



"Placerville, a Unique Historical Past Forging into a Golden Future"

Planning Commission Staff Report

Meeting Date: June 7, 2022

Prepared By: Pierre Rivas, Development Services Director

ITEM 11.1: Zoning Text Change (ZC) 22-01: Short-Term Rental Uses Within the Central Business Zone District, Commercial Zone District, and the Highway Commercial Zone District

REQUEST:

A request by the City Council [(Resolution No. 8530 (file #ROI 17-03)] that the Planning Commission consider amendments to Title 10 *Zoning Ordinance* of the City Code regarding definitions of types of commercial lodging facilities including the regulation of short-term rentals and to allow for transient short-term rentals within the Commercial Zone District (C), Zoning Code Section 10-5-15, the Highway Commercial Zone District (HWC), Zoning Code Section 10-5-17, and clarification of the same within the Central Business District (CBD), Zoning Code Section 10-5-14.

BACKGROUND:

On May 17, 2022, the Planning Commission considered staff's recommended ordinance regulating short-term rentals within the C, HWC, and CBD Zone Districts.

The Commission considered public comment and deliberated on the proposed draft ordinance providing staff with direction on modifications to be included in the draft ordinance as follows:

- *Update Section 10-4-20 (E) 2. To require the responsible person or representative be available 24/7 and can be on site within one hour.*

This provision has been added to Section 10-4-20(E)2.

- *Include requirement for host to post information for guests on high fire risk area and how to sign up for El Dorado County Code Red.*

This provision has been added to Section 10-4-20(E)6.

- *Require fire official be present for the annual inspections of units to make sure Defensible Space Ordinance is being maintained.*

This provision has been added as Subsection 4 under Section 10-4-20(D).

- *Not allow conversion of new mixed use developments in commercial zones to be used for STRs.*

A restriction was added to Section 1-4-20(C). This restriction would be consistent with the intent of the mixed use provisions added to the commercial zone districts pursuant to Ordinance No. 1667 adopted on October 28, 2014. The purpose of the Ordinance was to promote the development of employee housing and implement Housing Element (Cycle 5) Program 6 which was to facilitate housing for employees in accordance with the State's Employee Housing Act.

During the discussion, the Commission brought up the code sections within the residential (single-family) zone districts that allows for the "renting of not more than one room." In *City of Santa Barbara v. Adamson et al.*, the California Supreme Court (May 15, 1980) found, in general, that the zoning ordinance may not restrict a group of individuals in a communal living arrangement to be related by blood, marriage or legal adoption as a single housekeeping unit in a dwelling unit. A City may restrict or limit the number of individuals based on a determined maximum occupancy to prevent overcrowding. Since these sections are not legally valid, staff has included in the ordinance revisions that these sections be removed. The revisions will apply to the following single-family residential zones: RE [Section 10-5-4(B)4], R-1A [Section 10-5-5(B)3], R-1, 20,000 [Section 10-5-6(B)2], R-1, 10,000 [Section 10-5-7(B)2], and the R-1, 6,000 [10-5-8(B)2].

Additional changes will also be shown as underline and strikeout.

ENVIRONMENTAL REVIEW:

Conversion of an existing structure from one use to another when the new use is consistent with the current zoning and General Plan land use designation of the site is generally an action that would qualify as a Class 3 categorical exemption pursuant to Guideline 15303 of the California Environmental Quality Act (Conversion of an Existing Structure from One Use to Another).

Any new construction would require approval of a site plan review application by the Planning Commission requiring site specific environmental review.

RECOMMENDATION:

Staff recommends the Commission consider the draft ordinance; and make recommendation to the City Council to amend the Title 10 of the City Code (Zoning Ordinance) that would add short-term rental uses within the Central Business District (CBD), the Commercial Zone District (C), and the Highway Commercial Zone District (HWC) subject to approval and issuance of a Short-Term Rental Permit.

Attachments:

- A. Draft Ordinance
- B. May 17, 2022 Staff Report to the Planning Commission
- C. Ordinance No. 1667 – Employee Housing

Attachment A
Draft Ordinance

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACERVILLE
AMENDING TITLE 10 (ZONING ORDINANCE) OF THE CITY OF PLACERVILLE
MUNICIPAL CODE ADDING DEFINITIONS, REGULATIONS, AND PROCEDURES
TO ALLOW FOR THE ESTABLISHMENT OF SHORT-TERM RENTALS WITHIN
THE CENTRAL BUSINESS DISTRICT (CBD), COMMERCIAL ZONE DISTRICT (C),
AND THE HIGHWAY COMMERCIAL (HWC) ZONE DISTRICT**

WHEREAS, Resolution No. 5133 (General Plan) was adopted by the City Council on January 23, 1990; and

WHEREAS, Ordinance No. 1474 (Zoning Ordinance) was adopted by the City Council on January 8, 1991, and became effective February 7, 1991; and

WHEREAS, the commercial use of residential dwelling units on an overnight transient basis of less than 30 days occupancy is currently a violation of the uses allowed in all zoning districts in the City of Placerville, unless specifically stated otherwise in Title 10 of the Placerville City Code; and

WHEREAS, the commercial use of residential dwelling units on an overnight transient basis of less than 30 days occupancy is a commercial activity often incompatible with maintaining the residential ambiance of the neighborhood in which they may be located and may create adverse impacts on surrounding residential uses, including but not limited to, increased demand for public services resulting from higher densities, impacts from noise generation, increased visitor traffic and parking, and the potential loss of needed available housing stock for City residents; and

WHEREAS, the purpose and intent of the Central Business District, the Commercial Zone District, and the Highway Commercial Zone Districts are to provide for commercial uses that serve the general public, including lodging facilities that allow for the establishment of hotels and motels which are permitted by-right in each of the affirmations zone districts; and

WHEREAS, the City has received requests from property owners to allow for the use of residences that are located within the CBD and HWC Zone Districts; and

WHEREAS, short-term rentals are considered commercial lodging facilities similar to a hotel or motel and are considered an appropriate and compatible use within the CBD, C, and HWC Zone Districts; and

WHEREAS, on June 17, 2017 the City Council adopted Resolution No. 8530 (ROI 17-03) establishing the City's intent to initiate amendments to the Zoning Ordinance regarding definitions of types of lodging facilities including the regulation of short-term rentals in commercial; and

WHEREAS, the request is categorically exempt from environmental review pursuant to Section 15303 of the California Environmental Quality Act Guidelines, (Conversion of an existing structure from one use to another); and

WHEREAS, this ordinance is exempt from environmental review per Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines under the general rule that CEQA only applies to projects which have the potential for causing a significant effect on the environment. Because there is no possibility that the proposed ordinance may have a significant effect on the environment, this project is exempt from CEQA.

