



## CITY COUNCIL AGENDA REPORT

**MEETING DATE:** August 2, 2021

**TO:** City Council Members

**FROM:** Mary Rose Rutikanga, City Administrator  
Nubia Goldstein, Deputy City Attorney

**SUBJECT:** 1<sup>st</sup> Reading Ordinance 880 Amending Chapter 17.64 "Transient Use Permit"

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### RECOMMENDATION

Motion to approve first reading and introduction of Ordinance No. 880, reading by title only, waiving further reading, an ordinance of the City Council of the City of Sonora amending Chapter 17.64 "Transient Use Permit".

### DISCUSSION

On March 15, 2021, the City Council gave direction to staff to agendize for discussion and possible action at a future date amending Chapter 17.64 "Transient Residential Use" of the Sonora Municipal Code to limit the number of short-term rentals in the City of Sonora.

On April 5, 2021, the City Council approved the suspension and not processing of Transient Residential Use Permit Applications effective March 16, 2021 due to several applications received and inquiries made regarding Transient Residential Use Permits after the Council gave direction to staff on March 15, 2021.

Like many California cities and counties, the City of Sonora (the "City") is experiencing a general housing and a housing affordability shortage that is forcing many working families and residents to look outside the City to address their housing needs. Short-term rentals are dwelling units that are rented for periods lasting less than thirty (30) days. Although short-term rentals provide income to City residents and broader lodging options for City visitors, short-term rentals reduce available housing that would otherwise be available for City residents. Further, short-term rentals may create traffic, noise, parking, and safety concerns for residential neighborhoods.

To address the shortage, the City Council gave direction to City staff to agendize for discussion and possible action to amend Chapter 17.64, Transient Use Permit, of the Sonora Municipal Code (the "Code") to limit the number of short-term rentals in the City. At the May 3, 2021 City Council meeting, the City Council discussed amending Chapter 17.64 of the Code. The City Council directed City staff to prepare a draft ordinance (the "Ordinance") for City Council consideration and discussion that addresses the following items:

1. Primary Residence. Limit short-term rentals to primary residences, where the homeowner lives. This ensures that short-term rentals are not displacing City residents from existing housing.

2. Unhosted Short-Term Rentals. Limit unhosted short-term rentals (where the homeowner or resident is not staying overnight) to one hundred twenty (120) days per year. This requires the homeowner to physically occupy a short-term rental for at least two hundred forty-five (245) days per calendar year, ensuring that short-term rentals are not displacing City residents from existing housing stock, while also allowing long periods away by owners of short-term rentals.
3. Special Events. Prohibit use of short-term rentals for special events, such as wedding, commercial functions and similar events, since special events are commercial in nature and inconsistent with a residential neighborhood.
4. Onsite Parking. Require short-term rentals provide on-site parking for guests, if available, but allow hosts to park on the street. This minimizes conflicts in the use of shared on-street parking.
5. Local Contact Person. Require short-term rentals have a designated local contact person who can respond and take remedial action on complaints regarding a short-term rental.
6. Fire Safety. Require short-term rentals conform with fire safety requirements, such as working fire extinguishers, smoke alarms, carbon monoxide alarms, visible address numbers and defensible space, and provides for fire safety inspection by the Sonora Fire Department.
7. Trash Collection. Require short-term rentals obtain garbage services through the City's solid waste franchise holder and prohibits trash accumulation outside a short-term rental.
8. Enforcement Mechanism. Provide for a mechanism to enforce the Ordinance by establishing fines and suspension or revocation of a transient use permit.
9. Amnesty Period and Exemptions. Authorize the City Administrator to exempt short-term rentals with an active transient use permit in good standing as of July 1, 2021 from compliance with the operational amendments to Chapter 17.64 of the Code. This allows existing short-term rentals time to conform to the revised regulations, especially for permittees who did not renew their transient use permits due to the COVID-19 pandemic. Additionally, short-term rentals with an active transient use permit in good standing as of July 1, 2021 will be exempt from the primary residence requirement.

Ordinance 880 provides for amendments to Chapter 17.64 of the Code as directed by the City Council at the May 3, 2021 meeting. It also revises the transient use permit application process to ensure compliance with the revised regulations. Further, the term of a transient use permit will change from expiring on July 1 of each year to December 31 of each year. Changing the term of a transient use permit ensure that term of the consistency with the term of a business license, which is also required to operate a short-term rental. The City Council was provided a draft of Ordinance 880 at the June 21, 2021 meeting to provide any further direction to staff. At that time, there was no further direction given to staff.

On July 12, 2021, the Planning Commission approved Resolution 07-12-2021-A by a 3-2 vote, with Commissioners Grinnell and Opie in the opposition, recommending the Sonora City Council approve Ordinance 880 with the specific text amendments to Chapter 17.64, Zoning Ordinance.

Staff recommends the City Council approve the first reading and introduction of Ordinance 880, amending Chapter 17.64 "Transient Use Permit".

## **FISCAL IMPACT**

The City will incur costs to enforce revised regulations on short-term rentals. These costs will be offset by fees for transient use permits and fines imposed for violations of the revised regulations. Short-Term rentals also provide the City with revenues from the Transient Occupancy Tax (TOT) as well as business license fees. Limiting short-term rentals allowed in the City may reduce revenue received by the City.

## **ENVIRONMENTAL**

Providing City staff direction on amending Chapter 17.64 of the Code is not a “project” under the California Environmental Quality Control Act.<sup>1</sup>

## **ATTACHMENTS**

- Ordinance 880 – Redlined
- Ordinance 880 – Clean
- Planning Commission Resolution 07-12-2021-A
- Public Hearing Notice

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<sup>1</sup> Pub. Resources Code, § 21065.