

Attachment 2



City of Grass Valley City Council Agenda Action Sheet

Council Meeting Date: April 10, 2018 **Date Prepared:** April 4, 2018

Prepared by: Thomas Last, Community Development Director 

Title: Development Code Amendment (17PLN-35), Planning Commission recommendation to the City Council on amendments to the Development Code, including short-term rental units.

Recommended Motion: Conduct a public hearing and approve the amendments to the Development Code by: 1) introducing the ordinance amendments, Title 17 of the Grass Valley Municipal Code; and, 2) waiving the first reading of the ordinance in its entirety read by title only.

Agenda: Public Hearing

Background: At the City Council meetings of June 27 and September 12, 2017, staff presented discussion items on short-term vacation rentals (STRs) and the trend to convert residential homes into full- or part-time vacation rentals. At the September meeting, the Council determined the City should establish regulations for STRs, and noted interest in developing regulations similar to Nevada City's. On October 10, 2017, staff requested direction from the City Council on 10 items to assist staff in the drafting of an ordinance. Council then provided direction on those 10 items and directed staff to initiate an amendment to the Development Code. The Planning Commission conducted its first public hearing on January 16, 2018. After substantial discussion, primarily focused on the vacation rental homes (rental of an entire home), the Commission continued the public hearing to its meeting of February 20, 2018. Both meetings included extensive comments from the public; again, focused more on the vacation rental home proposal.

The proposed amendments are attached to the Ordinance as Exhibit A and summarized as follows:

1. Modifications to Section 17.44.040, Bed and Breakfast Inns – These changes are proposed to ensure Bed and Breakfast Inns are treated equally with the STRs.
2. New Section 17.44.205 – This creates a new section to allow Short Term Rentals. It includes two main sub-sections that establish operating standards for: 1) "hosted short-term rental units" (where no more than 2 rooms can be rented in a home); and 2) "vacation rental homes" (where the entire home can be rented). The operating standards are intended to reduce or eliminate neighborhood conflicts. Subsection D of this section includes provisions to create a swift process to address violations to the operating standards. *NOTE: The Planning Commission did recommend vacation rental homes be limited to 20 in the City. Staff has some concerns with a limit and will discuss this at the meeting.*
3. The attached matrix includes specific changes to address Council direction as it pertains to where STRs are allowed and several new definitions.



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4. The last three items in the matrix address miscellaneous amendments including:
 - a. Expanding the range of uses in the Open Space Zone to address existing uses in parks;
 - b. Adding mobile home, RV, and boat sales along with the auto sales category to address an oversight issue;
 - c. Eliminating a paragraph under the glossary term "Auto and Vehicle Sales and Rental" to reduce confusing and redundant text.

Staff will review each of the proposed amendments at the Council meeting. The exhibits to this report include the two Planning Commission Staff Reports, containing additional background information, and written correspondence from the public on this topic.

Reviewed by:

 City Manager

Exhibits:

1. Ordinance with Exhibit A, proposed text amendments and 2018 Development Code Matrix
2. Planning Commission Staff Report dated February 20, 2018, with attachments
3. Miscellaneous letters and information provided at the February 20, 2018, Commission Meeting
4. Planning Commission Staff Report dated February 20, 2018, with attachments



**PLANNING COMMISSION
STAFF REPORT
February 20, 2018**

Agenda Item: 7.3
Prepared by: Thomas Last, Community Development Director *TL*

DATA SUMMARY

Application Number: 17PLN-35
Subject: **Continued Public Hearing** - Amendments to the City Development Code to address short-term rentals, uses in the Open Space Zone District; mobile home, RV, and boat sales; and definition change for auto and vehicle sales and rentals.
Location/ APN: Applies City-wide
Applicant: City of Grass Valley
Zoning/General Plan: Multiple General Plan and Zoning designations
Environmental Status: Exempt

RECOMMENDATION: Staff recommends the Planning Commission take the following actions:

1. Recommend the City Council adopt the findings noted in this staff report, and
2. Recommend the City Council adopt an ordinance approving the amendments to the Development Code.

PROJECT DESCRIPTION/BACKGROUND: The Planning Commission held a public hearing on this item on January 16, 2018. Upon conclusion of the hearing, the Planning Commission discussed then continued the item to its February meeting. Attached is the January 16th report. This report includes more background information on the subject. At the January meeting, the Commission expressed support for the amendments to Bed and Breakfast Inns; the concept and standards for "hosted short term rental units"; the Section on Violations, Revocation of Permit and Penalties; and the miscellaneous amendments related to the Open Space Zone, mobile home, boat, and RV sales, and other definition changes in the table of changes. However, the Commission requested additional time to review and consider the concept and standards for allowing vacation rental homes.

Vacation rental homes, as presented to the Commission in January, **included the rental of an entire home in residential neighborhoods**. Most of the Commissioners expressed concern with this type of use in an established residential neighborhood. Specific comments focused on concerns that vacation rental homes could have negative impacts on the nature and character of those residential neighborhoods. Since the last meeting the City has received additional emails and letters, which are included in Attachment 2. This attachment includes the two emails provided to the Commission at the January meeting.

ENVIRONMENTAL ANALYSIS: See January 16, 2018 staff report.