WHEREAS, the City Council finds and determines that the regulation of short-term rentals in accordance with the ordinance is a matter of City-wide importance and necessary for the preservation and protection of the public peace, health, safety, and welfare of the community and is a valid exercise of City's police power and in accord with the public purposes.

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

SECTION 1. Purpose and Authority.

The purpose of this ordinance is to amend Title 10, of the City of Placerville Municipal Code to allow for the definition, regulations, and procedures for the establishment of short-term rentals in the CBD, C, and HWC Zone Districts while protecting the public health and safety, and welfare; and providing for additional commercial lodging facilities for the traveling public.

SECTION 2. Findings:

1. A short-term or "vacation rental" is defined as a single dwelling unit or aggregate of dwelling units of not more than five units in total where each unit comprises one or more rooms, providing complete living facilities for one or more persons, with permanent provisions for living, sleeping, eating, cooking and sanitation, which may be rented for transient occupancy for periods of thirty (30) or fewer consecutive nights.
2. In order to process the establishment of the short-term rental as a permitted use within the CBD, C, and HWC Zones, short-term rental uses within these Zone Districts are deemed to be within the intent and purpose of these commercial zone districts which allow for commercial lodging facilities such as hotels and motels by-right under City Code Sections 10-5-14(B)4, 10-5-15(B)4, and 10-5-17(B)3 respectively.
3. A short-term rental use is similar to other transient lodging defined under Section 10-1-4 of the Zoning Ordinance, such as a rooming or boarding house, motel or hotel.
4. That the amendments to Title 10 of the Placerville City Code are categorically exempt from environmental review per Section 15061(b) (3) of the California Environmental Quality Act (CEQA) Guidelines under the general rule that CEQA only applies to projects which have the potential for causing a significant effect on the environment; when 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.
5. That the public necessity, convenience, and general welfare require the adoption of the proposed amendments, in that, the proposed zoning ordinance amendments are necessary for the City to allow for short-term rentals in the CBD, C, and HWC providing the owners of properties containing residential units located within the stated commercial zone districts

the option of engaging in commercial lodging activities and promoting the conversion of legal nonconforming residential uses to a compatible commercial use.

SECTION 3. Action: Make the following modifications to Title 10, Placerville Zoning Ordinance as follows: (Additions and deletions are shown as underline and ~~strikeout~~)

10-1-4: DEFINITIONS is amended as follows:

COMMERCIAL LODGING FACILITIES: Establishments primarily engaged in the provision of commercial lodging on a transient basis (30 days or less) to the general public. Lodging may include the incidental provision of food, drink, sales, and services for the convenience of overnight guests. Types of lodging are further defined as follows:

BED AND BREAKFAST ESTABLISHMENTS. Any residence that provides guest rooms, without individual kitchens, for paying guests, as a transient lodging facility, where the owner(s) resides on-site. Bed and Breakfast Establishments shall be established subject to a conditional use permit in conformance the Section 10-4-11.

HOTEL OR MOTEL. Building or group of buildings containing six (6) or more rental units with or without meals provided for paying the guests and having on-site management.

SHORT-TERM RENTALS. A single-family residence, duplex, triplex, fourplex, or 5 unit building, or group of buildings that in aggregate contain no more than five (5) rental units, each unit containing accommodations for sleeping, sanitation, eating, and a full kitchen, meeting the requirements of the California Building Code, for paying guests, and are operated with or without on-site management.

10-4-7: SPECIAL TEMPORARY USE PERMITS – Subsection (A)9 is deleted as follows:

~~(A)9. Short-Term Rental in the CBD Zone (PC Res. 2021-01, 6 Apr 2021)~~

10-4-20: Short-Term Rentals is added as follows:

(A) Purpose: The purpose of this section is to provide for the establishment of short-term rental facilities in certain commercial zones and to set forth criteria and regulations of those short-term rentals units.

(B) Applicability of Regulations: The provisions of this Section shall apply to all parcels that are zoned CBD, C, and HWC.

(C) Permitted Use: Short-term rentals as defined in Section 10-4-1 are a permitted use in the specified commercial zone districts as commercial lodging facilities that is consistent with the City's General Plan, the specific zone district on which the short-term rental facility is to be located, and this Section, subject to issuance of a short-term rental (STR) permit.

The conversion of residential (long-term) units constructed pursuant to the mixed use provisions within the CBD, C, and HWC Zone Districts shall not be permitted as short-term rental units.

(D) Permit Required:

1. An application for a short-term rental (STR) shall be filed with the Development Services Department and shall be processed in accordance with Section 10-4-7 and shall be renewed annually.
2. The application for the STR permit shall be submitted on forms provided by the Development Services Department and shall, but not be limited to, the following:
 - (a) A site location map.
 - (b) A site plan drawn to scale showing the property boundaries, all structures labeled as to their use and dimensions, and parking areas showing the number of spaces provided with dimensions.
 - (c) A floor plan of all buildings to serve as a short-term rental with all rooms labeled as to their use.
3. Short-term rental permits shall only be issued to the owner(s) of the property and shall not be transferable.
4. Short-term rental permits shall be subject to renewal annually and be subject to site inspection by the City and El Dorado County Fire Marshal.

