

Appendix B

Revised Vacation Rental Ordinances

ORDINANCE NO. ____

**AN ORDINANCE OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA,
AMENDING SECTION 7.02.060 AND ADDING CHAPTER 7.120 TO THE MONTEREY
COUNTY CODE RELATING TO VACATION RENTAL ACTIVITIES**

County Counsel Summary

This ordinance amends Section 7.02.060 and adds Chapter 7.120 to the Monterey County Code to regulate the short-term vacation rental of residential property. This ordinance aims to strike a balance, allowing residents of unincorporated Monterey County to benefit from the tourism economy, while also ensuring that residential neighborhoods are protected from the potential negative social and behavioral impacts of short-term vacation rentals. This ordinance requires a business license and a vacation rental operation license for any short-term vacation rental operations in the unincorporated Monterey County. This ordinance further requires that short-term vacation rentals meet certain operational requirements and safety and health standards. This ordinance details the vacation rental operation license application requirements, the criteria for granting the license, and the fees. This ordinance also includes requirements that online short-term vacation rental platforms are required to satisfy to ensure unlicensed short-term vacation rentals are not advertised or rented. Lastly, this ordinance contains the process for revocation and enforcement against short-term vacation rental operations that are violating their licenses.

The Board of Supervisors of the County of Monterey ordains as follows:

SECTION 1. Findings and Declarations

A. Pursuant to Article XI, Section 7 of the California Constitution, the County of Monterey (“County”) may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its residents.

B. If not properly regulated, short-term vacation rental operations have the potential to be a nuisance and disrupt the sense of safety, security, and peaceful enjoyment of residences in residential neighborhoods.

C. Tourism is a top economic driver of the regional economy, and Monterey County is recognized globally as a premier tourist destination. To help safeguard the reputation of Monterey County and the economic benefits tourism provides the region, regulations and standards for the operation of short-term vacation rentals are necessary to protect the health, safety, and welfare of visitors staying in short-term vacation rental accommodations and residents of Monterey County.

D. Regulation of short-term vacation rentals is necessary because they potentially could create impacts that are different than residential uses, including but not limited to: different

character, density, and intensity than residential uses; removal of long-term housing from the market; and hazards to the public health, safety and general welfare in areas known to have infrastructure limitations.

E. This Ordinance aims to strike a balance, allowing residents of unincorporated Monterey County to benefit from the tourism economy while also ensuring that residential neighborhoods are protected from the potential negative social and behavioral impacts of short-term vacation rentals.

F. This Ordinance requires licenses for any short-term vacation rental operations in the unincorporated Monterey County, and requires that short-term vacation rentals meet certain operational requirements and safety and health standards. This Ordinance details the vacation rental operation license application requirements, the criteria for granting the license, and the fees. Lastly, this Ordinance contains the process for revocation and enforcement against short-term vacation rental operations that are violating their licenses.

G. This Ordinance recognizes that unique neighborhoods with existing developments were established with the intent of managed short-term rentals, such as Monterey Dunes Colony and these developments are exempt from the regulations set forth in this Ordinance. Such developments are not exempt from compliance with Chapter 5.40, requiring payment of transient occupancy tax, and Chapter 7.02, requiring a business license.

H. The County of Monterey has reviewed the Final Environmental Impact Report (“EIR”) for the project, which consists of the Draft EIR and the responses to comments on the Draft EIR. The County has exercised independent judgment in accordance with Public Resources Code section 21082.1(c)(3) in retaining its own environmental consultant in the preparation of the EIR, as well as reviewing, analyzing, and revising material prepared by the consultant. Having received, reviewed, and considered the information in the Final EIR, as well as all other information in the record, the County hereby makes findings pursuant to and in accordance with Public Resources Code sections 21081, 21081.5, and 21081.6. In accordance with California Environmental Quality Act (“CEQA”) and the CEQA Guidelines, the County agrees that no findings of fact is required because no impacts were identified with the implementation of this Ordinance. The Final EIR for the Vacation Rental Ordinances project (SCH # 2022080643) has been completed and certified in compliance with CEQA prior to the adoption of this Ordinance and reflects the independent judgment and analysis of the County.

SECTION 2. Subsection (B) is added to Section 7.02.060 of the Monterey County Code to read as follows:

B. All Hotels, as defined by Section 5.40.020(A) of the Monterey County Code, as may be amended from time to time;

SECTION 3. Subsection (C) is added to Section 7.02.060 of the Monterey County Code to read as follows:

C. All Commercial Vacation Rentals and Limited Vacation Rentals as defined respectively by Section 7.120.010(E) and (L) of the Monterey County Code, as may be amended from time to time.

SECTION 4. Chapter 7.120 is added to the Monterey County Code to read as follows:

Chapter 7.120
VACATION RENTAL OPERATION LICENSE

Sections:

- 7.120.010 Purpose.**
- 7.120.020 Definitions.**
- 7.120.030 Applicability.**
- 7.120.040 Regulations for Vacation Rentals.**
- 7.120.050 Regulations for Limited Vacation Rentals.**
- 7.120.060 Regulations for Commercial Vacation Rentals.**
- 7.120.070 Regulations for Hosting Platforms.**
- 7.120.080 License Application Process.**
- 7.120.090 Criteria for Grant of License.**
- 7.120.100 License Renewal Process and Grounds for Denial.**
- 7.120.110 Fees.**
- 7.120.120 Grounds for Revocation.**
- 7.120.130 Process for Hearing by Hearing Officer.**
- 7.120.140 Service Requirements.**
- 7.120.150 Enforcement.**

7.120.010 Purpose.

A. The purpose of this Chapter, includes but is not limited to the following:

1. Ensure that vacation rentals are operated in a manner that complies with all rules and regulations, and are not detrimental to the health, safety, and welfare of residential neighborhoods in which vacation rentals are operating.
2. Preserve and enhance the residential character of the zoning districts established in Titles 20 and 21 of the Monterey County Code.
3. Preserve the sense of security and safety in stable neighborhoods of owner-occupied residences.
4. Integrate economic opportunity with the preservation of quality of life.

B. This Chapter seeks to restrict the following inharmonious and injurious outcomes associated with unregulated and uncontrolled residential vacation rentals, including but not limited to:

1. Public nuisances such as litter, parking congestion, and noise.
2. Risk to economic well-being associated with the reputation of Monterey County as a premier tourism destination.

7.120.020 Definitions.

Except as otherwise defined or where the context otherwise indicates, the following words shall have the following meaning in this Chapter:

A. “Advertised Rental Rate” means the advertised nightly rate multiplied by the minimum number of nights required to rent the dwelling or part of the dwelling. The Advertised Rental Rate shall not include deposits or ancillary fees.

B. “Appropriate Authority” means the County of Monterey Housing and Community Development Department Director or their designee.

C. “Bedroom” means any habitable room of a dwelling unit which is: 1) 70 square feet or greater in size for the first individual in the room and 50 square feet of space for each additional individual in the room; 2) has an exterior door or window for egress meeting Health and Safety Code standards at the time the dwelling was constructed; and 3) has a closing door that separates the room from other areas of the dwelling. The following shall not be considered a bedroom: Any interior room that must be passed through to access another bedroom; a hallway; bathroom; kitchen; living room; dining room; family room; breakfast nook; pantry; laundry room; or closet/dressing room opening off a bedroom.

D. “Booking Service” means any reservation and/or payment service provided by a Person who facilitates Vacation Rental transactions between the Operator and the Occupant for which the Hosting Platform collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation and/or payment service provided for the transaction.

E. “Commercial Vacation Rental” means a Vacation Rental that is Non-hosted and rented for more than three times per 12-month period or Hosted and rented for an unlimited number of times per 12-month period.

F. “County” means County of Monterey.

G. “Effective Date” means the date on which the ordinance adding this Chapter 7.120 to the Monterey County Code took effect.

H. "Hearing Officer" means a person appointed by the County to conduct an administrative hearing under this Chapter. The appointed Hearing Officer shall be an impartial decision-maker selected by a process that eliminates risk of bias, such as:

1. An administrative law judge provided by the State of California Office of Administrative Hearings to function as the County Hearing Officer pursuant to Chapter 14 of Part 3 of Division 2 of Title 3 of the California Government Code;

2. A person selected randomly from a panel of attorneys willing to serve as a Hearing Officer; or

3. An independent contractor assigned by an organization or entity which provides hearing officers.

I. “Hosted” means a Vacation Rental in which the Operator occupies at least one Bedroom within the Vacation Rental while it is being rented as a Vacation Rental.

J. “Hosting Platform” means a Person who advertises Vacation Rentals through an agent or intermediary that conducts a Booking Service transaction using any medium of facilitation.

K. “License” means a Vacation Rental Operation License issued by the County to an Operator to operate a Vacation Rental under this Chapter.

L. “Limited Vacation Rental” means a Vacation Rental that is Non-hosted and rented for not more than three times per 12-month period, or Hosted and rented for an unlimited number of times per 12-month period.

M. “Non-hosted” means that an Operator does not occupy the Vacation Rental while it is being rented.

N. “Occupant” means a person who occupies a Vacation Rental by reason of concession, permit, rent, right of access, license, or other agreement for a period of 30 consecutive calendar days or less.

O. “Operator” means a person who operates the Vacation Rental and, if not the Owner, a person who has the legal permission of the Owner to operate the Vacation Rental on the subject real property.

P. “Owner” means the person or persons who hold fee title to the real property upon which a Vacation Rental is operated.

Q. “OWTS” means an onsite wastewater treatment system, also referred to as a septic system, as regulated by Chapter 15.20 of the Monterey County Code.

R. “Person” means any individual, corporation, partnership, firm, business or similar entity, public or private agency, municipality, city, state or federal agency.

S. “Property Manager” means the person who is designated by the Operator as being responsible for managing the Vacation Rental operation, and it may include the Owner, professional property manager, realtor, other resident, or nonresident owner of the subject property.

T. “Residential Property” means improved property, used or occupied, or intended to be used or occupied, for residential purposes.

U. “Single Family Dwelling” means a detached structure, including a mobilehome or manufactured dwelling unit, containing only one kitchen and used to house not more than one family.

V. “Vacation Rental” means the use, by any person, of Residential Property for transient lodging where the term of occupancy, possession, or tenancy of the property by the person entitled to such occupancy, possession, or tenancy for a period of 30 consecutive calendar days or fewer, counting portions of calendar days as full days. “Vacation Rental” includes Commercial Vacation Rentals and Limited Vacation Rentals. “Vacation Rental” does not include a bed and breakfast facility, hotel, motel, hostel, inn, roominghouse, boardinghouse, rooming or boarding.

W. “Visitor” means an invitee of a Vacation Rental Occupant, who is not an Occupant and not staying overnight at the Vacation Rental.

7.120.030 Applicability.

A. This Chapter shall apply in the unincorporated area of Monterey County.

B. The regulations set forth in this Chapter do not apply to unique neighborhoods with existing developments that were established with the intent of managed Vacation Rentals. The existing permitted unique neighborhoods with managed Vacation Rentals must operate according to the regulations and conditions approved through its original land use entitlement.

7.120.040 Regulations for Vacation Rentals.

A. The Operator who intends to operate a Vacation Rental shall obtain a License that is renewable annually for the fixed location and dwelling in which the Vacation Rental is to occur.

B. The Operator of the subject property must obtain all necessary land use entitlements as required by Section 20.64.290 or Section 21.64.290 of the Monterey County Code before the Operator commences the Vacation Rental operations.

C. The Operator shall register the Vacation Rental with the County and obtain a Transient Occupancy Tax Certificate in accordance with the provisions of Chapter 5.40 of the Monterey County Code.

D. The Operator shall obtain a business license from the County pursuant to Chapter 7.02 of the Monterey County Code before commencing the Vacation Rental use and must keep a valid business license throughout the Vacation Rental use.

E. Upon receipt of an approved License, the Operator shall mail an informational letter to neighboring properties within a 300-foot radius of the property; and if applicable, to all properties with ownership or access rights to any shared private road utilized to access the Vacation Rental. At a minimum, the informational letter shall include: License Number; location of the Vacation Rental; identification if the Vacation Rental is Limited or Commercial; name and contact information for the Property Manager; and procedures and contact information for the County.

F. Vacation Rentals are prohibited from housing any animal that creates a habitual nuisance, and shall comply with Chapter 8.36 of the Monterey County Code.

G. Vacation Rentals are prohibited at all times of day and night from making, assisting in making, allowing, creating, or causing to be made outside amplified sound. Vacation Rentals shall also comply with Chapter 10.60 of the Monterey County Code, specifically including adherence to nighttime noise and quiet time requirements set forth in Section 10.60.040.

H. Vacation Rentals shall not post signage or advertisement of the Vacation Rental on the exterior of the unit or property.

I. All Vacation Rentals must have a Property Manager who is available 24 hours per day, during all times that the property is rented as a Vacation Rental. The Property Manager must be able to respond to complaints and arrive at the site within 30 minutes. The Operator shall provide the name of the Property Manager and their contact information to the County prior to County issuance of the License and shall notify the County, in writing, of any change of Property Manager.

J. Vacation Rentals shall require a rental contract signed by the Operator and the Occupant, who is responsible for compliance with the contract. The rental contract shall be in writing and identify thereon the name, address, telephone number, and e-mail contact information of the Operator, the Property Manager, and at least one responsible Occupant who is 18 years or older who shall be responsible for compliance with all the regulations in this Chapter.

K. All rental contracts, advertisements, and listings for the Vacation Rental shall include all of the following:

1. License number for that particular Vacation Rental;

2. Maximum occupancy – overnight and daytime occupancy limits;
3. Notification of quiet hours; and
4. Advertised Rental Rate.

