

Scot Graham

From: B. Doerr

Sent: Tuesday, May 15, 2018 12:14 PM

To: Scot Graham; Scott Collins; Michael Lucas; Richard Sadowski; Jesse Barron; Gerald Luhr; Joseph Ingraffia; Dana Swanson

Subject: 5-15-2018 - Agenda Item # C-1 Planning Commission Meeting,

Dear Planning Commissioners,

Following are my comments and suggestions for tonight's agenda (C-1). I have also provided previous emails to the City that are shown as attachments (4) for your consideration. Thank you for your time.

1.) Single family residential zoning

Keep R-1 Residential District -- Eliminate proposed Residential Single-Unit (RS).

Please retain the current R-1 land use district/zoning. Meaning, please protect our single family, **detached** dwellings neighborhoods. Keep current version "Single-family residential (R-1) District, and eliminate proposed Residential Single-Unit (RS). The proposed RS district language follows:

*"The **RS** District is intended to provide areas for **detached and attached** single-unit housing at densities of*

one unit per lot. Overall densities for these areas are up to seven or 10 units per net acre."

Please protect the character of our R-1 single family neighborhoods by maintaining the goals , "purposes" provided in Module 3 ("17.05.010 Purpose and Applicability"), and do not allow attached dwellings/homes in the areas currently zoned R-1.

Additionally, consider applying - implementing "Low Density Residential General Plan/Local Plan and Use Designation" or create a Lower density Designation, not "Moderate density." How can a Moderate density designation apply to RS, RM, and RH. Provide a Designation unique to, and protective of, our single family - R-1 - neighborhoods.

See proposed "purposes" of for new residential districts, below:

B. Preserve, protect, and enhance the character of the City's different residential neighborhoods and the quality of life of City residents.

C. Ensure adequate light, air, privacy, and open space for each dwelling.

D. Ensure that the scale and design of new development and alterations to existing structures are compatible with surrounding homes and appropriate to the physical characteristics of the site and the area where the project is proposed."

The above language is great, but the RS district allows attached homes in our R-1 neighborhoods which does not "preserve, protect, and enhance the character" of our R-1 areas. Currently, we have detached, single family homes which must be maintained to accomplish the proposed "purposes". The current R-1 district language taken from "Municipal Code/Zoning" is shown below and appears to better describe/protect the character of our R-1 neighborhoods:

Municipal Code "17.24.040 - Single-family residential (R-1) district.

A.

Purpose.

1. The single-family residential (R-1) district is intended to be applied to existing single-family residential areas of the

city to provide for housing which is consistent and harmonious with existing development and to underdeveloped areas of the city in which topography, access, services, utilities and general conditions make the area suitable and desirable for single-family home development.

2. The purpose is to stabilize and maintain the residential character of the R-1 district and to ensure the maintenance of the maximum amenities for family living commensurate with the densities of population specified and to ensure that the districts will be free of excessive traffic **and other uses causing congestion, noise, confusion and interference in the pattern of family living.**

B.

Special Standards.

1. In the R-1 district, if located on one-half acre or greater, the number of single-family residential units allowed is one per lot or the number of units allowed in accordance with the density range of the land use designation contained in the general plan and coastal land use plan. The maximum number of residential units shall not exceed four per lot.

2. If more than one single-family residence is located on a lot in the R-1 district, any residential unit that has not been authorized as a secondary dwelling in accordance with state and local regulations, shall not be used in violation of the Subdivision Map Act.

Page 7 and 8, Module 3: Use Regulations Page 7 and 8

Chapter 17.05 Residential Districts

"17.05.010 Purpose and Applicability

The purposes of the Residential Districts are to:

A. Provide for a full range of housing types consistent with the General Plan/Local Coastal Plan;

B. Preserve, protect, and enhance the character of the City's different residential neighborhoods and the quality of life of City residents.

C. Ensure adequate light, air, privacy, and open space for each dwelling.

D. Ensure that the scale and design of new development and alterations to existing structures are compatible with surrounding homes and appropriate to the physical characteristics of the site and the area where the project is proposed."

Additional purposes of each Residential District: ...

Residential Single-Unit (RS). The RS District is intended to provide areas for detached and attached single-unit housing at densities of one unit per lot. Overall densities for these areas are up to seven or 10 units per net acre. In addition, this District provides for uses such as schools and parks that may be appropriate in a low- or moderate-density residential environment. This District implements the Moderate Density Residential General Plan/Local Coastal Plan Land Use Designation.

2.) Downtown height limits - Please retain lower limits- 30' maximum. Do not allow special dispensation for 37' or 44' structures. Maintain small town character.

3.) Height Limits - Also, maintain a height limit of 25' in all residential districts.

4.) Short-Term Vacation Rentals (VR's)

First, it would be difficult for anyone reading the Planning Commission Agenda for your meeting tonight to even know that Vacation Rentals is to be a part of tonight's discussion. This is a hot topic and all aspects of VR zoning/land use regulations should be addressed together at one time. Therefore, I suggest that you take no action tonight which addresses Vacation Rentals in any proposed land use district. Attachment 1 indicates my concerns that VR decisions are being pushed faster than the city is informing the public.

An important Coastal Commission grant funded study, "*Lower-Cost Visitor-Serving Accommodations Technical Memorandum*" was only completed and made available to the public in mid-April 2018 (posted 4/17/18), two days before the GPAC (4-19-18) met to discuss the issue.

The use of 250 Morro Bay family homes as Vacation Rental units is not consistent with the Morro Bay, General Plan/Housing Element, and therefore, no action should be taken to implement Vacation Rentals in Morro Bay without a determination of consistency with the Housing Element. See Attachment 4.

Please do not allow VR's in any residential district until a City VR policy is publicly discussed, and broad public notice is provided to everyone interested. Specifically, please take action tonight to postpone all actions which apply to Vacation Rentals until the City publicly discusses new VR Policies.

There are cities fighting the forced California Coastal Commission informal policies for Vacation Rentals. So please, take a stand and do what is best for Morro Bay. Our appointed and elected officials need to determine the destiny of our residential neighborhoods; not the State. There is no state law requiring short-term vacation rentals in our neighborhoods. So don't allow them.

If you must proceed, be selective in choosing the areas best suited for short-term vacation rentals (i.e. mixed use, all commercial, and higher density residential). Protect our single family residential neighborhoods from the frequent, active intrusion of commercial uses such as Short-term Vacation Rentals.

Tonight you are presented with a list/matrix of all residential zoning districts (RL,RS,RM,RH) in which the City will permit Vacation Rentals (VR). However, VR's are not "Permitted" uses in other districts which seem more appropriate. As proposed: 1) VR's are not allowed in AG (Agriculture districts) or at least not mentioned; 2) VR's are not a "Permitted" use in DC (District Commercial); and, 3) VR's are not a "Permitted" use in Public and Semi-Public districts. I am unsure if VR's are allowable in our waterfront along the Embarcadero? All upper levels could be used for VR's.

Pages 55-57 discuss (17.10.220) restrictions on VR's. I suggest the following:

B-Location: 200' is too close. Please limit them to 1000' apart.

C-Parking: Set a maximum number of cars for a VR.

D-Tenancies: Four per month is too many. To preclude the complete use/turnover of our homes to year-round Vacation Rentals, please limit the VR-use to 30 days a year. Other cities are doing this to stop the sale of homes for permanent commercial uses. Currently investors are buying homes for the sole purpose of Vacation Rentals, not for families or full-time rentals. We need full-time homes for our families in Morro Bay.

E-Number of Tenants: Set a reasonable limit. Two per bedroom plus two is too many for a

small home with many bedrooms. And folks paying for a vacation rental want to maximize the fun!

G-Existing Non-conforming Vacation Rentals: All Vacation Rentals should be inspected and meet the current health and safety laws/codes established by the City, and all new standards . Meet the current standard or no license.

In Module 3 there is a discussion of Home Occupations. It is stated that "motels/hotels" are "Prohibited Uses." Yet, we can have a local home used for motel/overnight stay purposes and we call it a VR. At a Council meeting a VR was referenced which housed up to fourteen people and many cars. A local hotelier called that a "hotel." Certainly a Vacation Rental is a Home Occupation so why do we allow VR's in our neighborhoods? Additionally, there are Home Occupations restrictions to protect our neighborhoods, such as: 1) hours -- 8am to 8pm Monday to Friday and 8am to 5pm on Week-ends; 2) restrictions to require business activities only inside the home; 3) limits on the number of clients per hour (one with exceptions for up to three); 4) "no offensive noise" restrictions, to name a few.

VR's are a high intensity, intrusive commercial use. So why don't we prohibit them in our neighborhoods? They belong in commercial use districts. I suggest that you do not allow VR's in any residential district until a City VR policy is publicly discussed, and broad public notice is provided to everyone interested.

Thank you for considering my comments and the four attachments which include previous emails/comments submitted to the City in the past about Vacation Rentals. I apologize for the length of this email to your group, but I believe it is important to include previous concerns into the public record for tonight's meeting as City's GP/LCP will be presented to the Coastal Commission for final approval. I would hope that everyone's GP/LCP and Vacation Rental public comments and letters will be incorporated into the public record for any decisions the Planning Commission makes this evening.

