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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 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 allow short-term vacation rentals. This Ordinance requires a use permit for commercial short-term 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 three types of short-term vacation rentals, commercial vacation rentals, limited vacation rentals, and homestays, such that commercial vacation rentals require a discretionary land use entitlement while limited vacation rentals and homestays 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.

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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. Homestays, commercial vacation rentals, and limited vacation rentals do not count towards any visitor-serving units or guestroom caps established by Monterey County Code, 2010 County of Monterey General Plan, or any associated Area Plan established by the 2010 County of Monterey General Plan.

F. 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.

G. 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.

H. 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 October 14, 2024, 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.

I. 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

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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 21.06.620 of the Monterey County Code is amended to read as follows:

"Guesthouse" means an attached or detached living quarters of a permanent type of construction lacking internal circulation with the main dwelling, without kitchen or cooking facilities, clearly subordinate and incidental to the main structure, on the same lot, and not to be separately rented, let, or leased, whether compensation is provided or not.

SECTION 3. 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 4. 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 5. Section 21.06.1307 of the Monterey County Code is amended to read as follows:

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

SECTION 6. Subsection (S) is added to Section 21.10.030 of the Monterey County Code [High Density Residential District] to read as follows:

S. Homestays, pursuant to Section 21.64.290;

SECTION 7. Subsection (T) is added to Section 21.10.030 of the Monterey County Code [High Density Residential District] to read as follows:

T. Limited Vacation Rentals, pursuant to Section 21.64.290.

SECTION 8. 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 9. Subsection (R) is added to Section 21.12.030 of the Monterey County Code [Medium Density Residential District] to read as follows:

R. Homestays, pursuant to Section 21.64.290;

SECTION 10. Subsection (S) is added to Section 21.12.030 of the Monterey County Code [Medium Density Residential District] to read as follows:

S. Limited Vacation Rentals, pursuant to Section 21.64.290.

SECTION 11. 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 12. Subsection (U) is added to Section 21.14.030 of the Monterey County Code [Low Density Residential District] to read as follows:

U. Homestays, pursuant to Section 21.64.290;

SECTION 13. Subsection (V) is added to Section 21.14.030 of the Monterey County Code [Low Density Residential District] to read as follows:

V. Limited Vacation Rentals, pursuant to Section 21.64.290.

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SECTION 14. 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 15. Subsection (W) is added to Section 21.16.030 of the Monterey County Code [Rural Density Residential District] to read as follows:

W. Homestays, pursuant to Section 21.64.290;

SECTION 16. Subsection (X) is added to Section 21.16.030 of the Monterey County Code [Rural Density Residential District] to read as follows:

X. Limited Vacation Rentals, pursuant to Section 21.64.290.

SECTION 17. 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 18. Subsection (E) is added to Section 21.18.040 of the Monterey County Code [Light Commercial District] to read as follows:

E. Homestays, pursuant to Section 21.64.290;

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

F. 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. Homestays, pursuant to Section 21.64.290;

SECTION 22. Subsection (F) is added to Section 21.20.040 of the Monterey County Code [Heavy Commercial District] to read as follows:

F. Limited Vacation Rentals, pursuant to Section 21.64.290.

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SECTION 23. 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 24. Subsection (D) is added to Section 21.22.040 of the Monterey County Code [Visitor-Serving/Professional Office District] to read as follows:

D. Homestays, pursuant to Section 21.64.290;

SECTION 25. Subsection (E) is added to Section 21.22.040 of the Monterey County Code [Visitor-Serving/Professional Office District] to read as follows:

E. Limited Vacation Rentals, pursuant to Section 21.64.290.

SECTION 26. 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 27. Subsection (R) is added to Section 21.30.030 of the Monterey County Code [Farmland] to read as follows:

R. Homestays, pursuant to Section 21.64.290;

SECTION 28. Subsection (S) is added to Section 21.30.030 of the Monterey County Code [Farmland] to read as follows:

S. Limited Vacation Rentals, pursuant to Section 21.64.290.

SECTION 29. 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 30. Subsection (R) is added to Section 21.32.030 of the Monterey County Code [Rural Grazing] to read as follows:

R. Homestays, pursuant to Section 21.64.290;

SECTION 31. Subsection (S) is added to Section 21.32.030 of the Monterey County Code [Rural Grazing] to read as follows:

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S. Limited Vacation Rentals, pursuant to Section 21.64.290.