L. Vacation Rentals shall have a clearly visible and legible written notice posted within the unit in a prominent place within six feet of the front door of the unit and shall include all of the following information:

1. License number for that particular Vacation Rental;
2. Maximum occupancy – overnight and daytime occupancy limits;
3. Notification of quiet hours;
4. Advertised Rental Rate;
5. A copy of the business license;
6. A copy of their Transient Occupancy Tax Certificate;
7. The name and contact information of the Property Manager;
8. Notification that occupants may be cited and fined for creating amplified noise;
9. Notification to limit excessive water usage; and
10. Notification of evacuation routes in the event of an emergency, with a clear map detailing the routes.

M. The Operator shall maintain precise records and documentation of the Vacation Rental operation, that shall, at a minimum, make record of the following information for each Vacation Rental occupancy: name, address, telephone and e-mail contact of at least one responsible Occupant; number of Occupants; motor vehicle license number of each motor vehicle used by the Occupants of the site; and dates of the Vacation Rental. The County shall have the right to examine, monitor, and audit such records and documentation, which shall be made available to the County upon request. The Operator shall retain the written rental contracts and other records of all of the Vacation Rentals during the term of the License plus two years.

N. No Person, including but not limited to the Operator, shall maintain any advertisements of a Vacation Rental if the Vacation Rental is prohibited by this Chapter.

O. Vacation Rentals shall comply with Monterey County Code Chapter 10.41. All solid waste and recycling must be contained within appropriate receptacles with lids. Waste receptacles must be stored out of sight unless in conformity with neighborhood standards.

P. Vacation Rentals shall comply with Monterey County Code Chapter 15.04 and relevant state and federal law to demonstrate that they meet bacteriological and/or acute inorganic primary drinking water standards, to the satisfaction of the County, at the time of License issuance and prior to each annual renewal. The drinking water is presumed to meet water quality standards if the Vacation Rental provides evidence that it is served by a water system, as defined by California Health and Safety Code Section 116275, that has 200 or more service connections.

Q. If the Vacation Rental is found to be part of an unpermitted water system or if the Vacation Rental results in the need for a permit for a water system, the Operator must obtain a water system permit pursuant to Monterey County Code Chapter 15.04 before commencing the Vacation Rental use and must keep the water system permit in good standing throughout the Vacation Rental use.

R. If the Vacation Rental is served by OWTS, it must comply with Monterey County Code Chapter 15.20. Occupants shall be advised that excessive water use and/or disposal of unsuitable materials through a sink or toilet may negatively impact the OWTS. The rental contract shall include an OWTS disclosure notice and appropriate advisory signs shall be posted at the kitchen sink(s) and at each toilet in the unit.

S. Outdoor fire areas, including approved recreational fire containers and portable fireplace containers, shall be prohibited at all Vacation Rentals.

T. Vacation Rentals shall be allowed only in Residential Property and are prohibited in structures intended for temporary occupancy or non-habitable structures.

U. Vacation Rentals shall be allowed only in a Single Family Dwelling. Vacation Rentals are prohibited in all of the following structures: duplex dwellings; condominiums; multiple-family dwellings; accessory dwelling units; junior accessory dwelling units; guesthouses; structures intended for temporary occupancy; and in dwellings subject to a recorded governmental restriction, including, covenants or agreements for an affordable housing unit, agricultural employee unit, and farmworker housing.

V. If there is an active agricultural operation on the property, the Owner, Operator or Property Manager shall concurrently reside on the property while the Vacation Rental is rented.

7.120.050 Regulations for Limited Vacation Rentals.

A. Limited Vacation Rentals are an allowable use in designated zoning districts, pursuant to Titles 20 and 21 of the Monterey County Code, and shall meet all the requirements for Limited Vacation Rentals in Section 20.64.290 or Section 21.64.290.

- B. Limited Vacation Rentals are limited to only one rental contract at any given time.
- C. The maximum occupancy limits for Limited Vacation Rentals are as follows:
 - 1. The maximum number of overnight Occupants shall be calculated and limited to a not-to-exceed count of two persons per Bedroom and shall not exceed a total count of four persons per unit, no matter how many Bedrooms.
 - 2. The maximum daytime occupancy of Occupants and Visitors shall be calculated and limited to a not-to-exceed count of 1.5 times the maximum overnight occupancy and shall not exceed a total count of six persons per unit, no matter how many Bedrooms.
 - 3. If the Limited Vacation Rental intends to exceed the maximum occupancy limits of this Subsection, the Operator must obtain a Coastal Development Permit pursuant to Title 20 or a Use Permit pursuant to Title 21 of the Monterey County Code.

7.120.060 Regulations for Commercial Vacation Rentals.

- A. Commercial Vacation Rentals are an allowable use in designated zoning districts, pursuant to Titles 20 and 21 of the Monterey County Code, and shall meet all the requirements for Commercial Vacation Rentals in Section 20.64.290 or Section 21.64.290.
- B. Commercial Vacation Rentals are limited to only one rental contract at any given time.
- C. The maximum occupancy limits for Commercial Vacation Rentals are as follows:
 - 1. The maximum number of overnight Occupants shall be calculated and limited to a not-to-exceed count of two persons per Bedroom and shall not exceed a total count of ten persons per unit, no matter how many Bedrooms.
 - 2. The maximum daytime occupancy of Occupants and Visitors shall be calculated and limited to a not-to-exceed count of 1.5 times the maximum overnight occupancy and shall not exceed a total count of fifteen persons per unit, no matter how many Bedrooms.

7.120.070 Regulations for Hosting Platforms.

- A. The Hosting Platform shall require the Operator for each listing to include the License number in the advertisement on the Hosting Platform in unincorporated Monterey County.
- B. Within 30 days of the Effective Date, Hosting Platforms with listings shall provide the County with contact information for an employee or representative responsible for

responding to requests for information on behalf of the Hosting Platform, including requests related to possible violations of this Chapter.

C. All Hosting Platforms shall provide the following information in a notice to any user listing a Vacation Rental: Monterey County Code Chapter 7.120, Sections 20.64.290 and 21.64.290 regulate Vacation Rentals; violation of the Monterey County Code may result in penalties.

D. Subject to applicable laws, commencing three months after the Effective Date and no later than the fifteenth day of every month thereafter, the Hosting Platform shall provide in a form acceptable to the County each applicable Vacation Rental listing, the License number of each listing, the name of the Operator for each listing, the street address for each listing, and the length of stay for each listing within the reporting period.

E. The County shall, upon completion of a Hosting Platform review or the discovery of a potentially non-compliant listing, immediately provide notice to the Hosting Platform by electronic mail of all listings that do not have a valid License or are otherwise not in compliance with the Monterey County Code.

F. Hosting Platforms, within 10 calendar days of receiving notice from the County of non-compliant listings, shall remove those listings from their Hosting Platform.

7.120.080 License Application Process.

A. Each application for a License shall be submitted to the County in the manner prescribed by the Appropriate Authority.

B. In all cases, the application for a License for a Vacation Rental shall contain, without limitation, the following:

1. Owner, Operator, and/or Property Manager contact information, including name, address, telephone number, and e-mail address.

2. Plans drawn to scale and labeled, in the form and manner required by the Appropriate Authority, including but not limited to: site plans illustrating locations and dimensions of all property lines; rights-of-way; vehicular easements; edge of pavement; driveways; on-site parking areas and all structures; and floor plans showing all rooms, including windows and doors, with clear designation of which bedrooms are intended for rental. When applicable for Limited Vacation Rentals, the Operator must indicate on the floor plans which bedroom(s) the Operator will occupy when Hosted.

3. An operations plan including, at a minimum, the following information:

a. Indicate if it will be Hosted and/or Non-hosted and the number of Non-hosted rentals per calendar year;

- b. Safety and emergency plan, including a list of local emergency numbers and addresses for nearest fire, police, emergency room, and 24-hour clinics, evacuation maps;
- c. Number of employees anticipated;
- d. Provide an on-site parking plan;
- e. Evidence of solid waste collection; and
- f. Such other information as the Appropriate Authority, or his or her designee may require.

4. An inspection report from a home inspector certified by the California Real Estate Inspection Association, American Society of Home Inspectors, or International Code Council, that provides and verifies the following information, to ensure the property is safe and habitable for its intended use, including but not limited to: verification of adequate egress from sleeping quarters and common areas; verification that the Residential Property conforms with applicable state building and fire codes at the time the building was constructed; installation of accessible fire extinguishers; fire alarms; and a carbon monoxide alarm on each level.

5. Evidence that the source of water that serves the proposed Vacation Rental meets bacteriological and acute inorganic primary drinking water standards.

6. Certification, under penalty of perjury, that all the information contained in the application is true and correct.

7. Such other information as the Appropriate Authority deems necessary to process the application.

C. Unpermitted Vacation Rental operations have six months from the Effective Date to make an application for all permits, licenses, certificates, or other entitlements required by the County. The Operator will be allowed to continue to operate as a Vacation Rental for up to six months from the Effective Date or until County takes action on the Operator's application for all required permits, licenses, and entitlements made pursuant to this Chapter, Chapter 7.02, and Sections 20.64.290, and 21.64.290 of the Monterey County Code, whichever is later, unless County requires earlier termination of the Vacation Rental use due to a risk to public health, safety and welfare.

7.120.090 Criteria for Grant of License.

A. The Appropriate Authority shall deem the application complete if it contains all required information and documents, and all required application fees have been paid.

B. Upon review of a complete application, the Appropriate Authority shall grant the License ministerially to the Operator if all of the following requirements are met:

1. The proposed Vacation Rental complies with a checklist, in the form prescribed by the Appropriate Authority, enumerating the requirements for a License as set forth in this Chapter.

2. The Operator, if applicable, has received all necessary land use entitlements as required by Section 20.64.290 or Section 21.64.290 of the Monterey County Code.

C. A License is issued to the Operator and covers only the Operator identified on the License solely with respect to the premises identified on the License. The License does not run with the land and is not transferable.

D. Each License issued pursuant to this Chapter shall require that the Operator indemnify, defend, and hold harmless the County and its officers, agents, and employees from actions or claims of approval of the License and from actions or claims from actions or claims of any description brought on account of any injury or damages sustained, including death, by any person or property resulting from the issuance of the License and the conduct of the activities under said License. This requirement shall remain operative and in effect notwithstanding any proceeding or litigation which may result in invalidation or rescission of the License.

E. The initial License shall be issued for a one-year term and may be renewed annually.

7.120.100 License Renewal Process and Grounds for Denial.

A. The Operator shall notify the County at least 30 calendar days before the expiration of the License that the Operator wishes to renew their License together with a renewal application submittal and renewal fees. If the County does not receive the notice of renewal and, as applicable, updated information at least 30 days prior to the expiration date, the License shall expire, and the Operator must apply for a new License.

B. Any application for renewal shall be denied if:

1. The application is filed fewer than 30 calendar days before the License's expiration;

2. The Operator fails to conform to the criteria set forth in this Chapter;

3. The Operator does not have a valid business license pursuant to Chapter 7.02 or has not paid their Transient Occupancy Tax pursuant to Chapter 5.40 of the Monterey County Code;

4. The License has active code enforcement action;
5. The License has two or more substantiated code enforcement violations within the past year; or
6. The License is revoked at the time of the application.

C. If a renewal application is denied, an Operator may file a new application pursuant to this Chapter, provided the reasons for denial have been addressed.

7.120.110 Fees.

Fees, fines, and costs specified by this Chapter shall be established by the Board of Supervisors and as set forth in the Monterey County Fee Resolution, pursuant to Chapter 1.40 of the Monterey County Code, as periodically amended.

7.120.120 Grounds for Revocation.

A. Any of the following shall be grounds for revocation of a License:

1. Any act or omission by an Operator in contravention of federal law, state law, or the Monterey County Code;
2. If such License was granted on the basis of false material information, written or oral, given willfully or negligently by the Operator;
3. Operating a Vacation Rental in an unlawful manner or in such a manner as to be a nuisance to the health, safety, or welfare of the public; and
4. Failure to pay all applicable taxes, fees, and penalties required by the County.

B. If the Appropriate Authority determines that grounds for revocation of the License exist pursuant to this Section, the Appropriate Authority shall issue a written notice of intention to revoke the License. The notice of intention shall be served on the Owner and Operator in accordance with the requirements set forth in Section 7.120.140 of this Chapter. The notice of intention shall describe the property, the intention to revoke the License, the grounds for revocation, the action necessary to abate the violation, the time limit for compliance, and the right to a hearing. The notice of intention shall notify the Owner and Operator of the opportunity to request a hearing before a Hearing Officer to present evidence as to why the License should not be revoked, and shall notify them of the 10-day deadline to submit a written request for a hearing.

C. No Person may secure any License if that Person has had any License issued under this Chapter revoked within the preceding twelve months.

7.120.130 Process for Hearing by Hearing Officer.

A. The Owner or Operator shall have 10 calendar days from the service of the notice of intention to submit a written request for a hearing before the Hearing Officer. Failure to submit the written request for a hearing shall be deemed a waiver of the right to challenge the revocation of the License and a failure to exhaust administrative remedies. If the hearing is not timely requested, the Appropriate Authority may revoke the License in accordance with the notice of intention.

B. Upon receipt of a timely written request for a hearing, the Appropriate Authority shall set a date for a hearing to be held within 60 days of receipt of the request, unless an immediate threat to the public health, safety and welfare necessitates an earlier hearing date. Notice of the hearing, including the time, date, and location of the hearing, shall be served in accordance with the requirements set forth in Section 7.120.140 of this Chapter.

C. Hearing by the Hearing Officer.

1. The Hearing Officer is authorized to conduct hearings, issue subpoenas, receive evidence, administer oaths, rule on questions of law and the admissibility of evidence, prepare a record of the proceedings, and render decisions on the revocation of the License.

