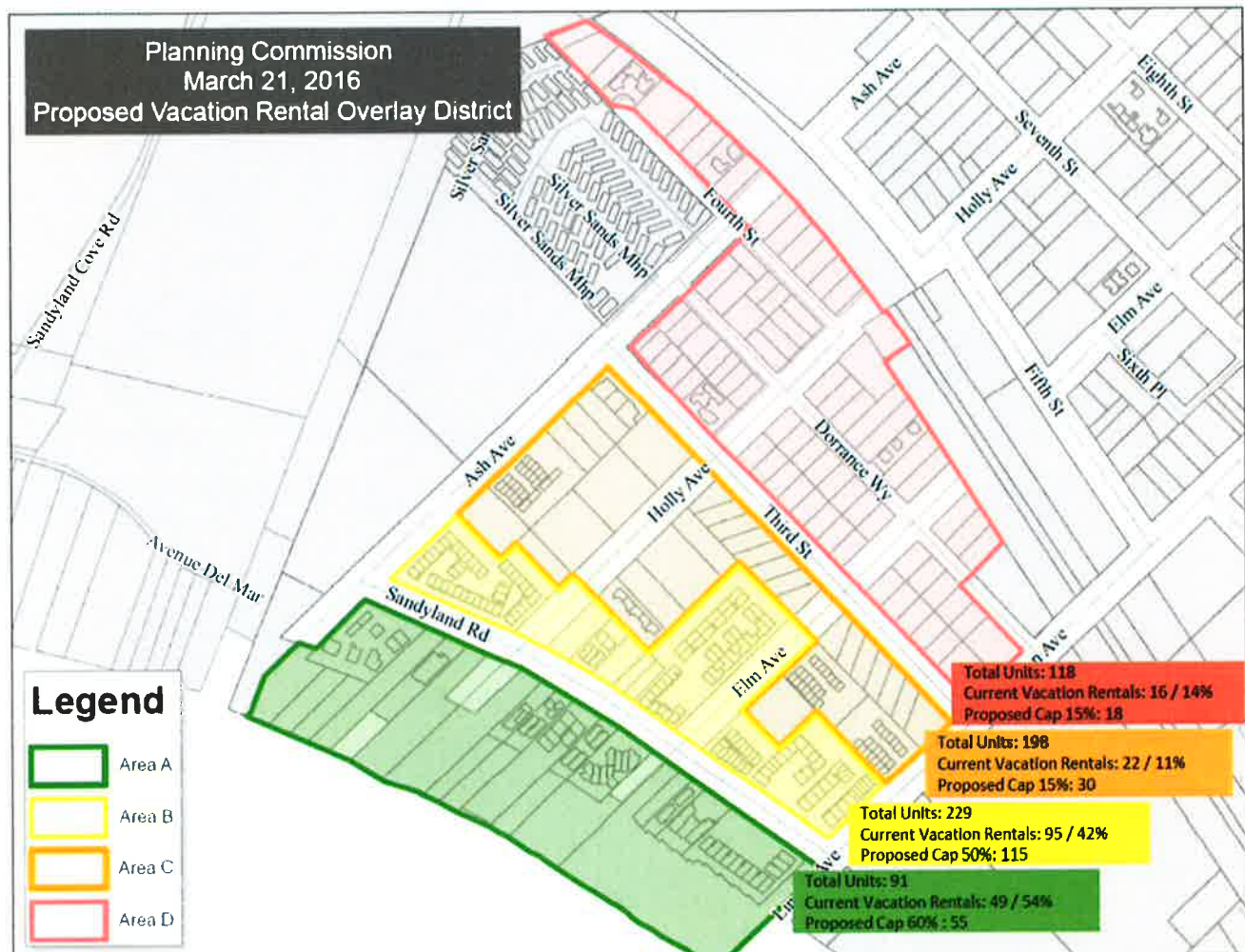


Figure 1 Draft Vacation Rental Overlay District

The Planning Commission generally agreed with the intent of the City Council in focusing the Vacation Rentals in the Beach Neighborhoods. Some Planning Commissioners were concerned with creating a larger number of non-conforming Vacation Rentals, which would be generated by the reduced boundary. Below is a brief description of each of the areas identified in the Figure 1 map and their statistics.

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 36 residential units, 20 of these are Vacation Rentals. Close to 54% of the residential units in Area A are licensed as Vacation Rentals.

Area B consists of 229 residential units located on the north side of Sandyland Road between Ash and Linden Avenues. 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 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 consists of 198 residential units, located on the south side of Third Street, between Ash and Linden Avenues. 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.

Area D consists of 118 residential units, located on the north side of Third Street, between Linden Avenue and the west of Fourth Street. 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.

Cumulatively, the four areas described above include a total of 182 Vacation Rentals, which comprise approximately 84% of the total licensed Vacation Rentals in the City of Carpinteria. Therefore, if these boundaries were adopted in whole, it would create 35 non-conforming Vacation Rentals (i.e. existing Vacation Rentals located outside the four areas described above). Based on a preliminary review of the potential non-conforming Vacation Rentals, nearly half may not meet the qualifications outlined in the proposed Ordinance as many have not been in operation for at least 24 months prior to the adoption of the Vacation Rental moratorium on October 26, 2015, while others have not participated through payment of Transient Occupancy Tax in the same time period.

Alternatively, as will be described further in the next section, administration of the program may warrant consideration of alternative boundaries for the Vacation Rental Overlay District. Should the boundary be modified in light of these concerns, designation of the specific boundaries should be identified by the Planning Commission.

Quantitative Limit

Through its initiation and deliberations on the Short-term Rental regulations, the City Council has determined that a public interest exists in limiting the number of vacation rentals and where they are concentrated. The primary goals of such a limit include promoting affordable visitor accommodations, preserving the availability and affordability of housing for full-time residency, (which supports the local economy including agriculture and hospitality sectors), maintaining a reasonable balance between housing available for full-time residents and vacation rentals, and preserving the character of residential neighborhoods.

The City Council acknowledged the unique character and history of the Sandyland corridor and discussed various alternative regulations including a higher cap or no cap for this area. Because housing in the City that, over time, is expected to be most conducive to remaining available for

permanent residency is outside the Sandyland corridor, staff finds that a high cap or no cap is a reasonable alternative for areas A and B. This would also serve to reduce the administrative burden of operating an annual lottery as discussed in more detail later in this report.

The Planning Commission requested that regulations be drafted that include a graduated cap approach within the Overlay District, which would include the highest concentration of vacation rentals nearest the beach and a lower concentration inland. Based on its deliberations, staff understands that the Commission's interest is to allow more vacation rentals in Areas A and B and fewer vacation rentals in areas C and D, as shown on the Overlay District Map (Figure 1).

Staff has provided three options in response to the Commission's request: (1) a tight cap reflecting current vacation rentals, (2) a graduated cap for the entire overlay district and (3) a no cap/cap option.

Option 1: Tight Cap

The City Council discussed a cap which would include 150 Vacation Rentals in Area A and B combined. Although the Planning Commission recommended a graduated cap in Area C and D, the following cap would reflect the comments of the City Council.

Area	Graduated Quantitative Cap %	Maximum Allowed	Existing Vacation Rentals
Area A	55%	50	49
Area B	44%	100	95
Area C	15%	30	22
Area D	15%	18	16
TOTAL Areas A-D	-	198	182

Option 2: Graduated Cap

The graduated cap would allow a higher percentage of units near the beach to become Vacation Rentals and would reduce in concentration as the areas move more inland. The proposed cap would allow the following number of Vacation Rentals in each area of the Vacation Rental Overlay District. The limit identified for Areas A and B reflects comments made by the Planning Commission. The limit identified for Areas C and D is reduced to be reflective of the current number of Vacation Rentals plus a small amount of growth. This graduated cap is included in the draft Ordinance.

Area	Graduated Quantitative Cap %	Maximum Allowed	Existing Vacation Rentals
Area A	60%	55	49
Area B	50%	115	95
Area C	15%	30	22
Area D	15%	18	16
TOTAL Areas A-D	-	218	182

Option 3: No Cap/Cap

The no cap/cap option would remove the cap in Areas A and B and maintain a low cap in Areas C and D. A no cap alternative for Area A and B would create the potential for a maximum number of 320 Vacation Rentals in Areas A and B. This alternative includes a close-fitting cap in Areas C and D, which reflects the current licensed Vacation Rentals plus two additional Vacation Rentals in each area. A no cap option would have the foreseeable long-term result of conversion of owner occupied and long-term tenant occupied units to Vacation Rentals in Areas A and B due to the limitations to operate a Vacation Rental outside of these areas. If this alternative is selected by the Planning

Commission, modification of section 14.47.090 would be required, as provided in Attachment B. A no cap option in Areas A and B could significantly reduce the administrative burden expected for operating a lottery in these areas if a specific cap is identified. The benefit of a no cap option is explained further in the following section.

