

## ORDINANCE NO. 663

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING TITLE 16 OF THE ARROYO GRANDE MUNICIPAL CODE REGARDING VACATION RENTALS AND HOMESTAYS**

**WHEREAS**, the City of Arroyo Grande ("City") currently does not regulate vacation rentals or homestays; and

**WHEREAS**, the City does regulate similar transient uses with similar impacts such as bed and breakfast inns; and

**WHEREAS**, the City Council finds that, unless properly regulated, vacation rentals and homestays can result in adverse impacts to adjacent properties; and

**WHEREAS**, the purpose of these regulations is to ensure that vacation rentals and homestays conform to the existing character of the neighborhood in which they are located and do not create an adverse impact on adjacent properties; and

**WHEREAS**, the increasing popularity of vacation rentals and homestays in the City the implementation of appropriate regulations to ensure that impacts are addressed and the character of existing neighborhoods is maintained, while providing an expanded type of lodging facility available within the City; and

**WHEREAS**, it is the purpose of this Ordinance to protect the public health, safety, and welfare within the City by establishing rules and requirements for vacation rentals and homestays; and

**WHEREAS**, after consideration of all testimony and all relevant evidence, the City Council has determined that the following Development Code Amendment findings can be made in an affirmative manner:

- A. The proposed revisions to Title 16 are required to ensure consistency with the objectives, policies and implementation measures of the General Plan, particularly the Land Use Element, and is therefore desirable to implement the provisions of the General Plan.
- B. The proposed revisions to Title 16 will not adversely affect the public health, safety, and welfare or result in an illogical land use pattern.
- C. The proposed revisions are consistent with the purpose and intent of Title 16 and satisfy the intent of Chapter 16.08 of the Municipal Code and provide for internal consistency.
- D. The proposed revisions to Title 16 are exempt under per Sections 15061(b)(3) and 15308 of the California Environmental Quality Act (CEQA) Guidelines.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Arroyo Grande as follows:

**SECTION 1:** The above recitals and findings are true and correct and incorporated herein by this reference.

**SECTION 2:** Arroyo Grande Municipal Code Section 16.52.230 is hereby added as follows:

**SECTION 16.52.230 – VACATION RENTALS**

- A. Purpose and intent. The purpose of these regulations is to ensure that vacation rentals located in the city conform to the existing character of the neighborhood in which they are located and do not create an adverse impact on adjacent properties.
- B. Applicability. Vacation rentals may be permitted only with approval of a minor use permit. Vacation rentals shall comply with the property development standards of the underlying district and the performance standards and special conditions listed in Section 16.52.230.C.
- C. Performance standards and conditions for vacation rentals.
  - 1. Operators of vacation rentals are required to obtain a minor use permit-plot plan review (Section 16.16.080) and a business license.
  - 2. Any proposed vacation rental shall be compatible with the neighborhood in which it is located in terms of landscaping, scale and architectural character. The use shall be harmonious and compatible with the existing uses with the neighborhood
  - 3. All Building Code and Fire Code requirements for the level of occupancy of the vacation rental shall be met.
  - 4. All environmental health regulations shall be met.
  - 5. The operator of the vacation rental shall, at all times while the property is being used as a vacation rental, maintain a contact person/entity within a fifteen (15) minute drive of the property. The contact person or entity must be available via telephone twenty-four (24) hours a day, seven (7) days a week, to respond to complaints regarding the use of the vacation rental. The contact person or entity shall respond, either in person or by return telephone call, with a proposed resolution to the complaint within three (3) hours between 7:00 am and 9:00 pm, and within thirty (30) minutes between 9:00 pm and 7:00 am.

6. The operator of the vacation rental shall annually, at the time of renewal of the business license, notify the Community Development Department of the name, address and telephone number of the contact person required in subsection 16.52.230.C.6.
7. A written notice shall be conspicuously posted inside each vacation rental unit setting forth the name, address and telephone number of the contact person required in subsection 16.52.230.C.6. The notice shall also set forth the address of the vacation rental, the maximum number of occupants permitted to stay overnight in the unit, the maximum number of vehicles allowed to be parked on-site, and the day(s) established for garbage collection. The notice shall also provide the non-emergency number of the Arroyo Grande Police Department.
8. On-site advertising of the vacation rental is prohibited.
9. The number of overnight occupants shall be limited to two persons per bedroom and two additional persons. A bedroom shall meet the minimum size requirements as defined in the Building Code.
10. All refuse shall be stored in appropriate containers and placed at the curb for collection every week.
11. The operator of the vacation rental shall pay Transient Occupancy Tax as required by Arroyo Grande Municipal Code Section 3.24.030.
12. Establishment of a vacation rental within 300 feet of an existing vacation rental on the same street shall not be permitted.
13. Violations – violation of these requirements shall constitute grounds for revocation of the minor use permit pursuant to Section 16.16.220.

**SECTION 3:** Arroyo Grande Municipal Code Section 16.52.240 is hereby added as follows:

**SECTION 16.52.240 – HOMESTAYS**

- A. Purpose and intent. The purpose of these regulations is to ensure that homestays located in the city conform to the existing character of the neighborhood in which they are located and do not create an adverse impact on adjacent properties.
- B. Applicability. Homestays may be permitted only with approval of a minor use permit. Homestays shall comply with the property development standards of the

underlying district and the performance standards and special conditions listed in Section 16.52.240.C.