(E) Development and Operational Standards:

1. A City business license is required in accordance with City Code Section 5-1-4.
2. The name and phone number of a responsible person shall be posted. Said responsible person shall be available 24/7 and can be on site within one hour.
3. Payment of Transient Occupancy Tax shall be paid in accordance with Code Title 5, Chapter 16.
4. Maximum Occupancy and Parking. Occupancy of the short-term rental shall be limited by (1) the number of paved parking spaces on the short-term rental property as shown in Table One of this Subsection, and (2) the number of bedrooms in the property as shown in Table Two of this subsection, whichever is the lesser. For purposes of this Subsection, occupancy shall be calculated by the number of persons present at the vacation home rental property at any given time. Properties with multiple units shall be calculated in the aggregate.

| <u>Table One (1). Number of Paved Parking Spaces Establishing Maximum Occupancy</u> | |
|---|--------------------------|
| <u>Number of parking Spaces</u> | <u>Maximum Occupancy</u> |
| <u>1</u> | <u>4</u> |
| <u>2</u> | <u>8</u> |
| <u>3</u> | <u>12</u> |
| <u>4</u> | <u>16</u> |
| <u>5</u> | <u>20</u> |

Table Two (2). Number of Bedrooms

| <u>Establishing Maximum Occupancy</u> | |
|---------------------------------------|--------------------------|
| <u>Number of bedrooms</u> | <u>Maximum Occupancy</u> |
| <u>Studio</u> | <u>4</u> |
| <u>1</u> | <u>6</u> |
| <u>2</u> | <u>8</u> |
| <u>3</u> | <u>10</u> |
| <u>4</u> | <u>12</u> |
| <u>5</u> | <u>14</u> |

Where the maximum occupancy for a short-term rental is based upon the number of bedrooms, occupancy of a short-term rental with more than one bedroom shall be calculated by multiplying the number of bedrooms by two and adding four.

Maximum occupancy of a short-term rental located within the CBD Zone shall be in accordance with Table 2 only. New construction shall be in accordance with Code Sections 10-4-4 and 10-4-5.

5. New Construction: New construction shall be subject to all applicable development standards of the zone district and approval of a site plan review application by the Planning Commission in accordance with City Code Section 10-4-9, and this Section.
 6. The maximum occupancy of each short-term rental shall be clearly posted within the unit, and the host shall provide information to guests on how to sign up for CodeRED emergency notification system.
 7. All marketing and advertising of the short-term rental shall include the short-term rental permit number issued by the City.
 8. Noise. Excessive noise shall be prohibited between the hours of 10:00 p.m. and 8:00 a.m.
 9. Record Keeping. Records of every night for which the short-term rental is rented, including the name and contact information of the occupant who has arranged to rent the unit(s), the rental rate, the number of occupants per night, and the number of vehicles, shall be maintained for a minimum period of three years before such records are discarded or otherwise destroyed. Such records shall be made available to the City within fifteen (15) business days upon written request from the City.
- (F) Enforcement. Any use or condition caused or permitted to exist in violation of any provision of the City Code or the STR permit shall be and hereby is declared a public nuisance and may be summarily abated by the City pursuant to Code of Civil Procedure Section 731, City Code Sections 10-10-3-8, 10-3-9, and 10-3-10, or any other remedy available to the City.

(G) Revocation. A short-term rental permit issued under the terms of this Section shall be revoked by the Development Services Director at any time if he or she concludes that the permit has expired, not current on TOT taxes, found to be in violation of permit conditions, or found to be a nuisance to the community.

(H) No Property Rights Conferred. Short-term rental permits shall not be construed as providing property rights or vested interests and entitlements in continued operation of a short-term rental. Short-term rental permits are revocable licenses which expire annually. Short-term rental permits shall not run with the land.

10-5-14: CBD, CENTRAL BUSINESS DISTRICT ZONE is amended as follows:

(B) Permitted Uses:

10. Short-term rentals, subject to issuance of a STR permit in accordance with Code Section 10-4-20, and shall be subject to annual renewal and approval by the Development Services Director.

10-5-15: C, COMMERCIAL ZONE is amended as follows:

(B) Permitted Uses:

13. Short-term rentals, subject to issuance of a STR permit in accordance with Code Section 10-4-20, and shall be subject to annual renewal and approval by the Development Services Director.

10-5-17: HWC, HIGHWAY COMMERCIAL ZONE is amended as follows:

(B) Permitted Uses:

5. Short-term rentals, subject to issuance of a STR permit in accordance with Code Section 10-4-20, and shall be subject to annual renewal and approval by the Development Services Director.

10-5-4: RE, ESTATE RESIDENTIAL ZONE is amended as follows:

(B) Permitted Uses:

4. One-family dwelling, one guest house, ~~renting of not more than one room.~~

10-5-5: R-1A, SINGLE-FAMILY ACRE RESIDENTIAL ZONE is amended as follows:

(B) Permitted Uses:

3. One-family dwelling, one guest house, ~~renting of not more than one room.~~

10-5-6: R-1, 20,000 SINGLE FAMILY RESIDENTIAL ZONE is amended as follows:

(B) Permitted Uses:

3. One-family dwelling, one guest house, ~~renting of not more than one room.~~

10-5-7: R-1, 10,000 SINGLE-FAMILY RESIDENTIAL ZONE is amended as follows:

(B) Permitted Uses:

2. One-family dwelling, one guest house, ~~renting of not more than one room.~~

10-5-8: R-1, 6,000 SINGLE-FAMILY RESIDENTIAL ZONE is amended as follows:

(B) Permitted Uses:

2. One-family dwelling, one guest house, ~~renting of not more than one room.~~

SECTION 4. Effective Date.

This ordinance shall become effective on and after the thirtieth (30th) day following adoption.

INTRODUCED on _____, 2022, and **PASSED AND ADOPTED** on _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSED:

Mayor Kara Taylor

ATTEST:

Regina O'Connell, City Clerk

Attachment B

May 17, 2022 Staff Report to the Planning Commission



"Placerville, a Unique Historical Past Forging into a Golden Future"

Planning Commission Staff Report

Meeting Date: May 17, 2022

Prepared By: Pierre Rivas, Development Services Director

ITEM 10.1: Zoning Text Change (ZC) 22-01: Short-Term Rental Uses Within the Central Business Zone District, Commercial Zone District, and the Highway Commercial Zone District

REQUEST

A request by the City Council [(Resolution No. 8530 (file #ROI 17-03)] that the Planning Commission consider amendments to Title 10 *Zoning Ordinance* of the City Code regarding definitions of types of commercial lodging facilities including the regulation of short-term rentals and to allow for transient short-term rentals within the Commercial Zone District (C), Zoning Code Section 10-5-15, the Highway Commercial Zone District (HWC), Zoning Code Section 10-5-17, and clarification of the same within the Central Business District (CBD), Zoning Code Section 10-5-14.

REQUEST LOCATION

The recommended zone text amendments affect those properties that are zoned CBD, C, and HWC. See Map Exhibits C-1 (west portion of Placerville), C-2 (central portion of Placerville), and C-3 (eastern portion of Placerville) (Attachment C).