Area	Graduated Quantitative Cap %	Maximum Allowed	Existing Vacation Rentals
Area A	NA	91 ¹	49
Area B	NA	229 ¹	95
Area C	12%	24	22
Area D	15%	18	16
TOTAL Areas A-D	-	362	182

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.

It should be noted that the non-transferability of a vacation rental license, when applied in conjunction with a limit on the number of vacation rentals permitted within the Overlay District, would result in the need for the City to establish a program for reallocating licenses that become available when a property with a license is transferred or sold, resulting in expiration of the license. Staff anticipates holding an annual lottery and establishing the rules and procedures for the lottery and other aspects of reallocation of available licenses as a part of administrative policy to be approved by Resolution of the City Council at a later date.²

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 ensure 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.

Several special circumstances were considered by the Planning Commission in regards to concerns of license transferability. The Planning Commission identified that in the case of assignment of a property to a spouse or a child, a Vacation Rental license should not automatically expire and the spouse or child should have the opportunity to continue the use of the Vacation Rental without the risk of losing and not being able to re-obtain a License for the property. Ultimately, the Commission directed staff to consider and develop language to account for the issuance of a Vacation Rental

¹ The maximum allowed units refers to the current number of units in each area. Construction or demolition of units would increase or decrease the maximum allowed vacation rentals, respectively.

² Through the City's experience operating occasional lottery programs in association with affordable housing; it has learned that they can involve significant time and administrative costs. Therefore, staff believes that it is desirable to minimize, if possible, both the number of license transfers that occur and how frequently lotteries need to be conducted. A no cap alternative for Areas A and B would eliminate the need for reallocating licenses in these areas as every unit would be able to apply for a Vacation Rental License. For areas C and D, a cap that either reflects the existing number of licenses or is very close to that, would reduce the number of licenses in circulation and therefore lessen the administrative burden imposed on staff to manage the program.

License to a spouse or immediate family member of the license holder in certain circumstances. This provision would not provide for transfer of a license, but would administratively avoid a lottery application process. The Commission did not feel other transferability options were desirable.

Non-Conforming Units and Amortization

The City Council asked the Planning Commission to consider several options to address how non-conforming vacation rentals could be amortized upon adoption of the Ordinance. The Planning Commission considered several lengths of amortization and generally agreed that a moderate to longer amortization period would be preferred. The current draft Ordinance proposes to extend the amortization period to a total of five years, instead of two years as had been previously proposed. The five year amortization period would allow Vacation Rentals, licensed at the time the Vacation Rental Moratorium was adopted on October 28, 2015, to continue operating as a Vacation Rental for five years, provided they can demonstrate that they have been continually rented, licensed and paid Transient Occupancy Tax for the 24 months prior to the adoption of the moratorium. The five year amortization period would begin with the effective date of the Ordinance.

The proposed Vacation Rental Overlay District could generate up to 35 non-conforming Vacation Rentals outside of the boundary. Figure 2, indicates the parcels where non-conforming Vacation Rentals would be located upon adoption of the regulation.

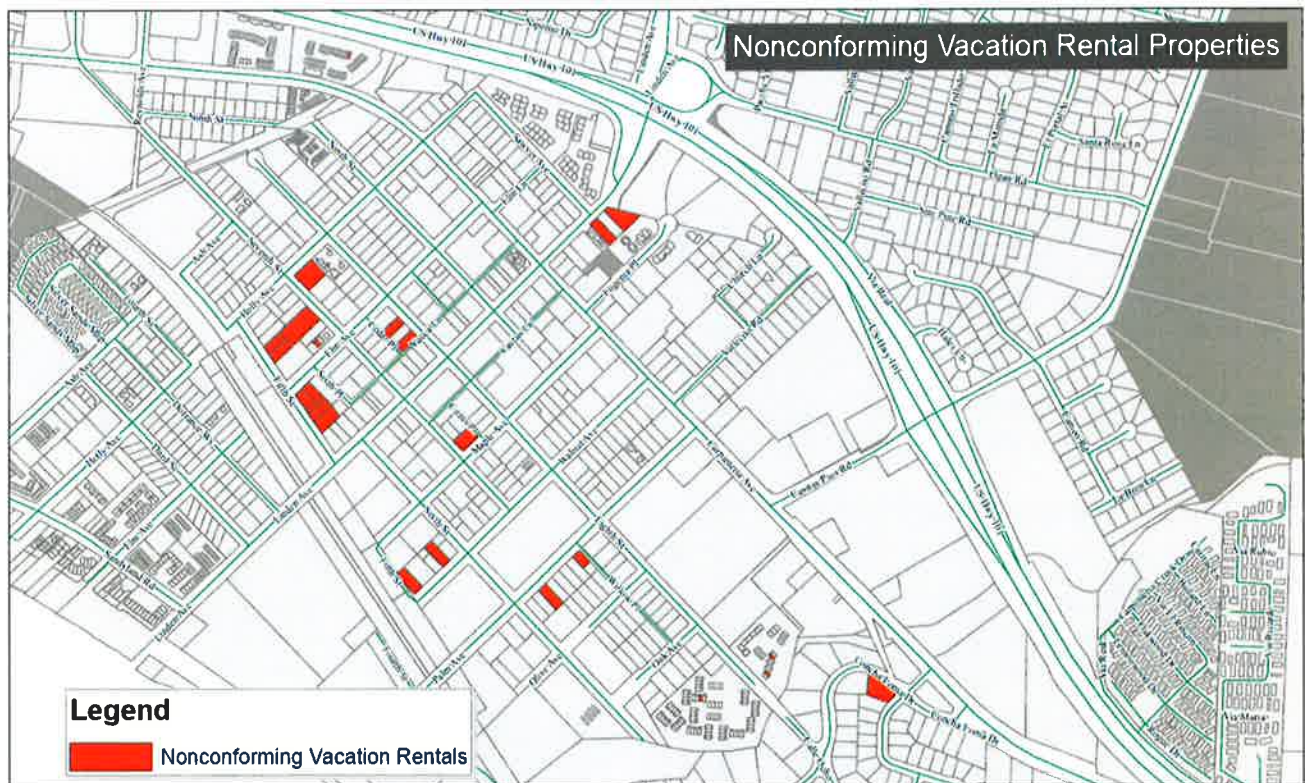


Figure 2 Nonconforming Vacation Rental Properties

In addition to an amortization period, the Planning Commission recommended that “grandfathering” (through issuance of a Conditional Use Permit) could be considered on a site-by-site basis to allow nonconforming Vacation Rentals to continue until cessation of the use, or sale or transfer of the property. Staff, however, is concerned about the long-term ability to revoke such permits for Vacation Rentals. Should the Planning Commission desire to provide a longer period of time to operate a non-

conforming Vacation Rental, the amortization period could be extended beyond five years, for example, to ten years. It should also be noted that several of the identified non-conforming Vacation Rentals, in Figure 2, would likely not qualify for amortization due to an inability to provide evidence of licensing as a Vacation Rental for twenty-four (24) months prior to adoption of the moratorium on October 26, 2015 (or since October 26, 2013).

Home Stay Regulations

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 to consider a reduction in the maximum occupancy allowed in Home Stays and to consider more restrictive parking standards. Several options to limit occupancy and parking were presented to the Planning Commission.

Home Stay Occupancy Standard

The Planning Commission considered the guidance of the City Council to study a more restrictive Home Stay occupancy standard. Based on the comments of the Planning Commission, the draft Ordinance proposes a maximum Home Stay guest occupancy of no more than four persons, regardless of the number of bedrooms in the house. In addition to reducing anticipated impacts to residential neighborhoods, the limit would also support the next discussion on reduction of allowed parking associated with Home Stays.

Home Stay Parking Standard

The Planning Commission considered several alternatives to reduce parking impacts which might be anticipated. Based on the Planning Commission deliberation and direction from the City Council, the draft Ordinance proposes a maximum of one guest vehicle per Home Stay rental agreement to reduce parking impacts associated with Home Stays.

V. ENVIRONMENTAL

The project is exempt from the California Environmental Quality Act under Guidelines Section 15060(c)(2) [the project is not subject to CEQA as the activity proposed in the project would not result in a direct or reasonably foreseeable indirect physical change in the environment], Section 15060(c)(3) [the activity is not considered a project as defined in Section 15378] and Section 15061(b)(3) [the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA].

VI. ANALYSIS

General Plan/Coastal Plan Policies

The proposed amendments to the Carpinteria Municipal Code and Zoning Map are supported by the following General Plan/Coastal Plan Objectives and Policies.

