

## Exhibit F

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## Draft Ordinance Title 21

### ORDINANCE NO. \_\_\_\_\_

#### AN ORDINANCE OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, AMENDING TITLE 21 (NON-COASTAL ZONING) OF THE MONTEREY COUNTY CODE RELATING TO VACATION RENTALS

#### County Counsel Summary

*This Ordinance amends numerous definition and zoning district use sections of Title 21, repeals and replaces Section 21.64.290 to the Monterey County Code to regulate the vacation (also known as short-term or transient) rental of residential property. This Ordinance aims to strike a balance, allowing opportunity for property owners and residents of unincorporated Monterey County to benefit from the tourism economy while ensuring that residential neighborhoods are protected from loss of long-term housing and the potential negative social and behavioral impacts of vacation rentals. This Ordinance prohibits vacation rentals in residential zoning districts except as accessory to agricultural uses, and allows vacation rentals in commercial zoning districts, visitor serving zoning districts, and zoning districts in which agriculture is an allowed use. Lastly, this Ordinance contains the process for phasing out unpermitted vacation rentals with applications pending a decision by the County of Monterey and amortization of prior permitted vacation rentals.*

The Board of Supervisors of the County of Monterey ordains as follows:

#### SECTION 1. Findings and Declarations.

A. Pursuant to Article XI, Section 7 of the California Constitution, the County of Monterey (“County”) may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its residents.

B. If not properly regulated, vacation (also known as short-term or transient) rental operations have the potential to reduce availability of long-term housing and disrupt the sense of safety, security, and peaceful enjoyment of homes in residential neighborhoods.

C. Agriculture and tourism are top economic drivers of the regional economy, and Monterey County is recognized globally as a premier tourist destination. Regulations for the operation of vacation rentals are necessary to protect the health, safety, and welfare of visitors staying in vacation rental accommodations and residents of Monterey County: to provide accommodations for visitors to stay in Monterey County; to provide the opportunity for the agriculture industry to participate in the tourist economy to enhance the economic viability of agriculture in the region; and to safeguard the reputation of Monterey County and the economic benefits tourism provides the region.

## **Draft Ordinance Title 21**

D. Regulation of vacation rentals is also necessary because they potentially could create impacts that are different than residential uses, including but not limited to: different character, density, and intensity than residential uses; removal of long-term housing from the market; and hazards to the public health, safety and general welfare in residential areas known to have infrastructure limitations.

E. On August 27, 2024, the County of Monterey (County) adopted Ordinance No. 5422 amending Title 21 (Non-coastal Zoning Ordinance) to regulate the short-term vacation rental of residential property in unincorporated Monterey County. On September 10, 2024, the County adopted Ordinance No. 5424 to require business licenses and vacation rental operation licenses for any vacation rental operations in unincorporated Monterey County. The vacation rental regulations for the inland areas became operative on October 14, 2024.

F. On August 27, 2024, the County adopted a resolution of intent to adopt an ordinance amending Title 20 (Coastal Zoning Ordinance) to regulate the vacation rental of residential property in the coastal zone of unincorporated Monterey County.

G. On August 13, 2025, the California Coastal Commission (CCC) approved the Monterey County Local Coastal Program (LCP) Amendment No. LCP-3-MCO-24-0039-1 (Vacation Rentals), an ordinance amending Title 20 (Coastal Zoning Ordinance) to regulate vacation rental as submitted by the County.

H. On September 23, 2025, the County adopted Ordinance No. 5439 amending Title 20 (Coastal Zoning Ordinance) to regulate the vacation rental of residential property in the coastal zone of unincorporated Monterey County. The vacation rental regulations for the coastal zone became operative on October 24, 2025. The Vacation Rental Ordinances that were adopted and operative in 2024 and 2025 are herein collectively referred to as the “original vacation rental ordinances”.

I. On December 12, 2025, due to a lawsuit challenging the County’s original vacation rental ordinances, including homestays (*Monterey County Vacation Rental Alliance v. County of Monterey*, Monterey County Superior Court Case No. 24CV004922), the County suspended from permit and license consideration and enforcement two provisions being challenged and generally related to ownership provisions.

J. On January 6, 2026, the Board of Supervisors directed staff to develop ordinances to address the two challenged provisions of the original ordinances and to prohibit vacation rentals in residential zoning districts except those with commercial agricultural operations, maintaining that unique neighborhoods with existing developments established with the intent of allowing managed short-term or transient rentals such as Monterey Dunes Colony are exempt from the regulations, and providing for a ministerial approval process for vacation rentals on lands with agricultural operations (“Amended Vacation Rental Ordinances”).

K. This Ordinance amends the original vacation rental ordinances and aims to strike a balance by allowing opportunity for property owners and residents of unincorporated Monterey

## **Draft Ordinance Title 21**

County to benefit from the tourism economy, while ensuring that residential neighborhoods are protected from loss of long-term housing and the potential negative social and behavioral impacts of vacation rentals.