Thank you,

Barbara Doerr

Attachment 1:

From: B. Doerr

Sent: Thursday, April 19, 2018 3:31:08 PM

To: sgraham@morrobayca.gov; dswanson@morrobayca.gov; sstewart@morrobayca.gov; jgoldman@morrobayca.gov;

gsilloway@morrobayca.gov; jingraffia@morrobayca.gov; rbuquet@morrobayca.gov; @sstewart;

sschneider@morrobayca.gov

Subject: 4-19-2018 Postpone Discussion of Short-Term Vacation Rentals

Dear GPAC Member:

Susan Stewart, Chairperson Jan Goldman Rich Buquet, Vice-Chair Melani Smith Joe Ingrassia Glenn

Silloway Susan Schneider

Please consider postponing any action during your meeting tonight relating to lower-cost Vacation Rentals

(VRs) for the following reasons: 1) The Vacation Rental Moratorium has not yet expired and no action or direction has been provided by the City Council; and 2) The community needs to be

given more time to study the report, "Lower-Cost Visitor-Serving Accommodations Technical Memorandum." Please additional information below.

1) In Morro Bay there is still and moratorium on Vacation Rentals (VRs), unless the City Council has taken a recent action to end it that I am not aware of. Ordinance No. 605 was established a moratorium on July 8, 2016 and is to last for "TWENTY-TWO MONTHS AND FIFTEEN DAYS WITHIN THE CITY OF MORRO BAY". I believe this Moratorium will expire in May 2018. A great number of residents showed an interest in the impacts of short-term vacation rentals in Morro Bay (especially a loss of available long term rentals and neighborhood impacts), and these same people should be informed when the Moratorium ends and what the next steps will be in Morro Bay. Possibly the GPAC could hold a meeting relating to only Vacation Rentals.

2) *The Coastal Commission grant funded report, "Cost Visitor-Serving Accommodations Technical*

Memorandum is lengthy, and has just been made available to the public. After seeking an update on the report, I received an email response from the City only today with a link to the report, and advice that it was posted on the City's web site. I believe the City's posting of the report for public review occurred on April 17, 2018. Additionally, before the GPAC implement/approves policies related to Vacation Rentals based on this report, the City Council should formally receive and/or concur with the report.

Thank you for considering my request. I will not be able to attend the GPAC meeting tonight.

Thanks,

Barbara Doerr

Attachment 2.

9-15-2016 GPAC Meeting - General Plan/LCP Comments:

"8.B: Prohibit or regulate coastal short-term rentals" --- I suggest you prohibit short-term vacation rentals in single family residentially zoned neighborhoods, but allow them in commercial or mixed-use zones only, for adaptive reuse of historic buildings as an incentive for rehabilitation, and in a shared housing situations (i.e. a spare bedroom & bath). Please protect our single family neighborhoods from commercial use intrusion. Additionally, short-term rentals take houses out of the permanent housing market and forces higher rents for families by limiting and/or decreasing the full-time rental market.

Attachment 3.

Date: June 11, 2016

To: Mayor & City Council, City Manager, Com. Dev. Director **From:** Barbara Doerr

Subject: Morro Bay Vacation Rental Moratorium - Public Hearing

Please adopt the urgency moratorium Ordinance No. 604. Currently, Morro Bay has almost 4% (3.96%) of our dwelling units used for Vacation Rentals.

Yes, you are not alone in your acknowledgment that Vacation Rentals (VRs) are now causing problems in Morro Bay, especially with the vast short-term rental booking opportunities now available on the internet (Airbnb, VRBO, Homeaway, and others). State legislators, the League

of California Cities, cities in California, across our Nation and in other nations (see der Spiegel below), have acknowledged the impacts from this recent proliferation of Vacation Rentals (VRs) in neighborhoods, and the potential damage they may cause as well as a loss of fulltime workforce rental housing.

The League of California Cities even sponsored a Webinar, February 25, 2015: “The Rise of Vacation/Short-Term Residential Rentals and What Cities Are Doing About It.” Also, please respond to the League of California Cities 2015 request for city representatives to serve on a “staff working group” to study the Vacation Rental problem/issue. Following is an excerpt from the League web site:

“League of California Cities’ staff recently sent a request to member cities to determine the level of interest in forming a staff-level working group on the issue of vacation or short-term rentals in residential neighborhoods. Member response showed a high level of interest in discussing this topic, so a Residential Vacation Rental Working Group was organized. The group has held several conference calls to discuss the impacts cities have experienced resulting from the increased popularity of these rentals, and related issues such as the effective collection of city transient occupancy tax related to the rentals.”

“In addition, the League has received inquiries on this issue from cities and other interested stakeholders, and is aware of the continuing media coverage on the growth of residential vacation or short-term rentals throughout California.”

“This webpage contains resources for cities on this issue including recent news articles and ordinances that various cities have adopted on this topic.”

I urge you to investigate SB 593 which was to be re-introduced in January 2016 and provide your support, as appropriate.. Consider assigning Morro Bay code enforcement person to identify violators of current VR Business License regulation.

Suggested changes to proposed Ordinance No. 604:

1. Remove limit of “250” Vacation Rentals in Morro Bay, and instead add language to stop issuing new business licenses for VR’s until General Plan is updated or other regulation is approved. The “250” limit was never mentioned until 5/24/2016. Limit VRs to the currently legally licensed dwelling units(177). The “250” suggested VR limit is far too many. If you allow 250 units, you will force the proliferation of legal VRs, which Ord. 604 says you don’t want. The moratorium will allow for the establishment of safety inspections and new regulations to be established to protect the health, welfare, and safety of residents and VR guests.
2. Allow the continued use and permitting of “house sharing” Vacation Rentals.
3. If permits are granted during the moratorium, consider only allowing permits in the cities Commercial and Mixed Use land use districts.
4. Identify “MBMC Section 5.47.030” as a “Business License” regulation which permits Vacation Rentals. This outdated VR regulation was approved 9/25/2006 (Ordinance 520).
5. Emphasize that there has been a recent proliferation of online host sites advertising homes for Vacation Rentals for short-term lodging purposes, and a substantial increase in the number of unpermitted shortterm lodging units (VR’s) in Morro Bay.
6. Express the City’s Housing Element goals to obtain more affordable rental housing for all market levels for consistency with City’s adopted General Plan Housing, and identify VRs as a constraint to accomplishing Housing Element goals. June 2, 2016 I emailed comments to the City for consideration with this Public Hearing. It points out how the Morro Bay Vacation Rental

(VR) policy is inconsistent with and actually neutralizes your General Plan Housing Element goals and policies.

7. Acknowledge loss of fulltime workforce rental housing due to conversions from permanent residential housing to Vacation Rentals for tourists, thereby, in conflict with the Housing Element.

Consider for inclusion in future regulation of Vacation Rentals:

- Limit Land Use Districts where VRs can be allowed. Specifically, prohibit use in residential zones, but consider allowing in Mixed Use, Commercial, and Visitor serving zones only.
- Prohibit transfer of any VR license (i.e. permits do not run with the land).
- If VRs are allowed in residential neighborhoods: Do not allow any closer than 1,000 feet to another; limit the number of VRs on a street and/or in a neighborhood, and limit the allowable number of rentable nights (one city's limit is 90 nights a year).
- Require Administrative Use Permit (AUP), Conditional Use Permit, or some other land use approval for dwelling use as VR.
- Require inspections: require building code, fire, ADA compliance, and other safety inspections before certifying a VR permit or new/renewal of Business License.
- Guarantee ADA compliance at VR dwellings?
- Require adequate Insurance?
- Require limits on both daytime and nighttime visitors (i.e. a party or BBQ can only have twice the number of allowable nighttime guests for such events). We once attended a Cal Poly graduation party at a Vacation Rental in Cayucos with more than 50 people attending.

F. Y. I. -- Laguna Beach

Laguna Beach is an example of another California coastal city facing similar problems with VRs, of course, along with many other cities. The Laguna Beach Vacation Rental emergency moratorium was adopted May 29, 2015, and will end October 1, 2016. They are currently working on new regulations which includes new prohibitions of VRs.

Please note comparisons between our cities. Laguna has a similar number of VRs, but they have twice our population, and twice the number of dwelling units we have in Morro Bay. Morro Bay has almost 4% (actual 3.96) of its dwelling units used for Vacation Rentals, while Laguna Beach has only 2% (actual 1.96%) of its dwelling units as Vacation Rentals (STL-Short Term Lodging). Proportionally, we have a greater problem than they do which would certainly indicate a need to adopt Morro Bay's Ordinance 604 for an emergency moratorium on the issuance of any more Vacation Rental Business Licenses/permits.