Land Use Element

Objective LU-1: *Establish the basis for orderly, well planned urban development while protecting coastal resources and providing for greater access and recreational opportunities.*

The proposed amendments to the Carpinteria Municipal Code and Zoning Map would continue to allow most Vacation Rentals where they have historically operated. The proposed Ordinance would restrict the location of Vacation Rentals to the Beach and Downtown / Old Town Neighborhoods. In effect, the amendments would result in preservation of a significant number of Vacation Rentals near the coast and beaches providing greater access to coastal resources for visitors of Carpinteria without eliminating any additional long-term rental or ownership housing opportunities in all residential zone districts outside of the Vacation Rental Overlay District. Vacation Rentals serve as an important alternative transient lodging option for tourists and visitors to Carpinteria.

Objective LU-3: *Preserve the small beach town character of the built environment of Carpinteria, encouraging compatible revitalization and avoiding sprawl development at the City's edge.*

The intent of the Vacation Rental Overlay District and new licensing regulations is to ensure that long-term rental and owner occupied housing is preserved in Carpinteria. The proposed boundaries and quantitative cap would limit the location and number of Vacation Rentals within the Beach and Downtown Neighborhoods, while avoiding the traditional single-family residential neighborhoods in other areas of the City. Implementation would protect the small town character of Carpinteria by ensuring that Vacation Rentals are located in the central, more densely populated and commercial/visitor-serving areas of the City. The proposed Home Stay provisions of the Ordinance would also preserve the "small beach town character" by ensuring that expectations of residential character are preserved in the City's less dense residential zone districts. Allowance of Home Stays in all residential zone districts would provide alternative forms of transient occupancy, while preserving the permanent residence of owners.

Policy LU-3j: *Ensure that the Zoning Ordinance contains applicable zoning districts to provide consistent implementation of the Land Use categories.*

The proposed Vacation Rental Overlay District would restrict Vacation Rentals to the Medium Density Residential (MDR) Land Use Designation identified on the Land Use Map in the General Plan/Local Coastal Land Use Plan and specifically to properties in the Beach and Downtown Neighborhoods zoned PRD on the Zoning Map. The MDR land use category provides for a wide range of residential types including detached single-family and attached multi-family homes, apartments and condominiums. Historically, Vacation Rentals have been concentrated in the Beach

and Downtown Neighborhoods, which have a Land Use Designation of MDR and Zoning Designation of PRD. Therefore, the proposed Vacation Rental Overlay District and new regulations would not significantly alter the residential nature of the area. In addition, new operating and licensing standards are intended to help preserve neighborhood residential character.

Housing Element

Program Category #1, Policy 1- Adequate Sites: *Provide sufficient sites in the General Plan/Coastal Plan and zoning map to meet the housing needs allocated to the City by the Regional Housing Needs Allocation (RHNA) Plan 2007-2014.*

Program Category #1, Policy 2- Housing Types: *In the General Plan/Coastal Plan and implementing Ordinances, provide for a mix of housing types consistent with the City's needs, including single family detached and multiple family housing.*

Program Category #4, Policy 2- Existing Affordable Housing: *Maintenance and Repair: Promote the maintenance and repair of owner-occupied and rental housing to prevent deterioration within the City.*

The Vacation Rental Overlay District boundaries identified for Vacation Rentals would ensure preservation of owner occupied and long-term rental opportunities in all R-1, PUD and MHP Zoning Districts, as well as several condominium complexes and mobile home parks in the PRD Districts. The quantitative cap will further protect existing housing stock in the areas where Vacation Rentals are permitted by protecting a minimum number of residential units, in the Overlay District as long-term rentals or owner occupied units. It is expected that the Ordinance would have a limiting effect on the Vacation Rental market and would therefore reduce the burden on the already impacted long-term rental market, consistent with the intent of the Housing Element policies that aim to protect and maintain a mix of housing types and availability of affordable rental and workforce housing.

Further, the City of Carpinteria's available rental housing is currently at an extreme low of less than 0.29% vacancy in apartments in 2014³. The adoption of this Ordinance would provide a buffer to protect against the conversion of a significant number of apartment complexes, mobile home parks and condominium complexes to Vacation Rentals. The City's Housing Element aims to protect the existing workforce housing through policies intended at guarding against loss of housing units, development of a mix of affordable housing types and protection against conversion of multi-family housing to condominiums. Therefore, the proposed Ordinance would provide a mechanism to permit and regulate Short-Term Rentals in a way that balances the need and demand for additional transient lodging accommodations and recreational facilities in areas near the coast, with the need and demand for affordable long-term housing opportunities.

Coastal Act

Section 30213: *Lower cost visitor and recreational facilities shall be protected, encouraged, and where feasible, provided. Developments providing public recreational opportunities are preferred.*

³ The 2015 Carpinteria Valley Economic Profile, The California Economic Forecast

Section 30222: *The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.*

The City of Carpinteria is located within the Coastal Zone and is therefore required to meet the intent of the Coastal Act. The City is uniquely located between the coastline and the foothills, and surrounded by a variety of agricultural uses including greenhouses, and tree and ground crops. The City itself has few agricultural sites within its boundary, but serves as a residential site for many of the workers employed in the agricultural industry in the surrounding valley. In September 2014, 1,451 City residents worked in the agricultural industry⁴. Due to the unique tourist based economy, the City also provides housing to many workers that are employed in the leisure and tourist industry, including hotels, recreation, and food service. In September 2014, 1,262 City residents worked in the leisure and hospitality industry⁵. Together, 31.4% of the employed residents in Carpinteria work in either the agriculture or hospitality industries.

Housing that is affordable to the workforce for a wide variety of economic groups, including those working and supporting the visitor-serving uses in the vicinity, is currently provided within the City, although the vacancy rate for rental units is near zero. However, the availability of such housing could be drastically reduced if a large number of long-term housing units were to be converted to Vacation Rentals. This is because the rental rates that can be obtained through Vacation Rentals generally exceed those charged for long-term occupancies. While the provisions of this Ordinance support continued visitor-serving transient lodging, the Ordinance also serves to balance the need for continued preservation of a variety of housing types for those employees working in the tourist, agricultural, and other local industries.

The City of Carpinteria currently provides visitor-serving lodging in hotels, motels, and at the Carpinteria State Beach Campground. There are 607 hotel/motel rooms in Carpinteria. The Carpinteria State Beach Campground provides 210 campground sites; most sites provide occupancy for up to eight campers, while several sites are available to larger groups. It is estimated that the State Beach Campground serves two million visitors a year and often fills to capacity during the peak summer season. Lodging in Carpinteria is often comparable, but slightly less expansive, than the neighboring Santa Barbara accommodations. In 2014, the average hotel/motel room rate was \$85.82⁶. Occupancy rates in Carpinteria hotels/motels in 2014 were at 72%, at year-end⁷.

Although Vacation Rentals and Home Stays offer an overflow lodging option for peak periods, local lodging accommodations remain affordable and available throughout most of the year. Often, Vacation Rentals and Home Stays advertise at rates higher than local hotels due to the amenities provided which include cooking and living spaces, appropriate for larger capacities than typical hotel rooms. In a recent search of VRBO.com, most Vacation Rentals in Carpinteria rent for over \$100.00

⁴ September 2014, Labor Market Information Division, State of California *and California Economic Forecast*

⁵ IBID

⁶ The 2015 Carpinteria Valley Economic Profile, The California Economic Forecast

⁷ IBID

per night and often in the range of \$150.00-\$300.00 per night⁸. In 2014, the City identified that 25% of the Transient Occupancy Tax remitted to the City resulted from Vacation Rentals and 75% resulted from hotels and motels. As a result, the existing pattern of permitted Vacation Rentals already provides a significant amount of transient lodging opportunities in Carpinteria.

The City of Carpinteria Zoning Code currently provides for expansion of several vacant sites to be used for resort or lodging accommodations in the future. The Resort District, specifically, could be developed with additional lodging accommodations on the southeastern portion of the Carpinteria Bluffs. The Central Business District and Commercial Planned Development District also provide additional opportunities for expanded transient lodging facilities. In the past few years, the City's Community Development Department has met with several developers to entertain applications for new hotels or resorts in these zoning districts.

Therefore, the proposed Ordinance would allow the City to regulate and expand Vacation Rentals and Home Stays while balancing the need to maintain and provide workforce housing affordable to a wide range of employees and which support the priority uses of low cost visitor serving accommodations and agriculture. This balance is important to note, as it already provides a significant number of lodging sites, as suggested in the Coastal Act. Vacation Rentals could make up to approximately 20% of the total transient lodging options in the City.