2. In any proceeding before a Hearing Officer, oral testimony offered as evidence shall be taken only on oath or affirmation, and the Hearing Officer, his/her clerk, or other designee shall have the power to administer oaths and affirmations and to certify to official acts.

3. All parties to the hearing shall have the opportunity to testify, introduce exhibits, call and examine witnesses, and cross examine opposing witnesses on any matter relevant to the issues.

4. The Hearing Officer may postpone the hearing date upon good cause shown, continue the hearing during the course of the hearing, and make such other procedural orders and rulings as he or she deems appropriate during the course of the hearing.

5. Within 30 calendar days after the close of the hearing, the Hearing Officer shall issue a written decision, including a statement of the basis for the decision. The Hearing Officer's written decision shall constitute the final administrative decision of the County.

D. In the event a civil action is initiated to obtain enforcement of the decision of the Hearing Officer, and judgment is entered to enforce the decision, the Person against whom the order of enforcement has been entered shall be liable to pay the County's total costs of enforcement, including reasonable attorney fees.

E. If neither Owner nor Operator, nor their authorized representatives, appear at the noticed hearing, such failure to appear shall constitute an abandonment of the hearing request and a failure to exhaust administrative remedies.

7.120.140 Service Requirements.

Wherever this Chapter requires the County to serve notice to an Owner, Operator, or Property Manager such notice shall be given in writing, and shall be delivered either by personal delivery or by certified U.S. mail, postage prepaid, return receipt requested. In addition, any such notice may be posted at the physical address of the premises on the date of the mailing of notice.

7.120.150 Enforcement.

A. The remedies provided by this Chapter are cumulative and in addition to any other remedies available in law or in equity.

B. It shall be unlawful for any person to violate any provision, or to fail to comply with any of the requirements of this Chapter.

C. Any condition caused or allowed to exist in violation of any of the provisions of this Chapter shall be deemed a public nuisance and shall, at the discretion of County, create a cause of action pursuant to Chapter 1.20 or cause of action for penalty pursuant to Chapter 1.22 of the Monterey County Code, and any other action authorized by law.

D. The Enforcement Officer, as defined by Monterey County Code Chapter 1.22, is authorized and empowered to enforce the provisions of this Chapter. The Enforcement Officer may issue an administrative citation for the violation of this Chapter as a civil penalty as follows:

1. A civil penalty not exceeding 175% of the Advertised Rental Rate per day, or part thereof, or one \$1,000 per day, or part thereof, for Vacation Rentals without an Advertised Rental Rate, for a first violation;

2. A civil penalty not exceeding 275% of the Advertised Rental Rate per day, or part thereof, or \$2,500 per day, or part thereof, for Vacation Rentals without an Advertised Rental Rate, for a second violation of this Chapter within one year; and

3. A civil penalty not exceeding 375% of the Advertised Rental Rate per day, or part thereof, or 5,000 per day, or part thereof, for Vacation Rentals without an Advertised Rental Rate, for a third violation of this Chapter within one year.

E. Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Monterey County Code or otherwise authorized by law. Additionally, as a public nuisance, any violation of this Chapter may be subject to injunctive relief, disgorgement, and payment to the County of any and all monies unlawfully obtained, costs of abatement, costs of restoration, costs of investigation, attorneys fees, and any other relief or remedy available in law or in equity.

SECTION 5. SEVERABILITY. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases are declared invalid.

SECTION 6. EFFECTIVE DATE. This Ordinance shall become effective on the thirty-first day following its adoption.

PASSED AND ADOPTED on this ____ day of _____, 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Glenn Church, Chair
Monterey County Board of Supervisors

ATTEST

VALERIE RALPH
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

KELLY L. DONLON
Assistant County Counsel

ORDINANCE NO. _____

**AN ORDINANCE OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA,
AMENDING TITLE 20 (COASTAL ZONING) OF THE MONTEREY COUNTY
CODE RELATING TO VACATION RENTALS**

County Counsel Summary

This Ordinance amends numerous definition and zoning district use sections of Title 20, and adds adds Section 20.64.290 to the Monterey County Code to regulate the short-term vacation rental of residential property. This Ordinance aims to strike a balance, allowing residents of unincorporated Monterey County to benefit from the tourism economy while also ensuring that residential neighborhoods are protected from the potential negative social and behavioral impacts of short-term vacation rentals. This Ordinance details which zoning districts short-term vacation rentals are allowed. This Ordinance requires a coastal development permit for commercial vacation rentals that have similar land use impacts to a visitor/serving use, such as hotels, motels, inns, and lodges. This Ordinance further requires that short-term vacation rentals meet certain operational requirements and safety and health standards that reflect their potential impacts. Lastly, this Ordinance contains the process for phasing out unpermitted commercial short-term vacation rentals.

The Board of Supervisors of the County of Monterey ordains as follows:

SECTION 1. Findings and Declarations.

A. Pursuant to Article XI, Section 7 of the California Constitution, the County of Monterey (“County”) may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its residents.

B. This Ordinance is intended to provide regulations, standards, and circumstances under which short-term vacation rentals may be allowed in certain residential unincorporated areas of Monterey County.

C. The intent of this Ordinance is to distinguish between two types of short-term vacation rentals, commercial vacation rentals and limited vacation rentals, such that commercial vacation rentals require a discretionary land use entitlement while limited vacation rentals are defined in a manner to be similar in character, density, and intensity to residential use, are not anticipated to remove long-term housing from the market, and therefore are allowed uses, where applicable, with a vacation rental operation license, business license, and transient occupancy tax certificate.

D. Regulation of commercial vacation rentals is necessary because they have the potential to impact the character and intensity of an otherwise residential use. Impacts include, removing long-term housing from the market, or posing hazards to public health, safety and general welfare in areas known to have infrastructure limitations. Commercial vacation rental uses, therefore, may be allowed, where applicable, only with a discretionary coastal development permit, vacation rental operation license, and business license. This Ordinance recognizes that unique neighborhoods with existing developments were established with the intent of managed short-term rentals, such as Monterey Dunes Colony and these; developments are exempt from the regulations set forth in this Ordinance, including the need to apply for a vacation rental operation license. Such developments are not exempt from compliance with Chapter 5.40, requiring payment of transient occupancy tax, and Chapter 7.02, requiring a business license.

E. This Ordinance establishes the requirement for a coastal development permit for commercial vacation rental activities to enable evaluation of the impacts of such activities, in recognition that commercial vacation rentals may have similar land use impacts as other recreational/visitor-serving uses such as hotels, motels, and bed and breakfast facilities and deserve similar evaluation as such visitor-serving uses.

F. Because the nature and extent of short-term vacation rentals have been transformed in the last several years due to the advent of online platforms, this Ordinance intends to establish regulations for limited vacation rentals and commercial vacation rentals. Accordingly, this ordinance intends to add Section 20.64.290 to the Monterey County Code to establish regulations for vacation rentals.

G. To allow for a reasonable amortization of investment for existing short-term vacation rental operations, this Ordinance provides an initial defined time period during which an unpermitted vacation rental may continue to operate, provided the vacation rental activity was established prior to the effective date of the Ordinance and the operator is pursuing all necessary County permits, licenses, and entitlements pursuant to Section 20.64.290 of the Monterey County Code.

H. The County has reviewed the Final Environmental Impact Report (“EIR”) for the project, which consists of the Draft EIR and the responses to comments on the Draft EIR. The County has exercised independent judgment in accordance with Public Resources Code section 21082.1(c)(3) in retaining its own environmental consultant in the preparation of the EIR, as well as reviewing, analyzing, and revising material prepared by the consultant. Having received, reviewed, and considered the information in the Final EIR, as well as all other information in the record, the County hereby makes findings pursuant to and in accordance with Public Resources Code sections 21081, 21081.5, and 21081.6. In accordance with California Environmental Quality Act (“CEQA”) and the CEQA Guidelines, the County agrees that no findings of fact is required because no impacts were identified with the implementation of the proposed regulations. The Final EIR for the Vacation Rental Ordinances project (SCH # 2022080643) has been completed and certified in compliance with CEQA prior to the adoption of this Ordinance and reflects the independent judgment and analysis of the County of Monterey.

I. The County intends to carry out the amendments in a manner fully in conformity with the Coastal Act.

J. This Ordinance amends the Monterey County Coastal Implementation Plan, which is part of the County’s Local Coastal Program. Pursuant to the Coastal Act, the County may amend the certified Local Coastal Program provided the County follows certain procedures. The procedures include the following: the County’s Planning Commission holds a notice public hearing and make a recommendation to the Board of Supervisors on the proposed amendment; the Board of Supervisors holds a noticed public hearing, adopts a resolution of intent, and submits the proposed amendment to the California Coastal Commission for certification together with materials sufficient for a thorough and complete review; the Coastal Commission certifies the amendment; the Board of Supervisors takes subsequent final action on the ordinance after the Coastal Commission acts; and the Coastal Commission confirms the County’s action. Accordingly, this Ordinance will not go into effect until after the Coastal Commission certifies the amendment and confirms the Board’s action.

SECTION 2. Section 20.06.198 is added to the Monterey County Code to read as follows:

“Commercial Vacation Rental” means a vacation rental that is non-hosted and rented for more than three times per 12-month period or hosted and rented for an unlimited number of times per 12-month period.

SECTION 3. Section 20.06.655 is added to the Monterey County Code to read as follows:

“Hosted” means a vacation rental in which the operator occupies at least one bedroom within the vacation rental while it is being rented as a vacation rental.

SECTION 4. Section 20.06.738 is added to the Monterey County Code to read as follows:

“Limited Vacation Rental” means a vacation rental that is non-hosted and rented for not more than three times per 12-month period or hosted and rented for an unlimited number of times per 12-month period.

SECTION 5. Section 20.06.818 is added to the Monterey County Code to read as follows:

“Non-hosted” means that an operator does not occupy the vacation rental while it is being rented.

SECTION 6. Section 20.06.935 is added to the Monterey County Code to read as follows:

“Residential Property” means improved property, used or occupied, or intended to be used or occupied, for residential purposes.

SECTION 7. Section 20.06.985 is added to the Monterey County Code to read as follows:

“Rooming or boarding” means shared living quarters, with or without separate kitchen and bathroom facilities for each room or unit, intended to meet short-term shelter and/or other immediate housing needs for not more than two persons for the purpose of work, school, research, medical care, or employment that requires a person’s physical presence in Monterey County, or other similar non recreational activity. Rooming or boarding does not include residential care facilities, day care homes, family day care centers, convalescent hospitals, hotels, motels, bed and breakfast facilities, inns, vacation rentals, labor camps, or single-occupancy housing.

SECTION 8. Section 20.06.990 of the Monterey County Code is amended to read as follows:

“Roominghouse or boardinghouse” means ~~a facility other than a hotel where lodging with or without meals for three or more persons is provided for compensation. shared living quarters, with or without separate kitchen and bathroom facilities for each room or unit, intended to meet short-term shelter and/or other immediate housing needs for three or more persons for the purpose of work, school, research, medical care, or employment that requires a person’s physical presence in the County, or other similar non recreational activity.~~ Roominghouse or boardinghouse does not include residential care facilities, day care homes, family day care centers, convalescent hospitals, hotels, motels, bed and breakfast facilities, inns, vacation rentals, labor camps, or single-occupancy housing.

SECTION 9. Section 20.06.1305 of the Monterey County Code is amended to read as follows:

“Transient” means ~~temporary, of limited duration or for a short period of time.~~ temporary, limited duration to a period of 30 consecutive calendar days or fewer.

SECTION 10. Section 20.06.1345 is added to the Monterey County Code to read as follows:

“Vacation Rental” means the use, by any person, of residential property for transient lodging where the term of occupancy, possession, or tenancy of the property by the person entitled to such occupancy, possession, or tenancy for a period of 30 consecutive calendar days or fewer, counting portions of calendar days as full days. “Vacation Rental” includes commercial vacation rentals and limited vacation rentals. “Vacation Rental” does not include a bed and breakfast facility, hotel, motel, hostel, inn, roominghouse, boardinghouse, rooming or boarding.

SECTION 11. Subsection (DD) is added to Section 20.10.050 of the Monterey County Code [High Density Residential District] to read as follows:

DD. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA);

SECTION 12. Subsection (DD) is added to Section 20.12.050 of the Monterey County Code [Medium Density Residential District] to read as follows:

DD. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA);

SECTION 13. Subsection (FF) is added to Section 20.14.050 of the Monterey County Code [Low Density Residential District] to read as follows:

FF. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA);

SECTION 14. Subsection (VV) is added to Section 20.16.050 of the Monterey County Code [Rural Density Residential District] to read as follows:

VV. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA);

SECTION 15. Subsection (PP) is added to Section 20.17.050 of the Monterey County Code [Watershed And Scenic Conservation District] to read as follows:

PP. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA);

SECTION 16. Subsection (RR) is added to Section 20.18.060 of the Monterey County Code [Coastal General Commercial] to read as follows:

QQ. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA);

SECTION 17. Subsection (XX) is added to Section 20.20.060 of the Monterey County Code [Moss Landing Commercial District] to read as follows:

W. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA);

SECTION 18. Subsection (BB) is added to Section 20.22.060 of the Monterey County Code [Visitor-Serving Commercial District] to read as follows:

BB. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA);

SECTION 19. Subsection (GG) is added to Section 20.30.050 of the Monterey County Code [Coastal Agriculture Preserve] to read as follows:

EE. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA);

SECTION 20. Subsection (KK) is added to Section 20.32.050 of the Monterey County Code [Agricultural Conservation] to read as follows:

II. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA);

SECTION 21. Section 20.64.290 is added to the Monterey County Code to read as follows:

A. Purpose: It is the purpose of this Section to:

1. Preserve and enhance the residential character of the zoning districts established in Title 20 and the sense of security and safety in stable neighborhoods of residential properties.