Vacation Dwelling VR Percent of City Population Rentals Units Dwellings

Morro Bay 10,317 252* 6,356 3.96 %

Laguna Beach 22,723 250** 12,958*** 1.9%

* 5/24/16 MB Staff Report

** High estimate. LB Staff Report 11-17-2015 (175 to 200 unapproved; 64 approved but reduced to 54.) *** LB Housing Element, Page II-6

Other actions taken in Laguna Beach:

F. Y. I. – “der Spiegel, January 10, 2013” “But today the stakes are even higher: Germany's capital is short anywhere from 12,000 to 14,000 apartments -- a deficit that is expected to increase. Critics have said the growing number of short-term vacation residencies in the city is exacerbating the problem, prompting Berlin's municipal senate to draft a bill banning the wrongful use of residencies in highly saturated districts. The piece of legislation is set to go before the Berlin state parliament later this month.”

“While Airbnb [has said that it is actively discussing the laws](#) of places like New York with state and city officials following [the near-prosecution of one Airbnb user](#) there to the tune of \$40,000, it is uncertain how passage and enforcement of the Berlin legislation will play out. Cities such as San Francisco and Paris already restrict vacation rentals in some way.”

Thank you for considering the above facts, comments and recommendations.

Barbara Doerr

Attachment 4

Date: June 1, 2016

To: Morro Bay Mayor & City Council, City Manager, Community Development Director

From: Barbara Doerr

Subject: Vacation Rental Moratorium Agenda Item -- Vacation Rental Policy
Conflicts with General Plan Housing Element

The purpose of this letter is to bring out the contradictions and inconsistencies with City policies prior to your consideration, at your next Council meeting, of a Moratorium on Vacation Rentals. Specifically, the lack of consistency between the General Plan Housing Element and the City's current Vacation Rental policy which allows homes, apartments, and condos in residential neighborhoods to be used and removed from the housing market for a commercial/business use. Following is a portion of the “Introduction” to the Morro Bay General Plan, Housing Element. Please note that the Housing Element is to provide a “tool to identify and provide for the housing needs of the community,” and “is required by California law to establish policies and programs that will support the provision of an adequate housing supply for citizens of all income levels.” (Page 1)

“HOUSING ELEMENT -- 1. INTRODUCTION

The Housing Element is one of the seven State-mandated elements of the City's General Plan. The Housing Element is updated every five years to identify recent demographic and employment trends that may affect existing and future housing demand and **supply**. The Housing Element serves as a tool to identify and provide for the housing needs of the community. The Housing Element addresses the City's ability to meet the regional housing needs as determined by the State of California. The City has developed a set of objectives and specific policies and programs for the production of housing to meet the needs of all Morro Bay citizens.

A Housing Element is required by California law to establish policies and programs that will support the provision of an adequate housing supply for citizens of all income levels. The intent of state law is to ensure that all jurisdictions in the state provide adequate housing to all members of the community. While the State reviews the Housing Element to ensure compliance with housing law, each jurisdiction must identify its particular issues to successfully address its housing needs.”

(Page 1)

I bring these issues to your attention for your consideration because I believe by allowing the use of Morro Bay dwellings for Vacation Rentals the City is directly undermining its own policies approved

in the Housing Element, thereby, reducing the housing stock rather than increasing it. I question how the City can find the current Vacation Rental Business License policies and procedures consistent with the City's Housing Element? From my recent reading of the Housing Element I did not find any references to Vacation Rentals which are actually a detriment or constraint to accomplishing the goals of the Housing Element. Actually, Vacation Rentals accomplish the opposite of Housing Element goals by reducing our housing stock. Currently, as the City has stated, there are almost 170 licensed Vacation Rentals in Morro Bay, and potentially, the City may license up to 250 dwelling units. Below I will provide additional information taken from the Housing Element which highlights how the City's Vacation Rental policy conflicts with (defeats and/or nullifies) City goals in the Housing Element. Our Housing Element policies are designed to increase housing units for all income levels, but at the same time the City is taking other actions, allowing Vacation Rentals, which directly reduces the available housing units in Morro Bay. Below I have quoted Housing Element policies which are undermined or weakened by the City's Vacation Rental policies. I request that the City investigate these issues, and the City's Land Use Element before you make any further decisions about Vacation Rentals.

Motel Conversions to Apartments (Program H-8-1)

“The City will allow the conversion of older motels to residential use ... Criteria for approving residential uses will be stated in the Zoning Ordinance.” (Page 127)

The Housing Element supports the conversion of motels to apartments in an effort to provide more affordable housing units, while at the same time the City takes away residential units for use as hotel rooms for tourist serving Vacation Rentals. This is just the opposite. Somethings wrong with this picture. The City's Business Licensing policy approves/allows Vacation Rentals in direct conflict with this Housing Element policy.

Condo Conversions (Policy H-16)

“Continue to protect existing lower-income apartment units from loss through conversion to condominiums.” (Page 130)

Condo conversions are discouraged, why would it be acceptable to convert residential units, apartments or homes, to full-time Vacation Rentals? As housing costs rise for all housing in Morro Bay, it seems unreasonable to allow residential housing conversions of any kind when we need workforce/family housing.

Regional Housing Needs Allocation (RHNA)

“The intent of the RHNA is to ensure that local jurisdictions address their fair share of the housing needs for the entire region. Additionally, a major goal of the RHNA is to ensure that every community provides an opportunity for a mix of affordable housing to all economic segments of its population.” (Page 47)

Basically, the City is nullifying its RHNA accomplishments identified in the Housing Element goals. Since the City has allowed the removal of dwellings from the housing market for use as Vacation Rentals, possibly the City should be required to add another 250 dwelling units to its 2019 RHNA target goal of 149 units. It seems we are now actually starting at -250 (or -166) dwelling units to compensate for vacation rentals approved now (166) and potentially (250) in the future. Minimally, the City, in the Housing Element, should discuss the impacts of Vacation Rentals on these goals.

The following was taken from Page 47 of Housing Element.

TABLE 36: MORRO BAY REGIONAL HOUSING NEEDS ALLOCATION PROGRESS

Extremely Low 19 0 19
Very Low 20 0 20
Low 24 0 24
Moderate 27 0 27
Above Moderate 65 61 59
Total 1552 6 149

Source: SLOCOG 2013

Notes:

- 1. Single-family building permits*
- 2. The total RHNA number of 154 in the SLOCOG Regional Housing Needs Plan is off by one unit due to a rounding error. Per HCD direction, the numbers in the income categories were totaled and the total RHNA number used for analysis in the Housing Element update is 155.*
- 3. Based on the above projections, the City of Morro Bay will need to allow for 63 housing units affordable to lower-income households to comply with the City's regional allocation targets for these income levels. In addition, the City will allow for 27 housing units available to moderate income households. A total of 155 new housing units have been allocated by HCD for the City of Morro Bay from 2014 through 2019.*

Table 36 should also include a reference to the **loss** of dwelling units to Vacation Rentals in Morro Bay, not just new dwelling units.

For informational purposes, the following was taken from page 32 of the Housing Element. "HCD has defined the following income categories for San Luis Obispo County, based on the median income for a household of four persons:

- Extremely low income: 30 percent and below (\$0 to \$22,600)
- Very low income: 31 to 50 percent of median income (\$22,601 to \$37,700)
- Low income: 51 to 80 percent of median income (\$37,701 to \$60,300)
- Moderate income: 81 to 120 percent of median income (\$60,301 to \$92,400)
- Above moderate income: 120 percent or more of median income (\$92,401 or more"

Waiver of development standards, reduced regulations, less parking, and other misc. regulations to obtain new affordable housing.

The Housing Element highly regulates developments of new housing to accomplish housing goals. The City requires the property owner to provide inclusionary housing, while at the same time the City waives some developer in-lieu fees, provides parking reductions, allows bigger structures, and more, all to create affordable housing. Certainly, these regulations affect the developer and potentially negatively impact existing residents and neighborhoods. While the City has regulations and developer giveaways to develop more affordable housing units, the City has adopted other policies, Vacation Rentals which eliminate available full-time housing and increase the cost of housing.

Land Use Designations (Page 59)

Possibly, based on the current zoning for the R-4 Land Use District is the only proper area for vacation rentals as it allows for a mix of "hotels and motels along with apartments, condominiums, and other similar uses," or possibly, the MCR –Mixed Commercial/Residential District. (See below.) However, even in the R-4 or MCR districts vacation rental uses would be in conflict with the goals

& objectives of the Housing Element, because any vacation rental removes homes from the available housing stock for Morro Bay families.

R-4

Multifamily

Residential-

Hotel Professional

This district is intended to apply in those areas of the city where it is reasonable to permit a mixture of hotels and motels along with apartments, condominiums, and other similar uses. the purpose of the R-4 district is to allow higher-density apartment projects and, where appropriate, hotel, motel, community housing developments, and professional offices, ensuring that the R-4 district will be free of excessive traffic and other uses causing congestion, noise, confusion, and interference in the pattern of higher-density family living and visitor serving uses.

MCR

Mixed

Commercial/

Residential

The purpose of this district is to allow and regulate a mix of compatible commercial uses with residential uses in districts where a strip commercial area is in close proximity to a residential neighborhood, to broaden the range of commercial market opportunities, and to provide a review procedure to protect the residential neighborhood from unsafe or unhealthy conditions.