L. This Ordinance establishes that vacation rentals are consistent with the character, density and intensity of commercial and visitor serving uses and uses accessory to agriculture, and are therefore an allowed use in commercial zoning districts, visitor serving zoning districts, and zoning districts in which agriculture is an allowed use, with a vacation rental operation license, business license, and transient occupancy tax certificate.

M. Regulation of vacation rentals is necessary because they have the potential to impact the character and intensity of an otherwise residential use in residential zoning districts. Impacts include removing long-term housing from the market, or posing hazards to public health, safety and general welfare in residential areas known to have infrastructure limitations. Vacation rental uses, therefore, are prohibited in residential zoning districts.

N. This Ordinance recognizes that unique neighborhoods with existing developments were established with the intent of allowing managed short-term rentals, such as Monterey Dunes Colony, and these developments are exempt from the regulations set forth in this Ordinance, including the need to apply for a vacation rental operation license. Such developments are not exempt from compliance with Chapter 5.40, requiring payment of transient occupancy tax, and Chapter 7.02, requiring a business license.

O. Vacation rentals do not count towards any visitor-serving units or guestroom caps established by Monterey County Code, 2010 County of Monterey General Plan, or any associated Area Plan established by the 2010 County of Monterey General Plan.

P. To allow for a reasonable amortization of investment for existing vacation rentals operations, this Ordinance provides an initial time period during which an unpermitted vacation rental may continue to operate, provided the vacation rental activity was established prior to October 14, 2024 and the operator is pursuing all necessary County permits, licenses, and entitlements pursuant to Section 21.64.290 of the Monterey County Code adopted by Ordinance 5422. Further, this Ordinance provides for a defined time period that short-term or transient rentals issued administrative permits pursuant to Section 21.64.280 adopted by Ordinance Number 3911 and commercial vacation rentals issued use permits pursuant to Section 21.64.290 adopted by Ordinance 5422 may continue to operate.

Q. In accordance with the California Environmental Quality Act (CEQA), a Draft Environmental Impact Report (EIR) was prepared and circulated and a Final EIR for the Vacation Rental Ordinances Project made available to the public prior to certification by the Board of Supervisors. The County of Monterey adopted a certified Final EIR for the Vacation Rental Ordinances project (SCH # 2022080643) in compliance with CEQA prior to the adoption of the original vacation rental ordinances and reflects the independent judgment and analysis of the County (Resolution No. 24-355).

## **Draft Ordinance Title 21**

R. Section 15162 of the State CEQA Guidelines (California Code of Regulations Section 15000 *et seq.*) provides that, when an EIR has been certified for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, that either: 1) substantial changes to the project or its circumstances would require major revisions of the previous EIR, due to the involvement of new or worsened significant environmental effects; or 2) new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, shows that the project would have new or worse environmental effects than disclosed in the previous EIR; or 3) that new or newly-feasible mitigation measures would reduce the severity of a significant impact but the project proponent declines to implement them.

S. In accordance with CEQA Guidelines Section 15164(d), an addendum to the certified Final EIR (SCH# 2022080643) was prepared for the Amended Vacation Rental Ordinances project. The County has determined, on the basis of substantial evidence in light of the whole record, that the Amended Vacation Rental Ordinances would not result in substantial project changes that would require major revisions to the Final EIR. There are no changes in circumstances and no new information, not known at the time the Final EIR was certified, that shows the Amended Vacation Rental Ordinances may have a significant environmental effect or a substantial increase in the severity of previously identified significant effects. The County finds that the Amended Vacation Rental Ordinances require minor revisions to the original vacation rental ordinances, but none of the conditions described in CEQA Guidelines Section 15162 calling for preparation of a subsequent EIR have occurred.

**SECTION 2.** Subsection (S) of Section 21.10.030 of the Monterey County Code [High Density Residential District] is amended to read as follows:

| S. ~~Homestays, pursuant to Section 21.64.290~~Repealed;

**SECTION 3.** Subsection (T) of Section 21.10.030 of the Monterey County Code [High Density Residential District] is amended to read as follows:

| T. ~~Limited Vacation Rentals, pursuant to Section 21.64.290.~~

**SECTION 4.** Subsection (AA) of Section 21.10.050 of the Monterey County Code [High Density Residential District] is amended to read as follows:

| AA. ~~Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA)~~Repealed.