2. Provide opportunity for visitors to access public areas of the unincorporated areas of Monterey County through Vacation Rental opportunities, benefiting the local economy while preserving the housing supply and quality of life, and protecting public health, safety, and general welfare.

3. Establish regulations that provide opportunity for homeowners and residents to offer Vacation Rentals for visitors that have the potential to provide financial benefits to offset the high cost of living in Monterey County.

4. Establish that Limited Vacation Rental uses are similar in character, density, and intensity to residential use, are not anticipated to convert long-term housing to nonresidential use.

5. Establish regulations to address Commercial Vacation Rental uses that have the potential to impact the character, density, and intensity of residential uses, convert long-term housing to nonresidential use, or pose hazards to public health, safety, and general welfare in areas known to have infrastructure limitations.

B. Definitions: The definitions in Chapter 20.06 shall apply. Unless otherwise expressly stated, whenever used in this Section, the following words shall have the meanings set forth below:

1. “Advertised Rental Rate” means the advertised nightly rate multiplied by the minimum number of nights required to rent the dwelling or part of the dwelling. The Advertised Rental Rate shall not include deposits or ancillary fees.

2. “Bedroom” means any habitable room of a dwelling unit which is: 1) 70 square feet or greater in size for the first individual in a bedroom and 50 square feet of space for each additional individual in the room; 2) has an exterior door or window for egress meeting health and safety code standards at the time the dwelling was constructed; and 3) has a closing door that separates the room from other areas of the dwelling. The

following shall not be considered a bedroom: Any interior room that must be passed through to access another bedroom; a hallway; bathroom; kitchen; living room; dining room; family room; breakfast nook; pantry; laundry room; or closet/dressing room opening off a bedroom.

3. “County” means County of Monterey.

4. “Effective Date” means the date on which Ordinance No. _____ adding this Section 20.64.290 to the Monterey County Code took effect.

5. “License” means a Vacation Rental Operation License issued by the County to an applicant to operate a Vacation Rental under Chapter 7.120 of the Monterey County Code.

6. “Occupant” means a person who occupies a Vacation Rental by reason of concession, permit, rent, right of access, license, or other agreement for a period of 30 consecutive calendar days or less.

7. “Operator” means a person who operates the Vacation Rental and, if not the Owner, a person, who has the legal permission of the Owner to operate the Vacation Rental on the subject real property.

8. “Owner” means the person or persons who hold fee title to the real property upon which a Vacation Rental is operated.

9. “OWTS” means an onsite wastewater treatment system, also referred to as a septic system, as regulated by Chapter 15.20 of the Monterey County Code.

10. “Property Manager” means the person who is designated by the Operator as being responsible for managing the Vacation Rental operation and it may include the Owner, professional property manager, realtor, other resident, or nonresident owner of the subject property.

C. Applicability: This Section applies in the unincorporated coastal zone of the County of Monterey.

D. Regulations for Limited Vacation Rentals:

1. Limited Vacation Rentals are allowed and exempt from a Coastal Development Permit pursuant to 20.70.120(S), in the following zoning districts, subject to the requirements of this Section:

- a. High Density Residential (HDR(CZ));
- b. Medium Density Residential (MDR(CZ));
- c. Low Density Residential (LDR(CZ));
- d. Rural Density Residential (RDR(CZ));

- e. Watershed and Scenic Conservation (WSC(CZ));
- f. Coastal General Commercial (CGC(CZ));
- g. Moss Landing Commercial (MLC(CZ));
- h. Visitor-Serving Commercial (VSC(CZ));
- i. Coastal Agriculture Preserve (CAP(CZ)); and
- j. Agricultural Conservation (AC(CZ)).

2. Limited Vacation Rentals shall be prohibited in any other zoning district.

3. If the Limited Vacation Rental intends to exceed the maximum occupancy limits of Section 7.120.050(C) of this Code, the Operator must obtain a Coastal Development Permit and meet the requirement of this Section.

E. Regulations for Commercial Vacation Rentals:

1. Commercial Vacation Rentals are allowed with a Coastal Development Permit in the following zoning districts, subject to the requirements of this Section:

- a. High Density Residential (HDR(CZ));
- b. Medium Density Residential (MDR(CZ));
- c. Low Density Residential (LDR(CZ));
- d. Rural Density Residential (RDR(CZ));
- e. Watershed and Scenic Conservation (WSC(CZ));
- f. Coastal General Commercial (CGC(CZ));
- g. Moss Landing Commercial (MLC(CZ));
- h. Visitor-serving Commercial (VSC(CZ));
- i. Coastal Agriculture Preserve (CAP(CZ)); and
- j. Agricultural Conservation (AC(CZ)).

2. Commercial Vacation Rentals shall be prohibited in any other zoning district.

3. Commercial Vacation Rentals are subject to the following additional limitations based on a maximum allowable limit of permitted Commercial Vacation Rentals not to exceed four percent of the total single family residential dwelling unit count:

a. Big Sur Coast Land Use Plan Area as follows: Commercial Vacation Rentals are prohibited within the Big Sur Coast Land Use Plan area.

b. Carmel Area Land Use Plan Area as follows:

i. Commercial Vacation Rentals are prohibited in LDR(CZ) zoning districts within the Carmel Areal Land Use Plan area.

ii. A total of 118 maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the Carmel Area Land Use Plan area, excluding LDR(CZ) zoning districts.

c. North County Coastal Land Use Plan Area as follows: A total of 157 maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the North County Coastal Land Use Plan area.

d. Del Monte Forest Land Use Plan Area as follows: A total of 57 maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the Del Monte Forest Land Use Plan area.

e. Moss Landing Community Plan as follows: A total of two maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the Moss Landing Community Plan area.

f. All existing transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or to other visitor-serving uses (such as hotels, motels, and inns) permits or entitlements issued prior to the Effective Date of this Chapter will count against their respective Land Use Plan cap. If upon the permit or entitlement expiration date or within seven years of the Effective Date of this Chapter, the Operator does not make an application for all permits, licenses, certificates, or other entitlements required by County regulations; the count will be added back to the Land Use Plan cap.

4. A Commercial Vacation Rental that is not accessible directly from a public road shall be subject to Monterey County Code Chapter 16.80. Upon making an application with the County for Vacation Rental use, the Operator shall be required to mail notice to all properties with ownership or access rights to the private road to inform them of the proposed Vacation Rental use and shall include the application reference number, location of the vacation rental, name and contact information for the Property Manager; and procedures and contact information for the County.

5. Commercial Vacation Rentals must demonstrate that response times for County emergency services for fire and emergency medical will be adequate. Adequate is defined as 5-8 minutes within Community Areas, Community Plans, and Sphere of Influence, 12 minutes within Rural Centers, and 45 minutes for all other areas. Commercial Vacation Rentals must provide contact information for County emergency services for fire and emergency medical. Notice of emergency services contact information shall be included in rental contracts and posted within the unit in a prominent place within six feet of the front door. The notice shall identify the average response

time for emergency services to reach the subject property and describe the onsite fire protection systems (such as fire breaks, alarms and/or water storage tanks) available.

6. Commercial Vacation Rentals shall provide parking as required for the dwelling type by Section 20.58.040, or the applicable parking regulations at the time the dwelling was built.

7. Only one Commercial Vacation Rental shall be allowed per legal lot of record, regardless of the number of dwellings on the legal lot of record, except in the development types and zoning districts specified below. This provision does not apply to other types of developments, such as planned unit developments or similar cluster residential subdivisions. This provision does not apply to Coastal General Commercial (CGC(CZ)), Moss Landing Commercial (MLC(CZ)), and Visitor-Serving Commercial (VSC(CZ)) zoning districts. These districts shall be allowed more than one Commercial Vacation Rental per legal lot of record and shall not exceed the number of residential units per legal lot of record.

8. A Commercial Vacation Rental served by an OWTS shall maintain the system in good working order and ensure it is functioning properly at all times. The OWTS shall comply with Chapter 15.20 of this Code.

9. If the Commercial Vacation Rental is served by an OWTS, the Operator shall submit evidence that the system is in good working order and functioning properly by providing a performance evaluation report completed by a qualified OWTS professional in the form and manner required by the County. Any OWTS component noted to be in unacceptable condition shall be repaired or replaced prior to County approval of a Coastal Development Permit.

10. Required Findings. To grant a Coastal Development Permit for a Commercial Vacation Rental, the Appropriate Authority must find, based on substantial evidence, that the Commercial Vacation Rental complies with all findings required for a Coastal Development Permit pursuant to Chapter 20.70 and complies with all requirements of this Section.

11. Time Limits. All Coastal Development Permits issued for Commercial Vacation Rentals shall be subject to the following time limits on the use authorized by the Coastal Development Permit:

a. The initial Coastal Development Permit shall be issued for a term of no more than seven years.

b. The Operator may apply to extend the Coastal Development Permit prior to the expiration date of the Coastal Development Permit pursuant to Section 20.70.110. The extension application shall be made at least 30 days prior to the expiration of the Coastal Development Permit. The Coastal Development

Permit shall be extended by the Appropriate Authority by seven years upon each renewal, unless the Appropriate Authority finds that the operation is subject to revocation or modification accordingly to the criteria set forth in Section 20.70.060.

c. The Operator shall maintain a valid Vacation Rental Operation License pursuant to Chapter 7.120 and a valid business license pursuant to Chapter 7.02 of this Code throughout the permitted term of the Commercial Vacation Rental use.

d. The purpose of the seven-year term limit is to provide adequate ongoing review of the Commercial Vacation Rental to ensure that the use continues to meet the standards of this Section.

F. Phasing Out Unpermitted Operations:

1. To provide time for Operators of Vacation Rentals that were unpermitted prior to the Effective Date to bring the Vacation Rental into compliance with this Section, an Operator who can demonstrate that a Vacation Rental use was established and operating on the subject property prior to the Effective Date may continue the operation for a limited period of time following the Effective Date.

2. For unpermitted Vacation Rental uses, the Operator has six months from the Effective Date to make an application for all permits, licenses, certificates, or other entitlements required by this Code. The Operator will be allowed to continue to operate as a Vacation Rental for up to six months from the Effective Date, or until County takes action on the Operator's application for all required permits, licenses, and entitlements made pursuant to this Code, whichever is later, unless County requires earlier termination of the Vacation Rental use due to a risk to public health, safety and welfare.

3. Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.

G. Phasing Out Previously Permitted Operations:

1. All existing transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or to other visitor-serving uses (such as hotels, motels, and inns) permits or entitlements issued prior to the Effective Date shall be required to comply with this Section upon expiration of their existing permits or entitlements. If the prior use is no longer allowed pursuant to this Section, the Operator must cease operations at the time of the expiration of their permit or entitlement.

2. All existing transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or to other visitor-serving uses (such as hotels, motels, and inns) permits or entitlements issued prior to the Effective Date without expiration dates shall be required to comply with this Section within seven years of the Effective Date.

3. Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.

H. Exemption: The regulations set forth in this Section do not apply to unique neighborhoods with existing developments that were established with the intent of managed Vacation Rentals. The existing permitted unique neighborhoods with managed Vacation Rentals must operate according to the regulations and conditions approved through its original land use entitlement.

SECTION 22. Subsection (S) is added to Section 20.70.120 of the Monterey County Code to read as follows:

S. Limited Vacation Rentals, pursuant to Section 20.64.290, are exempt in the following zoning districts: High Density Residential (HDR(CZ)); Medium Density Residential (MDR(CZ)); Low Density Residential (LDR(CZ)); Rural Density Residential (RDR(CZ)); Watershed and Scenic Conservation (WSC(CZ)); Coastal General Commercial (CGC(CZ)); Moss Landing Commercial (MLC(CZ)); Visitor-Serving Commercial (VSC(CZ)); Coastal Agriculture Preserve (CAP(CZ)); and Agricultural Conservation (AC(CZ)).

SECTION 23. SEVERABILITY. If any Section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each Section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more Sections, subsections sentences, clauses, or phrases are declared invalid.

SECTION 24. EFFECTIVE DATE. This Ordinance shall become effective on the thirty-first day following its adoption by the County if certified by the California Coastal Commission or thereafter upon certification by the California Coastal Commission.

PASSED AND ADOPTED on this ____ day of _____, 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Glenn Church, Chair
Monterey County Board of Supervisors

ATTEST

VALERIE RALPH
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

KELLY L. DONLON
Assistant County Counsel

ORDINANCE NO. _____

**AN ORDINANCE OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA,
AMENDING TITLE 21 (NON-COASTAL ZONING) OF THE MONTEREY COUNTY
CODE RELATING TO VACATION RENTALS**

County Counsel Summary

This Ordinance amends numerous definition and zoning district use sections of Title 21, repeals and replaces Section 21.64.280, and adds Section 21.64.290 to the Monterey County Code to regulate the short-term vacation rental of residential property. This Ordinance aims to strike a balance, allowing residents of unincorporated Monterey County to benefit from the tourism economy while also ensuring that residential neighborhoods are protected from the potential negative social and behavioral impacts of short-term vacation rentals. This Ordinance details which zoning districts short-term vacation rentals are allowed. This Ordinance requires a use permit for commercial vacation rentals that have similar land use impacts to a visitor/serving use, such as hotels, motels, inns, and lodges. This Ordinance further requires that vacation rentals meet certain operational requirements and safety and health standards that reflect their potential impacts. Lastly, this Ordinance contains the process for phasing out unpermitted commercial short-term vacation rentals.

The Board of Supervisors of the County of Monterey ordains as follows:

SECTION 1. Findings and Declarations.

A. Pursuant to Article XI, Section 7 of the California Constitution, the County of Monterey (“County”) may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its residents.