In conclusion, we question whether or not Vacation Rentals are consistent with the Housing Element? Even if General Plan consistency is not required by law, the City is still sabotaging its own Housing Element goals. What ways do Vacation Rentals further the goals of the Housing Element? Is CEQA required for the implementation and use of Vacation Rentals in Morro Bay? Can a discussion of the impacts of Vacation Rentals on affordable housing goals be incorporated into the 2014 General Plan – Housing Element? In the Housing Element consider the loss of entry level housing through conversions to Vacation Rentals? Which Land Use Districts are appropriate for Vacation Rental uses? Are Vacation Rentals stated as an allowed use in any of the City's Land Use Districts (Zoning Code) in the City's General Plan/LCP? These seem to be important questions to be answered before allowing one more Vacation Rental and/or continuing to re-license any Vacation Rental uses in Morro Bay.

I hope some of the above information is helpful. Thank you for considering the issues related to our City's General Plan Housing Element as you make some very difficult decisions about the current status and/or continued use of Vacation Rentals in Morro Bay.

Sincerely,

Barbara Doerr

Scot Graham

From: betty winholtz

Sent: Monday, May 14, 2018 4:43 AM

To: Gerald Luhr; Joseph Ingraffia; Michael Lucas; Richard Sadowski; Jesse Barron

Cc: Scot Graham

Subject: planning commission module 3

Dear Planning Commissioners:

My comments are made by section. My critique is in italics.

Thank you for reading,

Betty Winholtz

17.09 purposes of both A. and B. is tourist, with character of "fishing village". I just want to acknowledge this is the official statement that tourism is our thing and fishing is a facade.

Commercial Fishing (CF) The CF District is intended to retain the City's small-town fishing image(my emphasis)... Land uses are limited to... and incidental parking and utility uses. These last two items are not included in Measure D.

Waterfront (WF). This District is intended to provide for the continued mixture of visitorserving commercial and recreational and harbor dependent land uses in appropriate waterfront areas. I believed you have extended this designation at least to Bayshore Park if not to the State Park Museum. This is not the dominant use south of Tideland, and being 90% residential it is not going to become that which you state here.

17.09.020A2 This is a very broad statement: "access to water uses"; what is "kiosks" doing in here?

17.09.020A3e. Cooling water intake facilities, if found to be consistent with Section 17.09.020.A.1. This is inappropriate.

17.09.020B2diii "Existing...passengers-for-hire facilities" This was put in illegally and should not be continued. Shouldn't the prohibited support structures for energy production be stated here?

17.09.020C Are you committing to retaining the 2 residential dwellings on the north edge of Tideland on the water side? Isn't there a terminating clause on this property?

17.10.130D. Prohibits home occupations for (4.) hotels and motels, but allowing vacation rentals?

5.47.030 - Definitions. "Short-term vacation rental" is included in the definition of a "hotel" for purposes of collecting transient occupancy tax pursuant to MBMC Chapter 3.24. Is this in conflict with the previous citing?

17.10.140F I believe displacing 3 parking spaces for 6 hours a day is too many for too long a time.

17.10.160 Increasing from 125' to 350' outdoor dining in essence eliminates the parking requirement. Either don't do it, or say that is what is happening.

17.10.210B3/4 recycling: Does this affect the Good Will truck at Spencers? We no longer have recycling centers, why is this being proposed?

17.10.220A This directly conflicts with 17.10.040K accessory buildings "shall not be used as short term rentals."

17.10.220B Is this 200' linear or radius? No provision for how to space out units if too close in existence now. 200' is too close. In my neighborhood this would be every 4th house.

17.10.040G This continues to all the current 250 licenses since it does not limit the number of vacation rentals allowed within the city. I am not in favor of that many. Real standards for enforcement are in Chapter 5.47

A possible option is to make a distinction between a vacation rental (dwelling occupied by short term renters, no owner present) and BnB (room within a house occupied by the owner).

The following items have to do with codifying violating height limits. I single rod is one thing, but these are more than that. Please consider these eyesores and viewshed issue:

17.10.240 solar panel above 25' on roof

17.10.250A6ai antennas and supports

a mast provided the overall height of the antenna and its supporting mast does not exceed a height of 12 feet above the roofline unless authorized with a Minor Use Permit.

17.10.250A6aii3 greater than a meter: Does not exceed 14 feet in height

17.10.250A6bi non residential 12'

17.10.250B1 stealth in all districts. This should not be allowed in all districts. At one time, there was an intent to put them on city property for the income. There is no provision to come before planning commission, nor notice to neighbors in residential area?

These are things that don't exist here, why are they included? colleges/trade schools, cultural centers (aquarium); marine (hardware sales), hospitals, airports. I missed the barbers and hairdressers; where are they?

Scot Graham

From: Carol Swain

Sent: Wednesday, May 16, 2018 1:34 PM

To: PlanningCommission

Subject: Family-Safe Neighborhoods; Property Rights; Business-Friendly Policies

I attended last night's meeting and spoke about my concern of short-term rentals in residential neighborhoods. I was impressed by how

closely you listened and seemed to take citizen concerns and suggestions into consideration. Thank you. It was refreshing. Much of

the public comment also showed that people have thought about ways to accommodate sometimes-conflicting interests in property

use. The discussion following public comment yielded excellent ideas.

The fact that the cap of 250 is an interim measure and that short-term rental licensees are aware of this offers a possible avenue of

relief to residents in affected areas. The reduction to the number of 100 was a suggestion to consider. Acknowledging that nearby

coastal communities have stricter limits on such rentals was a critical item for further probing. Improving the buffer between daily rentals

was mentioned. Excluding hosted rentals from regulations on owner-absent rentals is logical. Increasing fees in order to screen

applicants and perform inspections --all were sensible suggestions.

Transferring licenses for short-term rentals also was the topic of some discussion. Much of it centered around fairness to the seller of

the business. Please give due respect to the 30-year residents who are now watching their neighborhoods become motel zones.

Please terminate the license to operate a short-term rental at the time of sale. In the interest of these residents and of home

affordability, allow the new owner the option to use the residence as a home.

Tangible effects on home affordability, infrastructure, on traffic and parking, noise, on the safety and welfare of our families and on our

existing hospitality entities are added to the legion of intangible effects on the quality of life in our community. The complaint process

cannot accurately reflect these effects. We do not lodge complaints with every violation. We do not wish to overburden city

staff. Another way to identify these effects may be necessary.

Again, thank you for your consideration.

Sincerely,

Carol Swain

Scot Graham

From: Carol Hoppert Hays

Sent: Monday, June 04, 2018 7:36 PM

To: PlanningCommission; Council

Cc: Mark Hays; Robert Elzer

Subject: Vacation Rental Ordinance

June 4, 2018

Morro Bay City Council

Morro Bay Planning Commission

RE: Vacation Rental Proposed Ordinances

Dear Councilpersons and Commissioners:

We are the owners of a vacation home located at 3273 Tide Avenue in Morro Bay. We have been following the development of a vacation rental policy in the City of Morro Bay and have concerns we wish to express.

It has been a dream of ours and of our family to own a beach home for many years. As a native of the Central San Joaquin Valley, the central coast was the vacation spot of choice for my immediate and extended families. Four generations of our family have spent family vacations in Morro Bay and Cayucos. We have rented vacation homes before it was the popular thing to do, most often through a friend of a friend and later through property management companies. We have rented homes that sleep six or more consistently twice a year for 30 or more years. Our most amazing vacation memories have been made in vacation rentals and we would still be renting them if we had not been blessed enough to be able to afford to purchase one of our own.

We visit our vacation home an average of once a month for an average of five days each visit. We purchased our first home in Morro Bay in 2012; it was a mobilehome in a park that was our test for whether we would use it enough to merit a larger purchase. Not only did we use it more than we hoped, but our family also enjoyed it fully.

This prompted us to sell our modest vacation home and invest in the larger property we own now. To be able to afford our vacation home and future full time home, it is necessary that we rent our property when we are not occupying it. This purchase is for our future. It is part of our long term retirement plan. We are 54 and 60 and intend for the rental of our property to cover not only the cost of the mortgage but also to supplement our retirement income. Limiting our ability to rent our home will severely alter our retirement plans and quite probably force the sale of our beloved vacation home.

We are only the second owner of our vacation home. The first owners built it and lived their lives there. Advancing age forced them to sell and the home had fallen into a state of disrepair. The inside of the home was remodeled and modernized to be more efficient. The outside of the home had been overgrown, had an original chain link fence, crumbling stucco and no parking area. We have cleaned up the exterior, it is freshly painted, the parking area restored, a new deck and side yard installed and finally a redwood fence to maintain privacy and give the home a beautiful and aesthetically pleasing appearance. A gardener now insures the weeds stay down and the home is meticulously maintained. We have been congratulated by most everyone who walks by on the beautification of our home. Most of the immediate neighbors have thanked us for our positive contribution to the beauty of the neighborhood.