BACKGROUND

Short-Term Rental Regulations

Due to complaints from neighbors and from other interested parties regarding short-term vacation rentals since 2013, and the City's concerns about the potential loss of affordable housing, in 2017 staff requested and received City Council authorization under Resolution No. 8530 to initiate amendments to the Zoning Ordinance regarding definitions of types of lodging facilities, and the regulation of short-term rentals.

City staff began receiving complaints from neighbors and from other interested parties regarding short-term vacation rentals in 2013, specifically on each of two known vacation rentals at the time. One complaint focused on noise and parking impacts to the adjoining neighborhood while the others stated concerns that vacation rentals allow for unfair business competition to the more regulated Bed and Breakfast establishments and the more traditional commercial lodging facilities such as hotels and motels. Other impacts include the encroachment of commercial lodging in residential neighborhoods, the loss of single-family residential housing stock and the loss of affordable housing units.

Staff proposes amendments to the Zoning Ordinance to create a distinction between types of commercial lodging and differentiate bed and breakfast establishments. Hotels and motels are defined as short-term lodging facilities comprising 6 or greater units. With no defined commercial lodging facilities comprising less than 6 units, short-term rentals can fulfill the need for the smaller lodging facility.

Staff is requesting authorization to amend the Zoning Ordinance to distinguish and address these types of temporary commercial lodging types to include but not limited to: (1) Identification of zones appropriate for the various types of lodging; (2) Establishment of a permitting process; (3) Operational standards, occupancy limitations and parking requirements; and (4) Collection of Transient Occupancy Tax (TOT).

Zoning Interpretation 21-01: Consideration of short-term rental uses within the Central Business District Zone (CBD)

On February 18, 2021 the owners of The Bookery (Blue Bell Building), 326 Main Street, made a request for a short-term rental to repurpose an apartment unit located above The Bookery store. Staff processed the request as a Zoning Ordinance Interpretation (ZO) which allows the Planning Commission to add uses that can be considered appropriate as a special temporary use under Code Section 10-4-7(A)7. On March 16, 2021, the Planning Commission considered the request (ZON 21-01) within the Central Business District Zone (CBD). The Commission found that short-term rental uses are similar to a hotel or motel use, a use listed in the CBD as a permitted use. The Commission directed staff to return to the Commission on April 6, 2021 with a resolution for consideration and possible adoption that would establish that a short-term rental use within the CBD would be subject to the Special Temporary Use Permit process under Code Section 10-4-7. On April 6, 2021 the Planning Commission adopted Resolution No. 2021-01 allowing for staff level approval of short-term rentals in the Central Business District (CBD). Since hotels and motels are a use permitted by right in the CBD Zone, it was determined to be an appropriate use, with the main difference being that hotels and motels contain six or more rooms. Additionally, hotels and motels have on site management whereas short-term rentals of one to five rooms typically would not. However, there still exists a lack of consideration of transient lodging facilities that containing one to five rooms. The special temporary use permit process allowed for the annual review of the facility ensuring that any issues or complaints can be addressed.

Zoning Interpretation 21-02: Consideration of short-term rental uses within the Highway Commercial Zone District (HWC)

On April 11, 2021 an application for a zoning ordinance interpretation was made to consider allowing short term rentals in the Highway Commercial Zone (HWC). The request involved the property located at 3038 Orchard Lane which contains an existing small apartment complex containing three attached units of 390 square feet each in size and one detached unit at 430 square feet. The property was originally established as a motel in the late 1940s and has since been converted to individual dwelling units. The Planning Commission found the use compatible in the HWC Zone which also allows hotels and motels by-right. On April 6, 2021 the commission adopted Resolution No. 2021-02 adding short-term rentals to uses allowed by a special temporary use permit in the HWC Zone. The decision was subsequently appealed to the

City Council. The Council upheld the appeal on May 11, 2021 referring the matter back to staff, requesting staff return to the Council with a more comprehensive zoning text amendment addressing short-term rental regulations in commercial zones that permit hotels and motels.

Nonconforming Uses, Structures and Lots (Code Section 10-2-5)

The four existing multi-family residential units are legal uses within the HWC. These units are defined in subsection (B)1(b) of PZC 10-2-5, the City's *Nonconforming Uses, Structures and Lots* regulations, as a compatible nonconforming use within the HWC, in that they are residential uses and structures located in other than a residential zones. Per Code Section 10-2-5, compatible uses are generally not detrimental to the zone in which they are located.

The intent and purpose of the Nonconforming Uses, Structures and Lots code section is to declare uses, structures and lots that legally existed on the effective date of the Zoning Code, January 8, 1991, as nonconforming uses, structures and lots; and, to encourage those uses that that are incompatible into conformity within a reasonable period of time.

ANALYSIS

Highway Commercial Zone District (HWC)

Residential uses like the Applicants' single floor buildings do exist with the HWC. It is estimated that there are 51 known existing residential units within the HWC, 45 of which are located in the eastern portion of the HWC. These units provide a valuable, affordable, long-term housing opportunity for the community with proximity to shops, restaurants, employment sources, transit, and that they contribute to the mixed-use vibrancy of the U.S. 50 commercial corridor. Further, the HWC permits new residential dwelling uses when they are created above or below the ground floor, utilizing a mixed use development concept.

As provided above, the stated purpose of the HWC land use designation and zone classification is to provide for freeway-oriented uses and the development of highway commercial facilities such as fast-food restaurants, gas stations and other uses which are necessary and convenient to the traveling public. The HWC land use designation and zone classification permits hotel and motel uses. Hotel or motel lodging is a freeway-oriented use considered necessary and convenient to those traveling U.S. 50.

The City's General Plan governs the direction of future land use in the City. When the City established the HWC land use designation and land use map as part of the adoption of the 1990 General Plan, and the subsequent creation of the HWC Zone and Zoning Map in 1991 when the Zoning Ordinance was comprehensively updated to implement the 1990 General Plan, those existing nonconforming uses at the time of adoption were anticipated to eventually change over time to the General Plan directed highway-oriented uses that are consistent with the HWC's purpose and intent.

It is the opinion of staff that short-term rentals are similar to a hotel or motel. Short-term rentals are lodging facilities and considered a commercial use. A hotel or motel comprise six

units or more, and may or may not include kitchen facilities within the individual units. A short-term rental may include one to five units and each unit must have its own kitchen facility and must be a legal dwelling unit meeting the building code.