B. This Ordinance is intended to provide regulations, standards, and circumstances under which short-term vacation rentals may be allowed in certain residential unincorporated areas of Monterey County.

C. The intent of this Ordinance is to distinguish between two types of short-term vacation rentals, commercial vacation rentals and limited vacation rentals, such that commercial vacation rentals require a discretionary land use entitlement while limited vacation rentals are defined in a manner to be similar in character, density, and intensity to residential use, are not anticipated to remove long-term housing from the market, and therefore are allowed uses, where applicable, with a vacation rental operation license, business license, and transient occupancy tax certificate.

*Ordinance amending Title 21 re: Vacation Rentals
Draft 5/17/2024*

D. Regulation of commercial vacation rentals is necessary because they have the potential to impact the character and intensity of an otherwise residential use. Impacts include, removing long-term housing from the market, or posing hazards to public health, safety and general welfare in areas known to have infrastructure limitations. Commercial vacation rental uses, therefore, may be allowed, where applicable, only with a discretionary use permit, vacation rental operation license, business license, and transient occupancy tax certificate. This Ordinance recognizes that unique neighborhoods with existing developments were established with the intent of managed short-term rentals, such as Monterey Dunes Colony and these developments are exempt from the regulations set forth in this Ordinance, including the need to apply for a vacation rental operation license. Such developments are not exempt from compliance with Chapter 5.40, requiring payment of transient occupancy tax, and Chapter 7.02, requiring a business license.

E. This Ordinance establishes the requirement for a use permit for commercial vacation rental activities to enable evaluation of the impacts of such activities, in recognition that commercial vacation rentals may have similar land use impacts as other recreational/visitor-serving uses such as hotels, motels, and bed and breakfast facilities and deserve similar evaluation as such visitor-serving uses.

F. Because the nature and extent of short-term vacation rentals have been transformed in the last several years due to the advent of online platforms for short-term vacation rentals, it is necessary to update the County's short-term vacation rental regulations, which were last adopted in 1997. Accordingly, this Ordinance intends to replace Section 21.64.280 regulations for transient use of residential property for remuneration, with Section 21.64.290 for applications for vacation rentals.

G. To allow for a reasonable amortization of investment for existing short-term vacation rentals operations, this Ordinance provides an initial defined time period during which an unpermitted vacation rental may continue to operate, provided the vacation rental activity was established prior to the effective date of the Ordinance and the operator is pursuing all necessary County permits, licenses, and entitlements pursuant to Section 21.64.290 of the Monterey County Code.

H. The County has reviewed the Final Environmental Impact Report ("EIR") for the project, which consists of the Draft EIR and the responses to comments on the Draft EIR. The County has exercised independent judgment in accordance with Public Resources Code section 21082.1(c)(3) in retaining its own environmental consultant in the preparation of the EIR, as well as reviewing, analyzing, and revising material prepared by the consultant. Having received, reviewed, and considered the information in the Final EIR, as well as all other information in the record, the County hereby makes findings pursuant to and in accordance with Public Resources Code sections 21081, 21081.5, and 21081.6. In accordance with California Environmental Quality Act ("CEQA") and the CEQA Guidelines, the County agrees that no findings of fact is required because no impacts were identified with the implementation of the proposed regulations. The Final EIR for the Vacation Rental Ordinances project (SCH # 2022080643) has

been completed and certified in compliance with CEQA prior to the adoption of this Ordinance and reflects the independent judgment and analysis of the County of Monterey.

SECTION 2. Section 21.06.193 is added to the Monterey County Code to read as follows:

“Commercial Vacation Rental” means a vacation rental that is non-hosted and rented for more than three times per 12-month period or hosted and rented for an unlimited number of times per 12-month period.

SECTION 3. Section 21.06.657 is added to the Monterey County Code to read as follows:

“Hosted” means a vacation rental in which the operator occupies at least one bedroom within the vacation rental while it is being rented as a vacation rental.

SECTION 4. Section 21.06.735 is added to the Monterey County Code to read as follows:

“Limited Vacation Rental” means a vacation rental that is non-hosted and rented for not more than three times per 12-month period or hosted and rented for an unlimited number of times per 12-month period.

SECTION 5. Section 21.06.818 is added to the Monterey County Code to read as follows:

“Non-hosted” means that an operator does not occupy the vacation rental while it is being rented.

SECTION 6. Section 21.06.936 is added to the Monterey County Code to read as follows:

“Residential Property” means improved property, used or occupied, or intended to be used or occupied, for residential purposes.

SECTION 7. Section 21.06.987 is added to the Monterey County Code to read as follows:

“Rooming or boarding” means shared living quarters, with or without separate kitchen and bathroom facilities for each room or unit, intended to meet short-term shelter and/or other immediate housing needs for not more than two persons for the purpose of work, school, research, medical care, or employment that requires a person’s physical presence in Monterey County, or other similar non recreational activity. Rooming or boarding does not include residential care facilities, day care homes, family day care centers, convalescent hospitals, hotels,

motels, bed and breakfast facilities, inns, vacation rentals, labor camps, or single-occupancy housing.

SECTION 8. Section 21.06.990 of the Monterey County Code is amended to read as follows:

“Roominghouse or boardinghouse” means ~~a facility other than a hotel where lodging with or without meals for three or more persons is provided for compensation.~~ shared living quarters, with or without separate kitchen and bathroom facilities for each room or unit, intended to meet short-term shelter and/or other immediate housing needs for three or more persons for the purpose of work, school, research, medical care, or employment that requires a person’s physical presence in the County, or other similar non recreational activity. Roominghouse or boardinghouse does not include residential care facilities, day care homes, family day care centers, convalescent hospitals, hotels, motels, bed and breakfast facilities, inns, vacation rentals, labor camps, or single-occupancy housing.

SECTION 9. Section 21.06.1307 of the Monterey County Code is amended to read as follows:

“Transient” means ~~temporary, of limited duration or for a short period of time.~~ temporary, limited duration to a period of 30 consecutive calendar days or fewer.

SECTION 10. Section 21.06.1343 is added to the Monterey County Code to read as follows:

“Vacation Rental” means the use, by any person, of residential property for transient lodging where the term of occupancy, possession, or tenancy of the property by the person entitled to such occupancy, possession, or tenancy for a period of 30 consecutive calendar days or fewer, counting portions of calendar days as full days. “Vacation Rental” includes commercial vacation rentals and limited vacation rentals. “Vacation Rental” does not include a bed and breakfast facility, hotel, motel, hostel, inn, roominghouse, boardinghouse, rooming or boarding.

SECTION 11. Subsection (S) is added to Section 21.10.030 of the Monterey County Code [High Density Residential District] to read as follows:

S. Limited Vacation Rentals, pursuant to Section 21.64.290;

SECTION 12. Subsection (AA) is added to Section 21.10.050 of the Monterey County Code [High Density Residential District] to read as follows:

AA. Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA);

SECTION 13. Subsection (R) is added to Section 21.12.030 of the Monterey County Code [Medium Density Residential District] to read as follows:

R. Limited Vacation Rentals, pursuant to Section 21.64.290;

SECTION 14. Subsection (Y) is added to Section 21.12.050 of the Monterey County Code [Medium Density Residential District] to read as follows:

Y. Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA);

SECTION 15. Subsection (U) is added to Section 21.14.030 of the Monterey County Code [Low Density Residential District] to read as follows:

U. Limited Vacation Rentals, pursuant to Section 21.64.290;

SECTION 16. Subsection (EE) is added to Section 21.14.050 of the Monterey County Code [Low Density Residential District] to read as follows:

EE. Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA);

SECTION 17. Subsection (W) is added to Section 21.16.030 of the Monterey County Code [Rural Density Residential District] to read as follows:

W. Limited Vacation Rentals, pursuant to Section 21.64.290;

SECTION 18. Subsection (RR) is added to Section 21.16.050 of the Monterey County Code [Rural Density Residential District] to read as follows:

RR. Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA);

SECTION 19. Subsection (E) is added to Section 21.18.040 of the Monterey County Code [Light Commercial District] to read as follows:

E. Limited Vacation Rentals, pursuant to Section 21.64.290;

SECTION 20. Subsection (HH) is added to Section 21.18.060 of the Monterey County Code [Light Commercial District] to read as follows:

HH. Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA);

SECTION 21. Subsection (E) is added to Section 21.20.040 of the Monterey County Code [Heavy Commercial District] to read as follows:

E. Limited Vacation Rentals, pursuant to Section 21.64.290;

SECTION 22. Subsection (OO) is added to Section 21.20.060 of the Monterey County Code [Heavy Commercial District] to read as follows:

OO. Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA);

SECTION 23. Subsection (D) is added to Section 21.22.040 of the Monterey County Code [Visitor-Serving/Professional Office District] to read as follows:

D. Limited Vacation Rentals, pursuant to Section 21.64.290;

SECTION 24. Subsection (X) is added to Section 21.22.060 of the Monterey County Code [Visitor-Serving/Professional Office District] to read as follows:

X. Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA);

SECTION 25. Subsection (R) is added to Section 21.30.030 of the Monterey County Code [Farmland] to read as follows:

R. Limited Vacation Rentals, pursuant to Section 21.64.290;

SECTION 26. Subsection (JJ) is added to Section 21.30.050 of the Monterey County Code [Farmland] to read as follows:

JJ. Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA);

SECTION 27. Subsection (R) is added to Section 21.32.030 of the Monterey County Code [Rural Grazing] to read as follows:

R. Limited Vacation Rentals, pursuant to Section 21.64.290;

SECTION 28. Subsection (KK) is added to Section 21.32.050 of the Monterey County Code [Rural Grazing] to read as follows:

KK. Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA);

SECTION 29. Subsection (Q) is added to Section 21.34.030 of the Monterey County Code [Permanent Grazing] to read as follows:

Q. Limited Vacation Rentals, pursuant to Section 21.64.290;

SECTION 30. Subsection (II) is added to Section 21.34.050 of the Monterey County Code [Permanent Grazing] to read as follows:

II. Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA);

SECTION 31. Subsection (V) is added to Section 21.36.030 of the Monterey County Code [Resource Conservation District] to read as follows:

V. Limited Vacation Rentals, pursuant to Section 21.64.290;

SECTION 32. Subsection (JJ) is added to Section 21.36.050 of the Monterey County Code [Resource Conservation District] to read as follows:

JJ. Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA);

SECTION 33. Section 21.64.280 of the Monterey County Code is repealed in its entirety and replaced to read as follows:

All Administrative Permits issued under the now inoperative Section 21.64.280 shall be considered legal nonconforming pursuant to Chapter 21.68, and shall follow Section 21.64.290(G).

SECTION 34. Section 21.64.290 is added to the Monterey County Code to read as follows:

A. Purpose: It is the purpose of this Section to:

1. Preserve and enhance the residential character of the zoning districts established in Title 21 and the sense of security and safety in stable neighborhoods of residential properties.

2. Provide opportunity for visitors to access public areas of the unincorporated areas of Monterey County through Vacation Rental opportunities, benefiting the local economy while preserving the housing supply and quality of life, and protecting public health, safety, and general welfare.

3. Establish regulations that provide opportunity for homeowners and residents to offer Vacation Rentals for visitors that have the potential to provide financial benefits to offset the high cost of living in Monterey County.

4. Establish that Limited Vacation Rental uses are similar in character, density, and intensity to residential use, are not anticipated to convert long-term housing to nonresidential use.

5. Establish regulations to address Commercial Vacation Rental uses that have the potential to impact the character, density, and intensity of residential uses,

convert long-term housing to nonresidential use, or pose hazards to public health, safety, and general welfare in areas known to have infrastructure limitations.

B. Definitions: The definitions in Chapter 21.06 shall apply. Unless otherwise expressly stated, whenever used in this Section, the following words shall have the meanings set forth below:

1. “Advertised Rental Rate” means the advertised nightly rate multiplied by the minimum number of nights required to rent the dwelling or part of the dwelling. The Advertised Rental Rate shall not include deposits or ancillary fees.

2. “Bedroom” means any habitable room of a dwelling unit which is: 1) 70 square feet or greater in size for the first individual in a bedroom and 50 square feet of space for each additional individual in the room; 2) has an exterior door or window for egress meeting health and safety code standards at the time the dwelling was constructed; and 3) has a closing door that separates the room from other areas of the dwelling. The following shall not be considered a bedroom: Any interior room that must be passed through to access another bedroom; a hallway; bathroom; kitchen; living room; dining room; family room; breakfast nook; pantry; laundry room; or closet/dressing room opening off a bedroom.

3. “County” means County of Monterey.

4. “Effective Date” means the date on which Ordinance No. _____ adding this Section 21.64.290 to the Monterey County Code took effect.

5. “License” means a Vacation Rental Operation License issued by the County to an applicant to operate a Vacation Rental under Chapter 7.120 of the Monterey County Code.

6. “Occupant” means a person who occupies a Vacation Rental by reason of concession, permit, rent, right of access, license, or other agreement for a period of 30 consecutive calendar days or less.

7. “Operator” means a person who operates the Vacation Rental and, if not the Owner, a person who has the legal permission of the Owner to operate the Vacation Rental on the subject real property.

8. “Owner” means the person or persons who hold fee title to the real property upon which a Vacation Rental is operated.

9. “OWTS” means an onsite wastewater treatment system, also referred to as a septic system, as regulated by Chapter 15.20 of the Monterey County Code.

10. “Property Manager” means the person who is designated by the Operator as being responsible for managing the Vacation Rental operation and it may include the Owner, professional property manager, realtor, other resident, or nonresident owner of the subject property.