VII. ACTION OPTIONS

1. Staff recommends that the Planning Commission recommend the City Council amend Chapters 14.06, 14.08, 14.12, 14.14, and 14.16 and adopt Chapters 14.45, 14.52, and 14.53 of Title 14 (Zoning) of the Carpinteria Municipal Code as related to Short-term Rentals as presented in Attachment A. This staff report and the subsequent letter reflecting the Planning Commission's action shall constitute the Planning Commission's written recommendation. (staff's recommendation)
2. Modify the proposed Vacation Rental Overlay District boundary and/or text amendments and recommend approval to the City Council as amended.
3. Direct staff to modify the proposed Vacation Rental Overlay District boundary and/or text amendments and return to the next Planning Commission meeting.

VIII. ATTACHMENTS

Attachment A Draft Ordinance No. 708

Exhibit 1 Draft Vacation Rental Overlay District Map

Attachment B Alternative Section 14.47.090 Requirements for License Issuance

⁸ VRBO.com search of Vacation Rentals for January 2016, in the beach and downtown neighborhoods.

Attachment A
Draft Ordinance No. 708

Short-term Rental Ordinance
Planning Commission
March 21, 2016

ORDINANCE NO. 708

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARPINTERIA, CALIFORNIA, AMENDING TITLE 14 (ZONING) OF THE CARPINTERIA MUNICIPAL CODE TO CREATE THE VACATION RENTAL OVERLAY DISTRICT AND ADDING AND AMENDING ZONING REGULATIONS PERTAINING TO THE ESTABLISHMENT AND OPERATION OF SHORT-TERM RENTALS.

WHEREAS, due to the growth in the number of residential units being converted to short-term rentals throughout the City of Carpinteria ("City") and concern over identified negative impacts associated with short-term rental use, on August 10, 2015, the City Council initiated an amendment to the Carpinteria Municipal Code pertaining to short-term rental use; and

WHEREAS, the City Council has determined that short-term rentals are having negative impacts on the quality and character of the City's residential neighborhoods and on the availability and affordability of housing; and

WHEREAS, protection of the City's housing stock for long-term residency is important to local workforce housing supporting the hospitality and agricultural industries; and

WHEREAS, the City Council has determined that short-term rentals serve as an important lodging resource in the City, by providing an expandable lodging inventory, contributing to growth in the retail/restaurant business sector of the local economy and associated tax revenues; and

WHEREAS, pursuant to its police powers, the City has the authority to enact laws which promote the public health, safety and general welfare of its residents; and

WHEREAS, the regulation of short-term rental use is consistent with both State law, which recognizes the vital role local governments play in the supply and affordability of housing, and City Housing Element policies, which, in part, call for maintenance and preservation of the City's residential housing stock; and

WHEREAS, the establishment of an appropriate City regulatory program can best address negative impacts being experienced in the City due to short-term rentals; and

WHEREAS, the establishment of an appropriate City regulatory program preserves opportunities for public access to Carpinteria as a visitor destination; and

WHEREAS, the City has permitted 218 vacation rentals, as of the date of this Ordinance, which operate legally in the Planned Residential Development Zone

District. The City estimates that up to 50 vacation rentals and home stays operate illegally, some of which are located in the Single-Family Residential Zone District. The City's Code Compliance Division has sent seven property owners letters regarding compliance concerns for unpermitted vacation rentals in the Single-Family Residential Zone District. Concerns regarding neighborhood compatibility of vacation rentals has been raised in the Single-Family Residential Zone District; and

WHEREAS, the City Council adopted Urgency Ordinances 705 and 706 implementing and extending a moratorium on issuance of licenses for new short-term rentals in order to study, develop and consider regulations for short-term rental uses in the City; and

WHEREAS, on December 7, 2015 and January 4, 2016, the Planning Commission of the City of Carpinteria ("Planning Commission") heard a report from City staff and reviewed draft short-term rental regulations that would establish geographic boundaries and a quantitative cap, limiting the location and maximum number of short-term rentals that may be permitted, and that would establish permitting and operating standards for short-term rentals; and

WHEREAS, on February 8, 2016, the City Council of the City of Carpinteria ("City Council") heard a report from City staff and reviewed a draft short-term rental regulations that would establish geographic boundaries and a quantitative cap, limiting the location and maximum number of short-term rentals that may be permitted, and that would establish permitting and operating standards for short-term rentals. The City Council gave staff direction to return to the Planning Commission for further deliberation on the geographic boundary, quantitative cap, amortization period, and home stay occupancy and parking limits; and

WHEREAS, on March 2, 2016 and March 21, 2016, the Planning Commission of the City of Carpinteria ("Planning Commission") heard a report from City staff and reviewed draft short-term rental regulations that would establish geographic boundaries and a quantitative cap, limiting the location and maximum number of short-term rentals that may be permitted, and that would establish permitting and operating standards for short-term rentals. The Planning Commission considered modifications to the geographic boundary, quantitative cap, amortization period, and home stay occupancy and parking limits; and

WHEREAS, after a duly noticed public hearing on March 21, 2016, the Planning Commission recommended approval of Ordinance 708; and

WHEREAS, it has been determined that regulating short-term rental use as included in this ordinance is consistent with the City's General Plan and Local Coastal Plan.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARPINTERIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. INCORPORATION OF RECITALS

The City Council hereby finds and determines that the foregoing recitals, which are incorporated herein by reference, are true and correct.

SECTION 2. ADOPTION OF VACATION RENTAL OVERLAY DISTRICT MAP

Pursuant CMC 14.04.070, Exhibit 1, attached to and made a part of this ordinance, delineates the boundaries of the Vacation Rental Overlay District.

SECTION 3. AMENDMENT OF TITLE 14 OF CARPINTERIA MUNICIPAL CODE

Chapter 14.04, of Title 14 of the Carpinteria Municipal Code is hereby amended (in part) to read as follows:

14.04.060 - Overlay districts.

1. In addition to the regulations governing the foregoing districts, the following overlay districts and the symbols used to represent them on the official zoning maps are established as follows:

Coastal Appeals Area	CA
<u>Ellinwood Parcel</u>	<u>Ellinwood</u>
Environmentally Sensitive Habitat	ESH
Flood Hazard Area	FH
Residential	R
Specific Plan	S
<u>Transportation Corridor Wetland</u>	<u>TCW</u>
<u>Vacation Rental</u>	<u>VR</u>
Visitor-Serving/ Highway Commercial	V
<u>Whitney Site</u>	<u>Whitney</u>

2. The regulations of the overlay district shall apply to the land in the same manner as specific district regulations. Overlay regulations shall apply wherever the symbol and the boundaries of the area are shown on the official zoning maps. When a symbol for an overlay district is added to a district symbol, the provisions of the overlay district shall be effective in addition to the applicable district regulations. If any of the provisions of the overlay district conflict with provisions of the specific district regulations, the provisions which are most restrictive shall govern.

Chapter 14.47 Vacation Rental Overlay District, is hereby added to Title 14 of the Carpinteria Municipal Code to read as follows:

CHAPTER 14.47 – Vacation Rental Overlay District

14.47.010 Purpose and Intent

14.47.020	Applicability
14.47.030	License Required
14.47.040	Permitted Uses
14.47.050	Location Criteria
14.47.060	Applicability of Underlying Residential District
14.47.070	Application Requirements
14.47.080	Operating Standards
14.47.090	Grounds for Issuance / Denial of a License
14.47.100	License Form and Periods of Validity
14.47.110	License Issuance and Non-transferability
14.47.120	Terms of License: Expiration
14.47.140	License Renewal
14.47.150	Cessation of Use of a Residential Unit as a Vacation Rental
14.47.160	License Revocation
14.47.170	License Revocation – Hearing Required
14.47.180	Appeal from Denial or Revocation of License
14.47.190	License Application Fee
14.47.200	Amortization of Nonconforming Vacation Rentals
14.47.210	Violations
14.47.220	Penalties
14.47.230	Requirements Not Exclusive
14.47.240	Private Action to Enforce

14.47.010 Purpose and Intent

The purpose of the vacation rental overlay district is to establish vacation rentals as a permitted use in the vacation rental overlay district, to specify that they are only allowed in the vacation rental overlay district, and to provide opportunity for owners of residential units to be used as vacation rentals, as defined by Carpinteria Municipal Code Section 14.08. The intent is to provide adequate transient occupancy uses in areas serving the beach and downtown and to insure that such uses are appropriately integrated with residential and commercial needs of the community. The vacation rental overlay district will allow owners of residential units to obtain a license to operate a vacation rental.

14.47.020 Applicability

The requirements of the vacation rental overlay district, as set forth in this chapter, shall apply to those parcels designated in the vacation rental overlay district, as shown on the adopted zoning map.

14.47.030 License Required

No person shall rent, offer to rent, or advertise for rent a residential unit to another person or group for a vacation rental without a license approved and issued in a manner provided for by this Chapter. Only owners of a residential unit are eligible to apply for and receive a vacation rental license.