SECTION 32. 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 33. Subsection (Q) is added to Section 21.34.030 of the Monterey County Code [Permanent Grazing] to read as follows:

Q. Homestays, pursuant to Section 21.64.290;

SECTION 34. Subsection (R) is added to Section 21.34.030 of the Monterey County Code [Permanent Grazing] to read as follows:

R. Limited Vacation Rentals, pursuant to Section 21.64.290.

SECTION 35. 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 36. Subsection (V) is added to Section 21.36.030 of the Monterey County Code [Resource Conservation District] to read as follows:

V. Homestays, pursuant to Section 21.64.290;

SECTION 37. Subsection (W) is added to Section 21.36.030 of the Monterey County Code [Resource Conservation District] to read as follows:

W. Limited Vacation Rentals, pursuant to Section 21.64.290.

SECTION 38. 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 39. 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).

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SECTION 40. 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 and Homestay 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. “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.
2. “Commercial Vacation Rental” means a Vacation Rental that is Non-hosted and rented for more than three times per 12-month period.

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3. “County” means County of Monterey.
4. “Homestay” means a Vacation Rental in which the Owner or principal resident occupies at least one Bedroom within the Vacation Rental while it is being rented as a Vacation Rental. The Vacation Rental must be the Owner’s Primary Residence.
5. “Limited Vacation Rental” means a Vacation Rental that is Non-hosted and rented for not more than three times per 12-month period.
6. “Non-hosted” means that an Operator does not occupy the Vacation Rental while it is being rented.
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. “Owner’s Primary Residence” means a Residential Property lived in by the Owner for at least 183 days, which is documented by at least two of the following: motor vehicle registration, voter registration, homeowner’s exemption on their property taxes, or a utility bill.
10. “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.
11. “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.
12. “Residential Property” means improved property, used or occupied, or intended to be used or occupied, for residential purposes.
13. “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, Homestays, and Limited Vacation Rentals. “Vacation Rental” does not include a bed and breakfast facility, hotel, motel, hostel, inn, roominghouse, boardinghouse, rooming or boarding.

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

D. Regulations for Homestays:

1. Homestays 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. Homestays shall be prohibited in any other zoning district.

E. 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);

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- 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.

F. 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:

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- 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 October 14, 2024 of this Chapter will count against

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their respective Area or Master Plan cap. If upon the permit or entitlement expiration date or within seven years of October 14, 2024 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

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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. The Owner of the Vacation Rental shall only have an ownership interest in one Commercial Vacation Rental real property within the unincorporated Monterey County at a time.

11. 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.

12. 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 of this Title. 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 business license pursuant to Chapter 7.02 and a valid Vacation Rental Operation License pursuant to Chapter 7.120 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.

G. Phasing Out Unpermitted Operations:

1. To provide time for the Operator of a Vacation Rental that was unpermitted prior to October 14, 2024 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 October 14, 2024 may continue the operation for a limited period of time.

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2. The Operator has six months from October 14, 2024, 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 October 14, 2024, 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. The Operator must diligently pursue the approval and issuance of the required permits, licenses, and entitlements, or the County can require earlier termination of the Vacation Rental.

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.

4. Pending applications submitted by a qualified applicant to the County, pursuant to Section 21.64.280, that have not been approved by the Appropriate Authority by October 14, 2024, shall be required to comply with this Section.

H. 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 October 14, 2024, 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 October 14, 2024, of this Section without expiration dates shall be required to comply with this Section within seven years of October 14, 2024.

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.

I. 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.

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J. Operative Date: This Section shall become operative on October 14, 2024.

SECTION 41. 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 42. 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

<p>APPROVED AS TO FORM:</p> <p>KELLY L. DONLON Assistant County Counsel</p>

By: _____
 Deputy