Upon the purchase of our home, we hired a property management company to handle the onsite needs of our property. Because that company was not immediately responsive, we let them go and listed our property for rent with URelax Vacation Rentals. Robert Elzer and his staff have maintained the home and handled the rental of it for over two years. We have had zero—that is ZERO—complaints from our neighbors regarding noise, traffic or other issues. When we are in Morro Bay, we visit with our

neighbors to ask about any issues that may be caused by our tenants. We work diligently with our rental company to keep the home in great shape and to respond immediately to any safety issues or, should they arise, issues with our neighbors. We have taken the time to become acquainted with each of our neighbors and the neighborhood and consider ourselves members of this community. It is in our best interests, as well as those of the neighborhood, to maintain our home properly and to keep our neighbors happy; especially since we intend to live at least half time in our home someday. The homes around us that are part time vacation homes or are vacation rentals are a vibrant part of our neighborhood. We enjoy the life that these renters and part time occupants bring to the neighborhood when we are there.

As past vacation home renters, we were always considerate of the neighborhoods in which we rented. We were courteous and careful not to offend the neighbors of the home. We kept noise to a minimum and moved inside once it began to get dark. We were always, without exception, welcomed by the neighbors and treated as a part of the community. Morro Bay has always maintained opened arms to us as vacation rental tenants and we have felt welcomed and embraced by the neighbors. Maybe we are the exception, but based on what we have been told by our neighbors, this is the rule rather than the exception.

Besides our paying tenants, our home is enjoyed by my retired parents, our pastor, our grown children, our grandchildren, extended family, our church family, and our friends. It is a place of joy and happiness as well as relaxation. All of these visitors to the community spend countless dollars in the area.

Restaurants, grocery stores, doughnut shops and bakeries, local attractions, shops, gas stations, car washes, the movie theater, Farmers' Market, Miner's Hardware, the Embarcadero and downtown area all share in the money these visitors spend while vacationing in the City of Morro Bay. Couple this with the Transient Occupancy Tax and the contribution our little home makes to the area is quite impressive.

We have watched the video of the last planning commission meeting and are alarmed by several elements that are being discussed and considered:

1. The possibility of licenses being limited to a number of years (3-5 for example). We heard the arguments one or more of the commissioners made regarding the fairness of some of us "getting to the courthouse first". While we hear that argument, limiting existing licenses or terming them out is also unfair to those of us who have made a sizeable investment in our homes. We have relied on the income that is afforded us through the garnering of our licenses. We have abided by all the rules; we have made a good faith investment in the community. Our opinion is that all existing licenses should be grandfathered in with no sunset or provision or expiration (that only those not renewed be up for grabs to incoming potential vacation rental owners). Simply put, if we are abiding by the rules, then why would we be subject to having our source of income taken away arbitrarily?
2. Our home rents only weekly in the busy summer season but we do take reservations for smaller time frames in the off season. These off season rentals are vital to our maintaining a positive cash flow but also to the ongoing maintenance of the home. An empty home deteriorates and, if vacant for an extended period, it could invite mischief. Our neighbors have indicated that it is always better to see life in our home than to see it sit empty. Because of these reasons, we oppose the limit on the number of rentals per month. It is important to note that our summer rentals in 2018 include one for three weeks and two for 10 days or more. If we are forced to limit our rentals to four or less per month, then we would be in a position of converting our vacation home to a full time rental. However, it would be VERY unaffordable housing as we would have to rent it at a much higher rate in order to cover our costs. This would lead to high turnover and would mean that the constancy and consistency of our own visits would be eliminated. This is in direct opposition to the objective of maintaining long term, familiar tenants.

Further discussion has been to limit the number of allowed tenancies per month to two with a limit of 10 days per month for NON conforming rentals. If the 200' radius is established, that makes nearly all of us non-conforming and reduces our income by up to 75%. I will address this distance requirement in point 4 below.

3. We are concerned about the number of occupants allowed per vacation rental. Right now, the two per bedroom plus two works for our three bedroom, three bathroom home. Our own immediate family reaches that amount with the two of us, our two children and their spouses and our two grandchildren. We think we are the pretty typical family that would rent our home. The accommodations and parking are adequate for this number therefore, we are strongly opposed to further restriction on this provision.

4. We are dismayed by the proposed distance restrictions. 200 feet is extreme, especially with neighboring communities having only 50 or 100 feet limits. While we understand the intent of this proposal to benefit the full time residents, this restriction goes directly to the "fairness" of the availability of vacation rental licenses. Further, with almost all of the vacation rentals presently licensed being within 200 feet of another rental, we would all be facing the proposed restriction of two tenancies/10 days total per month. This is unjust and is a strong move that will result in many of us being forced to sell or leave our houses vacant for long stretches of time.

5. Along with point 1 above, this is the proposal that upsets us the most. We have legally attained our license; we have paid our TOT accurately and on time; we have abided by the provisions of our license diligently; and we have every expectation that we should be able to pass that license to the next owner. This is a reasonable expectation based on our adherence to the policies that are in place. Further it is a financial benefit to us that should not be able to be removed easily. That is an asset that we have legally attained. It is also essential to our children being able to maintain our home when they inherit it.

6. As Mr. Graham emphasized in the 5/15/18 Commission meeting discussion, there are been very few complaints about vacation rentals filed and only two open as this time. With this being the case, what is the impetus behind these restrictive proposed and legally questionable ordinances? I understand it is part of the process to implement a new master plan; however, if there are no complaints, then why fix something that is not broken?

We would like to know if the city has considered stronger code enforcement to ensure that all vacation rentals are operating under licenses; if the city has investigated the idea of revoking unused licenses; what the city sees as the stated specific purpose and end game of such ordinances will be (as required by law).

In summary, we have made the largest investment of our lives in the beautiful community that we call our second home. We maintain our home well, we are responsible homeowners, we have made ourselves members of the neighborhood and community, we rely on this home for the income it provides as a rental. Any restriction, unmerited revocation or sunset of our license will cause us great financial harm and will risk the retirement we have planned. We question the legality of these proposals as they relate to homeowners rights and are seeking advice of legal counsel. We consider ourselves citizens of Morro Bay and hope that our representatives will protect OUR rights as they do the full time occupants of the City.

Regards,

Mark A Hays

Senior Regional Planner, Tulare County Association of Governments

Carol Hoppert Hays

President/Executive Director, Visalia Parks & Recreation Foundation

Real Estate Agent, Hoppert Real Estate Services

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Carol Hoppert Hays Executive Director Visalia Parks and Recreation Foundation

Scot Graham**From:** Chloe Hanken**Sent:** Monday, June 04, 2018 8:12 AM**To:** PlanningCommission**Subject:** Restrictions on VRBO In Morro Bay

As an annual renter of a VRBO in Morro Bay, I would like to offer why I enjoy staying in a Vacation Rental vs. a hotel. As frequent travelers, we use both Hotels and VRBOs, This August we will be spend a couple of weeks in Oregon and will be using both hotels for 1-2 night stays as well as VRBO's for longer stays. My husband and I have been renting the same VRBO in Morro Bay for 8 years. The first year we rented was actually our 1st encounter with the Town of Morro Bay. Since then we have returned to Morro Bay each year for the entire month of July to enjoy the weather, the shops/art galleries, businesses, Morro Bay Golf Course, farmers markets and the many restaurants in the area. We even purchase a month's membership at Fitness Works. We find staying in a home allows us more comforts as well as flexibility to cook our own meals and the ability to have more rooms to relax. Since finding Morro Bay, we have told many of our friends who have also found VRBO's in the area and enjoy annual vacations there as well. If we have short term visitors, we direct them to book a room at the Inn At Morro Bay, Marina Street Inn B&B, or any one of the many Hotels on the Embarcadero. Their short visits have also prompted them to return to Morro Bay.

I hope by sharing our personal experience, the Planning Commission will consider the strength that VRBO's bring to Morro Bay's Tourism especially for visitors who enjoy longer stays in one location.

Thank you for your consideration

Chloe & Larry Hanken

Gilbert, Az.

Scot Graham**From:** greg frye**Sent:** Monday, May 14, 2018 1:12 PM**To:** Jamie Irons; Marlys McPherson; Matt Makowetski; John Heading; Robert Davis; Council; Scot Graham**Cc:** PlanningCommission**Subject:** Greg Frye letter regarding vacation rentals

To the city staff, commissioners, and council members, I have several comments below pertaining to the proposed vacation rental ordinance that I would like to share for your consideration. I truly appreciate the effort of those who have invested so much of their time into the general plan update including this section. However, I believe that trying to wrap this particular ordinance into the general plan update may slow the whole process and should therefore be considered as a separate entity in order to allow for adequate public comment.

I have many concerns regarding the proposal to separate vacation rentals by 200 feet. Where does the 200 feet begin, the property line on each side, the center of the lot, the front door? This will be an important determination if you choose to separate rental properties. The image below shows circles with a two-hundred foot radius with the licensed vacation rental situated in the center of each circle. If the proposed rule of a two-hundred foot separation between rentals were approved, any other home within the circle would be unable to obtain a license for themselves. Furthermore, any homeowner that falls within overlapping rings would have to wait for other license holders to drop before they could obtain one. A licensed vacation rental located at the center of the upper circle would eliminate the possibility of thirty-eight homeowners from obtaining a license. Thus, it is my belief/request that the 200 foot rule should be abandoned altogether because every homeowner should be afforded an equal opportunity to apply for and be able to receive a permit even if that means being on a wait list.