C. Applicability: This Section applies in the unincorporated inland areas of the County of Monterey.

D. Regulations for Limited Vacation Rentals:

1. Limited Vacation Rentals are allowed in the following zoning districts, subject to the requirements of this Section:

- a. High Density Residential (HDR);
- b. Medium Density Residential (MDR);
- c. Low Density Residential (LDR);
- d. Rural Density Residential (RDR);
- e. Light Commercial (LC);
- f. Heavy Commercial (HC);
- g. Visitor-serving/Professional Office (VO);
- h. Farmland (F);
- i. Rural Grazing (RG);
- j. Permanent Grazing (PG);
- k. Resource Conservation (RC);
- l. Community Plan (CP), subject to Section 21.39.030.B (Regulations for Community Plan Zoning Districts or “CP” Districts” – Uses Allowed) except industrial and public/quasi-public land use designations within the CP districts; and
- m. Specific Plan (SP), subject to Section 21.41.030.B (Regulations for Specific Plan Zoning Districts or “SP” Districts – Uses Allowed) except industrial and public/quasi-public land use designations within the SP district.

2. Limited Vacation Rentals shall be prohibited in any other zoning district.

3. If the Limited Vacation Rental intends to exceed the maximum occupancy limits of Section 7.120.050(C) of this Code, the Operator must obtain a Use Permit and meet the requirement of this Section.

E. Regulations for Commercial Vacation Rentals:

1. Commercial Vacation Rentals are allowed with a Use Permit in the following zoning districts, subject to the requirements of this Section:

- a. High Density Residential (HDR);
- b. Medium Density Residential (MDR);

- c. Low Density Residential (LDR);
 - d. Rural Density Residential (RDR);
 - e. Light Commercial (LC);
 - f. Heavy Commercial (HC);
 - g. Visitor-serving/Professional Office (VO);
 - h. Farmland (F);
 - i. Rural Grazing (RG);
 - j. Permanent Grazing (PG);
 - k. Resource Conservation (RC);
 - l. Community Plan (CP), subject to Section 21.39.030.B (Regulations for Community Plan Zoning Districts or “CP” Districts” – Uses Allowed) except industrial and public/quasi-public land use designations within the CP districts; and
 - m. Specific Plan (SP), subject to Section 21.41.030.B (Regulations for Specific Plan Zoning Districts or “SP” Districts – Uses Allowed) except industrial and public/quasi-public land use designations within the SP district.
2. Commercial Vacation Rentals shall be prohibited in any other zoning district.
3. Commercial Vacation Rentals are subject to the following additional limitations based on a maximum allowable limit of permitted Commercial Vacation Rentals not to exceed four percent of the total single family residential dwelling unit count:
- a. Central Salinas Valley Area Plan as follows: A total of 66 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Central Salinas Valley Area Plan area.
 - b. Cachagua Area Plan as follows: A total of 20 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Cachagua Area Plan area.
 - c. Carmel Valley Master Plan as follows:
 - i. Commercial Vacation Rentals are prohibited in the RDR, LDR, MDR, and HDR zoning districts within the Carmel Valley Master Plan area.
 - ii. A total of 201 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Carmel Valley Master Plan area, excluding RDR, LDR, MDR, and HDR zoning districts.

d. Toro Area Plan as follows: A total of 173 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Toro Area Plan area.

e. Fort Ord Master Plan as follows: A total of 40 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Fort Ord Master Plan area.

f. Greater Monterey Peninsula Area Plan as follows: A total of 155 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Greater Monterey Peninsula Area Plan area.

g. North County Inland Area Plan as follows: A total of 226 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within North County Inland Area Plan area.

h. South County Area Plan as follows: A total of 52 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the South County Area Plan area.

i. Greater Salinas Area Plan as follows: A total of 80 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Greater Salinas Area Plan area.

j. All existing transient use of residential property permits or entitlements issued prior to the Effective Date of this Chapter will count against their respective Area or Master Plan cap. If upon the permit or entitlement expiration date or within seven years of the Effective Date of this Chapter, the Operator does not make an application for all permits, licenses, certificates, or other entitlements required by County regulations, the count will be added back to the Area or Master Plan cap.

4. A Commercial Vacation Rental that is not accessible directly from a public road shall be subject to Monterey County Code Chapter 16.80. Upon making an application with the County for Vacation Rental use, the Operator shall be required to mail notice to all properties with ownership or access rights to the private road to inform them of the proposed Vacation Rental use and shall include the application reference number, location of the vacation rental, name and contact information for the Property Manager; and procedures and contact information for the County.

5. Commercial Vacation Rentals must demonstrate that response times for County emergency services for fire and emergency medical will be adequate pursuant to the 2010 County of Monterey General Plan Safety Element Policy PS-1.1 and Table PS-1. Commercial Vacation Rentals must provide contact information for County

emergency services for fire and emergency medical. Notice of emergency services contact information shall be included in rental contracts and posted within the unit in a prominent place within six feet of the front door. The notice shall identify the average response time for emergency services to reach the subject property and describe the onsite fire protection systems (such as fire breaks, alarms and/or water storage tanks) available.

6. Commercial Vacation Rentals shall provide parking as required for the dwelling type by Monterey County Code Section 21.58.040, or the applicable parking regulations at the time the dwelling was built.

7. Only one Commercial Vacation Rental shall be allowed per legal lot of record, regardless of the number of dwellings on the legal lot of record, except in the development types and zoning districts specified below. This provision does not apply to other types of developments, such as planned unit developments or similar cluster residential subdivisions. This provision does not apply to Light Commercial (LC), Heavy Commercial (HC), and Visitor-Serving/Professional Office (VO) zoning districts. These districts shall be allowed more than one Commercial Vacation Rental per legal lot of record and shall not exceed the number of residential units per legal lot of record.

8. A Commercial Vacation Rental served by an OWTS shall maintain the system in good working order and ensure it is functioning properly at all times. The OWTS shall comply with Monterey County Code Chapter 15.20.

9. If the Commercial Vacation Rental is served by an OWTS, the Operator shall submit evidence that the system is in good working order and functioning properly by providing a performance evaluation report completed by a qualified OWTS professional in the form and manner required by the County. Any OWTS component noted to be in unacceptable condition shall be repaired or replaced prior to County approval of a Use Permit.

10. Required Findings. To grant a Use Permit for a Commercial Vacation Rental, the Appropriate Authority must find, based on substantial evidence, that the Commercial Vacation Rental complies with all findings required for a Use Permit pursuant to Chapter 21.74 and complies with all requirements of this Section.

11. Time Limits. All Use Permits issued for Commercial Vacation Rentals shall be subject to the following time limits on the use authorized by the Use Permit:

a. The initial Use Permit shall be issued for a term of no more than seven years.

b. The Operator may apply to extend the Use Permit prior to the expiration date of the Use Permit pursuant to Section 21.74.110. The extension

application shall be made at least 30 days prior to the expiration of the Use Permit. The Use Permit shall be extended by the Appropriate Authority by seven years upon each renewal, unless the Appropriate Authority finds that the operation is subject to revocation or modification according to the criteria set forth in Section 21.74.060.

c. The Operator shall maintain a valid Vacation Rental Operation License pursuant to Chapter 7.120 and a valid business license pursuant to Chapter 7.02 of this Code throughout the permitted term of the Commercial Vacation Rental use.

d. The purpose of the seven-year term limit is to provide adequate ongoing review of the Commercial Vacation Rental to ensure that the use continues to meet the standards of this Section.

F. Phasing Out Unpermitted Operations:

1. To provide time for the Operator of a Vacation Rental that was unpermitted prior to the Effective Date to bring the Vacation Rental into compliance with this Section, an Operator who can demonstrate that Vacation Rental use was established and operating on the subject property prior to the Effective Date may continue the operation for a limited period of time following the Effective Date.

2. The Operator has six months from the Effective Date to make an application for all permits, licenses, certificates, or other entitlements required by this Code. The Operator will be allowed to continue to operate as a Vacation Rental for up to six months from the Effective Date, or until County takes action on the Operator's application for all required permits, licenses, and entitlements made pursuant to this Code, whichever is later, unless County requires earlier termination of the Vacation Rental use due to a risk to public health, safety and welfare.

3. Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation, during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.

G. Phasing Out Previously Permitted Operations:

1. All Administrative Permits issued pursuant to Section 21.64.280 for the transient use of residential property prior to the Effective Date of this Chapter shall be required to comply with this Section upon expiration of their existing permit. If the prior use is no longer allowed pursuant to this Section, the Operator must cease operations at the time of the expiration of their permit.

2. All Administrative Permits issued pursuant to Section 21.64.280 for the transient use of residential property prior to the Effective Date of this Section without expiration dates shall be required to comply with this Section within seven years of the Effective Date.

3. Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation, during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.

H. Exemptions: The regulations set forth in this Section do not apply to unique neighborhoods with existing developments that were established with the intent of managed Vacation Rentals. The existing permitted unique neighborhoods with managed Vacation Rentals must operate according to the regulations and conditions approved through its original land use entitlement.

SECTION 35. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections sentences, clauses, or phrases are declared invalid.

SECTION 36. EFFECTIVE DATE. This Ordinance shall become effective on the thirty-first day following its adoption.

PASSED AND ADOPTED on this ____ day of _____, 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Glenn Church, Chair
Monterey County Board of Supervisors

ATTEST

VALERIE RALPH
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

KELLY L. DONLON
Assistant County Counsel

Appendix C

Revised Project Description

2 PROJECT DESCRIPTION

2.1 PROJECT OVERVIEW

The County of Monterey Housing and Community Development Department has prepared draft regulations for vacation rentals within the unincorporated areas of Monterey County. The proposed regulations would be applicable to coastal and non-coastal (inland) areas of the unincorporated areas of the County. A vacation rental means the use, by any person, of residential property for transient lodging where the term of occupancy, possession, or tenancy of the property by the person entitled to such occupancy, possession, or tenancy is, ~~except as provided herein,~~ for a period of thirty (30) consecutive calendar days or fewer, counting portions of calendar days as full days. Vacation rentals include commercial vacation rentals and limited vacation rentals. Vacation Rental does not include a bed and breakfast facility, hotel, motel, hostel, inn, roominghouse, boardinghouse, rooming or boarding. Commercial vacation rentals require a discretionary permit and will be analyzed on a case-by-case basis, whereas limited vacation rentals will not require a discretionary permit.

The proposed regulations have been developed to ensure that vacation rentals remain compatible with existing residential uses. In cases where the vacation rental would have the potential to be out of character with a residential use, such as a visitor-serving commercial use, the regulations include provisions for discretionary review before establishment of the use. The objectives of the County's proposed regulations are to:

- ▶ Preserve the residential character of zoning districts established in Titles 20 and 21;
- ▶ Preserve the sense of security and safety in neighborhoods;
- ▶ Balance economic opportunity with the preservation of housing supply and quality of life;
- ▶ Ensure that vacation rentals are operated in a manner that complies with all rules and regulations to protect the health, safety, and welfare of residents Monterey County;
- ▶ Establish regulations that provide opportunities for homeowners and residents to offer vacation rentals for visitors that have the potential to provide financial benefits to offset the high cost of living in Monterey County;
- ▶ Establish that limited vacation rental uses are similar in character, density, and intensity to residential use, are not anticipated to convert long-term housing out of the market, and are an allowed use with a vacation rental operation license and a business license; and,
- ▶ Establish regulations to address commercial vacation rental uses that have the potential to impact the character, density, and intensity of residential uses, convert long-term housing out of the market, or pose hazards to public health, safety, and general welfare.

2.2 PROJECT LOCATION

The proposed regulations for vacation rentals would be applicable to coastal and noncoastal areas of unincorporated Monterey County. The regulations would not apply within city limits.

2.3 PROJECT BACKGROUND

Monterey County has allowed bed and breakfast facilities in certain residential areas of the County in both inland and coastal areas since the 1980's. In the late 1990's, the County determined the need to define and regulate a broader category of vacation rental uses of residential properties (also known as vacation rentals) separate from bed and breakfast facilities. In 1997, the County of Monterey adopted regulations known as "regulations for the transient use of residential property for remuneration." These regulations became effective in the inland unincorporated areas of the County 30 days after adoption (Title 21). Due to a number of factors, the regulations were never certified in the coastal unincorporated areas (Title 20). Approximately 29 permits were approved over the course of 28 years yet the

proliferation of vacation rentals (permitted or not) increased significantly with the popularization of online vacation rental platforms such as Airbnb or VRBO. For several years, Monterey County has experienced a growing demand for and use of individual homes for vacation rentals and an increasing number of complaints from concerned residents and other interested parties regarding the current vacation rental ordinances. The complaints received are varied, including but not limited to noise and parking concerns, unsafe or illegal activities, and inquiries as to whether a particular residence has obtained the proper permits and tax registrations for vacation rental operation. In response to this growing demand for vacation rentals, the County began drafting a vacation rental ordinance in 2014. Chapter 3 of this Draft EIR provides a detailed discussion regarding the issues associated with the current vacation rental ordinances and how the issues are addressed by the proposed regulations.

2.4 PROPOSED VACATION RENTAL REGULATIONS

The project consists of three draft ordinances amending the Monterey County Code (MCC) for the purpose of establishing regulations, standards, and circumstances under which vacation rentals may be allowed. These regulations also provide an amortization of investment for existing vacation rental operations to enable those operations to continue for a limited time, provided that the vacation rental activity was established before the effective date of the respective ordinances and that the operator is pursuing all necessary County permits, licenses, and entitlements. The regulations limit establishment of vacation rentals to existing, legally established single-family dwellings, with a cap of ~~64~~ percent of the total residential single-family housing units in each land use planning area except the Big Sur Coast Land Use Plan Area, ~~and~~ low density residential zoning districts in the Carmel Land Use Plan Area, ~~and the residential zoning districts in the Carmel Valley Master Plan Area~~, for commercial vacation rentals, as detailed below.

