

# Exhibit E

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STR Regulation Category	Preliminary Draft Ordinance Recommendation	Consideration of Advantages	Consideration of Disadvantages	San Francisco & Pacific Grove Ordinance Considerations	STR Workgroup Outcomes (Final Summary 7/1/2016)	Monterey County Vacation Rental Alliance (July 3, 2015 Memo; May 4, 2017 Review of 4/4/17 STR Memo/Draft Ordinance)	Monterey County Hospitality Association (STR Policy 10/10/17)
Single v. Multiple Tenant Groups	1 STR tenant at a time (STR Definition)	Single tenant is more consistent with single-family use; Distinguishes STR from other transient occupancy uses such as B&Bs, hotel, motels.	May limit STR operators from maximizing tenancy				
Rental Duration	30 consecutive days or less (STR Definition)	Provides flexibility to meet STR-renter needs; minimum stay limits are challenging to enforce. Rather than limiting rental duration, recommended rental frequency limits address concerns regarding high tenant turnover in a residential area.	Could have STR units that turn-over nightly or more frequently than desirable in a residential area		<b>Note:</b> Group generally agreed that Ordinance should only address short term rentals defined as ≤29 nights <b>Note:</b> Group generally agreed that one night stays are not acceptable. Group could not agree with respect to minimum stay length, but general splits were between 2 night minimum and one week minimum.		Regulations for such use should address neighborhood compatibility and impacts, security, minimum length of stay, number of occupants and other lodging regulations.
Rental Frequency	Home Stay with Clearance: No Limit; STR with Clearance: 12 contracts/year and 2 contracts/month or fewer; STR with Use Permit: More than 12/yr. or 2/month	Differentiates permit process for STRs consistent with residential area (Clearance) and STRs that function as businesses and should be permitted as such (Use Permit). Contracts are easier to enforce based on than days, or other measures.	Frequency limits can be difficult to enforce.	Home Stay frequency recommended is consistent with San Francisco and Pacific Grove; San Francisco prohibits STRs (unhosted) to 90 days or fewer; Pacific Grove recently eliminated the 90 days or fewer frequency category and now allows STRs to be unlimited frequency. San Francisco only allows permanent residents (occupies unit for 275 days/year) to do STRs.  SF requires Business Registry Certificate.  PG requires Short-Term Rental License.	<b>Consensus Vote:</b> There should be some sort of limit to the number of weeks per year that an STR may be rented/occupied. <b>(Vote: 10-positive, 3-neutral, 4-negative)</b> <b>Note:</b> Group discussed concerns with peak tourist/event season and associated impacts of STRs during these periods. Group considered but didn't concur if or how to limit how often STR can be rented in the year. <b>Note:</b> It was discussed that neighbors should receive notification and private agreements (HOAs Rules, Road Agreements) must be considered as part of approval process for STRs. The group was split between some wanting a permitting process that is easy, requires less/no hearing-type approvals v. others wanting more public hearing and notification process.	Easy sign up; minimal fees; any prohibitions or ineligibilities should be ade very clear in the ordinance, so no long public hearing processes are involved. Such hearing processes will discourage people from signing up, and will perpetuate the current situation, in which short-term rentals are driven "underground" and enforcement is virtually impossible. In essence, the system should operate on a ministerial basis, as to permit issuance. High land use permit costs and arbitrary permitting is exactly what caused the current inland County ordinance to fail...A business license is easy to process and easy to revoke. Drop the land use permit requirement as Pacific Grove did.  83% of STRs do over 50 nights per year	1. There should be accommodation for limited use in unincorporated areas of Monterey County where the owner manages the STR unit(s). We recommend that these STRs can be rented for up to 4 weeks per year. Regulations for such use should address neighborhood compatibility and impacts, security, minimum length of stay, number of occupants and other lodging regulations. 2. Recognize that residences, which are used as STRs for more than 4 weeks per year or are professionally marketed and managed as STRs, need to be regulated as a commercial use. As such, these units should be subject to the same governmental regulations regarding physical improvement (ADA access, fire safety, parking, commercial food preparation/service, waste management, etc.) which is required for lodging, event venues, restaurants and other like visitor servicing businesses.