Please strongly consider eliminating any required distance between rental units. Keep a cap on the overall number if necessary but eliminate the separation.

Eliminating the separation between owners allows every homeowner an equal opportunity. Any concern about the clustering of these rentals, even if three or four are together, can be mitigated in other ways. For example, if the concern is about noise, there are rules and codes that can and should be followed and enforced. If units are limited to the number of permissible renters based on the number of bedrooms and onsite parking spaces, I do not see any good reason to mandate separation. Better code enforcement and owner accountability for compliance at the risk of the loss of his or her license would mitigate many concerns. If any have concerns about the occasional "bad" renter (loud, intrusive, party animals, etc) imagine if they ended up with a "bad" renter on a long term lease! It would be very difficult for the city to enforce and the owner themselves will not have adequate leverage. Evictions are time consuming and costly.

The city should also consider there may be areas that may be more appropriate for vacation rentals than others. I am on the waitlist and my next door neighbors have a vacation rental. Along Toro lane, there are only two of us that live there full time. The

other owners visit periodically. We are bordered by the beach on one side and the highway on the other. Even if every single owner on our road periodically rented their home within the confines of the rules on parking and number of tenants, I don't believe it would negatively impact myself or our small neighborhood. I happen to enjoy meeting the renters when they do come.

So why is it important to allow all homeowners equal opportunity? It's simply fair. Also, there are many owners who live out of town and would have the option of offsetting some mortgage costs if their home was a vacation rental while still allowing themselves, family, or friends to use the residence. Long term rentals do not allow for this. Short term rentals allow the owners to still enjoy the benefits of their home while offsetting some of their costs and will bring revenue into the city.

Another common concern about vacation rentals is that they do not allow for long term rentals, but the unfortunate fact is that the high cost of home ownership in Morro Bay prohibits the average worker's ability to afford it. If I rented my home long term, very few could afford it, and I suspect the same would apply to many others who have high mortgages, property taxes, and city fees.

In regards to capping the number of licenses allowed, please take into consideration that 250 is too low. The current real impact is a combination of the number of licensed rentals plus those that are operating and unlicensed. The city needs to know how many unlicensed rentals are present now. Add that number to the 250 and you have a better estimate of what would keep the actual status quo.

This ordinance should not be a copy and paste from the county ordinance. It needs to be tailored to suit the needs of homeowners and those that want to visit. Equal opportunity for all homeowners is very important and there should be no distance limitation between rentals. Set a cap but make it realistic, one that matches our true current number of vacation rentals (licensed and unlicensed). Set the rules and enforce them with regards to noise, parking, and the number of occupants.

Thank you for your time and your consideration,
Greg and Jeanne Frye

Scot Graham**From:** Jim Mayer**Sent:** Friday, May 11, 2018 10:16 AM**To:** PlanningCommission**Subject:** Vacation Rental Ordinance Update

Good morning. We purchased our home in Morro Bay 1993 and we are very concerned about the new vacation rental ordinance discussions. I have been to the last GPAC and city council meetings where Scot Graham commented that this would be a lot of work. There are 11 vacation rentals within one block of our home with three on our street. Two are long term and one is not licensed. Please review the city of Carpinteria April 2017 approved Vacation Rental Ordinance # 708 PDF 14pages. The Coastal Commission 2017 considers this to be a model example. Carpinteria is almost the same size as Morro Bay. Their vacation rental cap is 218 with a map overlay for 4 zones. Please also review the city of Carpinteria Short – Term Rental Administrative Policies and Procedures April 2017 PDF 24pages. They have done all the work for their update, Morro Bay staff can save a lot of time and use the language and change as needed the Updated 2017 Carpinteria Vacation Rental Ordinance. Thank you for your review of Carpinteria vacation rental update 2017 when discussing the Morro Bay vacation rental update proposals by city staff at the next planning commission meeting.

Thank you. The Mayer Family

Scot Graham

From: jordonna Does

Sent: Tuesday, May 15, 2018 2:54 PM

To: Council; PlanningCommission

Cc: Mike Does

Subject: Letter about proposed vacation rental regulations

Dear Morro Bay City Council and Planning Commission,

We own a vacation rental in the Beach Tract of Morro Bay, and have rented it to vacationers for the past 23 years. We have concerns about some of the changes being considered.

1) The Location rule of 200 ft. apart would not work for us, as our vacation rental is located in the Beach Tract. Currently there is a vacation rental just over the common lot line fence, and a second one just across our narrow street. Who gets to decide which rental stays and which gets eliminated? We have been operating the longest, so does that mean our friends and neighbors who own nearby vacation rentals are out of luck? The City is going to figure out who to shut down?

2) "No Transfer of Vacation Rental Upon Sale of Property". This is a ridiculous idea, which we strongly oppose, as it harms us financially.

Although we cannot be at the public hearing in person (each winter we come to Morro Bay from Montana to care for our vacation rental property) please take our concerns into consideration. We have been faithfully paying all applicable taxes and licensing fees on our vacation rental property. According to our nearby neighbors, the guests who occupy our vacation rental are courteous, quiet, and do not cause problems, which can be credited to the excellent professional management company – also a Morro Bay firm. We have guests returning year after year for over two decades, all of whom contribute to Morro Bay's tourist economy.

Please do not implement regulations that will harm the small businesses of vacation rentals in Morro Bay!

Sincerely,

Jordonna and Mike

Scot Graham**From:** Robert Kraus**Sent:** Tuesday, May 15, 2018 9:30 PM**To:** PlanningCommission**Subject:** VR

Commissioners:

Listened to your May 15, 2018 meeting. A couple of comments:

You talked about Hosted and Non-Hosted VR's. I can tell you that a couple of the landlords that spoke in open forum said their unit was hosted -- they are lying to you. If you are going to differentiate between Hosted and Non-Hosted you will need a tool to verify that the hosted unit is truly hosted.

The commission should not allow a permit to be grandfathered or run with the property. VR permits should be treated like hunting permits. There should be a term limit of 2 to 3 years and then one needs to go to the back of the line. This would give all property owners the same opportunity to have a VR.

In general, I really don't like the idea of replacing residential (R-1) units with VR's. What the commission is basically doing is expanding the zoning of overnight accommodations to move into the heart of residential neighborhoods. The City is moving a commercial enterprise into a residential neighborhood. The City of Morro Bay is already allowing the storage of Trailers, RV's, and Boats to be parked in neighborhoods. Not only on residential lots, but this problem has spilled over to city right of way as well. If the commission allows the number and density of VR's to increase it will totally destroy our neighborhoods.

Stop destroying our neighborhoods. Enforce your current ordinances.

Bob and Susan Kraus

Suggestions for Dealing with Existing Licensed Vacation Rentals after the Adoption of the General Plan

The ultimate goal is to remove vacation rentals from single family districts through attrition, code enforcement, and possible benefits given by the city to existing compliant vacation rentals. Hopefully this can be done without expensive and time consuming lawsuits.

- Legal vacation rentals should be non-transferable with any change of title including inheritance through a trust.
- Existing business licenses should become void due to non-use (ie: no TOT paid in any given 6 month period).
- Any code enforcement action against a legal unit that results in a fine voids their business license
- Reward anyone who voluntarily gives up their vacation rental entitlement by allowing them to trade it for another compliant location and structure or possibly putting them on top of the new waiting list.
- Perhaps reward legal non-conforming vacation rentals who give-up their entitlement. This could be funded by related vacation rental user fees and code enforcement fines from illegal units.
- Limit existing legal non-conforming vacation rentals to 5 years after the adoption of the general plan. They have 5 years to comply with the general plan or opt to take some of the benefits of the above mentioned points.

Larry Schmidt
Morro Bay Resident
May 11, 2018

We are sending this letter to provide input on the Vacation Rental regulations that are being developed as part of the overall General Plan for Morro Bay. We own Beach-N-Bay Getaways and URelax Vacation Rentals and currently manage 33 homes and 2 small hotels – Harbor Front Suites and La Roche Suites – in Morro Bay. Maggie also sits on the TBID Board in Morro Bay but we are submitting this letter as private citizens and Morro Bay business owners, not as a TBID Board member. Our companies are professionally-run businesses just like any of the hotels in the local area. We started our businesses to provide guests to Morro Bay the family experience that many prefer today and many more will adopt later. The top priorities for us are to: 1) Protect the VR properties for the owners; 2) Ensure that our guests are good neighbors to the local residents; 3) Provide premium, well-maintained and nicely furnished homes for our guests so they have a wonderful vacation experience when in Morro Bay. We feel that we represent many of the city's most upscale accommodations that assists Morro Bay in competing directly with the very attractive new hotels in Pismo and San Luis Obispo that will soon come on line.