**SECTION 5.** Subsection (R) of to Section 21.12.030 of the Monterey County Code [Medium Density Residential District] is amended to read as follows:

| R. ~~Repealed~~Homestays, pursuant to Section 21.64.290;

## Draft Ordinance Title 21

**SECTION 6.** Subsection (S) of Section 21.12.030 of the Monterey County Code [Medium Density Residential District] is amended to read as follows:

S. ~~Repealed~~Limited Vacation Rentals, pursuant to Section 21.64.290.

**SECTION 7.** Subsection (Y) of Section 21.12.050 of the Monterey County Code [Medium Density Residential District] is amended to read as follows:

Y. ~~Repealed~~Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA).

**SECTION 8.** Subsection (U) of to Section 21.14.030 of the Monterey County Code [Low Density Residential District] is amended to read as follows:

U. ~~Homestays, pursuant to Section 21.64.290~~Repealed;

**SECTION 9.** Subsection (V) of Section 21.14.030 of the Monterey County Code [Low Density Residential District] is amended to read as follows:

V. ~~Limited Vacation Rentals, pursuant to Section 21.64.290~~Repealed.

**SECTION 10.** Subsection (EE) of Section 21.14.050 of the Monterey County Code [Low Density Residential District] is amended to read as follows:

EE. ~~Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA)~~Repealed.

**SECTION 11.** Subsection (W) of Section 21.16.030 of the Monterey County Code [Rural Density Residential District] is amended to read as follows:

W. ~~Homestays, pursuant to Section 21.64.290~~Repealed.;

**SECTION 12.** Subsection (X) of to Section 21.16.030 of the Monterey County Code [Rural Density Residential District] is amended to read as follows:

X. ~~Limited Vacation Rentals, pursuant to Section 21.64.290~~Repealed.

**SECTION 13.** Subsection (Y) is added to Section 21.16.030 of the Monterey County Code [Rural Density Residential District] to read as follows:

Y. Vacation Rentals accessory to agricultural uses, pursuant to Section 21.64.290.

**SECTION 14.** Subsection (RR) of Section 21.16.050 of the Monterey County Code [Rural Density Residential District] is amended to read as follows:

RR. ~~Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA)~~Repealed.

## Draft Ordinance Title 21

**SECTION 15.** Subsection (E) of Section 21.18.040 of the Monterey County Code [Light Commercial District] is amended to read as follows:

E. ~~Homestays, pursuant to Section 21.64.290Repealed.;~~

**SECTION 16.** Subsection (F) of Section 21.18.040 of the Monterey County Code [Light Commercial District] is amended to read as follows:

F. ~~Limited Vacation Rentals, pursuant to Section 21.64.290Repealed.~~

**SECTION 17.** Subsection (G) is added to Section 21.18.040 of the Monterey County Code [Light Commercial District] to read as follows:

G. Vacation Rentals, pursuant to Section 21.64.290.

**SECTION 18.** Subsection (HH) of Section 21.18.060 of the Monterey County Code [Light Commercial District] is amended to read as follows:

HH. ~~Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA)Repealed.~~

**SECTION 19.** Subsection (E) of Section 21.20.040 of the Monterey County Code [Heavy Commercial District] is amended to read as follows:

E. ~~Homestays, pursuant to Section 21.64.290Repealed.;~~

**SECTION 20.** Subsection (F) of Section 21.20.040 of the Monterey County Code [Heavy Commercial District] is amended to read as follows:

F. ~~Limited Vacation Rentals, pursuant to Section 21.64.290Repealed.~~

**SECTION 21.** Subsection (G) is added to Section 21.20.040 of the Monterey County Code [Heavy Commercial District] to read as follows:

G. Vacation Rentals, pursuant to Section 21.64.290.

**SECTION 22.** Subsection (OO) of Section 21.20.060 of the Monterey County Code [Heavy Commercial District] is amended to read as follows:

OO. ~~Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA)Repealed.~~

**SECTION 23.** Subsection (D) of Section 21.22.040 of the Monterey County Code [Visitor-Serving/Professional Office District] is amended to read as follows:

D. ~~Homestays, pursuant to Section 21.64.290Repealed.;~~

## **Draft Ordinance Title 21**

**SECTION 24.** Subsection (E) of Section 21.22.040 of the Monterey County Code [Visitor-Serving/Professional Office District] is amended to read as follows:

E. ~~Limited Vacation Rentals, pursuant to Section 21.64.290Repealed.~~

**SECTION 25.** Subsection (F) is added to Section 21.22.040 of the Monterey County Code [Visitor-Serving/Professional Office District] to read as follows:

F. Vacation Rentals, pursuant to Section 21.64.290.

**SECTION 26.** Subsection (X) of Section 21.22.060 of the Monterey County Code [Visitor-Serving/Professional Office District] is amended to read as follows:

X. ~~Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA)Repealed.~~

**SECTION 27.** Subsection (R) of Section 21.30.030 of the Monterey County Code [Farmland] is amended to read as follows:

R. ~~Homestays, pursuant to Section 21.64.290Repealed.;~~

**SECTION 28.** Subsection (S) of Section 21.30.030 of the Monterey County Code [Farmland] is amended to read as follows:

S. ~~Limited Vacation Rentals, pursuant to Section 21.64.290Repealed.~~

**SECTION 29.** Subsection (T) is added to Section 21.30.030 of the Monterey County Code [Farmland] to read as follows:

T. Vacation Rentals, pursuant to Section 21.64.290.

**SECTION 30.** Subsection (JJ) of Section 21.30.050 of the Monterey County Code [Farmland] is amended to read as follows:

JJ. ~~Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA)Repealed.~~

**SECTION 31.** Subsection (R) of Section 21.32.030 of the Monterey County Code [Rural Grazing] is amended to read as follows:

R. ~~Homestays, pursuant to Section 21.64.290Repealed.;~~

**SECTION 32.** Subsection (S) of Section 21.32.030 of the Monterey County Code [Rural Grazing] is amended to read as follows:

S. ~~Limited Vacation Rentals, pursuant to Section 21.64.290Repealed.~~

## Draft Ordinance Title 21

**SECTION 33.** Subsection (T) is added to Section 21.32.030 of the Monterey County Code [Rural Grazing] to read as follows:

T. Vacation Rentals, pursuant to Section 21.64.290.

**SECTION 34.** Subsection (KK) of Section 21.32.050 of the Monterey County Code [Rural Grazing] is amended to read as follows:

KK. ~~Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA)Repealed.~~

**SECTION 35.** Subsection (Q) of Section 21.34.030 of the Monterey County Code [Permanent Grazing] is amended to read as follows:

Q. ~~Homestays, pursuant to Section 21.64.290Repealed;~~

**SECTION 36.** Subsection (R) of Section 21.34.030 of the Monterey County Code [Permanent Grazing] is amended to read as follows:

R. ~~Limited Vacation Rentals, pursuant to Section 21.64.290Repealed.~~

**SECTION 37.** Subsection (S) is added to Section 21.34.030 of the Monterey County Code [Permanent Grazing] to read as follows:

S. Vacation Rentals, pursuant to Section 21.64.290.

**SECTION 38.** Subsection (II) of Section 21.34.050 of the Monterey County Code [Permanent Grazing] is amended to read as follows:

II. ~~Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA)Repealed.~~

**SECTION 39.** Subsection (V) of Section 21.36.030 of the Monterey County Code [Resource Conservation District] is amended to read as follows:

V. ~~Homestays, pursuant to Section 21.64.290Repealed;~~

**SECTION 40.** Subsection (W) of Section 21.36.030 of the Monterey County Code [Resource Conservation District] is amended to read as follows:

W. ~~Limited Vacation Rentals, pursuant to Section 21.64.290Repealed.~~

**SECTION 41.** Subsection (X) is added to Section 21.36.030 of the Monterey County Code [Resource Conservation District] to read as follows:

X. Vacation Rentals, pursuant to Section 21.64.290.

## Draft Ordinance Title 21

**SECTION 42.** Subsection (JJ) of Section 21.36.050 of the Monterey County Code [Resource Conservation District] is amended to read as follows:

JJ. ~~Commercial Vacation Rentals, pursuant to Section 21.64.290 (ZA)Repealed.~~

**SECTION 43.** Section 21.64.290 of the Monterey County Code is amended to read as follows:

**A. Purpose:** It is the purpose of this Section to:

1. Preserve and enhance the residential character of the zoning districts established in Title 21, long-term housing, and the sense of security and safety in stable neighborhoods of residential properties.

2. Provide opportunity for visitors to access public areas of the unincorporated areas of Monterey County through Vacation Rental opportunities, benefiting the local economy while preserving the housing supply and quality of life, and protecting public health, safety, and general welfare.

3. Establish regulations that provide opportunity for homeowners property owners and residents to offer Vacation Rentals for visitors that have the potential to provide financial benefits to offset the high cost of living housing in Monterey County, increase the vitality of commercial and visitor--serving areas, and increase the economic stability of agriculture in the region.

4. Establish that Limited Vacation Rental and Homestay uses are similar in character, density, and intensity to residential commercial uses, visitor serving uses, and residential uses accessory to agricultureuse, are not anticipated to convert long term housing to nonresidential use.

5. Establish regulations to address Commercial Vacation Rental uses that have the potential to impact the character, density, and intensity of residential uses, convert long term housing to nonresidential use, or pose hazards to public health, safety, and general welfare in areas known to have infrastructure limitations.

**B. Definitions:** The definitions in Chapter 21.06 shall apply. Unless otherwise expressly stated, whenever used in this Section, the following words shall have the meanings set forth below:

1. “Bedroom” means any habitable room of a dwelling unit which is: 1) 70 square feet or greater in size for the first individual in a bedroom and 50 square feet of space for each additional individual in the room; 2) has an exterior door or window for egress meeting health and safety code standards at the time the dwelling was constructed; and 3) has a closing door that separates the room from other areas of the dwelling. The following shall not be considered a bedroom: Any interior room that must be passed

## Draft Ordinance Title 21

through to access another bedroom; a hallway; bathroom; kitchen; living room; dining room; family room; breakfast nook; pantry; laundry room; or closet/dressing room opening off a bedroom.