14.47.040 Permitted Uses

Uses permitted in the vacation rental overlay district are as follows:

- a. Vacation rentals;
- b. Uses, buildings and accessory structures customarily incidental to the above uses; and
- c. All other uses as defined in the underlying zoning district.

14.47.050 Location Criteria

The provisions of the vacation rental overlay district shall apply to any parcel(s) subject to the vacation rental overlay district, as shown on the City's official zoning maps.

14.47.060 Applicability of Underlying Residential District

All of the standards of the underlying residential district shall also apply to the vacation rental overlay district.

14.47.070 Application Requirements

Prior to renting, offering to rent or advertising the rental of a residential unit for a vacation rental, the property owner shall make an application to the City on a form provided by the City. The application shall be filed by the owner and include the following information:

- a. The full true name under which the business will be conducted.
- b. The address and assessor parcel number where the vacation rental is to be conducted. Where multiple units are located on the same parcel, each unit's address shall be provided on a separate application.
- c. The owner's full, true name, mailing address, email address and telephone number.
- d. In the case that a separate management company or person shall assume responsibility of the vacation rental for the owner, the management company or contact person's name, phone number, mailing address and email address shall be provided in addition to the owner.
- e. A description of any other business to be operated on the same premises, or on adjoining premises, owned or controlled by the owner and/or applicant.

- f. Certificate of insurance evidencing that the residential unit being used as a vacation rental is covered by homeowner's fire, hazard and liability insurance.
- g. Vacation rentals proposed on parcels with no live on-site manager, shall furnish the City with mailing labels of all neighboring owners and occupants addresses within 100 feet (neighboring residents) of the parcel boundaries of the proposed vacation rental, in a format provided by the City. Upon issuance of a vacation rental license, the City will send a written notice to neighboring residents notifying them that the premises will be used as a vacation rental and will provide the name, address, and telephone number of both the owner and the person or property manager responsible for managing the vacation rental.
- h. An affidavit stating that residential unit meets all applicable building, health and safety standards. The affidavit shall be on a form provided by the City and shall be signed by the owner of the residential unit.

14.47.080 Operating Standards

The following minimum requirements shall apply to the operation of all vacation rentals:

- a. The owner or property manager must live or work within thirty (30) miles of the premises and be able to respond to tenant and/or public concerns about the vacation rental at all times during which a residential unit is being rented as such.
- b. All advertisements for the vacation rental shall list the City's vacation rental license number and the current transient occupancy tax rate which applies to the rental of the unit.
- c. The owner shall maintain homeowner's fire, hazard and liability insurance.
- d. The property shall be provided with adequate waste collection facilities at all times. Waste bins and refuse shall not be left within public view, except in proper containers for the purpose of collection on the scheduled collection day(s). The waste collection schedule and information about recycling and green waste separation and disposal shall be included in the rental agreement and posted conspicuously in the rental unit.
- e. The residential unit shall not be rented or used for events, e.g., weddings, commercial activities or sales events.

- f. Occupants of the vacation rental shall be prohibited from creating unreasonable noise or disturbances, engaging in disorderly conduct or violating provisions of federal, state or local law.
- g. At all times a unit is in use as a vacation rental, the owner's or property manager's contact information shall be posted on the outside wall near the entrance of the unit, in a format provided by the City.
- h. At all times a unit is in use as a vacation rental, a notice shall be posted on the interior of the front door of the vacation rental, in a form approved by the City, which notes the vacation rental license number, transient occupancy tax rate, property owner or property manager contact information, and any additional information as required by the City as a part of the vacation rental license.
- i. The owner shall maintain an active business license, transient occupancy tax certificate and any other applicable licenses and permits, in addition to the vacation rental license, pursuant to Carpinteria Municipal Code, at all times that the residential unit is used or advertised as a vacation rental. A copy of the business license shall be posted on the interior of the front door of the residential unit.
- j. The maximum occupancy of a vacation rental shall be determined by the City and not exceed two occupants per unit, plus two occupants per bedroom. A bedroom is a room that is designed to be used as a sleeping room and for no other primary purpose and must meet the requirements of the Carpinteria Municipal Code for such. The vacation rental license shall specify the maximum number of occupants allowed at the vacation rental.
- k. The owner shall by written agreement, limit the number of vehicles of occupants to the number designated in the vacation rental license issued by the City; the number of vehicles shall be determined by the City at the time of application, taking into consideration the number of available parking spaces on the site.
- l. A home occupation may not be conducted in any residential unit for which a license has been issued to use the residential unit as a vacation rental.
- m. The owner shall ensure that the vacation rental complies with all applicable codes regarding fire, building and safety, and all other relevant federal, state and local laws and ordinances.
- n. Availability of the rental unit to the public shall not be advertised on the premises.
- o. The City Manager shall have the authority to impose additional operating standards, applicable to all vacation rentals, as necessary, to achieve the objectives of this title. A list of all additional standards shall be maintained and

on file in the Office of the City Clerk and such offices as the City Manager designates.

- p. Upon reasonable notice, each owner and agent or representative of any owner shall provide access to each vacation rental and any records related to the use and occupancy of the vacation rental to the City Manager at any time during normal business hours, for the purpose of inspection or audit to determine that the objectives and conditions of this chapter are being fulfilled.

14.47.090 Requirements for License Issuance

The City shall consider the information included in a complete application in order to determine whether the issuance of the license for the vacation rental is consistent with the provisions of this chapter. Upon determination by the City that the following criteria have been met, the City shall approve the license:

- a. The number of licensed vacation rentals within the vacation rental overlay district do not to exceed the following area limits:
 - i. Area A, as identified on the vacation rental overlay district map adopted as part of Ordinance 708 on (date): Fifty five (55) vacation rentals;
 - ii. Area B, as identified on the vacation rental overlay district map adopted as part of Ordinance 708 on (date): One Hundred Fifteen (115) vacation rentals;
 - iii. Area C, as identified on the vacation rental overlay district map adopted as part of Ordinance 708 on (date): Thirty (30) vacation rentals;
 - iv. Area D, as identified on the vacation rental overlay district map adopted as part of Ordinance 708 on (date): Twenty (20) vacation rentals.
- b. A license for a vacation rental use for the residential unit has not been revoked in the prior twenty-four (24) month period;
- c. The premises or residential unit is not currently the subject of an active compliance order or administrative citation for a violation of the Carpinteria Municipal Code;
- d. An administrative citation has not been issued, regarding a violation on the site, in the past twelve (12) months;
- e. The property owner has demonstrated, through an application filed to the City, the ability to meet the requirements outlined in this chapter.

14.47.100 License Form and Period of Validity

All licenses for vacation rental uses shall be made on forms furnished by the Finance Department and shall be issued for one (1) year. Licenses shall be issued for the

period of time beginning on July 1st of each year and concluding on June 30th of the following year. Applications made during the year shall be issued for a prorated period to conclude on June 30th.

14.47.110 License Issuance and Non-transferability

The vacation rental license issued under this chapter shall be issued to the owner of record of the residential unit and no license may be assigned, transferred or loaned to any other person, entity, location or establishment.

14.47.120 Term of License: Expiration

The vacation rental license shall be personal to the applicant/owner and shall automatically expire upon sale or transfer of the premises or residential unit, or if not renewed pursuant to Municipal Code Section 14.47.130. The license may be revoked for failure to comply with adopted standards, subject to the administrative and revocation procedures outlined in Section 14.47.150, unless otherwise specified by this chapter. If the unit is owned by a natural person, the transfer of the fee simple ownership of the unit to the owner's spouse or children is not a change in ownership and shall not result in termination of the license.

14.47.130 License Renewal

The vacation rental license shall automatically renew upon payment of the business license tax renewal fee and all required transient occupancy tax remittance documents associated with the vacation rental license. Non-renewal prior to the expiration date will result in expiration of the vacation rental license and will require that a new application be made subject to Section 14.47.070 and all other requirements of this code.

14.47.140 Cessation of Use of a Residential Unit as a Vacation Rental

- a. Where the owner of a premises or residential unit used and occupied as a vacation rental pursuant to a vacation rental license approved and issued in the manner provided by this chapter, fails to remit transient occupancy tax for a period of twenty-four (24) consecutive months or greater as determined by the City, vacation rental license shall be deemed to have automatically expired and shall be forfeited.
- b. Where the owner of a premises or residential unit used and occupied as a vacation rental pursuant to a license approved and issued in the manner provided by this chapter intends to cease such use and abandon the vacation rental license for the residential unit, the owner shall promptly cause a notice of cessation to be filed with the City. The vacation rental license for the unit shall expire immediately upon receipt by the City of the notice of cessation.

