



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers

168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: ORD 24-028

September 10, 2024

Introduced: 8/28/2024

Current Status: Agenda Ready

Version: 1

Matter Type: Ordinance

Adopt an ordinance amending Section 7.02.060 and adding a new Chapter 7.120 to the Monterey County Code (MCC) to require a business license and a vacation rental operation license for any short-term vacation rental operations in the unincorporated areas of Monterey County.

Project Title: REF 100042 & REF 130043 - Vacation Rental Ordinances

Proposed Location: Countywide

Proposed California Environmental Quality Act (CEQA) action: Find the amendments to Title 7 of the MCC consistent with the certified Final Environmental Impact Report for the amendments to the MCC (SCH # 2022080643).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Find the amendments to Title 7 of the Monterey County Code (MCC) consistent with the certified Final Environmental Impact Report (FEIR) (SCH # 2022080643); and
- b. Adopt an ordinance amending Section 7.02.060 and adding a new Chapter 7.120 to the MCC to require a business license and a vacation rental operation license for any short-term vacation rental operations in the unincorporated areas of Monterey County.

SUMMARY/DISCUSSION:

On August 27, 2024, the Board of Supervisors (Board) introduced, waived reading, and set September 10, 2024, at 10:30 a.m. as the date and time to consider adoption of a proposed ordinance amending Title 7 of the MCC concerning vacation rentals. Also, on August 27th, the Board adopted a resolution of intent to amend Title 20 (coastal zoning) of the MCC and adopted an ordinance amending Title 21 (inland zoning) of the MCC to create a regulatory program for vacation rentals. Today, staff presents the Title 7 amendments to the Board for adoption.

The proposed ordinance would amend Section 7.02.060 and add Chapter 7.120 to the MCC to regulate the short-term vacation rental of residential property. The 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. The ordinance requires a business license and a vacation rental operation license for any short-term vacation rental operations in the unincorporated Monterey County. The ordinance further requires that short-term vacation rentals meet certain operational requirements and safety and health standards. The ordinance details the vacation rental operation license application requirements, the criteria for granting the license, and the fees. The 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, the ordinance contains the process for revocation and enforcement against short-term vacation rental operations that are violating their licenses.

The Board Report and Attachments from the August 27, 2024, public hearing can be found at this link: <https://monterey.legistar.com/LegislationDetail.aspx?ID=6836676&GUID=96AA4932-85C4-49E5-BF12-7E9180E29FDB&Options=&Search=>>

CEQA:

The Board considered and certified the Final EIR for the Vacation Rental Ordinances on August 27, 2024, which included amendments to Title 7 of the MCC. The County of Monterey filed a Notice of Determination on August 29, 2024, for the Vacation Rental Ordinances Project. See the Final EIR at this link: <https://acrobat.adobe.com/id/urn:aaid:sc:VA6C2:3506b1aa-df4c-4f0b-af4d-df753d17f56b>.

OTHER AGENCY INVOLVEMENT:

HCD staff worked in collaboration with the Treasurer-Tax Collector and Environmental Health Bureau to develop the proposed ordinance and with the Office of County Counsel to review as to form.

FINANCING:

Staff time to develop the draft ordinances is included in the Fiscal Year 2024-25 Adopted Budget for HCD, Appropriation Unit HCD002, Unit 8543. The EIR was prepared by a third-party contractor (Ascent). The total contract amount for preparation of the EIR was \$500,715. For the current Fiscal Year 2024-25, there may be additional third-party contractor costs for finalization of the EIR, which could be up to \$14,085, included in the Adopted Budget for HCD, Appropriation Unit HCD002, Unit 8543.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The adoption of amendments to Title 7 of MCC supports the Board of Supervisors' Strategic Initiatives for Economic Development in that it strengthens the tourism industry of Monterey County by establishing a regulatory process for Vacation Rentals in unincorporated Monterey County. Adoption of amendments to Title 7 of MCC supports the Board of Supervisors' Strategic Initiatives for Administration by promoting efficient and standardized processes for regulating and permitting Vacation Rentals. Adoption of amendments to Title 7 of MCC further supports the Board of Supervisors' Strategic Initiatives for Administration by promoting fiscal responsibility and efficient, effective County operations while offering excellent customer service for the public with the adoption of the Vacation Rental Operation License fee. Adoption of amendments to Title 7 of MCC supports the Board of Supervisors' Health and Human Services and Public Safety Strategic Initiatives by providing regulatory standards for the safe operation of Vacation Rentals and enforcement actions against Vacation Rentals that threaten public health and safety as well as violate the Vacation Rental Ordinances.

☒ Economic Development

☒ Administration

☒ Health & Human Services

☐ Infrastructure

☒ Public Safety

Prepared by: Taylor Price, Associate Planner, x5730

Reviewed by: Melanie Beretti, AICP, Acting Chief of Planning, x5285

Approved by: Craig Spencer, HCD Director CS

The following attachments are on file with the Clerk of the Board:

Attachment A - Draft Title 7 Ordinance

cc: Front Counter Copy; Planning Commission; REF 100042 & REF 130043 Public Distribution List; County of Monterey Treasurer-Tax Collector; Monterey County Regional Fire; County of Monterey Health Department Environmental Health Bureau; California Coastal Commission; Monterey County Land Watch; Keep Big Sur Wild; Liz Gonzales, Permit Center Manager; Anna Quenga, Principal Planner - Current Planning; Karen Riley-Olms, Management Analyst II; Josh Bowling, Chief of Building Services; Evan Nuckles, HCD Building Services Manager; Melanie Beretti, Acting Chief of Planning; Craig Spencer, HCD Director