



**PLANNING  
COMMISSION  
STAFF REPORT  
March 19, 2024**

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**Prepared by:** Lucy Rollins, Senior Planner

**DATA SUMMARY**

**Application Number:** 23PLN-46  
**Subject:** Appeal of the Director's approval of a Minor Use Permit for operation of a short-term rental  
**Location/APNs:** 438 Neal Street / APN 008-335-019  
**Applicant:** Heather Aldi  
**Zoning/General Plan:** Neighborhood General 2 (NG-2) / Urban Low Density (ULD)  
**Entitlement:** Minor Use Permit  
**Environmental Status:** Categorical Exemption

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**RECOMMENDATION:**

1. Based upon the evidence in public record, and the Director's approval, staff recommends that the Planning Commission take the following actions:
  - a. Deny the appeal and uphold the Director's approval of the Minor Use Permit for a short-term rental at 438 Neal Street.
  - b. Determine the project Categorically Exempt pursuant to Section 15301, Class 1, of the California Environmental Quality Act (CEQA) and Guidelines, as detailed in the Staff Report;
  - c. Adopt Findings of Fact for approval of the Minor Use Permit as presented in the Staff Report; and,
  - d. Approve the Minor Use Permit in accordance with the Conditions of Approval, as presented in this Staff Report.

**BACKGROUND:**

At a special meeting on January 24, 2024, the Director held a public hearing to consider a Minor Use Permit for the operation of a short-term rental home at 438 Neal Street. After hearing public comment, the Director approved the Minor Use Permit. The January 24<sup>th</sup> Minor Use Permit hearing staff report is attached.

On February 8, 2024, Staff received an appeal challenging the Director's approval of the Minor Use Permit. The appeal was timely filed within the 15-day appeal period following the Director's decision.

**APPEAL DESCRIPTION:**

The appeal takes issue with the impact of a short-term rental in a residential neighborhood. The appeal makes four points with regard to challenging the approval of a short-term rental:

- 1) Vacationing customers will disrupt the character of the surrounding neighborhood.
- 2) Business activities associated with the operation of a short-term rental will disrupt the lives of neighbors.
- 3) Existing traffic and parking congestion on High and Neal Streets will be exacerbated by the operation of a short-term rental.
- 4) Operation of a vacation home in the neighborhood will be materially injurious to the improvements, persons, property, or uses in the surrounding area.

**Staff Response to Challenges:**

Section 17.44.205 of the Grass Valley Municipal Code establishes standards for vacation home rentals (i.e., short term rentals) to minimize their impact on surrounding residential areas and protect the residential character of the neighborhoods. These standards include a local property owner or manager that is available at all times, provision of sufficient parking for renters to park off-street, and compliance with residential noise regulations established in Chapter 8.28 of the Municipal Code.

A local property manager has been identified by the applicant to respond to questions and concerns of both renters and neighbors. Vacation home rentals are required to provide a minimum of one off-street parking space for each guestroom (Section 17.36). The driveway on the site is sufficient in length to provide two off-street parking spaces per city standards and a detached garage provides a third off-street parking space. The Director approved Condition B.1 requiring the detached garage remain available for short term renters.

Regular activities such as housekeeping and maintenance are considered normal operation of a residential dwelling and are therefore not regulated by the Municipal Code. Concerns regarding these activities, as well as the behavior of short-term renters, are primarily speculative in nature. Therefore, the Director did not feel these concerns offered a clear basis for denial of the minor use permit. A process for penalties and revocation is established in Section 17.44.205.D to address violations of the provisions of the Vacation Home Rental ordinance. The revocation process is intended to protect residential neighborhoods from conditions that can negatively impact the general health, safety and welfare of the city's residents that are created when persons fail to abide by the rules, requirements, and regulations of their minor use permit and the Municipal Code. As proposed, the Short-Term Rental at 438 Neal Street is in compliance with all applicable standards of the Municipal Code. Should violations occur during operation, the City may pursue enforcement as outlined in Section 17.44.205.D.

**ATTACHMENTS:**

1. Appeal Form
2. January 24, 2024 Minor Use Permit Hearing Staff Report