Central Business Zone District (CBD)

As provided in the HWC Zone, the CBD Zone also permits hotel and motel uses by right. Per Zoning Code definition a hotel or motel use must have six or more rental units, with or without providing meals for guests. The aforementioned applicant applied to convert an existing apartment located within the CBD to operate one transient rental unit (30 days or less occupancy). However, this single rental unit proposed would not meet the Code definition of a hotel or motel. Therefore the CBD Zone regulation would not permit the use.

It is estimated that there are 15 to 20 existing residential units within the CBD. They provide a valuable, affordable, long-term housing opportunity for the community with proximity to shops, restaurants, and employment sources, and that they contribute to the mixed-use vibrancy of the downtown.

Short-term rentals are currently permitted within the CBD zone in accordance with the Planning Commission's approval of Resolution No. 2021-01 allowing for staff approval of a special temporary use permit authorizing a short-term rental. However, the requirements and operational standards were not clearly established. The proposed Zoning Ordinance text amendments would eliminate the special temporary use permit application to be replaced by the more comprehensively defined Short-Term Rental application.

Commercial Zone District (C)

Per direction by the City Council, staff is recommending amendments to the Zoning Code to allow for short-term rentals within all commercial zones that permit hotels and motels by right. This also includes the Commercial Zone District. The purpose of the Commercial Zone to provide for development of commercial facilities to create conditions conducive to a convenient and desirable environment with retail, services, entertainment and other light commercial activities to serve the residents of the community. The permitting of short-term rentals within the Commercial Zone would meet the intent of the District.

Conclusion

Short-term rental use for transient accommodation within the CBD, C, and HWC Zone Districts may be considered commercial lodging facilities, but not defined as a hotel or motel use as currently defined by the Zoning Code. Short-term rentals are similar to the transient nature of an accommodation provided in a hotel or motel use, albeit at a reduced unit scale (five or less individual units). Close regulation of this type of lodging facility requires more defined regulation since these facilities typically do not have on-site management and can become a nuisance if inconsiderate guests "run amok." The permitting process through the recommended Short-Term Rental (STR) Permit will allow for a more clear set of operational standards. An annual renewal process will also allow for a review of the facility annually and non-renewal of a short-term rental determined to be a nuisance to the community.

ENVIRONMENTAL REVIEW

10.1

Conversion of an existing structure from one use to another when the new use is consistent with the current zoning and General Plan land use designation of the site is generally an action that would qualify as a Class 3 categorical exemption pursuant to Guideline 15303 of the California Environmental Quality Act (Conversion of an Existing Structure from One Use to Another).

Any new construction would require approval of a site plan review application by the Planning Commission requiring site specific environmental review.

RECOMMENDATION

Staff recommends the Commission consider the request, staff's report, as well all public comment in the public record; and make recommendation to the City Council to amend the Title 10 of the City Code (Zoning Ordinance) that would add short-term rental uses within the Central Business District (CBD), the Commercial Zone District (C), and the Highway Commercial Zone District (HWC) subject to approval and issuance of a Short-Term Rental Permit.

Attachments:

- A. Draft Ordinance
- B. Resolution of Intent No. 8530
- C. Zoning Map Exhibits

Attachment A
Draft Ordinance

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AMENDING TITLE 10 (ZONING ORDINANCE) OF THE CITY OF PLACERVILLE
MUNICIPAL CODE ADDING DEFINITIONS, REGULATIONS, AND PROCEDURES
TO ALLOW FOR THE ESTABLISHMENT OF SHORT-TERM RENTALS WITHIN
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AND THE HIGHWAY COMMERCIAL (HWC) ZONE DISTRICT**

WHEREAS, Resolution No. 5133 (General Plan) was adopted by the City Council on January 23, 1990; and

WHEREAS, Ordinance No. 1474 (Zoning Ordinance) was adopted by the City Council on January 8, 1991, and became effective February 7, 1991; and

WHEREAS, the commercial use of residential dwelling units on an overnight transient basis of less than 30 days occupancy is currently a violation of the uses allowed in all zoning districts in the City of Placerville, unless specifically stated otherwise in Title 10 of the Placerville City Code; and

WHEREAS, the commercial use of residential dwelling units on an overnight transient basis of less than 30 days occupancy is a commercial activity often incompatible with maintaining the residential ambiance of the neighborhood in which they may be located and may create adverse impacts on surrounding residential uses, including but not limited to, increased demand for public services resulting from higher densities, impacts from noise generation, increased visitor traffic and parking, and the potential loss of needed available housing stock for City residents; and

WHEREAS, the purpose and intent of the Central Business District, the Commercial Zone District, and the Highway Commercial Zone Districts are to provide for commercial uses that serve the general public, including lodging facilities that allow for the establishment of hotels and motels which are permitted by-right in each of the affirmations zone districts; and

WHEREAS, the City has received requests from property owners to allow for the use of residences that are located within the CBD and HWC Zone Districts; and

WHEREAS, short-term rentals are considered commercial lodging facilities similar to a hotel or motel and are considered an appropriate and compatible use within the CBD, C, and HWC Zone Districts; and

WHEREAS, on June 17, 2017 the City Council adopted Resolution No. 8530 (ROI 17-03) establishing the City's intent to initiate amendments to the Zoning Ordinance regarding definitions of types of lodging facilities including the regulation of short-term rentals in commercial; and

WHEREAS, the request is categorically exempt from environmental review pursuant to Section 15303 of the California Environmental Quality Act Guidelines, (Conversion of an existing structure from one use to another); and

WHEREAS, this ordinance is exempt from environmental review per Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines under the general rule that CEQA only applies to projects which have the potential for causing a significant effect on the environment. Because there is no possibility that the proposed ordinance may have a significant effect on the environment, this project is exempt from CEQA.

WHEREAS, the City Council finds and determines that the regulation of short-term rentals in accordance with the ordinance is a matter of City-wide importance and necessary for the preservation and protection of the public peace, health, safety, and welfare of the community and is a valid exercise of City's police power and in accord with the public purposes.

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

SECTION 1. Purpose and Authority.

The purpose of this ordinance is to amend Title 10, of the City of Placerville Municipal Code to allow for the definition, regulations, and procedures for the establishment of short-term rentals in the CBD, C, and HWC Zone Districts while protecting the public health and safety, and welfare; and providing for additional commercial lodging facilities for the traveling public.