No specific development or construction would be entitled under any of the draft ordinances. Two types of vacation rentals would be affected by the proposed regulations:

- ▶ **Limited vacation rental:** A limited vacation rental is a residential property rented as a hosted vacation rental ~~vacation rental~~ by the owner or operator for an unlimited number of times per 12-month period or as a non-hosted vacation rental by the owner or operator not more than three times in a 12-month period, ~~with each such rental not to exceed 14 consecutive calendar days in duration.~~¹
- ▶ **Commercial vacation rental:** A commercial vacation rental is a residential property rented as a non-hosted vacation rental by the owner or operator more than three times in a 12-month period. ~~“Commercial vacation rental” also includes a residential property rented as a vacation rental three or fewer times per 12-month period if any of the three vacation rentals exceed a duration of 14 consecutive calendar days.~~

The Monterey County Zoning Ordinances for coastal and inland areas (Titles 20 and 21 of the MCC, respectively) would be amended to specify which types of vacation rentals are allowed and which types require a discretionary permit. Both ordinances would include a section entitled “Regulations for Vacation Rentals.” This section will contain the criteria and minimum standards for vacation rentals. The amendment to MCC Chapter 7.02, “Business Taxes, Licenses, and Regulations,” would allow the County to require business licenses for hotels (as defined by MCC Section 5.40.020.A), commercial vacation rentals, and limited vacation rentals; and vacation rental operation licenses for both types of vacation rentals. The rules for vacation rental operation would be included in the new Chapter 7.120, “Vacation Rental Operation License,” in Chapter 7.02 of the MCC. A summary of each draft ordinance and the proposed amendments are identified below. The draft regulations allow for current permitted operations per Section 21.64.280 of the MCC to become legal non-conforming uses until the original permits expire or for permits with no expiration date within seven years of the effective date of the ordinance.

¹ Except for limited vacation rentals in the Big Sur Coast Land Use Plan. The dwelling unit used for a limited vacation rental shall be the principal residence of the owner, resident, or rental operator.

2.4.1 Monterey County Coastal Zoning - Title 20 Amendment

The proposed amendment to the Monterey County Zoning Ordinance for coastal areas of unincorporated Monterey County (Title 20) would provide definitions for terms not already defined, clarify in which zoning districts vacation rentals would be allowed and what type of permit(s) would be required, and provide specific regulations for vacation rentals. Title 20 is part of the County's Coastal Implementation Plan and will require certification by the California Coastal Commission. The draft ordinance, which is provided as Appendix B, is summarized as follows.

DEFINITIONS

The following terms are defined in the ordinance:

- ▶ "commercial vacation rental,"
- ▶ "hosted,"
- ▶ "limited vacation rental,"
- ▶ "non-hosted,"
- ▶ "license,"
- ▶ "occupant,"
- ▶ "operator,"
- ▶ "owner,"
- ▶ "person,"
- ▶ "property manager,"
- ▶ "residential property,"
- ▶ "rooming or boarding,"
- ▶ "roominghouse or boardinghouse,"
- ▶ "transient," ~~and~~
- ▶ "vacation rental," ~~and~~ and
- ▶ "visitor."

These definitions provide clarity for implementation of the regulations and are consistent with the definitions proposed in the Title 21 and Chapter 7 amendments.

REGULATIONS FOR LIMITED VACATION RENTALS

Limited vacation rentals are vacation rentals that operate occurs as a hosted vacation rental by the owner or operator and occur for an unlimited number of times per 12-month period or as a non-hosted vacation rental not more than three or fewer times in a 12-month period, with each such rental not to exceed 14 consecutive calendar days. The ordinance includes limited vacation rentals as an allowed use and exempts these uses from a Coastal Development Permit in the following zoning districts: High Density Residential (HDR(CZ)), Medium Density Residential (MDR(CZ)), Low Density Residential (LDR(CZ)), Rural Density Residential (RDR(CZ)), Watershed and Scenic Conservation (WSC(CZ)), Coastal General Commercial (CGC(CZ)), Moss Landing Commercial (MLC(CZ)), Visitor-Serving Commercial (VSC(CZ)), Coastal Agriculture Preserve (CAP(CZ)), and Agricultural Conservation (AC(CZ)). Limited vacation rentals are prohibited in any other zoning district. In addition, rentals are only allowed in a single-family dwelling. A property manager, owner, or operator shall concurrently reside on the property while the property is rented if an agricultural

operation is active on the property for any rentals ~~within Coastal Agriculture Preserve (CAP(CZ)) and Agricultural Conservation (AG(CZ)) zoning districts.~~

The owner or operator of a rental shall comply with the following requirements:

- ▶ obtain a vacation rental operation license pursuant to Chapter 7.120 of the MCC;
- ▶ obtain a business license from the County pursuant to Section 7.02.060(C) of the MCC; and
- ▶ register the limited vacation rental with the Monterey County Treasurer-Tax Collector and obtain a Transient-Occupancy Registration Certificate in accordance with the provisions of Section 5.40.070 of the MCC.

Limited vacation rentals are required to conform with applicable state and local requirements such as building and fire codes, and water quality ~~(or bottled water with notification and advisory sign)~~ requirements.

REGULATIONS FOR COMMERCIAL VACATION RENTALS

Regulations for commercial vacation rentals allow more frequent vacation rentals than limited vacation rentals. The concept is that the higher the frequency and duration of use of a residence as a vacation rental, the greater the shift from traditional residential use (long-term owner or renter occupied housing) would occur. Therefore, the regulations require commercial vacation rentals to obtain a discretionary permit before commencement of use. This allows the County to exercise judgement on a case-by-case basis for each commercial vacation rental application. The amendment adds commercial vacation rental as an allowed use subject to a Coastal Development Permit in the following zoning districts: High Density Residential (HDR(CZ)), Medium Density Residential (MDR(CZ)), Low Density Residential (LDR(CZ)), Rural Density Residential (RDR(CZ)), Watershed and Scenic Conservation (WSC(CZ)), Coastal General Commercial (CGC(CZ)), Moss Landing Commercial (MLC(CZ)), Visitor-Serving Commercial (VSC(CZ)), Coastal Agriculture Preserve (CAP(CZ)), and Agricultural Conservation (AC(CZ)). Commercial vacation rentals are prohibited in any other zoning district. In addition, rentals are only allowed in a single-family dwelling. A property manager, owner, or operator shall concurrently reside on the property while the property is rented if an agricultural operation is active on the property ~~for any rentals within Coastal Agriculture Preserve (CAP(CZ)) and Agricultural Conservation (AG(CZ)).~~

The commercial vacation rental shall not exceed ~~six-four~~ six percent of the total single family residential dwelling unit count, calculated ~~not more than 90 days prior to the effective date of this ordinance~~ based on the data below in Section 2.4.4. The ordinance also includes the following limitations within certain planning areas:

- ▶ Big Sur Coast Land Use Plan Area: commercial vacation rentals are prohibited within the Big Sur Coast area.
- ▶ Carmel Area Land Use Plan Area: commercial vacation rentals are prohibited in low density residential (LDR(CZ)) zoning districts within the Carmel area. Vacation rentals within the allowable zoning districts in the plan area are subject to visitor-serving facilities policies in section 4.4.3.D of the Carmel Area Land Use Plan. A total of ~~176~~ 117 maximum Coastal Development Permits shall be issued at any given time for commercial rental uses within the Carmel Area.
- ▶ Del Monte Forest Land Use Plan Area: a total of ~~86~~ 57 maximum Coastal Development Permits shall be issued at any given time for commercial vacation rental uses within the Del Monte Forest area.
- ▶ North County Coastal Land Use Plan Area: a total of ~~235~~ 157 maximum Coastal Development Permits shall be issued at any given time for commercial vacation rentals within the North County area.

The owner or operator of a rental shall comply with the following requirements:

- ▶ obtain a vacation rental operation license pursuant to Chapter 7.120 of the MCC;
- ▶ obtain a business license from the County pursuant to Section 7.02.060(C) of the MCC; and
- ▶ register the limited vacation rental with the Monterey County Treasurer-Tax Collector and obtain a Transient-Occupancy Registration Certificate in accordance with the provisions of Section 5.40.070 of the MCC.

Commercial vacation rentals are required to conform with applicable state and local requirements such as building and fire codes, and water quality ~~(or bottled water with notification and advisory sign)~~ requirements. In addition, the ordinance identifies several regulations to qualify for a commercial vacation rental that deal with issues such as private road access, water systems, water sources, on-site wastewater treatment system(s), County emergency response times, and parking, and solid waste.

ADDITIONAL REGULATIONS

In addition, the ordinance provides regulations for phasing out unpermitted operations, application and renewal process, grounds for suspension and revocation, procedure for administrative fines and penalties for violation of the regulations, and enforcement and indemnification. These regulations would work in concert with the operational requirements listed in MCC Chapter 7.120.

2.4.2 Monterey County Inland Zoning - Title 21 Amendment

The proposed amendment to the Monterey County Zoning Ordinance for inland areas of unincorporated Monterey County (Title 21) would provide definitions for terms not already defined, clarify in which zoning districts vacation rentals would be allowed and what type of permit(s) would be required, and provide specific regulations for vacation rentals. The draft ordinance, which is provided as Appendix B, is summarized as follows.

DEFINITIONS

The amendment defines the following new terms: "commercial vacation rental," "hosted," "limited vacation rental," "non-hosted," "residential property," "rooming or boarding," "roominghouse or boardinghouse," "transient," and "vacation rental." These terms provide clarity for implementation of regulations and are consistent with the definitions proposed in the Title 20 and Chapter 7 amendments.

The existing definitions for "roominghouse or boardinghouse" and "transient" have been amended to be consistent with the proposed regulations. These terms are consistent with the definition proposed in the Title 20 amendment.

REGULATIONS FOR LIMITED VACATION RENTALS

Limited vacation rentals are an allowable use, where applicable, with a vacation rental operation license and business license.

Consequently, these uses would be allowed in zoning districts where single-family dwellings are allowed uses. The amendment includes limited vacation rentals as an allowed use in the following zoning districts: High Density Residential (HDR), Medium Density Residential (MDR), Low Density Residential (LDR), Rural Density Residential (RDR), Light Commercial (LC), Heavy Commercial (HC), Visitor-Serving/Professional Office (VO), Farmland (F); Rural Grazing (RG); Permanent Grazing (PG); Resource Conservation (RC), ~~Limited Agricultural District ("A" District)~~, Community Plan (CP), subject to Section 21.39.030.B (Regulations for Community Plan Zoning Districts or "CP" Districts" – Uses Allowed) except industrial and public/quasi-public land use designations in the CP districts, and Specific Plan (SP), which is also subject to Section 21.41.030.B, except industrial and public/quasi-public land use designations in the SP district. Limited vacation rentals are prohibited in any other zoning district. In addition, rentals are only allowed in single-family dwellings. A property manager, owner, or operator shall concurrently reside on the property while the property is rented if an agricultural operation is active on the property ~~for any rentals within Farmland (F), Rural Grazing (RG), Permanent Grazing (PG), and Limited Agricultural District ("A" District) zoning districts.~~

The owner or operator of a rental shall comply with the following requirements:

- ▶ obtain a vacation rental operation license pursuant to Chapter 7.120 of the MCC;
- ▶ obtain a business license from the County pursuant to Section 7.02.060(C) of the MCC; and

- ▶ register the limited vacation rental with the Monterey County Treasurer-Tax Collector and obtain a Transient-Occupancy Registration Certificate in accordance with the provisions of Section 5.40.070 of the Monterey County Code.

Limited vacation rentals are required to conform with applicable state and local requirements such as building and fire codes, and water quality ~~(or bottled water with notification and advisory sign)~~ requirements.

REGULATIONS FOR COMMERCIAL VACATION RENTALS

Regulations for commercial vacation rentals allow more frequent vacation rentals than limited vacation rentals. Therefore, the regulations require commercial vacation rentals to obtain a discretionary permit before commencement of use. The amendment adds commercial vacation rental as an allowed use subject to a Use Permit, in the following zoning districts: High Density Residential (HDR), Medium Density Residential (MDR), Low Density Residential (LDR), Rural Density Residential (RDR), Light Commercial (LC), Heavy Commercial (HC), Visitor-Serving/Professional Office (VO), Farmland (F), Rural Grazing (RG), Permanent Grazing (PG), Resource Conservation (RC), ~~Limited Agricultural District ("A" District)~~, Community Plan (CP), subject to Section 21.39.030.B (Regulations for Community Plan Zoning Districts or "CP" Districts" – Uses Allowed) except industrial and public/quasi-public land use designations in the CP districts, and Specific Plan (SP), which is also subject to Section 21.41.030.B, except industrial and public/quasi-public land use designations in the SP district. Commercial vacation rentals are prohibited in any other zoning district. In addition, rentals are only allowed in single-family dwellings. A property manager, owner, or operator shall concurrently reside on the property while the property is rented if an agricultural operation is active on the property for any rentals ~~within Farmland (F), Rural Grazing (RG), Permanent Grazing (PG), and Limited Agricultural District ("A" District) zoning districts.~~

The commercial vacation rental shall not exceed ~~six-four~~ percent of the total single family residential dwelling unit count, ~~calculated not more than 90 days prior to the Effective Date~~ based on the data below in Section 2.4.4. The ordinance also includes the following limitations within certain planning areas:

- ▶ Cachagua Area Plan: a total of ~~30-20~~ maximum Use Permits shall be issued at any given time for commercial vacation rental uses within the Cachagua Area Plan area.
- ▶ Carmel Valley Master Plan: commercial vacation rentals are prohibited in low density residential (LDR), medium density residential (MDR), and high density residential (HDR) zoning districts within the Carmel Valley Master Plan Area. a total of ~~302-201~~ maximum Use Permits shall be issued at any given time for commercial vacation rentals uses within the Carmel Valley Master Plan area.
- ▶ Central Salinas Valley Area Plan: a total of ~~9866~~ maximum Use Permits shall be issued at any given time for commercial vacation rentals in the Central Salinas Valley Area.
- ▶ Ford Ord Master Plan: a total of ~~6040~~ maximum Use Permits shall be issued for commercial vacation rental uses within the Fort Ord Master Plan area.
- ▶ Greater Monterey Peninsula Area Plan: a total of ~~232155~~ maximum Use Permits shall be issued for commercial vacation rental uses within the Greater Monterey Peninsula Area Plan area.
- ▶ Greater Salinas Area Plan: a total of ~~42080~~ maximum Use Permits shall be issued for commercial vacation rental uses within the Greater Salinas Area.
- ▶ North County Inland Area Plan: a total of ~~339226~~ maximum Use Permits shall be issued for commercial vacation rental uses within the North County Inland Area.
- ▶ South County Area Plan: a total of ~~7852~~ maximum Use Permits shall be issued for commercial vacation rental uses within the South County Area Plan.
- ▶ Toro Area Plan: a total of ~~259173~~ maximum Use Permits shall be issued at any given time for commercial vacation rental uses within the Toro Area Plan area.