14.47.150 License Revocation

A vacation rental license issued under the provisions of this chapter may be revoked by the City Manager or his/her designee after notice and hearing, as provided in Section 14.47.180 below, for any of the following reasons:

- a. Fraud, misrepresentation or false statement contained in the application;
- b. Fraud, misrepresentation or false statement made in the course of carrying on a vacation rental as regulated by this chapter;
- c. Any violation of any of the provisions of this chapter or of any other provision of this code; or
- d. Any violation of any provision of federal, state or local laws.

14.47.160 License Revocation - Hearing Required

Before revoking a vacation rental license, the City Manager or his/her designee shall give the owner reasonable notice in writing of the proposed revocation and of the grounds thereunder, and also of the time and place at which the holder of the vacation rental license will be given a reasonable opportunity to show cause why the vacation rental license should not be revoked. The notice may be served personally upon the owner or may be mailed, postage prepaid, to the owner, at the last known address or at any address shown upon the application, at least ten (10) days prior to the date of the hearing. Upon conclusion of the hearing, the City Manager or his/her designee may, for any of the grounds set forth in Section 14.47.170, revoke the license.

14.47.180 Appeal from Denial or Revocation of License

Any person whose application has been denied by the City Manager or his/her designee or any person who has had a vacation rental license revoked by the City Manager or his/her designee shall have the right to an administrative appeal before the City Manager or his/her designee. Any unfavorable decision by the City Manager may be appealed in writing, in a form provided by the City, stating the grounds therefor, within ten days of the decision, to the Planning Commission. The Planning Commission shall hold a hearing thereon within a reasonable time and the decision of the Planning Commission shall be final. Appeals shall be filed as outlined in Carpinteria Municipal Code Section 14.78.

14.47.190 License Application Fee

No application shall be processed and no vacation rental license shall be issued under the provisions of this chapter unless the applicant has paid, unless exempted, the fees as set forth in the schedule of fees established by resolution of the City Council.

14.47.200 Amortization of Nonconforming Vacation Rentals

A nonconforming vacation rental is a vacation rental licensed by the City that is located outside of the vacation rental overlay district and was lawfully established in the PRD Planned Residential Zone District prior to the effective date of this Chapter. Notwithstanding any other law or provision of the Carpinteria Municipal Code, nonconforming vacation rentals shall terminate automatically within five (5) years of the effective date of Chapter 14.47 of the Carpinteria Municipal Code. A nonconforming vacation rental shall follow the licensing provisions of this Chapter with the exception of Section 14.47.090(a).

To qualify as a nonconforming vacation rental, all of the following shall be satisfied:

- a. The owner demonstrates, with financial evidence acceptable to the City, that the residential unit has been used regularly and continually as a vacation rental in the twenty-four (24) months prior to October 26, 2015;
- b. The owner demonstrates, with financial evidence acceptable to the City, that s/he has successfully transmitted all transient occupancy taxes and business license fees to the City in the twenty-four (24) months prior to October 26, 2015; and
- c. The property had been continually licensed with the City as a vacation rental over the twenty-four (24) months prior to October 26, 2016.

14.47.210 Violations

All violations of this chapter may be filed as either a misdemeanor or infraction, as determined by the City Attorney, pursuant to Municipal Code Section 1.08.010.

14.47.220 Penalties

Violations of this chapter shall be punishable as provided under Chapter 1.08 of the Carpinteria Municipal Code.

14.47.230 Requirements Not Exclusive

The requirements of this chapter shall be in addition to any license, permit, or fee required under any other provision of this code. The issuance of any permit pursuant to this chapter shall not relieve any person of the obligation to comply with all other provisions of this code pertaining to the use and occupancy of the vacation rental unit or the property on which it is located.

14.47.240 Private Action to Enforce

Any person who has suffered, or alleges to have suffered, damage to person or property because of a violation of this chapter may bring an action for money damages and any other appropriate relief in a court of competent jurisdiction against the party

alleged to have violated this chapter. Nothing herein shall be deemed or construed to create any right of action against the city or any of its officers, employees, or agents. The sole purpose and intent of this section is to create a right of action between private parties, entities and interests, which are or may be impacted or affected by various aspects of vacation home rentals within the city.

Chapter 14.52 Home Stays, is hereby added to Title 14 of the Carpinteria Municipal Code to read as follows:

CHAPTER 14.52 - Home Stays

- 14.52.010 Purpose and Intent**
- 14.52.020 Applicability**
- 14.52.030 License Required**
- 14.52.040 Applicability of Underlying Base Zoning District**
- 14.52.050 Application Requirements**
- 14.52.060 Operating Standards**
- 14.52.070 Grounds for Issuance / Denial of a License**
- 14.52.080 License Form and Period of Validity**
- 14.52.090 License Issuance and Non-Transferability**
- 14.52.100 Term of License: Expiration**
- 14.52.110 License Renewal**
- 14.52.120 Cessation of Use of Property as a Home Stay**
- 14.52.130 License Revocation**
- 14.52.140 License Revocation – Hearing Required**
- 14.52.150 Appeal from Denial or Revocation of License**
- 14.52.160 License Application Fee**
- 14.52.170 Violations**
- 14.52.180 Penalties**
- 14.52.190 Requirements Not Exclusive**
- 14.52.200 Private Action to Enforce**

14.52.010 Purpose and Intent

The purpose and intent of the home stays chapter is to adopt regulations pursuant to the police powers of the City for the purpose of requiring the owner(s) of a residential unit that is used as a home stay, as defined by Section 14.08 of the Carpinteria Municipal Code, to apply for and secure a home stay license authorizing use of the residential unit as a home stay in the manner provided for by this chapter. The intent of this chapter is to establish home stays as an allowed use in the R-1 Single-Family Residential, Planned Unit Development, and Planned Residential Development Zone Districts.

14.52.020 Applicability

This chapter applies to the licensing of home stays in residential zoning districts as outlined in Sections 14.12, 14.14, and 14.16 of the Carpinteria Municipal Code.

14.52.030 License Required

No person shall rent, offer to rent, or advertise for rent a home stay to another person or group without a license approved and issued in a manner provided for by this chapter. Only owners of a residential unit are eligible to apply for and receive a home stay license.

14.52.040 Applicability of Underlying Residential District

All of the standards of the underlying residential district shall also apply to home stays.

14.52.050 Application Requirements

Prior to renting, offering to rent or advertising the rental of a home stay, the owner shall make an application for a home stay license to the City on a form provided by the City. The application shall be filed by the owner and include the following information:

- a. The full true name under which the business will be conducted.
- b. The address and assessor parcel number where the home stay is to be conducted.
- c. The owner's full, true name, mailing address, email address and telephone number.
- d. An affidavit stating that residential unit meets all applicable building, health and safety standards. The affidavit shall be on a form provided by the City and shall be signed by the owner of the residential unit.

14.52.060 Operating Standards

The following minimum requirements shall apply to the operation of all home stays:

- a. The owner shall reside in the residential unit during all overnight rental periods.
- b. All advertisements for the home stay shall list the City's home stay license number and the current transient occupancy tax rate which applies to the rental of the unit.
- c. At all times a unit is use as a home stay, a notice shall be posted on the interior of the front door of the home stay, in a form approved by the City, which notes the home stay license number, transient occupancy tax rate, property owner

contact information, and any additional information as required by the City as a part of the home stay license.

- d. The owner shall maintain an active business license, transient occupancy tax certificate and any other applicable licenses and permits, in addition to the home stay license, pursuant to Carpinteria Municipal Code, at all times that the residential unit is used or advertised as a home stay. A copy of the business license shall be posted on the interior of any bedroom door rented as part of a home stay.
- e. The maximum occupancy of a home stay shall be limited to no more than four (4) home stay guests per home stay.
- f. The owner shall by written agreement, limit Home Stay occupants to no more than one vehicle.
- g. Availability of the rental unit to the public shall not be advertised on the premises.
- h. The City Manager shall have the authority to impose additional operating standards, applicable to all home stays, as necessary, to achieve the objectives of this title. A list of all additional standards shall be maintained and on file in the Office of the City Clerk and such offices as the City Manager designates.
- i. Upon reasonable notice, each owner and agent or representative of any owner shall provide access to each residential unit used as a home stay and any records related to the use and occupancy of the home stay to the City Manager at any time during normal business hours, for the purpose of inspection or audit to determine that the objectives and conditions of this chapter are being fulfilled.