SECTION 2. Findings:

1. A short-term or "vacation rental" is defined as a single dwelling unit or aggregate of dwelling units of not more than five units in total where each unit comprises one or more rooms, providing complete living facilities for one or more persons, with permanent provisions for living, sleeping, eating, cooking and sanitation, which may be rented for transient occupancy for periods of thirty (30) or fewer consecutive nights.
2. In order to process the establishment of the short-term rental as a permitted use within the CBD, C, and HWC Zones, short-term rental uses within these Zone Districts are deemed to be within the intent and purpose of these commercial zone districts which allow for commercial lodging facilities such as hotels and motels by-right under City Code Sections 10-5-14(B)4, 10-5-15(B)4, and 10-5-17(B)3 respectively.
3. A short-term rental use is similar to other transient lodging defined under Section 10-1-4 of the Zoning Ordinance, such as a rooming or boarding house, motel or hotel.
4. That the amendments to Title 10 of the Placerville City Code are categorically exempt from environmental review per Section 15061(b) (3) of the California Environmental Quality Act (CEQA) Guidelines under the general rule that CEQA only applies to projects which have the potential for causing a significant effect on the environment; when 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.
5. That the public necessity, convenience, and general welfare require the adoption of the proposed amendments, in that, the proposed zoning ordinance amendments are necessary for the City to allow for short-term rentals in the CBD, C, and HWC providing the owners of properties containing residential units located within the stated commercial zone districts

the option of engaging in commercial lodging activities and promoting the conversion of legal nonconforming residential uses to a compatible commercial use.

SECTION 3. Action: Make the following modifications to Title 10, Placerville Zoning Ordinance as follows: (Additions and deletions are shown as underline and ~~strikeout~~)

10-1-4: DEFINITIONS is amended as follows:

COMMERCIAL LODGING FACILITIES: Establishments primarily engaged in the provision of commercial lodging on a transient basis (30 days or less) to the general public. Lodging may include the incidental provision of food, drink, sales, and services for the convenience of overnight guests. Types of lodging are further defined as follows:

BED AND BREAKFAST ESTABLISHMENTS. Any residence that provides guest rooms, without individual kitchens, for paying guests, as a transient lodging facility, where the owner(s) resides on-site. Bed and Breakfast Establishments shall be established subject to a conditional use permit in conformance the Section 10-4-11.

HOTEL OR MOTEL. Building or group of buildings containing six (6) or more rental units with or without meals provided for paying the guests and having on-site management.

SHORT-TERM RENTALS. A single-family residence, duplex, triplex, fourplex, or 5 unit building, or group of buildings that in aggregate contain no more than five (5) rental units, each unit containing accommodations for sleeping, sanitation, eating, and a full kitchen, meeting the requirements of the California Building Code, for paying guests, and are operated with or without on-site management.

10-4-7: SPECIAL TEMPORARY USE PERMITS – Subsection (A)9 is deleted as follows:

~~(A)9. Short-Term Rental in the CBD Zone (PC Res. 2021-01, 6 Apr 2021)~~

10-4-20: Short-Term Rentals is added as follows:

(A) Purpose: The purpose of this section is to provide for the establishment of short-term rental facilities in certain commercial zones and to set forth criteria and regulations of those short-term rentals units.

(B) Applicability of Regulations: The provisions of this Section shall apply to all parcels that are zoned CBD, C, and HWC.

(C) Permitted Use: Short-term rentals as defined in Section 10-4-1 are a permitted use in the specified commercial zone districts as commercial lodging facilities that is consistent with the City's General Plan, the specific zone district on which the short-term rental facility is to be located, and this Section, subject to issuance of a short-term rental (STR) permit.

(D) Permit Required:

1. An application for a short-term rental (STR) shall be filed with the Development Services Department and shall be processed in accordance with Section 10-4-7 and shall be renewed annually.
2. The application for the STR permit shall be submitted on forms provided by the Development Services Department and shall, but not be limited to, the following:
 - (a) A site location map.
 - (b) A site plan drawn to scale showing the property boundaries, all structures labeled as to their use and dimensions, and parking areas showing the number of spaces provided with dimensions.
 - (c) A floor plan of all buildings to serve as a short-term rental with all rooms labeled as to their use.
3. Short-term rental permits shall only be issued to the owner(s) of the property and shall not be transferable.

(E) Development and Operational Standards:

1. A City business license is required in accordance with City Code Section 5-1-4.
2. The name and phone number of a responsible person shall be posted.
3. Payment of Transient Occupancy Tax shall be paid in accordance with Code Title 5, Chapter 16.
4. Maximum Occupancy and Parking. Occupancy of the short-term rental shall be limited by (1) the number of paved parking spaces on the short-term rental property as shown in Table One of this Subsection, and (2) the number of bedrooms in the property as shown in Table Two of this subsection, whichever is the lesser. For purposes of this Subsection, occupancy shall be calculated by the number of persons present at the vacation home rental property at any given time. Properties with multiple units shall be calculated in the aggregate.

| <u>Table One (1). Number of Paved Parking Spaces Establishing Maximum Occupancy</u> | |
|---|--------------------------|
| <u>Number of parking Spaces</u> | <u>Maximum Occupancy</u> |
| <u>1</u> | <u>4</u> |
| <u>2</u> | <u>8</u> |
| <u>3</u> | <u>12</u> |
| <u>4</u> | <u>16</u> |
| <u>5</u> | <u>20</u> |

| <u>Table Two (2). Number of Bedrooms Establishing Maximum Occupancy</u> | |
|---|--------------------------|
| <u>Number of bedrooms</u> | <u>Maximum Occupancy</u> |
| <u>Studio</u> | <u>4</u> |
| <u>1</u> | <u>6</u> |
| <u>2</u> | <u>8</u> |

| | |
|----------|-----------|
| <u>3</u> | <u>10</u> |
| <u>4</u> | <u>12</u> |
| <u>5</u> | <u>14</u> |

Where the maximum occupancy for a short-term rental is based upon the number of bedrooms, occupancy of a short-term rental with more than one bedroom shall be calculated by multiplying the number of bedrooms by two and adding four.

Maximum occupancy of a short-term rental located within the CBD Zone shall be in accordance with Table 2 only. New construction shall be in accordance with Code Sections 10-4-4 and 10-4-5.