In a town like Morro Bay where tourism is the number one contributor to the economy, vacation rentals should be embraced, not frowned upon or restricted unnecessarily. However, we do agree it also needs to be properly regulated. We respectfully request that you do not “kill the goose” with the forthcoming regulations or with additional assessments with no tangible proof of benefit. Regarding the ongoing discussions about inclusion of VRs and RV parks in the current TBID assessment district, we strongly recommend that this issue be shelved until the new regulations are finalized and implemented and you have a stabilized set of affected constituents.

With regard to the current draft changes to the Zoning Code Update, Module 3, for Short Term Vacation Rentals, we support most of the proposed changes. Following are the ones that we would like to see modified or added:

Item B. Location: Our understanding is that you were modeling these regulations from other ordinances that already exist in the county, particularly Cayucos and Cambria. Your statement needs to be more specific in how this distance proximity would be measured, e.g. “X number of feet from a parcel that has a vacation rental license” which would then mean that measurement has to be made from the edge of the parcel. Cayucos currently has set this distance at 100 feet on the same street and 50 ft radius. Setting the proximity distance to be 200 feet in Morro Bay where many of the residential communities have very small lot sizes and houses are packed in (ex: the beach tract in North MB and the Morro Bay Hills on the non-ocean side of the freeway in north MB), the 200 feet limit is overlyrestrictive particularly for a coastal community that depends on tourism. As was proven in Pismo Beach, the Coastal Commission may not support this regulation either. We recommend that this proximity regulation be reduced to the same as Cayucos.

Item F. No Transfer of Vacation Rental Upon Sale of Property: We are opposed to any regulations that would not grandfather existing VRs. and we strongly recommend the regulations mirror what the SLO County regulations allow. County regulations state that the business license cannot be transferred to the new owner but that if the new owner applies for a VR business license before the previous owner's license expires, they will be issued a new license without having to go through a new Zoning Clearance. This type of language is critical to VR owners and to the city for several reasons:

We book our homes up to 1 year in advance and families plan vacations and time off around that. To revoke that possible opportunity would be very bad for business and for the city.

- We as a business operator and our owners in Morro Bay expect the city to adopt regulations

that ensure the continuity of current operations and a fair and just administration of the rules.

- Our owners have spent 10's of thousands of dollars to provide exceptional experiences for their guests specifically to offer their homes as vacation rental. As they make these investments, many do so with the assumption that if they ever sell it, they can sell it as a business with all furnishings in place and at a premium price. You will have many home owners protesting this decision if you move forward with it.

- Like many hotels, our vacation rentals have become favorites of repeat travelers from everywhere. We feel that currently operating vacation rentals should have the same treatment as hotels and be recognized as an ongoing business and a commercial contributor to the city. If a hotel gets sold, the city does not deny them the right to continue to operate that business as a hotel!

- We are in favor of a test on transfer to determine if the rental was indeed an active and contributing VR prior to the sale.

New Suggested Regulation: We would support a regulation stating the minimum age for a vacation rental is 25. This would mean that we would be able to require the person whose name is on the VR rental contract to be 25 years old. Under CA law we are not able to restrict accommodation to anyone over 18 unless it is part of the municipality's regulations. We feel that this is a reasonable restriction and would help with controlling the groups that do rent VRs and would be seen as a positive restriction by the local residents.

We suggest the city deliver on its promise made at the beginning of the process to largely adopt the County regulations. In practice this will make the entire process much easier and help achieve a predictable result. It's likely that this action would also limit the possibility of legal action against the City and objections by the Coastal Commission. What is just as important as these additional regulations for VRs is that the city constantly investigate and shut down any vacation rentals that do not have a license. The county has made an attempt to address this by setting up a hotline where people can report suspected illegal VRs. We would like to see Morro Bay do the same. Also, some of these illegal rentals can be easily found by monitoring the online advertising sites such as Airbnb and VRBO/HomeAway. Just like other businesses in our city, we have worked very hard to create a business that operates professionally and with integrity. Following are some relevant facts about who we are and what we contribute to the city:

- In the past 12 months ending on 4-30-2018, our two management companies have paid \$176,184 in TOT to the city not including the 1% paid to the SLOCal BID.

- We estimate that we have contributed about \$500,000 to the city via TOT since we launched our business and we expect our contributions to continue to grow due to the exponential rise in the popularity of vacation rentals as the preferred lodging option for many and also due to the fact that we offer an exceptional vacation experience and we have many returning guests.

- We estimate that in the last 12 months we have welcomed approximately 8000 guests to Morro Bay for an average stay of 4.92 nights.

Our industry intelligence tells us that our guests spend an average of 3.4 times the amount spent on lodging on other items (activities, food, etc). This would translate to \$5.99 million spent in the local area as a result of our VRs over the past years. Morro Bay may not capture all of these dollars but likely is the major recipient.

- We employ many local contractors and currently have 4 employees, resulting in direct contributions of over \$500,000 annually to the local economy. We require all of our contractors to be licensed with the city.

- As professional managers we have very strict rules of occupancy, in fact we contact every guest

at the time of reservation to verify the number of people and warn them about parties and over usage of the home with too many people which may include day only guests.

- We pride ourselves on the condition of our homes and the fact we do our very best to be good neighbors in all cases.

We understand that not all operators work in the same way and the City's and the neighbors' experience over all vacation rentals may not be same. We hope that the city can navigate the differences and not penalize everyone due to a few bad actors and also move to be more supportive of our contributions and efforts and those of other professional managers that are now well along in the support of this valuable segment of Morro Bay's tourism economy. We have attached a publication (converted to a Word document) that

Respectfully,

Maggie and Nick Juren and Robert Elzer

Owners of Beach-N-Bay Getaways and URelax Vacation Rentals

Scot Graham

From: Marilyne Cleeves

Sent: Sunday, May 13, 2018 7:15 PM

To: Scot Graham

Subject: Short-term Vacation Rentals in Morro Bay

ATTENTION: SCOT GRAHAM, COMMUNITY DEVELOPMENT DIRECTOR

Morro Bay Vacation Rental Proposal

As a group of Morro Bay home owners, we are witnessing many issues in our residential neighborhoods that are a major concern. Since Morro Bay is a desirable area, one of the most important concerns is the type of home owner that is running these Short-term Vacation Rentals (STVRs). Which category do these home owners fall in? Are they investors, partial users (live in the home part-time) or home-stay users (live in the home year round)? We feel the City Council should address the following concerns that have been addressed in other desirable coastal communities (**each city mentioned has the city name hyperlinked to the detailed ordinance**):

[Santa Barbara, CA](#)

- **Hotel Zones Only** – any STVR must abide by the zoning ordinances for hotels.
- **Compliance with fire, building, and health codes** - “Any dwelling used as a Homestay shall comply with the CA Fire Code, CA Building Code, CA Health and Safety Code, the National Fire Protection Association standards and/or regulations, and other relevant laws and codes regarding carbon monoxide detectors, smoke detectors, emergency egress window, handrails, and fire extinguishers, to the satisfaction of the Director.”

[Carmel, CA](#)

- **Residential Character** – no home or subordinate unit may be rented for less than 30-days.

[Carpenteria, CA](#)

- **Issued Caps to 218** – The caps put on the STVRs has an overlay map with numerical densities for 4 zones, none of which include any single family residential neighborhoods. This is considered a model example for coastal communities.
- **Non-conforming Vacation Rentals** – “The owner of a Nonconforming Vacation Rental is eligible to apply for and receive a Vacation Rental License for five (5) years after the STR Regulations become effective.”

[Pismo Beach, CA](#)

- **Zoning Restrictions** – STVRs are prohibited in any of the following zones C-2, C-M, OS-1, OS-R, G, R-1, R-2, R-3, PR, M-H and conditionally permitted in C-1 areas.
- **Parking** - Vacation rentals in mixed use projects – minimum of one on-site parking space for each sleeping room.

[Maui, HI](#)

- **Consultation with Neighbors** – The applicant is required to mail a notice of home permit application sent by certified mail to any home resident that lives within 500 feet of the parcel boundaries not less than thirty days prior to the public hearing.
- **Contact Persons** -- A two-square-foot sign shall be displayed along the main access road of the short-term rental

identifying the valid short-term rental home permit, a twenty-four hour telephone number for the owner or manager, and telephone number for the planning department.

Scot Graham

From: Pat Reed

Sent: Wednesday, May 16, 2018 6:46 PM

To: PlanningCommission; Jamie Irons; Matt Makowetski; John Heading; Robert Davis

Cc: Pat Vaughan; homeralexander mayerconstruction@carolswain96@; vickis1200

Subject: Vacation rentals and the planning commission meeting

After attending the planning commission meeting on May 15, and hearing all the comments from both side of the story, it's clear that Morro Bay has a big problem, one that needed attention 2 years or more ago, before the problem became so large.