~~2. “Commercial Vacation Rental” means a Vacation Rental that is Non-hosted and rented for more than three times per 12-month period.~~

32. “County” means County of Monterey.

43. “Homestay Hosted” means a Vacation Rental in which the Owner Operator occupies at least one Bedroom within the Vacation Rental while it is being rented as a Vacation Rental. The Vacation Rental must be the Owner’s Operator’s Primary Residence.

~~5. “Limited Vacation Rental” means a Vacation Rental that is Non-hosted and rented for not more than three times per 12-month period.~~

46. “Non-hosted” means that an Operator does not occupy the Vacation Rental while it is being rented.

57. “Operator” means a person who operates the Vacation Rental and, if not the Owner, a person who has the ~~legal~~ permission of the Owner to operate the Vacation Rental on the subject real property.

68. “Owner” means the person or persons who hold fee title to the real property upon which a Vacation Rental is operated.

79. “Owner’s Operator’s Primary Residence” means a Residential Property lived in by the Owner Operator for at least 183 days per calendar year, which is documented by at least two of the following: motor vehicle registration, voter registration, homeowner’s exemption on their property taxes, lease, or ~~a~~ utility bills.

810. “OWTS” means an onsite wastewater treatment system, also referred to as a septic system, as regulated by Chapter 15.20 of the Monterey County Code.

~~11. “Property Manager” means the person who is designated by the Operator as being responsible for managing the Vacation Rental operation and it may include the Owner, professional property manager, realtor, other resident, or nonresident owner of the subject property.~~

912. “Residential Property” means improved property, used or occupied, or intended to be used or occupied, for residential purposes.

## Draft Ordinance Title 21

**103.** “Vacation Rental” means the use, by any person, of Residential Property for transient lodging for renumeration where the term of occupancy, possession, or tenancy of the property by the person entitled to such occupancy, possession, or tenancy for a period of 30 consecutive calendar days or fewer, counting portions of calendar days as full days. “Vacation Rental” includes Commercial Vacation Rentals, Homestays, and Limited Vacation Rentals. “Vacation Rental” does not include a bed and breakfast facility, hotel, motel, hostel, inn, roominghouse, boardinghouse, rooming or boarding.

**C. Applicability:** This Section applies in the unincorporated inland areas of the County of Monterey.

**D. Regulations for HomestaysRepealed.:**

**1.** ~~Homestays are allowed in the following zoning districts, subject to the requirements of this Section:~~

~~High Density Residential (HDR);~~

~~Medium Density Residential (MDR);~~

~~Low Density Residential (LDR);~~

~~Rural Density Residential (RDR);~~

~~Light Commercial (LC);~~

~~Heavy Commercial (HC);~~

~~Visitor serving/Professional Office (VO);~~

~~Farmland (F);~~

~~Rural Grazing (RG);~~

~~Permanent Grazing (PG);~~

~~Resource Conservation (RC);~~

~~Community Plan (CP), subject to Section 21.39.030.B (Regulations for Community Plan Zoning Districts or “CP” Districts – Uses Allowed) except industrial and public/quasi public land use designations within the CP districts; and~~

~~Specific Plan (SP), subject to Section 21.41.030.B (Regulations for Specific Plan Zoning Districts or “SP” Districts – Uses Allowed) except industrial and public/quasi public land use designations within the SP district.~~

**2.** ~~Homestays shall be prohibited in any other zoning district.~~

**E. Regulations for Limited Vacation RentalsRepealed.:**

**1.** ~~Limited Vacation Rentals are allowed in the following zoning districts, subject to the requirements of this Section:~~

~~High Density Residential (HDR);~~

~~Medium Density Residential (MDR);~~

~~Low Density Residential (LDR);~~

~~Rural Density Residential (RDR);~~

~~Light Commercial (LC);~~

~~Heavy Commercial (HC);  
Visitor serving/Professional Office (VO);  
Farmland (F);  
Rural Grazing (RG);  
Permanent Grazing (PG);  
Resource Conservation (RC);  
Community Plan (CP), subject to Section 21.39.030.B (Regulations for Community Plan Zoning Districts or “CP” Districts – Uses Allowed) except industrial and public/quasi-public land use designations within the CP districts; and  
Specific Plan (SP), subject to Section 21.41.030.B (Regulations for Specific Plan Zoning Districts or “SP” Districts – Uses Allowed) except industrial and public/quasi-public land use designations within the SP district.~~

~~2. Limited Vacation Rentals shall be prohibited in any other zoning district.~~