Number of Bedrooms (Guestrooms)	STR with Clearance: CA Building Code Title 24/Residential Class R-3 (2016 = 5 or fewer); STR with Use Permit: Class R-1 (2016 = more than 5).	Requires a Use Permit for larger STR units and thus site-specific evaluation of compatibility with residential area and potential impacts.	Limits properties that could accommodate more than 5 guestrooms and thus limits occupancy		<b>Consensus Vote:</b> Shall not change the residential character of the outside appearance of the building. <b>(Vote: 17-positive, 0-neutral, 0-negative)</b>	High land use permit costs and arbitrary permitting is exactly what caused the current inland County ordinance to fail...A business license is easy to process and easy to revoke. Drop the land use permit requirement as Pacific Grove did.	
Allowed Dwellings	Legally permitted Single-family dwelling (SFD) or Multi-family dwelling (MFD) and guesthouse (as part of SFD or MFD)	Helps safeguard renters health/life/safety; Protects dwelling types expressly established for specific purposes (e.g. affordable units, ADUs for long-term housing); Restricts temporary structures from STR use.	Many dwellings/structures being advertised on online STR platforms in Monterey County are not allowed		<b>Consensus Vote:</b> STRs should only be allowed in legal structures with appropriately permitted/sized service systems (e.g. septic/sewer, water) <b>(Vote: 12-positive, 5-neutral, 0-negative)</b> <b>Note:</b> Some discussion was had about legal conforming vs. legal non-conforming structures/properties. It was noted that reasonable effort should be made by the County, where feasible, to allow individuals an opportunity for them come into compliance.	With the exception of ADUs, STR do not impact long-term and affordable housing.	
STR per Property	1 STR per lot	Keeps properties with multiple units from converting entirely to STR/transient use. It was discussed at the June PC hearing to possibly allow more than one STR units on properties with multiple dwellings with a Use Permit. Staff considered this approach, but recommends 1 per lot limit.	Limits properties with multiple units from additional STR opportunities.				

<p><b>Overnight Occupancy</b></p>	<p>Calculate Maximum Overnight Occupancy based on a) 70 sq. ft. for each of first 2 occupants, 50 sq. ft. for each additional; and b) Maximum 2 times the number of bedrooms.</p>	<p>Maintains occupancy load consistent with site limitations; limits group size to reduce notice/nuisance impacts; Follows CA Building Code Title 24 with respect to transient occupancy standards. Additional requirements to advertise maximum occupancy and include in rental contract help ensure occupancy limits are adhered to.</p>	<p>Enforcement of occupancy can be challenging</p>	<p>Pacific Grove limits 2 per bedroom plus 1.</p>	<p><b>Consensus Vote:</b> Not to exceed 2 persons per bedroom plus 2 total additional house guests. <b>(Vote: 14-positive, 0-neutral, 3-negative)</b> Children 2 years old or younger would not count towards 'additional guests'. <b>(Vote: 17-positive, 0-neutral, 0-negative)</b> Regardless of bedroom count, maximum rental occupancy should not exceed 12 people <b>(Vote: 17-positive, 0-neutral, 0-negative)</b></p>	<p>There should be strong requirements on every vacation rental in the unincorporated area, with specific rules about noise, parking, road use, occupancy levels, etc., and an absolute prohibition of events in any short-term or vacation rental (unless a separate "special event" permit is obtained).  Two persons per guestroom plus 2 if whole house. This plus 2 persons was discussed in the star workgroup meetings.</p>	<p>Regulations for such use should address neighborhood compatibility and impacts, security, minimum length of stay, number of occupants and other lodging regulations.</p>
<p><b>Number of Daytime Persons</b></p>	<p>Maximum 1.5 times maximum overnight occupancy</p>	<p>Limits group size to reduce noise/nuisance impacts</p>	<p>Enforcement of number of daytime persons can be challenging</p>	<p>Pacific Grove limits 1.5 times max overnight occupants.</p>		<p>There should be strong requirements on every vacation rental in the unincorporated area, with specific rules about noise, parking, road use, occupancy levels, etc., and an absolute prohibition of events in any short-term or vacation rental (unless a separate "special event" permit is obtained).</p>	