14.52.070 Requirements for License Issuance

The City shall consider the information included in a complete application in order to determine whether the issuance of a home stay license is consistent with the provisions of this chapter. Upon determination by the City that the following criteria have been met, the City shall approve the license:

- a. The City has not revoked a license for home stay use for that residential unit within the prior twenty-four (24) month period;
- b. The premises or residential unit is not currently the subject of an active compliance order or administrative citation for violation of the Carpinteria Municipal Code;
- c. An administrative citation has not been issued, regarding a violation on the site, in the past twelve (12) months;

- d. The property owner has demonstrated, through an application filed to the City, the ability to meet the requirements outlined in this chapter.

14.52.080 License Form and Period of Validity

All licenses for home stay uses shall be made on forms furnished by the Finance Department and shall be issued for one (1) year. Licenses shall be issued for the period of time beginning on July 1st of each year and concluding on June 30th of the following year. Applications made during the year shall be issued for a prorated period to conclude on July 1st.

14.52.090 License Issuance and Non-transferability

The home stay license issued under this chapter shall be issued to the owner of record of the residential unit and no license may be assigned, transferred or loaned to any other person, entity, location or establishment.

14.52.100 Term of License: Expiration

The home stay license shall be personal to the applicant/owner and shall automatically expire upon sale or transfer of the premises or residential unit or if not renewed pursuant to Municipal Code Section 14.52.110. The license may be revoked for failure to comply with adopted standards, subject to the administrative and revocation procedures outlined in Section 14.52.130, unless otherwise specified by this chapter.

14.52.110 License Renewal

The home stay license shall automatically renew upon payment of the business license tax renewal fee and all required transient occupancy tax remittance documents associated with the home stay license. Non-renewal prior to the expiration date will result in expiration of the home stay license and will require that a new application be made subject to Section 14.52.050 and all other requirements of this code.

14.52.120 Cessation of Use of a Residential Unit as a Home Stay

- a. Where the owner of a premises or residential unit used and occupied as a home stay pursuant to a home stay license approved and issued in the manner provided by this chapter, fails to remit transient occupancy tax for a period of twenty-four (24) consecutive months or greater, as determined by the City, home stay license shall be deemed to have automatically expired and shall be forfeited.
- b. Where the owner of a premises or residential unit used and occupied as a home stay pursuant to a license approved and issued in the manner provided by this chapter intends to cease such use and abandon the home stay license for the residential unit, the owner shall promptly cause a notice of cessation to be filed

with the City. The home stay license for the unit shall expire immediately upon receipt by the City of the notice of cessation.

14.52.130 License Revocation

A home stay license issued under the provisions of this chapter may be revoked by the City Manager or his/her designee after notice and hearing, as provided in Section 14.52.140 below, for any of the following reasons:

- a. Fraud, misrepresentation or false statement contained in the application;
- b. Fraud, misrepresentation or false statement made in the course of carrying on a home stay rental as regulated by this chapter;
- c. Any violation of any of the provisions of this chapter or of any other provision of this code; or
- d. Any violation of any provision of federal, state or local laws.

14.52.140 License Revocation - Hearing Required

Before revoking a home stay license, the City Manager or his/her designee shall give the owner reasonable notice in writing of the proposed revocation and of the grounds thereunder, and also of the time and place at which the holder of the home stay license will be given a reasonable opportunity to show cause why the home stay license should not be revoked. The notice may be served personally upon the owner or may be mailed, postage prepaid, to the owner, at the last known address or at any address shown upon the application, at least ten (10) days prior to the date of the hearing. Upon conclusion of the hearing, the City Manager or his/her designee may, for any of the grounds set forth in Section 14.52.130, revoke the license.

14.52.150 Appeal from Denial or Revocation of License

Any person whose application has been denied by the City Manager or his/her designee or any person who has had a home stay license revoked by the City Manager or his/her designee shall have the right to an administrative appeal before the City Manager or his/her designee. Any unfavorable decision by the City Manager may be appealed in writing, in a form provided by the City, stating the grounds therefor, within ten days of the decision, to the Planning Commission. The Planning Commission shall hold a hearing thereon within a reasonable time and the decision of the Planning Commission shall be final. Appeals shall be filed as outlined in Carpinteria Municipal Code Section 14.78.

14.52.160 License Application Fee

No application shall be processed and no home stay license shall be issued under the provisions of this chapter unless the applicant has paid, unless exempted, the fees as set forth in the schedule of fees established by resolution of the City Council.

14.52.170 Violations

All violations of this chapter may be filed as either a misdemeanor or infraction, as determined by the City Attorney, pursuant to Municipal Code Section 1.08.010.

14.52.180 Penalties

Violations of this chapter shall be punishable as provided under Chapters 1.06 and 1.08 of the Carpinteria Municipal Code.

14.52.190 Requirements Not Exclusive

The requirements of this chapter shall be in addition to any license, permit, or fee required under any other provision of this code. The issuance of any permit pursuant to this chapter shall not relieve any person of the obligation to comply with all other provisions of this code pertaining to the use and occupancy of the home stay unit or the property on which it is located.

14.52.200 Private Action to Enforce

Any person who has suffered, or alleges to have suffered, damage to person or property because of a violation of this chapter may bring an action for money damages and any other appropriate relief in a court of competent jurisdiction against the party alleged to have violated this chapter. Nothing herein shall be deemed or construed to create any right of action against the city or any of its officers, employees, or agents. The sole purpose and intent of this section is to create a right of action between private parties, entities and interests, which are or may be impacted or affected by various aspects of vacation home rentals within the city.

Chapter 14.08 Definitions, of Title 14 of the Carpinteria Municipal Code is amended (in part) to include the following:

14.08.312 - Home stay.

"Home stay" means a type of short-term rental where the owner remains in the residential unit during the entire rental period. A home stay does not include the hosting of personal guests, home exchanges or vacation rentals. Tents, yurts and RVs are not allowed as a part of a home stay rental.

14.08.541 – Residential unit.

"Residential unit" means a building or portion thereof designed for or occupied in whole or in part, as a home, residency, or sleeping place, either permanently or temporarily, and containing not more than one kitchen per residential unit, but not including a hotel or boarding house, lodging house or motel. For the purposes of this Code residential unit includes the term dwelling unit and housing unit. See also Carpinteria Municipal Code 14.08.190 "Dwelling".

14.08.562 – Short-term rental.

“Short-term rental” is defined as the rental of a residential unit for a period of thirty (30) consecutive calendar days or less, subject to all applicable city land use regulations, permit/licensing requirements, and payment of fees and/or taxes, including transient occupancy tax as defined in Chapter 3.20 of this Code. Short-term rentals include both vacation rentals and home stays. Tents, yurts and RVs are not allowed as a part of a short-term rental.

14.08.627 – Vacation rental.

“Vacation rental” means a type of short-term rental where the owner of the residential unit does not remain in the residential unit during the entire rental period. Vacation rentals typically include the rental of an entire dwelling or premises. For the purposes of this Code, a vacation rental does not include time shares, home stays or home exchanges. Tents, yurts and RVs are not allowed as a part of a vacation rental.

Chapter 14.12 R-1 Single-Family Residential District, of Title 14 of the Carpinteria Municipal Code is amended (in part) to read as follows:

14.12.030 - Uses permitted by right.

Uses permitted by right in the R-1 district are as follows:

1. One single-family dwelling per legal parcel;
2. Uses, buildings, and structures customarily incidental to single-family dwellings, for exclusive use of the residents of the site, and not involving the maintenance of a commercial enterprise on the premises;
3. Home occupations subject to the provisions of Section 14.50.030;
4. Golf courses and country clubs operated in connection with the single-family residential development, but not including commercial driving tees, ranges, putting courses, or miniature golf courses;
5. Orchards, truck and flower gardens, and the raising of field crops; provided there is no sale on the property of the products produced;
6. Nurseries and greenhouses used only for the propagation and cultivation of plants, provided no advertising sign, commercial display room, or stand is maintained in connection therewith, and provided further that the aggregate square feet of floor area or ground area of all such building shall not exceed three hundred (300) square feet;
7. The keeping of animals and poultry as provided in Sections 6.04.390 and 6.04.420;
8. Public parks, playgrounds, and community centers;
9. Child day care use; provided such use does not detrimentally change the residential appearance of the property or neighborhood;
10. Small family care homes, as defined in Chapter 14.08;
11. Home stay, as provided in Chapter 14.52.

Chapter 14.14 PRD Planned Residential Development District, of Title 14 of the Carpinteria Municipal Code is amended (in part) to read as follows:

14.14.030 - Uses permitted subject to development plan approval.

Permitted uses subject to development plan approval are as follows:

1. Single-family, duplex, and multifamily dwelling units, including developments commonly known as townhouses, condominiums, cluster, and community apartment projects;
2. Accessory uses and structures incidental to permitted uses, i.e., laundry and storage rooms, garages, carports and parking lots, bus shelters, and bike racks, but not including retail commercial uses;
3. Child day care use, provided such use does not detrimentally change the residential appearance of the property or the neighborhood;
4. Public parks, playgrounds, and community centers;
5. Home occupations, as provided in Section 14.50.030;
6. Vacation rentals, within the vacation rental overlay district, as provided in Chapter 14.47;
7. Home stays, as provided in Chapter 14.52.