**F. Regulations for ~~Commercial~~ Vacation Rentals:**

1. ~~Commercial~~ Vacation Rentals are allowed ~~with a Use Permit~~ in the following zoning districts, subject to the requirements of this Section:
  - a. ~~High Density Residential (HDR);~~
  - b. ~~Medium Density Residential (MDR);~~
  - c. ~~Low Density Residential (LDR);~~
  - d.a. Rural Density Residential ~~accessory to the agricultural use of the property~~ (RDR);
  - e.b. Light Commercial (LC);
  - f.c. Heavy Commercial (HC);
  - g.d. Visitor-serving/Professional Office (VO);
  - h.e. Farmland (F);
  - i.f. Rural Grazing (RG);
  - j.g. Permanent Grazing (PG);
  - k.h. Resource Conservation (RC);
  - l.i. Community Plan (CP), subject to Section 21.39.030.B (Regulations for Community Plan Zoning Districts or “CP” Districts – Uses Allowed) except ~~residential~~, industrial and public/quasi-public land use designations within the CP districts; and
  - m.j. Specific Plan (SP), subject to Section 21.41.030.B (Regulations for Specific Plan Zoning Districts or “SP” Districts – Uses Allowed) except ~~residential~~, industrial and public/quasi-public land use designations within the SP district.

~~2. 2. ~~Commercial~~ Vacation Rentals shall be prohibited in any other zoning district.~~

~~3. ~~Commercial~~ Vacation Rentals are subject to the following additional limitations:~~

## Draft Ordinance Title 21

a. ~~B~~ased on a maximum allowable limit of ~~permitted Commercial Hosted~~ Vacation Rentals ~~to be licensed pursuant to Chapter 7.120 of Monterey County Code at any given time of not to exceed~~ four percent of the total single family residential dwelling unit count ~~within each area as follows:~~

a.

| <u>Planning Area</u>                        | <u>Maximum Allowed Number of Vacation Rentals (Non-hosted)</u> | <u>Maximum Allowed Number of Vacation Rentals (Hosted)</u> |
|---|--|--|
| <u>Cachagua Area Plan</u>                   | <u>20</u>  | <u>Unlimited</u>   |
| <u>Carmel Valley Master Plan</u>            | <u>201</u>   | <u>Unlimited</u>   |
| <u>Central Salinas Valley Area Plan</u>     | <u>66</u>  | <u>Unlimited</u>   |
| <u>Fort Ord Master Plan</u>                 | <u>40</u>  | <u>Unlimited</u>   |
| <u>Greater Monterey Peninsula Area Plan</u> | <u>155</u>   | <u>Unlimited</u>   |
| <u>Greater Salinas Area</u>                 | <u>80</u>  | <u>Unlimited</u>   |
| <u>North County Inland Area Plan</u>        | <u>226</u>   | <u>Unlimited</u>   |
| <u>South County Area Plan</u>               | <u>52</u>  | <u>Unlimited</u>   |
| <u>Toro Area Plan</u>                       | <u>173</u>   | <u>Unlimited</u>   |

~~Central Salinas Valley Area Plan as follows: A total of 66 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Central Salinas Valley Area Plan area.~~

~~b. Cachagua Area Plan as follows: A total of 20 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Cachagua Area Plan area.~~

~~c. Carmel Valley Master Plan as follows:~~

~~i. Commercial Vacation Rentals are prohibited in the RDR, LDR, MDR, and HDR zoning districts within the Carmel Valley Master Plan area.~~

~~ii. A total of 201 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Carmel Valley Master Plan area, excluding RDR, LDR, MDR, and HDR zoning districts.~~

~~d. Toro Area Plan as follows: A total of 173 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Toro Area Plan area.~~

~~e. Fort Ord Master Plan as follows: A total of 40 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Fort Ord Master Plan area.~~

## Draft Ordinance Title 21

f. ~~Greater Monterey Peninsula Area Plan as follows: A total of 155 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Greater Monterey Peninsula Area Plan area.~~

g. ~~North County Inland Area Plan as follows: A total of 226 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within North County Inland Area Plan area.~~

h. ~~South County Area Plan as follows: A total of 52 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the South County Area Plan area.~~

i. ~~Greater Salinas Area Plan as follows: A total of 80 maximum Use Permits shall be issued at any given time for Commercial Vacation Rental uses within the Greater Salinas Area Plan area.~~

bj. Permitted short-term, transient, and vacation rentals existing as of the dates noted will count against their respective Master Plan or Area Plan maximum allowable vacation rental cap as follows:

i. All existing transient use of residential property permits or entitlements issued prior to October 14, 2024 pursuant to Section 21.64.280 adopted by Ordinance No. 3911 of this Chapter will count against their respective Area or Master Plan cap, until If upon the permit or entitlement expiration date or within seven years of October 14, 2024, whichever is sooner;

ii. of this Chapter All existing commercial vacation rental permits or entitlements issued prior to Effective Date pursuant to Section 21.64.290 adopted by Ordinance No. 5422 will count until the permit or entitlement expiration date; and

iii. If within 30 days of the expiration date of a prior permitted operation, the Operator does not make an application for all permits, licenses, certificates, or other entitlements required by County regulations, the unit count will be added back to the Area or Master Plan cap.