5. New Construction: New construction shall be subject to all applicable development standards of the zone district and approval of a site plan review application by the Planning Commission in accordance with City Code Section 10-4-9, and this Section.
 6. The maximum occupancy of each short-term rental shall be clearly posted within the unit.
 7. All marketing and advertising of the short-term rental shall include the short-term rental permit number issued by the City.
 8. Noise. Excessive noise shall be prohibited between the hours of 10:00 p.m. and 8:00 a.m.
 9. Record Keeping. Records of every night for which the short-term rental is rented, including the name and contact information of the occupant who has arranged to rent the unit(s), the rental rate, the number of occupants per night, and the number of vehicles, shall be maintained for a minimum period of three years before such records are discarded or otherwise destroyed. Such records shall be made available to the City within fifteen (15) business days upon written request from the City.
- (F) Enforcement. Any use or condition caused or permitted to exist in violation of any provision of the City Code or the STR permit shall be and hereby is declared a public nuisance and may be summarily abated by the City pursuant to Code of Civil Procedure Section 731, City Code Sections 10-10-3-8, 10-3-9, and 10-3-10, or any other remedy available to the City.
- (G) Revocation. A short-term rental permit issued under the terms of this Section shall be revoked by the Development Services Director at any time if he or she concludes that the permit has expired, not current on TOT taxes, found to be in violation of permit conditions, or found to be a nuisance to the community.

(H) No Property Rights Conferred. Short-term rental permits shall not be construed as providing property rights or vested interests and entitlements in continued operation of a short-term rental. Short-term rental permits are revocable licenses which expire annually. Short-term rental permits shall not run with the land.

10-5-14: CBD, CENTRAL BUSINESS DISTRICT ZONE is amended as follows:

(B) Permitted Uses:

10. Short-term rentals, subject to issuance of a STR permit in accordance with Code Section 10-4-20, and shall be subject to annual renewal and approval by the Development Services Director.

10-5-15: C, COMMERCIAL ZONE is amended as follows:

(B) Permitted Uses:

13. Short-term rentals, subject to issuance of a STR permit in accordance with Code Section 10-4-20, and shall be subject to annual renewal and approval by the Development Services Director.

10-5-17: HWC, HIGHWAY COMMERCIAL ZONE is amended as follows:

(B) Permitted Uses:

5. Short-term rentals, subject to issuance of a STR permit in accordance with Code Section 10-4-20, and shall be subject to annual renewal and approval by the Development Services Director.

SECTION 4. Effective Date.

This ordinance shall become effective on and after the thirtieth (30th) day following adoption.

INTRODUCED on _____, 2022, and **PASSED AND ADOPTED** on _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSED:

Mayor Kara Taylor

ATTEST:

Regina O'Connell, City Clerk

Attachment B

Resolution of Intent No. 8530

RESOLUTION NO. 8530

**A RESOLUTION OF INTENTION (ROI 17-03) OF THE CITY COUNCIL OF
THE CITY OF PLACERVILLE TO INITIATE AMENDMENTS TO CITY
CODE TITLE 10, ZONING ORDINANCE, REGARDING DEFINITIONS OF
TYPES OF LODGING FACILITIES INCLUDING THE REGULATION OF
SHORT-TERM RENTALS**

WHEREAS, the commercial use of residential dwelling units on an overnight transient basis of less than 30 days occupancy is currently a violation of the uses allowed in all zoning districts in the City of Placerville, unless specifically stated otherwise in Title 10 of the Placerville City Code; and

WHEREAS, the commercial use of residential dwelling units on an overnight transient basis of less than 30 days occupancy is a commercial activity often incompatible with maintaining the residential ambiance of the neighborhood in which they may be located; and

WHEREAS, the commercial use of residential dwelling units on an overnight transient basis of less than 30 days occupancy may create adverse impacts on surrounding residential uses, including but not limited to, increased demand for public services resulting from higher densities, impacts from noise generation, increased visitor traffic and parking, and the potential loss of needed available housing stock for City residents.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Placerville hereby establishes the City's intent to initiate amendments to the City Code, Zoning Ordinance, regarding definitions of types of lodging facilities including the regulation of short-term rentals.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on June 27, 2017, by Councilmember Acuna who moved its adoption. The motion was seconded by Mayor Clerici.

The motion was passed by the following vote:

| | |
|----------|--|
| AYES: | Acuna, Borelli, Clerici, Thomas, Wilkins |
| NOES: | None |
| ABSENT: | None |
| ABSTAIN: | None |


Mayor John Clerici

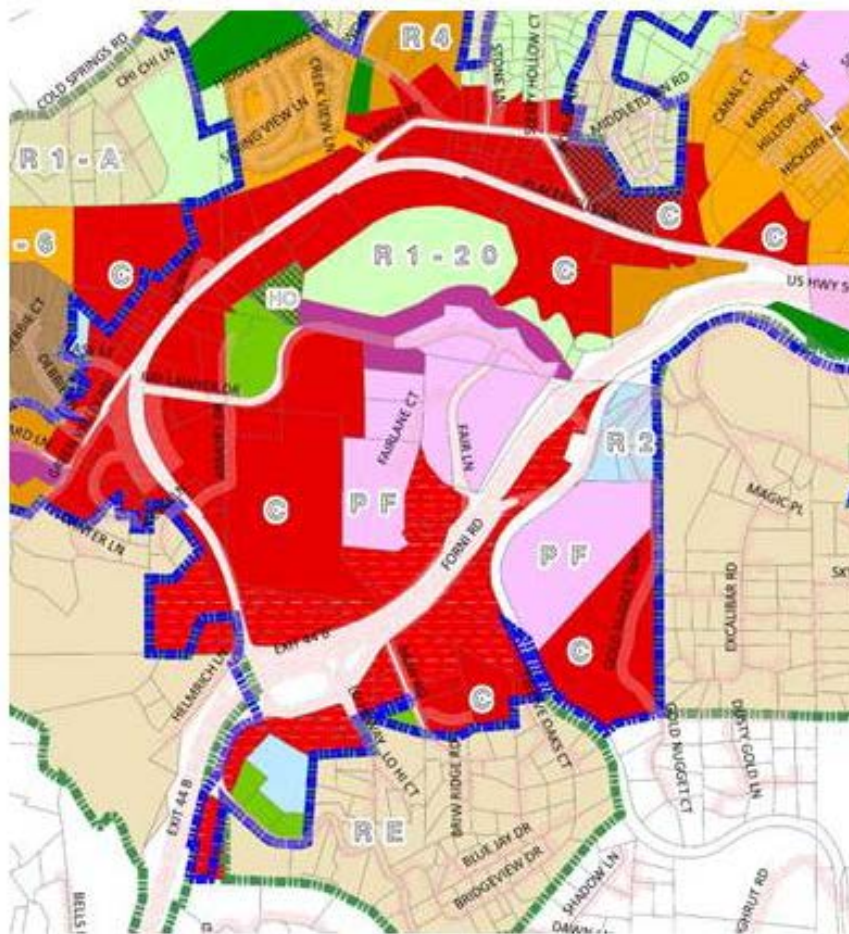
ATTEST:


Regina O'Connell, City Clerk

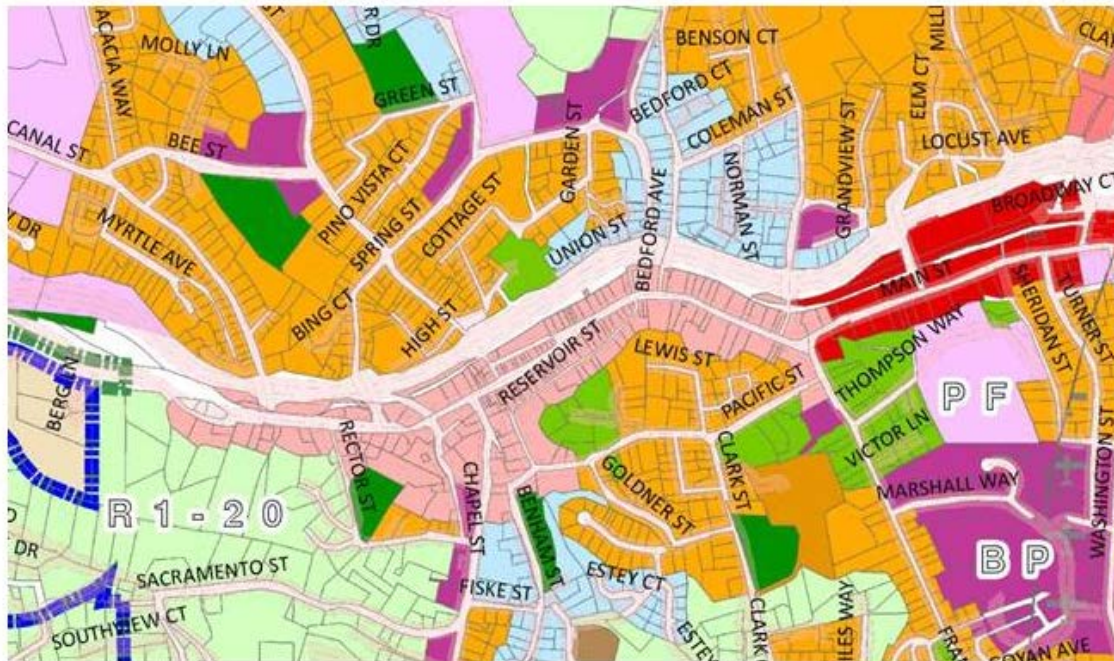
Attachment C

Map Exhibits

Map Exhibit C – 1



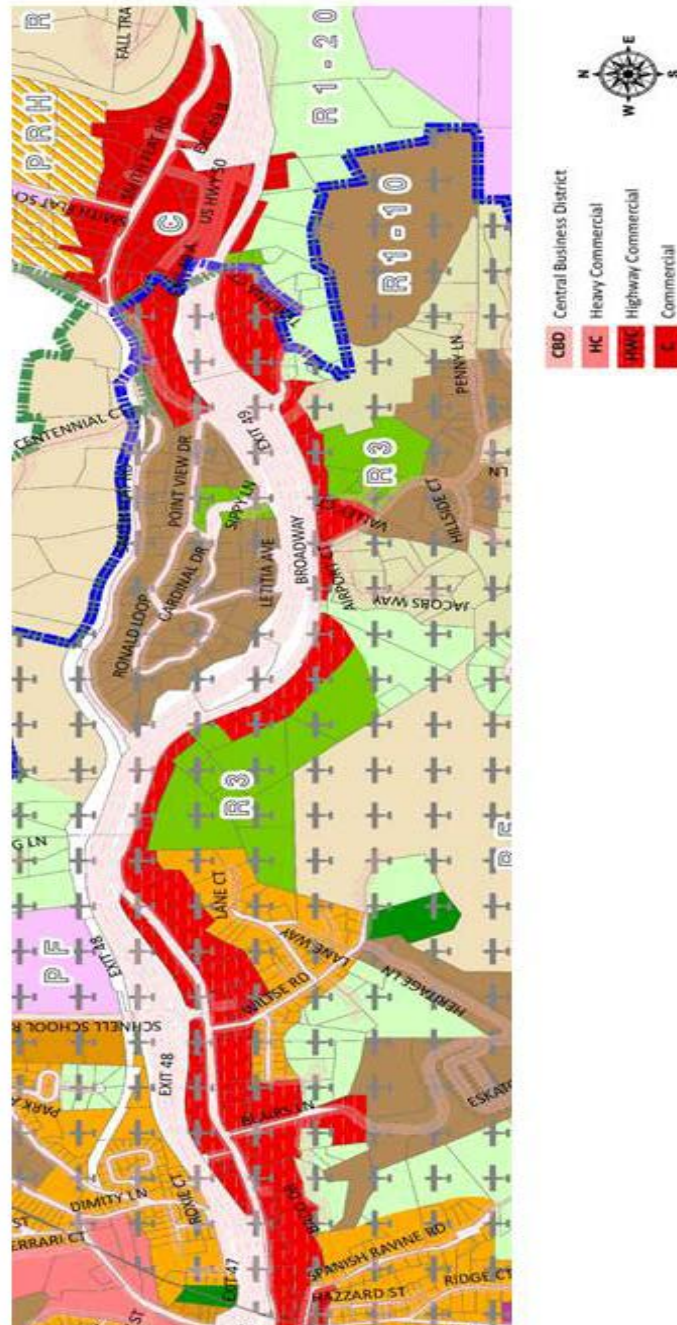
Map Exhibit C – 2



- CBD Central Business District
- HC Heavy Commercial
- HWC Highway Commercial
- C Commercial



Map Exhibit C – 3



Attachment C

Ordinance No. 1667 – Employee Housing