**C. Performance standards and conditions for homestays.**

1. Operators of homestays are required to obtain a minor use permit-plot plan review (Section 16.16.080) and a business license.
2. Any proposed homestay shall be compatible with the neighborhood in which it is located in terms of landscaping, scale and architectural character. The use shall be harmonious and compatible with the existing uses with the neighborhood
3. All Building Code and Fire Code requirements for the level of occupancy of the homestay shall be met.
4. All environmental health regulations shall be met.
5. The operator shall reside on the premises.
6. Individual guest stays shall be limited to fourteen (14) days, with a seven-day period between stays.
7. On-site advertising of the homestay is prohibited.
8. A bedroom shall meet the minimum size requirements as defined in the Building Code.
9. The operator of the homestay shall pay Transient Occupancy Tax as required by Arroyo Grande Municipal Code Section 3.24.030.
10. Establishment of a homestay within 300 feet of an existing homestay on the same street shall not be permitted.
11. Violations – violation of these requirements shall constitute grounds for revocation of the minor use permit pursuant to Section 16.16.220.

**SECTION 4:** The following definitions in Arroyo Grande Municipal Code Subsection 16.04.070.C. are hereby amended or added as follows:

**16.04.070.C. Definitions**

“Bed and breakfast inn” means an owner-occupied dwelling unit where three (3) or more short-term lodging rooms and meals are provided for compensation or onsite signage is desired.

"Homestay" means an owner-occupied dwelling unit where a maximum of two (2) short-term lodging rooms are provided for compensation.

"Vacation rental" means a structure being rented for less than thirty (30) days without concurrently being occupied by the owner/operator where the short-term lodging is provided for compensation.

**SECTION 5:** Arroyo Grande Municipal Code Section 16.16.080 is hereby amended to add Subsection B.10 and Subsection C.6 as follows:

16.16.080.B.10. Establishment of vacation rentals or homestays in applicable zoning districts identified in Table 16.32.040-A and Table 16.36.030(A).

16.16.080.C.6. For plot plan reviews establishing the use of property for vacation rental purposes, the decision of the community development director shall also be mailed to all property owners of parcels within three hundred (300) feet of the property for which the plot plan review has been requested, in addition to the requirements of Section 16.16.080.C.5. The notice shall indicate the appeal provisions of Section 16.12.150.

**SECTION 6:** Arroyo Grande Municipal Code Table 16.32.040-A, entitled "Uses Permitted Within Residential Districts", Section A. Residential Uses is hereby amended to add Subsection A.17. as follows:

USE	RE	RH	RR	RS	SF	VR D-2.4	MF	MFA	MFVH	MHP
<b>A. Residential Uses</b>										
17. Vacation Rentals and Homestays	MUP	MUP	MUP	MUP	MUP	MUP	MUP	MUP	NP	NP

**SECTION 7:** Arroyo Grande Municipal Code Table 16.36.030(A), entitled "Uses Permitted Within Mixed Use and Commercial Districts", Section B. Services - General is hereby amended to add the following use:

USE	IMU	TMU D-2.11	VCD HCO D-2.4	VMU D-2.11 HCO D-2.4	GMU	FOMU	HMU	OMU <sup>1</sup> D-2.20	RC <sup>2</sup>	Specific Use Stds
<b>B. Services - General</b>										
Vacation Rentals and Homestays	NP	MUP	MUP	MUP	MUP	MUP	MUP	MUP	NP	16.52.230 16.52.240

**SECTION 8:** If any section, subsection, subdivision, paragraph, sentence, or clause of this Ordinance or any part thereof is for any reason held to be unlawful, such decision shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, or clause thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, or clause be declared unconstitutional.

**SECTION 9:** Upon adoption of this Ordinance, the City Clerk shall file a Notice of Exemption pursuant to 14 CCR § 15062.

**SECTION 10:** A summary of this Ordinance shall be published in a newspaper published and circulated in the City of Arroyo Grande at least five (5) days prior to the City Council meeting at which the proposed Ordinance is to be adopted. A certified copy of the full text of the proposed Ordinance shall be posted in the office of the City Clerk. Within fifteen (15) days after adoption of the Ordinance, the summary with the names of those City Council Members voting for and against the Ordinance shall be published again, and the City Clerk shall post a certified copy of the full text of such adopted Ordinance.

**SECTION 11:** This Ordinance shall take effect thirty (30) days from the date of adoption.


On motion of Council Member Barneich, seconded by Council Member Brown, and on the following roll call vote to wit:

**AYES:** Council Members Barneich, Brown, Costello, Guthrie, and Mayor Ferrara


**NOES:** None

**ABSENT:** None

the foregoing Ordinance was adopted this 10<sup>th</sup> day of June, 2014.

  
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TONY FERRARA, MAYOR

ATTEST:

  
\_\_\_\_\_  
KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
STEVEN ADAMS, CITY MANAGER

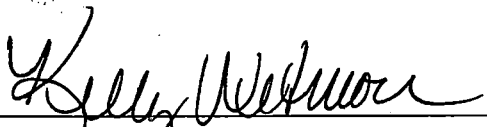
APPROVED AS TO FORM:

  
\_\_\_\_\_  
TIMOTHY J. CARMEL, CITY ATTORNEY

**OFFICIAL CERTIFICATION**

I, **KELLY WETMORE**, City Clerk of the City of Arroyo Grande, County of San Luis Obispo, State of California, do hereby certify under penalty of perjury, that the attached is a true, full, and correct copy of Ordinance No. 663 which was introduced at a regular meeting of the City Council on May 27, 2014; was passed and adopted at a regular meeting of the City Council on the 10<sup>th</sup> day of June 2014; and was duly published in accordance with State law (G.C. 40806).

**WITNESS** my hand and the Seal of the City of Arroyo Grande affixed this 12<sup>th</sup> day of June 2014.

  
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**KELLY WETMORE, CITY CLERK**