

RESOLUTION NO. 19-077

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROVING A SHORT-TERM RENTAL PERMIT FEE SCHEDULE, NUMERIC LIMITS TO
SHORT-TERM RENTAL PERMITS, VIOLATION ENFORCEMENT POLICY AND ANNUAL
MONITORING POLICY

(Short-Term Rental Permit Policies)

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, on June 5, 2019 the City Council held a duly noticed public hearing at the adjourned June 4, 2019 regular City Council meeting to consider a recommendation from the Planning Commission and heard public testimony on the proposed Short-Term Rental Permit Ordinance and introduced an ordinance for first reading by title only; and

WHEREAS, on June 18, 2019 the City Council did not introduce the ordinance for second reading, but rather referred the ordinance back to staff to prepare a modified version of the Short-Term Rental Task Force's recommended ordinance; and

WHEREAS, on July 16, 2019 the City Council held a duly noticed public hearing to consider a revised Short-Term Rental Ordinance and Processing Procedures along with a recommendation from the Planning Commission and the Short-Term Rental Task Force; and,

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

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

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

a. Short-Term Rental Permit Fee (3-year term) of:

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

b. Short-Term Rental Inspection Fee will be charged based on staff time incurred.

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

Section 4. This resolution shall take effect immediately.

APPROVED this 16th day of July 2019, by the following vote:

AYES: Strong, Garcia, Martin

NOES:

ABSENT:

ABSTAIN: Gregory, Hamon

ATTEST:

Caryn Jackson, Deputy City Clerk

Steven W. Martin, Mayor

Exhibit A
Short-Term Rental Permit Processing, Numeric Limits, Administrative Citation Fine, Violation Enforcement Policy and Annual Monitoring Policy

1. Short-Term Rental Permit Numeric Limits

Zoning District	Maximum Non-Hosted Accommodation Permits	Homeshare Permits
R-1 – Single-Family Residential	75 permits	No limit
All other zones	250 permits	No limit
Total all zones	325 permits	No limit

2. Short-Term Rental Permit Processing Procedure

- a) On the effective date of the ordinance, the City shall stop accepting and issuing Short-Term Rental Business Licenses without proof of a valid Short-Term Rental Permit issued to the applicant.
- b) On the effective date of the ordinance, Short-Term Rental Permit applications will be accepted only from owners in possession of an existing, valid Short-Term Rental Business License whose business license application was submitted to the City on or July 16, 2019. To be considered for the initial issuance of permits, Short-Term Rental Permit applications from owners in possession of an existing, valid Short-Term Rental Business License, whose business license application was submitted to the City on or before July 16, 2019, must be submitted within 30 days of the effective date of the ordinance. Short-Term Rental Permits will be issued to all valid business license holder with complete application as follows:
 - i. Short-term rental permits submitted in the first 30-days as specified above will not be restricted by numeric caps within a zone or on an individual lot.
- c) Short-term rental operators that complied with the provisions in Section b above, may continue to operate until a Short-Term Rental Permit is issued or denied by the City. If a permit is denied and an appeal is filed, the short-term rental may operate until the appeal process is exhausted.
- d) Starting 30 days after the effective date of the ordinance, no additional Short-Term Rental Permit applications will be accepted by the City.
- e) All Short-term rentals with a valid business license may operate without restrictions to the morning after August 1, 2019.
- f) Effective September 6, 2019, business licenses for short-term rentals will only be renewed if a Short-Term Rental Permit has been issued for the business.
- g) Starting 90 days after the effective date of the ordinance, Short-Term Rental Permit applications may be accepted, with permits to be issued to eligible applicants on a first-come basis consistent with the numeric permit limits established by the City Council in this Resolution, as well as the density and separation requirements of Chapter 21.34 of the Paso Robles Municipal Code.
- h) In the event the City is unable to issue a permit solely due to the numerical limits established herein, the City will develop and maintain a permit availability list and may place applicants on the list. If a permit becomes available, the City will notify the applicant by US Mail who has been on the permit availability list the longest and allow him or her a reasonable time to provide the City with any information necessary to ensure the application is current and otherwise complies with the ordinance. If the applicant fails to respond and/or provide current information within 30 days, the City shall remove the applicant from the permit availability list and repeat the process until a permit has been issued or all of the applicants on the permit availability list have been notified.

3. Short-term Rental Violations - Administrative Fine Policy

The City Council shall make amendments to the Paso Robles Municipal Code to provide for the following Fine Policy:

- a) A fine not exceeding five hundred (\$500) dollars for a first violation;
- b) A fine not exceeding seven hundred and fifty (\$750) dollars for a second violation of ordinance or permit within one year from the date of the first violation;
- c) A fine not exceeding one thousand (\$1000) dollars for each additional violation of ordinance or permit within one year from the date of the first violation.

4. Short-term Rental Ordinance Monitoring

The City Council shall conduct an annual review of the Short-Term Rental Ordinance prior which will include the following items:

- a) Review of attrition rate of Short-Term Rental Permits in the R-1 zone.
- b) Review of Short-Term Rental Permit concentration in R-1 zones.
- c) Review the number of "in-active" Short-Term Rental Permits.