4. ~~A Commercial Vacation Rental that is not accessible directly from a public road shall be subject to Monterey County Code Chapter 16.80. Upon making an application with the County for Vacation Rental use, the Operator shall be required to mail notice to all properties with ownership or access rights to the private road to inform them of the proposed Vacation Rental use and shall include the application reference number, location of the vacation rental, name and contact information for the Property Manager; and procedures and contact information for the County.~~

~~5. Commercial Vacation Rentals must demonstrate that response times for County emergency services for fire and emergency medical will be adequate pursuant to the 2010 County of Monterey General Plan Safety Element Policy PS 1.1 and Table PS 1. Commercial Vacation Rentals must provide contact information for County emergency services for fire and emergency medical. Notice of emergency services contact information shall be included in rental contracts and posted within the unit in a prominent place within six feet of the front door. The notice shall identify the average response time for emergency services to reach the subject property and describe the onsite fire protection systems (such as fire breaks, alarms and/or water storage tanks) available.~~

~~6. Commercial Vacation Rentals shall provide parking as required for the dwelling type by Monterey County Code Section 21.58.040, or the applicable parking regulations at the time the dwelling was built.~~

~~74.~~ Only one Commercial Hosted Vacation Rental shall be allowed per legal lot of record, regardless of the number of dwellings on the legal lot of record, except in the development types and zoning districts specified below. This provision does not apply to other types of developments, such as planned unit developments or similar cluster residential subdivisions. This provision does not apply to Light Commercial (LC), Heavy Commercial (HC), and Visitor-Serving/Professional Office (VO) zoning districts. These districts shall be allowed more than one Commercial Hosted Vacation Rental per legal lot of record and shall not exceed the number of residential units per legal lot of record.

~~8. A Commercial Vacation Rental served by an OWTS shall maintain the system in good working order and ensure it is functioning properly at all times. The OWTS shall comply with Monterey County Code Chapter 15.20.~~

~~9. If the Commercial Vacation Rental is served by an OWTS, the Operator shall submit evidence that the system is in good working order and functioning properly by providing a performance evaluation report completed by a qualified OWTS professional in the form and manner required by the County. Any OWTS component noted to be in unacceptable condition shall be repaired or replaced prior to County approval of a Use Permit.~~

~~10. The Owner of the Vacation Rental shall only have an ownership interest in one Commercial Vacation Rental real property within the unincorporated Monterey County at a time.~~

~~11. Required Findings. To grant a Use Permit for a Commercial Vacation Rental, the Appropriate Authority must find, based on substantial evidence, that the Commercial Vacation Rental complies with all findings required for a Use Permit pursuant to Chapter 21.74 and complies with all requirements of this Section.~~

~~12. Time Limits. All Use Permits issued for Commercial Vacation Rentals shall be subject to the following time limits on the use authorized by the Use Permit:~~

~~a. The initial Use Permit shall be issued for a term of no more than seven years.~~

~~b. The Operator may apply to extend the Use Permit prior to the expiration date of the Use Permit pursuant to Section 21.74.110 of this Title. The extension application shall be made at least 30 days prior to the expiration of the Use Permit. The Use Permit shall be extended by the Appropriate Authority by seven years upon each renewal, unless the Appropriate Authority finds that the operation is subject to revocation or modification according to the criteria set forth in Section 21.74.060.~~

~~d. The purpose of the seven year term limit is to provide adequate ongoing review of the Commercial Vacation Rental to ensure that the use continues to meet the standards of this Section.~~

5. For Vacation Rentals on a property in a Rural Density Residential zoning district, the Vacation Rental must be accessory to the agricultural use of the property which includes a commercial agricultural operation, agricultural processing facility, or an agricultural support facility.

**G. Phasing Out Unpermitted Operations:**

1. To provide time for the Operator of a Vacation Rental that was unpermitted prior to October 14, 2024 to bring the Vacation Rental into compliance with this Section, an Operator may continue the operation for a limited period of time, if the Operator, pursuant to Section 21.64.290 as adopted by Ordinance No. 5422, by or before April 14, 2025: who can

~~a. demonstrated that the Vacation Rental use was established and operating on the subject property prior to October 14, 2024; and may continue the operation for a limited period of time.~~

~~2. The Operator has six months from October 14, 2024, to make b. Made an applicationApplied for all permits, licenses, certificates, or other entitlements required by this Section 21.64.290 as adopted by Ordinance No. 5422 by or before April 14, 2025Code. -The Operator will be allowed to continue to operate as a Vacation Rental for up to six months from October 14, 2024, or until County takes action on the Operator's application for all required permits, licenses, and entitlements made pursuant to this Code, whichever is later, unless County requires earlier termination of the Vacation Rental use due to a risk to public health, safety and welfare. The Operator must diligently pursue the~~

## Draft Ordinance Title 21

approval and issuance of the required permits, licenses, and entitlements, or the County can require earlier termination of the Vacation Rental.