<p><b>Off-Street Parking</b></p>	<p>At least 1 off-street space for every 2 bedrooms</p>	<p>Limits off-site impact of visitor parking by containing more on-site</p>	<p>Some properties may not have the space to accommodate to meet this requirement</p>		<p><b>Consensus Vote:</b> Existing on-site parking plus 2 additional spaces on the street (as available). <b>(Vote: 4-positive, 0-neutral, 13-negative)</b> On-site parking only <b>(Vote: 8-positive, 4-neutral, 5-negative)</b> <b>Note:</b> Group generally agreed to allowing normal number of parking spaces currently available for typical resident at specific rental site - included as part of permit requirement. Group discussion included concerns over establishing a set standard for parking since there is such a wide variety of parking situations around the County. Discussion was had about including some sort of verification of parking availability in the application process.</p>	<p>There should be strong requirements on every vacation rental in the unincorporated area, with specific rules about noise, parking, road use, occupancy levels, etc., and an absolute prohibition of events in any short-term or vacation rental (unless a separate "special event" permit is obtained).</p>	<p>3. That some areas of Monterey County and Cities have significant resource constraints, particularly water, parking and traffic/circulation, and the impact the conversion of residences to STRs will have on those resources needs to be recognized and addressed.</p>
<p><b>Noise</b></p>	<p>Comply with County Code Chapters 10.60 and 8.36; Quiet time; No outside amplified noise</p>	<p>Protects neighborhood character, reduces noise/nuisance</p>	<p>Enforcement may be challenging</p>		<p><b>Consensus Vote:</b> Will not produce noise that exceeds existing Monterey County Code levels for normal residents. <b>(Vote: 13-positive, 0-neutral, 4-negative)</b> <b>Note:</b> Although there was general consensus about noise levels, there was a lot of discussion of possibly lowering the max decibel levels in more rural neighborhoods. (e.g.: lowering acceptable nighttime levels from 55db to 35db in rural areas).</p>	<p>There should be strong requirements on every vacation rental in the unincorporated area, with specific rules about noise, parking, road use, occupancy levels, etc., and an absolute prohibition of events in any short-term or vacation rental (unless a separate "special event" permit is obtained).</p>	<p>Regulations for such use should address neighborhood compatibility and impacts, security, minimum length of stay, number of occupants and other lodging regulations.</p>
<p><b>Property Management</b></p>	<p>Must have property manager available 24 hours per day 7 days per week; ability to arrive on-site within 30 minutes</p>	<p>Provides direct contact and appropriate level of responsiveness for issues that may arise at STR</p>	<p>Response time to more remote locations in County or where cell phone service is limited may be challenges for some STR sites</p>	<p>Pacific Grove requires site manager available 24/7 and arrive at site within 30 minutes.</p>	<p><b>Consensus Vote:</b> Property owner should be directly responsible for responding to concerns about rental property. <b>(Vote: 17-positive, 0-neutral, 0-negative)</b> Contact should be available 24 hours a day, 7 days a week. Contact will be able to be on site within 30 minutes of notice. <b>(Vote: 17-positive, 0-neutral, 0-negative)</b> <b>Note:</b> Group did not agree on allowing the use of a local contact designated by owner, or a professional property manager in lieu of the actual property owner. Disagreement on the contact being anyone other than the owner came largely from the possibility of rentals becoming operated by 'corporate' entities.</p>		
<p><b>Drinking Water Quality</b></p>	<p>Shall meet water quality standards; Does not apply if water supply from publicly-owned/operated water company.</p>	<p>Provides protection of renter's health/life/safety re water quality and helps ensure State standards are being met</p>	<p>Is an additional requirement and associated costs for proposed STR operators to test and demonstrate water quality</p>		<p><b>Consensus Vote:</b> Rental must have existing adequate permitted water supply facility   or readily available. <b>(Vote: 16-positive, 0-neutral, 0-negative, 1-absent)</b></p>		<p>3. That some areas of Monterey County and Cities have significant resource constraints, particularly water, parking and traffic/circulation, and the impact the conversion of residences to STRs will have on those resources needs to be recognized and addressed.</p>

<b>OWTS Performance</b>	<i>STRs on septic/OWTS, provide performance evaluation</i>	Ensures properly functioning OWTS to protect health and resources	Is an additional requirement and associated costs for proposed STR operators to test and demonstrate water quality		<b>Consensus Vote:</b> Rental must have existing adequate permitted sewage disposal or readily available. <b>(Vote: 16-positive, 0-neutral, 0-negative, 1-absent)</b>		3. That some areas of Monterey County and Cities have significant resource constraints, particularly water, parking and traffic/circulation, and the impact the conversion of residences to STRs will have on those resources needs to be recognized and addressed.