Chapter 14.16 PUD Planned Unit Development District, of Title 14 of the Carpinteria Municipal Code is amended (in part) to read as follows:

14.16.040 - Uses permitted subject to development plan approval.

Permitted uses subject to development plan approval in the PUD district are as follows:

1. Residential units, either attached or detached, including single-family dwellings, rowhouses, townhouses, apartments, condominiums, modular homes, and mobile homes on a permanent foundation; provided, that the units are clustered to the maximum extent feasible; for modular/mobile home PUD's, see Chapter 14.17;
2. Recreational facilities, including but not limited to, tennis courts, swimming pools, playgrounds, and parks for the private use of the prospective residents, provided such facilities are not operated for remuneration;
3. Commercial recreational facilities that are compatible with the residential units;
4. Community center facilities, i.e., day care center, laundromat, meeting rooms, for use by residents of the development;
5. Visitor-serving commercial facilities, i.e., a motel or restaurant; provided, that the planning commission may reduce the residential density otherwise permitted to accommodate facilities that provide overnight lodging, based on a determination that the increased density caused by the overnight lodging facility would have an adverse effect on prospective residents or on the surrounding environment; examples include an adverse effect on an environmentally sensitive habitat, major views to the ocean or foothills, and public access to the shoreline;

6. Convenience establishments of a commercial and service nature such as a neighborhood store designed and built as an integral part of the development and providing facilities primarily designed to serve the needs of prospective residents may be permitted, subject to the finding that such commercial use would not be materially detrimental to existing commercial development in the downtown area;
7. Open space uses such as parks, viewing areas, hiking, biking, and equestrian trails;
8. Uses, buildings and structures incidental, accessory and subordinate to permitted uses, subject to the provisions of this zoning district;
9. Home stays, as provided in Chapter 14.52.

SECTION 5. Effective Date

This Ordinance shall be in full force and effect thirty (30) days following certification as an amendment to the City's Local Coastal Program by the California Coastal Commission; and before the expiration of fifteen (15) days following passage, this Ordinance shall be published once with the names of the members of the City Council voting for and against the same in The Coastal View, a newspaper of general circulation, published in the City of Carpinteria.

SECTION 6. CEQA Exemption

The City Council finds that this Ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment), 5060(c)(3) (the activity is not considered a project as defined in Section 15378), and 15061(b)(3) (the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA).

SECTION 7. Severability

If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decisions shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance, and each and all provisions hereof, irrespective of the fact that one or more provisions may be declared invalid.

SECTION 8. Publication

The City Clerk shall certify as to the passage of this Ordinance and cause the same to be published and posted in the manner prescribed by California law.

PASSED, APPROVED AND ADOPTED this ____th day of _____ 2016, by the following called vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBER(S):

ABSENT: COUNCILMEMBER(S):

ATTEST:

Mayor, City of Carpinteria

City Clerk, City of Carpinteria

I hereby certify that the foregoing Ordinance was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of Carpinteria held the ____ day of _____ 2016.

City Clerk, City of Carpinteria

APPROVED AS TO FORM:

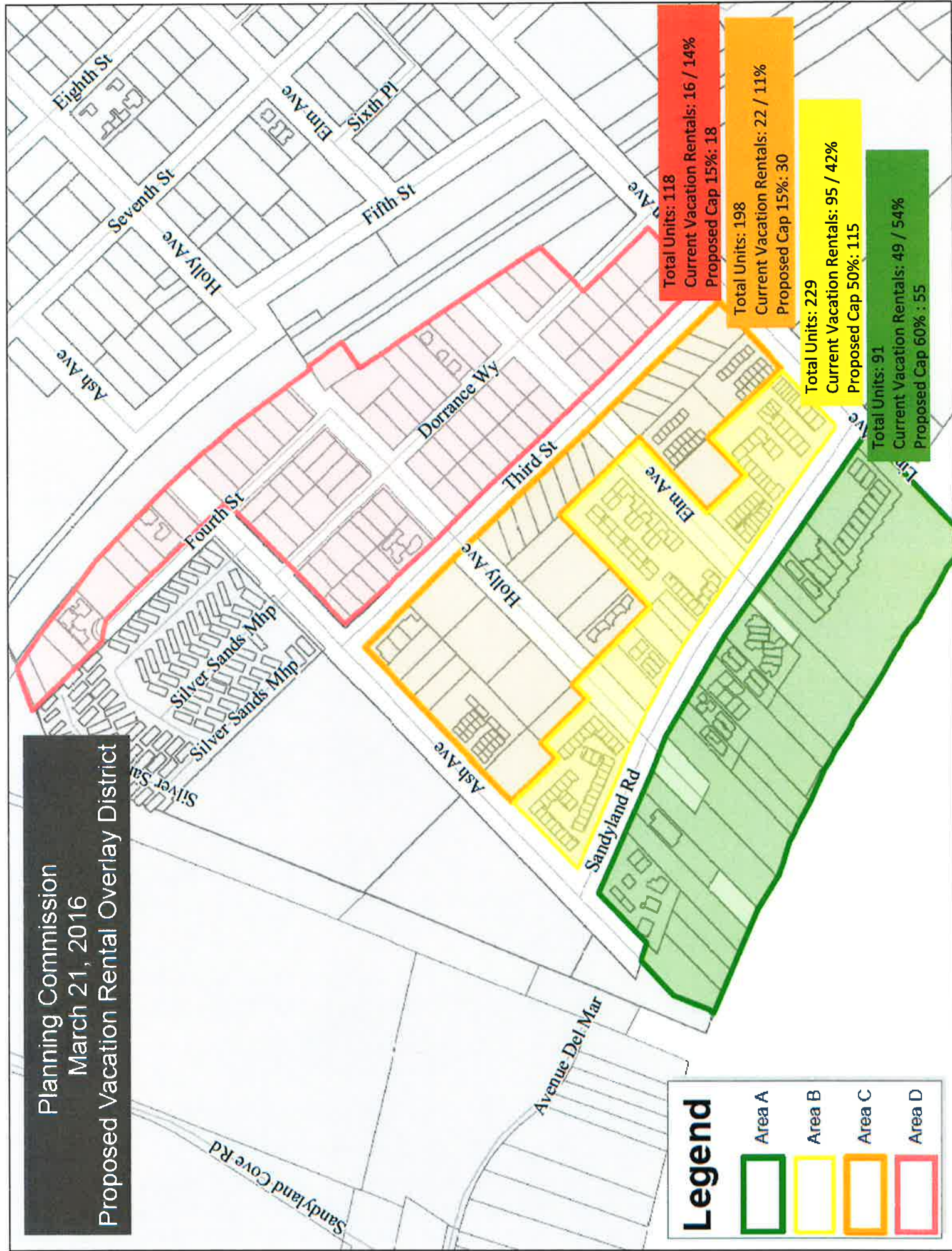
Jena Shoaf, Legal Counsel
Brownstein Hyatt Farber Schreck, LLP,
Acting as City Attorney

Attachment A
Draft Ordinance No. 708

Exhibit 1
Draft Vacation Rental Overlay District Map

Short-term Rental Ordinance
Planning Commission
March 21, 2016

Planning Commission
March 21, 2016
Proposed Vacation Rental Overlay District



Legend

- Area A
- Area B
- Area C
- Area D

Attachment B
Alternative Section 14.47.090
Requirements for License Issuance

Short-term Rental Ordinance
Planning Commission
March 21, 2016

14.47.090 Requirements for License Issuance

The City shall consider the information included in a complete application in order to determine whether the issuance of the license for the vacation rental is consistent with the provisions of this chapter. Upon determination by the City that the following criteria have been met, the City shall approve the license:

- a. The number of licensed vacation rentals within the vacation rental overlay district do not to exceed the following area limits:
 - i. In Area C, as identified on the vacation rental overlay district map adopted as part of Ordinance 708 on (date): Twenty-four (24) vacation rentals;
 - ii. Area D, as identified on the vacation rental overlay district map adopted as part of Ordinance 708 on (date): Eighteen (18) vacation rentals.
- a. A license for a vacation rental use for the residential unit has not been revoked in the prior twenty-four (24) month period;
- b. The premises or residential unit is not currently the subject of an active compliance order or administrative citation for a violation of the Carpinteria Municipal Code;
- c. An administrative citation has not been issued, regarding a violation on the site, in the past twelve (12) months;
- d. The property owner has demonstrated, through an application filed to the City, the ability to meet the requirements outlined in this chapter.