PROJECT DISCUSSION AND ANALYSIS: See January 16, 2018 staff report.

FINDINGS:

1. The City approved the Development Code in 2007. The City has since amended the Code several times to address errors, to clarify issues, and to add new items to address unforeseen issues.
2. As noted in this report, the project is exempt from environmental review pursuant to Section 15061 (b)(3) of the California Environmental Quality Act (CEQA).
3. The Planning Commission conducted a public hearings on the amendments on January 16, and February 20, 2018.
4. The Planning Commission finds that the amendments to the Development Code are consistent with the City of Grass Valley 2020 General Plan.
5. The proposed amendments would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
6. The proposed amendments are internally consistent with other applicable provisions of the Development Code.

Attachments:

1. Proposed Amendments
2. New letters/emails provided by the public
3. January 16, 2018, **staff report only** – previous backup materials for that report available at City Hall



**PLANNING COMMISSION
STAFF REPORT
January 16, 2018**

Agenda Item: 7.3
Prepared by: Thomas Last, Community Development Director 

DATA SUMMARY

Application Number: 17PLN-35
Subject: Amendments to the City Development Code to address short-term rentals, uses in the Open Space Zone District; mobile home, RV, and boat sales; and definition change for auto and vehicle sales and rentals.
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The proposed amendments are attached and summarized as follows:

1. Modifications to Section 17.44.040, Bed and Breakfast Inns – These changes are proposed to ensure Bed and Breakfast Inns are treated equally with the STRs.
2. New Section 17.44.205 – This creates a new section to allow Short Term Rentals. It includes two main sub-sections that establish operating standards for “hosted short term rental units” (where no more than 2 rooms can be rented in a home), and “vacation rental homes” (where the entire home can be rented). Subsection D includes provisions to create a swift process to address violations to the operating standards. *NOTE: Staff anticipates providing some changes at the Commission meeting to Subsection D pending input from the City Attorney’s office.*
3. The attached matrix includes specific changes to address Council direction as it pertains to where STRs are allowed and several new definitions.
4. The last three items in the matrix address miscellaneous amendments including:
 - a. Expanding the range of uses in the Open Space Zone to address existing uses in parks;
 - b. Adding mobile home, RV, and boat sales along with the auto sales category to address an oversight issue;
 - c. Eliminating a paragraph under the glossary term “Auto and Vehicle Sales and Rental” to reduce confusing and redundant text.

Staff will review each of the changes during the Planning Commission meeting.

ENVIRONMENTAL ANALYSIS: The project is exempt from environmental review pursuant to Section 15061 (b)(3) of the California Environmental Quality Act (CEQA). This exemption applies to activities covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment.

The proposed amendments include standards to protect existing neighborhoods from potential conflicts and several minor clarifications and modifications to some definitions. Based on this, the project does not have the possibility to create a significant physical effect on the environment.

PROJECT DISCUSSION AND ANALYSIS:

The General Plan includes policies to protect and enhance the character of residential neighborhoods and many that pertain to promoting the economics of the City, including tourist related uses. The standards in this ordinance are intended to safeguard residential neighborhoods while creating a framework to allow STRs. Furthermore, the City acknowledges there are many STRs currently operating in the City. Complaints and conflicts for these uses have been minimal. Attached is a packet from Michael Wilkie noting his concern with STRs. Staff believes the proposed operating standards and enforcement regulations will provide adequate protection to single family residential

neighborhoods. Additionally, the operating standards will ensure the STRs will not create detrimental health, safety or welfare issues. The proposed violation section will create a quicker and more efficient enforcement process than what is currently in place to address other types of code violations.

Staff will seek input from the Commission on the maximum number of vacation rental homes (See Section 17.44.205 C.1) permitted in the City. The Council suggested there be a limit on the total number of these types of homes.

The proposed amendments are also written to ensure internal consistency with other applicable provisions of the Development Code. The changes will ensure Bed and Breakfast Inns are treated equally with STRs, ensure a quick process to address violations to the STR regulations, and clean up an existing inconsistency within the code.

As it pertains to expanding uses in the Open Space Zone, all the City parks are designated as Open Space. The list of permitted uses do not acknowledge the types of uses that have always taken place in our parks. Though the City could consider designating all the parks to Public or Parks and Recreation, the proposed change will still be consistent with the overall intent of the General Plan and reflect the reality of historical uses taken place within parks.

FINDINGS:

1. The City approved the Development Code in 2007. The City has since amended the Code several times to address errors, to clarify issues, and to add new items to address unforeseen issues.
2. As noted in this report, the project is exempt from environmental review pursuant to Section 15061 (b)(3) of the California Environmental Quality Act (CEQA).
3. The Planning Commission conducted a public hearing on the amendments on January 16, 2018.
4. The Planning Commission finds that the amendments to the Development Code are consistent with the City of Grass Valley 2020 General Plan.
5. The proposed amendments would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
6. The proposed amendments are internally consistent with other applicable provisions of the Development Code.

Attachments:

1. Proposed Amendments
2. Materials provided Michael Wilkie



**PLANNING COMMISSION
STAFF REPORT
January 16, 2018**

Agenda Item: 7.3
Prepared by: Thomas Last, Community Development Director 

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