<b>OWTS Education</b>	<i>Septic/OWTS education section and informational signs</i>	Alerts renters to concerns of excessive water use and unsuitable material disposal	None				3. That some areas of Monterey County and Cities have significant resource constraints, particularly water, parking and traffic/circulation, and the impact the conversion of residences to STRs will have on those resources needs to be recognized and addressed.
<b>Solid Waste</b>	<i>Comply with County Code 10.41; Must have franchise waste hauler service; appropriate receptacles.</i>	Protects neighborhood character, reduces noise/nuisance	Some rural properties may have exemptions to 10.41 currently		<b>Consensus Vote:</b> Renters must deposit in trash management container on site, and trash production will not exceed typical resident volume or overflow into public view. <b>(Vote: 16-positive, 0-neutral, 0-negative, 1-absent)</b> <b>Note:</b> Group noted that language should include all containers (e.g.; recycle)	Some areas of the County have [no] "franchised" waste hauler. Owners have been hauling out garbage and recycling for years.	
<b>Outdoor Fires</b>	<i>Recognize local/state bans; Limit size, location, time of day.</i>	Protects neighborhood character and reduces risk of unintended fire and damage	Enforcement may be challenging		<b>Consensus Vote:</b> Will not engage in activities that are hazardous to the health & safety of surrounding occupants. <b>(Vote: 17-positive, 0-neutral, 0-negative)</b> <b>Note:</b> Group also mentioned adding language about campfires, more concerned from a fire/safety perspective than glare. <b>Note:</b> Most of these would generally align with laws that are currently in place.		
<b>Private Road Access</b>	<i>STRs subject to "proof of access" regulations</i>	Established regulations to address private roads issues for changes to land use. Proof of Access ordinance will need to be relocated do a different Chapter of County Code (not in Title 21 and Title 20, per direction of California Coastal Commission).	Could be concerns with others that share the road that are not addressed by the proof of access ordinance		Note: Compliance with County Ordinance on utilizing private roads is a minimum requirement (Chapter 21.64 of Title 21) along with considerations for safety, security, and resource protection were key outcomes discussed by the group. The Group is split over how to handle private roads access. Individuals on shared private roads share the liability of use of that road. How we handle parking will also address this issue.	Monterey County Code Section 21.64.320 - Proof of Access was rejected by the Coastal Commission and never went into effect in the coastal zone. Hence this requirement is not applicable in the Title 20 version of the ordinance.	4. That some areas of the County are remote, have very limited access, are constrained by water supply and road limitations, have minimal public services, emergency services and safety issues, particularly fire hazards. Those areas are not suitable for commercial STRs.
<b>Emergency Access</b>	<i>Lockbox w keys for emergency personnel if gated</i>	Protects renter's and neighbor health/life/safety	Could be concerns with others that share gate				Regulations for such use should address neighborhood compatibility and impacts, security, minimum length of stay, number of occupants and other lodging regulations.
<b>Advertisement and Communication</b>	<i>Rules, Permits, Licenses, key STR restrictions must be in contract, advertisements, listings, at STR</i>	Provides accountability and transparency; Helps ensure rules are followed;	None		<b>Consensus Vote:</b> Rules should be communicated both in the rental/lease agreement and displayed permanently in the rental unit. <b>(Vote: 17-positive, 0-neutral, 0-negative)</b> <b>Note:</b> Along with general rules, group felt that issues unique to each neighborhood should be clearly communicated as well.		
<b>Records Keeping and Tracking</b>	<i>STR Operator maintain documentation of rentals: name, address, phone, email, number of occupants, vehicle licenses. County has right to examine and audit records.</i>	Provides accountability and transparency; Helps ensure rules are followed;	Is an additional requirement and associated costs for proposed STR operators to keep documentation.	Pacific Grove requires site manager maintain guest log book with names, phone number, home addresses of guests, guest license plate(s) numbers, and dates of stay.		[Do not require STR owners to make a record that includes]: Email address - Some online vacation rental sites specifically block the tenant's personal email address; Vehicle license number - Owner and managers do not have this information. Even the visitor often does not know which vehicle he will bring or whether a relative will join be in the group.	

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