The owner or operator of a rental shall comply with the following requirements:

- ▶ obtain a vacation rental operation license pursuant to Chapter 7.120 of the MCC;
- ▶ obtain a business license from the County pursuant to Section 7.02.060(C) of the MCC; and
- ▶ register the limited vacation rental with the Monterey County Treasurer-Tax Collector and obtain a Transient-Occupancy Registration Certificate in accordance with the provisions of Section 5.40.070 of the MCC.

Commercial vacation rentals are required to conform with applicable state and local requirements such as building and fire codes, and water quality ~~(or bottled water with notification and advisory sign)~~ requirements. In addition, the ordinance identifies several regulations to qualify for a commercial vacation rental that deal with issues such as private road access, water systems, water sources, on-site wastewater treatment system(s), County emergency response times, and parking, and solid waste.

ADDITIONAL REGULATIONS

In addition, the proposed ordinance provides regulations for phasing out unpermitted operations, application and renewal process, grounds for suspension and revocation, procedure for administrative fines and penalties for violation of the regulations, and enforcement and indemnification. These regulations would work in concert with the operational requirements listed in MCC Chapter 7.120.

2.4.3 Business Taxes, Licenses and Regulations - Title 7 Amendment

The proposed amendment to MCC Title 7 includes amending Chapter 7.02 to require a business license for hotels and vacation rentals and adding Chapter 7.120 to establish operation permits for vacation rentals. Both Chapters 7.02 and 7.120 are applicable in the coastal and inland areas of unincorporated Monterey County. The draft amendment, which is provided as Appendix B, is summarized as follows.

BUSINESS LICENSE

The amendment to MCC Chapter 7.02 requires the operator of any of the two types of vacation rentals (limited vacation rentals and commercial vacation rentals) to procure a business license before commencement, operation, or maintenance of any vacation rental. In addition, operators of hotel would be subject to the business license requirement.

VACATION RENTAL OPERATION LICENSE

The proposed ordinance includes adding Chapter 7.120, "Vacation Rental Operation License," to the MCC. In addition to the land use and zoning requirements and site development standards, this Chapter would provide operational requirements for the two types of vacation rentals. The following subsections are contained in Chapter 7.120: ~~definitions, purpose, applicability, definitions, regulations for hosting platforms,~~ regulations for vacation rentals, regulations for limited vacation rentals, regulations for commercial vacation rentals, application and renewal process, fees, criteria for grant of vacation rental operation license, grounds for denial, grounds for suspension or revocation, enforcement, process for hearing by a hearing officer, and service requirements. The following sections provide a summary of regulations for vacation rentals.

Regulations for Vacation Rentals

All operators who intend to operate a vacation rental, including a limited vacation rental and commercial vacation rental, shall obtain a Vacation Rental Operation License for the fixed location and dwelling in which the vacation rental is to occur.

The owner of the subject property, or their authorized agent, must obtain all necessary land use entitlements as required by Section 20.64.290 or Section 21.64.290 of the MCC before the County ~~will issue a Vacation Rental Operation License~~ they begin operating as a vacation rental. The operator applying for a Vacation Rental Operation License, if applicable, shall ~~provide written proof apply to the Monterey County Housing and Community Development Director or his or her designee or for~~ all applicable land use entitlements. Limited vacation rentals are exempt from this requirement; therefore, they do not require a land use entitlement.

~~In addition, the use of a residential property for a vacation rental shall not violate any applicable conditions, covenants, or other restrictions on real property. The vacation rental operator shall research any conditions, covenants, or other restrictions to which the property is subject and verify to the best of their knowledge that operating the vacation rental would not be in violation of those conditions, covenants, or other restrictions. The vacation rental operator shall also provide proof of approval from any applicable homeowners' association or other entity that has authority to enforce any applicable conditions, covenants, or other restrictions on real property for the vacation rental use.~~

As a requirement of the Vacation Rental Operations License, upon receipt of an approved License, the operation shall mail an informational letter to (a) neighboring properties within a 300-foot radius of the ~~vacation rental operation property~~; (b) ~~if applicable, a homeowners' association and any other entity with authority to enforce conditions, covenants, or other restrictions;~~ and (c) ~~if applicable~~, all properties with ownership or access rights to any shared private road used to access the vacation rental operation.

Regulations for Limited Vacation Rental

"Limited vacation rental" is defined below (see a.). The following definitions and requirements apply:

- a. "Limited vacation rental" means a residential property rented as a hosted vacation rental by the owner or operator for an unlimited number of times per 12-month period or as a non-hosted vacation rental by the owner or operator for not more than three times per 12-month period, which each such rental not to exceed 14 consecutive calendar days in duration.

Limited vacation rentals are allowed without the need for a discretionary permit.

The maximum occupancy limits for limited vacation rentals are as follows:

- The maximum number of overnight occupants shall be calculated and limited to a not-to-exceed count of two persons per bedroom and shall not exceed a total occupancy of four persons per unit, no matter how many bedrooms.
- The maximum daytime occupancy of occupants and visitors shall be calculated and limited to a not-to-exceed count of 1.5 times the maximum overnight occupancy and shall not exceed a total count of six persons per unit, no matter how many bedrooms.

Regulations for Commercial Vacation Rental

"Commercial vacation rental" is defined below (see a.). The following definitions, requirements, and prohibition apply:

- a. "Commercial vacation rental" means a residential property rented as a non-hosted vacation rental by the owner or operator for more than three times per 12-month period. ~~"Commercial vacation rental" also includes a residential property rented as a vacation rental three or fewer times per 12-month period, if any of the three vacation rentals exceed a duration of 14 consecutive calendar days.~~
- b. Establishment of the vacation rental is subject to a discretionary permit (Use Permit in the inland areas and a Coastal Development Permit in the coastal zone areas).
- c. Commercial vacation rentals are prohibited in Big Sur, ~~and~~ in Low Density Residential zoning districts in the Carmel Area, ~~and the Low Density Residential, Medium Density Residential, and High Density Residential zoning districts in the Carmel Valley Master Plan Area.~~

2.4.4 Allowable Growth of Commercial Vacation Rentals

The proposed regulations would allow up to ~~64~~ percent of the total single-family residential dwelling count in each of the County's land use planning areas to be used as commercial vacation rentals, with the exception of the Big Sur Coast. ~~Additionally, while the 4 percent 6 percent caps applies to the overall Carmel area, no commercial vacation rentals would be permitted in Low Density Residential zoning districts. Additionally, the 4 percent cap applies to the Carmel Valley Master Plan Area, no commercial vacation rentals would be permitted in the Rural Density Residential, Low Density Residential, Medium Density Residential, or High Density Residential zoning districts of the Carmel Valley Master Plan Area.~~

CEQA requires that the analysis of environmental impacts is based on the difference between existing conditions—the baseline—and the impacts that would occur under the proposed project. Therefore, an understanding of the number of existing vacation rentals in the County is required. At the time the NOP was released, the data used to identify the existing unpermitted rentals was based on advertised data available from a specialty firm, Host Compliance, as of May 2022 (see page 1-2 of the Environmental Checklist of the NOP, Appendix A of this EIR). These numbers used were the best available data that the County was aware of when the NOP was released. However, since the NOP, an additional source of data with a more comprehensive database was identified, a firm known as AirDNA. Advertised vacation rentals data identified by AirDNA as of June 2023 was used, which includes data from AirBNB, VRBO, and HomeAway (Appendix C of this EIR), and this data updated the data used for the NOP. Table 2-1 identifies the number of existing dwelling units, existing unpermitted rentals, and allowable commercial vacation rentals for each planning area based on the AirDNA data. Table 2-1 shows that more commercial vacation rentals are currently on the market than was known when the NOP was released. This is the data used for the analysis in this EIR because it is more accurate.

Table 2-1 Allowable Commercial Vacation Rentals for Each Planning Area

Planning Area	Number of Residential Dwelling Units Identified by Assessor's Office	Number of Residential Dwelling Units Allowed for Commercial Vacation Rentals (46% per Planning Area)	Number of Current Advertised Vacation Rental Dwelling Units ¹	Number of Additional Allowable Residential Units Available for Commercial Vacation Rentals
Cachagua	512	3020	43	243 ⁴
Carmel ²	2,948	176117	218	42101 ⁴
Carmel Valley ²	5,033	302201	163	13938
Central Salinas Valley	1,642	9866	6	9259
Big Sur Coast	925	0 ³	37	-37 ³
Del Monte Forest	1,432	8657	83	326 ³
Fort Ord	1,007	6040	4	5636
Greater Monterey Peninsula	3,879	232155	114	11841
Greater Salinas	2,001	12080	11	10969
Moss Landing	61	32	11	98 ⁴
North County – Inland	5,653	339226	21	318205
North County – Coastal	3,916	235157	52	183105
South County	1,296	7852	14	6438
Toro	4,321	259173	48	24125
TOTAL	34,626 ⁵	2,0181,345	825	1,193520

Source: Data Provided by County of Monterey, 2023² and EPS, 2023 (Appendix C of this EIR)

Notes:

- ¹ The number of existing vacation rentals is based on advertised data per data received from AirDNA (Appendix C of this EIR). Most vacation rentals are currently not permitted and would be required to obtain a permit upon adoption of the ordinances. In addition, these data do not distinguish whether the operation qualifies as a commercial or limited vacation rental. However, it is assumed that most if not all are used more than three times per year, which would qualify them as commercial vacation rentals.
- ² Per the draft regulations, the overall number of commercial vacation units allowable within the overall Carmel planning area remains set by the 64 percent cap for commercial vacation rentals, but none of the units can be located in the low-density residential zoning district.
- ³ For purposes of this analysis, the Big Sur Coast includes two privately owned residential units located in the Coast Non-Coastal area, which are on the border between Big Sur Coast and the Coastal Non-Coastal areas. However, in accordance with the draft regulations, commercial vacation rentals are not allowed in the Big Sur Coast area. Therefore, the existing rentals would no longer be allowed as commercial vacation rentals, and there would likely be a reduction in the number of rentals in this area (decrease by 37 units). However, 18 limited vacation rentals are allowed.
- ⁴ All existing unpermitted vacation rentals would be required to obtain a permit from the County, and permits would be issued on a first-come, first-serve basis. To stay within the allowable number of units for commercial vacation rentals in each planning area, the County would approve up to only 64 percent of the total units at the time of adoption as of the residential dwelling unit count data as provided by the County as of 2022 of the applicable ordinance. This means there would be an overall reduction (from current levels) in commercial vacation units rentals permitted in certain planning areas. This affects the Cachagua area, Carmel area, Del Monte Forest, and Moss Landing area.
- ⁵ It should be noted that the total number of 46,830 housing units in the Socioeconomic Analysis prepared by EPS (Appendix C of this EIR) is higher than the 34,626 units identified in this table. The total units reported in the EPS analysis is an overcount. Because census track data does not necessarily align with the corporate boundaries of cities, the total units in the County are overreported by approximately 25 percent compared to assessor parcel data. However, 34,626 units is the total number of units within the unincorporated planning areas, which is the

area subject to the proposed ordinances. Therefore, this number is used to determine the available units for rent under the commercial vacation ordinance cap.

⁶ Per the draft regulations, the overall number of commercial vacation units allowable within the overall Carmel Valley Master Plan Area remains set by the 4 percent cap for commercial vacation rentals, but none of the units can be located in the rural density residential, low-density residential, medium density residential, or high-density residential zoning district.

2.5 POTENTIAL PERMITS AND APPROVALS REQUIRED

The following actions would be needed by the County for implementation of the project:

- ▶ Adoption of the following proposed ordinances:
 - Amended Section 7.02.060 of the MCC and added Chapter 7.120 Relating to Vacation Rental Activities
 - Amended Title 20 (Coastal Zone) of the MCC Relating to Vacation Rentals
 - Amended Title 21 (Non-Coastal Zoning) of the MCC Relating to Vacation Rentals
- ▶ Subsequent Approval after Ordinances are adopted:
 - Obtain applicable Land Use Permit for commercial vacation rentals in inland and coastal areas
 - Obtain Vacation Rental Operation License and Business License

The following actions would be needed by the California Coastal Commission for implementation of the project in the coastal area:

- ▶ Certification of the following amended ordinance:
 - Amended Title 20 (Coastal Zone) of the MCC Relating to Vacation Rentals
- ▶ Potential subsequent action after Title 20 ordinance is adopted/certified:

County Coastal Development Permit approval may be appealable to the Commission