24. Pending applications submitted by a qualified applicant to the County, pursuant to Section 21.64.2980 as adopted by Ordinance No. 5422, that have not been approved by the Appropriate Authority by October 14, 2024the Effective Date of this Section shall be required to comply with this Section. Applications that have not yet been considered- and that do not qualify under this Section may be voided and, if voided, the Housing and Community Development Department will refund permit fees paid.

33. An Operator may apply for a variance from this Subsection G if they claim to have a unique circumstance(s) that entitles them to a longer amortization period, including but not limited to an unusual investment in the property. Such a variance request will be governed by Chapter 21.72 of this Code.

~~Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation, during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.~~

4. Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation, during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.

### **H. Phasing Out Previously Permitted Operations:**

1. All Administrative Permits issued pursuant to Section 21.64.280 as adopted by Ordinance No. 3911 for the transient use of residential property prior to October 14, 2024, of this Chapter shall be required to comply with this Section upon expiration of their existing permit. If the prior use is no longer allowed pursuant to this Section, the Operator must cease operations at the time of the upon expiration of their permit.

2. All Administrative Permits issued pursuant to Section 21.64.280 as adopted by Ordinance No. 3911 for the transient use of residential property prior to October 14, 2024, of this Section without expiration dates shall be required to comply with this Section within seven years of October 14, 2024.

3. All Use Permits issued pursuant to Section 21.64.290 as adopted by Ordinance No. 5422 for a commercial vacation rental prior to the Effective Date of this Section shall be required to comply with this Section upon expiration of their existing permit. If the prior use is no longer allowed pursuant to this Section, the Operator must cease operations at the time of the upon expiration of their permit.

## **Draft Ordinance Title 21**

4. The Operator shall maintain a valid business license pursuant to Chapter 7.02 and a valid Vacation Rental Operation License pursuant to Chapter 7.120 of this Code throughout the permitted term of the Commercial Vacation Rental use.

5. An Operator may apply for a variance from this Subsection H if they claim to have a unique circumstance that entitles them to a longer amortization period, including but not limited to an unusual investment in the property. Such a variance request will be governed by the provisions of Chapter 21.72 of this Code.

63. Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation, during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.

### **I. Request for Extended Phase Out Period:**

1. An Operator may request to extend the phase out period for a vacation rental, if they claim to have a unique circumstance that entitles the Operator to a longer phase out period. The request shall be made in writing on a form prescribed by the Director of Housing and Community Development and submitted to the County within 30 calendar days following the Effective Date. The request must be accompanied by evidence supporting the request, and in all cases must contain, without limitation, the following:

a. Owner, Operator, and/or Property Manager contact information including name, address, telephone number and e-mail address;

b. Property Address and Assessor's Parcel Number;

c. Clear description of the unique circumstances demonstrating that:

i. Investments were made in preparation of a property to operate as a Vacation Rental;

iii. The ordinance phase out period is insufficient to recover reasonable investments made based on verifiable rental rates and rental booking frequency; and

iv. Definitive documented evidence exists that substantiates the claim, including but not limited to receipts, tax records, rental contracts.

2. The Director of Housing and Community Development is the Appropriate Authority to consider requests. The Director shall, upon receipt of a written request containing all required information pursuant to this Subsection, consider and render a decision on the request, in writing, within 60 days.

## Draft Ordinance Title 21

a. If the request is approved, the vacation rental shall conform with the regulations for vacation rentals pursuant to Chapter 7.120 of Monterey County Code, as applicable.

b. If the request denied, the Director's decision is appealable pursuant to Chapter 21.80 of the Monterey County Code.

**J.** **Exemptions:** The regulations set forth in this Section do not apply to unique neighborhoods with existing developments that were established with the intent of allowing managed Vacation Rentals. The existing permitted unique neighborhoods with managed Vacation Rentals must operate according to the regulations and conditions approved through its their original land use entitlements.

**J. Operative Date:** This Section shall become operative on October 14, 2024.

**SECTION 44. SEVERABILITY.** If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections sentences, clauses, or phrases are declared invalid.

**SECTION 45. EFFECTIVE DATE.** This Ordinance shall become effective on the thirty-first day following its adoption.

PASSED AND ADOPTED on this \_\_\_\_\_ day of \_\_\_\_\_, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Wendy Askew, Chair  
Monterey County Board of Supervisors

APPROVED AS TO FORM:

**Draft Ordinance Title 21**

ATTEST

VALERIE RALPH  
Clerk of the Board of Supervisors

KELLY L. DONLON  
Chief Assistant County Counsel

By: \_\_\_\_\_  
Deputy