Reflecting on the situation one thing is clear. Morro Bay has too many STVRs for the population size, and the geographical size of the city. Density of housing clusters is one part of that, but density/numbers of guests is another. A place that sleeps 10 to 16 people creates more traffic and potential problems than a STVR sleeping 6, which puts it more into the category of single family home. So, why not think outside the box for a change and limit those mega rentals to twice a month instead of 4 times, thus cutting down the overall congestion level. A house sleeping 10 rented 4 times a month potentially serves 40 people with 20 cars, or nearly 500 people per year, tourists/ transients who have little consideration for our local neighborhoods. Also, the larger homes charge substantially more per night, (one on Luisita below our house ranges from \$700 to \$1000 per night in the summer), so fewer turnovers will have less impact than smaller 2/6 person rentals.

Second, there is no logical reason why Morro Bay can't set up zones with different caps as Carpenteria has done. It's apparent that especially in areas such as Beachcomber something must be done besides creating a 200 foot barrier.

Signage must be better placed, and large enough to read on a STVR. One house near us a sign in a second story window above a garage. No wonder the property manager or the police don't get complaints! Many signs are placed so that you must trespass on private property to find a property managers phone number.

Mr Graham often brings up the fact that there haven't been any complaints about STVRs. Maybe that's because very often disturbances are not from parties, but from people arriving home in several cars, late at night, and slamming car doors. Locking them with the cheep cheep sounds, and then standing around the front of the house chatting in the driveway. In the case of the house below us they might as well be in our bedroom as we hear every word. They aren't being rowdy, or doing anything illegal, just being annoying and disturbing, something they would not do at their own home or in their own neighborhood generally. It's a lack of consideration that no amount of instructions left by the manager or owner in a folder in the house will address.

In general we feel that the planning commission's work, and Mr Graham's work is not done. 250 is too many vacation rentals for Morro Bay, 200 feet is not the only solution to density in some parts of town, but twice a month turnovers as opposed to 4 would help regulate the crowds in houses sleeping over 8. Also it's important NOT to consider the coastal commission a problem as they apparently have worked with other cities and towns that find themselves in this situation. I was told by the planning office in Carpenteria that the Coastal commission considers their ordinance a good model for what can be done. And in conclusion, owner-occupied room rentals, (home stays) should not be included in any cap, or even be considered

a vacation rental. Home hosting with an owner in residence makes all the difference as they provide a cultural experience and information for their guests, and also act as a deterrent to any misbehavior.

Having them licensed is not absolutely necessary, although some cities do, and collect appropriate bed taxes from them. Thank you for taking the time to hear our opinions and ideas. Pat and Jim Reed

Scot Graham

From: Pat Reed

Sent: Saturday, May 12, 2018 3:51 PM

To: PlanningCommission

Subject: Fwd: Vacation rental ordinance

Sent from my iPad

Begin forwarded message:

From: Pat Reed

Date: May 11, 2018 at 7:01:57 PM PDT

To: sgraham@morrobayca.gov, cjacinth@morrobayca.gov, jgarguilo@morrobayca.gov, nhubbard@morrobayca.gov

Cc: vickis1200mayerconstruction@, jrc@, Pat Vaughan

<>, carolswain96@, "homeralexander "

<homeralexander@>, Glenn Silloway <gsilloway@>

Subject: Vacation rental ordinance

As a 17 year residents of Morro Bay, and nearly 30 years on the central coast we have seen changes in our neighborhoods that have become a major concern. Since vacation rentals have affected the quality of life in Morro Bay neighborhoods we hope that the planning commission and city council will adopt an ordinance that will not only meet regulatory requirements, but include common sense rules that return some stability to these affected neighborhoods.

These issues and goals include:

A total number of STVRs or cap that are commensurate with the population of the city and our zoning codes. These can be negotiated with the Coastal commission which will work with cities depending on the individual needs and characteristics of the city.

An overlay or area map for the city for all neighborhoods that will restrict the number of STVRs in any section of the city Separation limits within any of those districts

Parking limitations

Turnover rates per month should not exceed 2, thus preventing the constant coming and going of non residents

Unused licenses currently issued should be returned to the city to be reissued to another applicant

Sales of home with current operating licenses should be returned to the city to be reissued, and not sold with the house.

Grandfathering and allowing current licensees to continue operating after any ordinance is adopted would make a mockery of any such ordinance. Those operating in the limited vacation rental zones should have a sunset clause after which time they must cease operation, create a long term rental or month to month rental for their property.

All of the above should be considered with the appropriate vacation rental map overlays to prevent the current situation of clusters and densities that have occurred in the Beach Tract and Morro Bay Heights. Please study the current approved regulations of the city of Carpinteria a copy of which was given to you by Mr. Mayer, as they can give some guidance for Morro Bay.

We feel very strongly that it is the time for the planning commission and the city council to consider the voters and permanent population of the city.

Thank you.

Scot Graham

From: Robert Schechter

Sent: Saturday, June 02, 2018 8:42 PM

To: PlanningCommission

Subject: limitations on vacation rentals

I own a vacation rental home in Morro Bay. I purchased it as a business. The current limitations proposed

would be a deterrent to my existent business, reduce my income and devalue my investment.

It is unfair to have sunset limitations

It is unfair to limit the number of time I can rent the home per month

It is unfair to limit the occupancy to less than two per bedroom

It is unfair to limit transfer of license to new purchaser of my home

It is unfair to have unreasonable distance restrictions between homes

These limitations and restrictions should not apply to existent licenses

Robert Schechter

Scot Graham**From:** Sue Perry**Sent:** Monday, May 14, 2018 2:56 PM**To:** PlanningCommission**Subject:** Vacation Rentals

Dear Commissioners,

I urge you to listen to the city residents regarding amount of, and location of vacation rentals. To me, a vacation rental should be in our motels and hotels. In an R-1 neighborhood, there should be limits to vacation rentals. If a family is living in a single family house, there is generally no problem to the neighbors/neighborhood. But a vacation rental brings many cars that the driveway cannot hold, probably 2 people per bedroom, and parties of family members, friends, guests to be making noise and commotion on several nights, possibly every weekend. This is not acceptable!

Some buyers are not even purchasing homes here for any purpose than to turn them into Vacation Rentals. You will ruin our town for the greed of buyers who want to earn cash-----

-----they should go buy a business in the business district.

Residential neighborhoods should be peaceful.

I hope members of the Planning Commission are all residents of Morro Bay, living here, not so-called experts coming from elsewhere. That should be a requirement.

Cabrillo Estates (Los Osos area) recently rejected Vacation Homes to be allowed by their Homeowner Association; Certainly Morro Bay should have strict guidelines, maybe only one every block at the most, and not in R-1 residential neighborhoods at all.

Thank you for putting the citizens who live here first.

Will and Sue Perry

Morro Bay

Scot Graham**From:** Robert Davis**Sent:** Monday, June 04, 2018 6:09 AM**To:** Torrey Scharton**Cc:** Scott Collins; Scot Graham**Subject:** Re: Vacation Rentals

Thank you Torrey. I agree with what you say and certainly the city can address some of those impacts. Residents also

have a part to play, as you and Thomas Kessler have demonstrated, by letting code enforcement and MBPD know when

violations are occurring as well as respective property managers. Poorly managed properties can have their licenses

revoked if they demonstrate a pattern of irresponsible tenancy.

Red

Robert Fuller Davis

Morro Bay California

One lure of Everest is that the decisions you make there are real, and difficult, and you have to live with them.

- Beck Weathers

On Jun 3, 2018, at 17:44, Torrey Scharton wrote:

I hear that quite an uproar is being made about the vacation rentals along Beachcomber Dr. in Morro Bay and that the Planning Commission is trying to fix the problem.

While I appreciate their efforts as it has impacted our neighborhood more and more over the years, I would caution over-reacting or "quick fixes".

It is not necessarily the number of rentals as a whole that is the problem so much as how each rental is being allowed to operate that is the bigger problem. The impact to the neighborhood is felt more acutely by the number of people in a rental at one time.

If you revoke the rental licenses of those who have most recently been issued, you may in fact NOT solve our problem at all. We have some long-time vacation rentals who have continually been disruptive and heavily impact our neighborhood. Parties are being hosted, more guests are staying during the day for revelry, and more cars are being parked on the street. Some of our newer rentals are inconsequential in the big picture.

It is the way in which vacation rentals are managed by owners, rental companies, and the city that needs attention. This solution considers the needs of full-time residents (quality of life, cost of living) as well as the revenue generated for landlords and the city.

Sincerely,

Torrey Scharton

Walter R. Auerbach

TO: Morro Bay General Plan Advisory Committee

CC: Morro Bay Planning Commission

Morro Bay City Council

RE: Vacation Rentals

Date: May 24, 2018

Our property on Beachcomber Drive has been a vacation rental since we bought it in January 2010. We rent it when we are not there because we have to, in order to keep our dream alive of someday living there in the winter months. The house is small, only 1,400 square feet with 2 bedrooms and 2 baths. Although it is dated and in need of significant investment, people who stay there absolutely love it. Historically, our average rental is a family of two adults and two children, often travelling with one pet, and it is a very affordable way for them to enjoy the California coast.

Since we have owned the property, we have hosted over 1,000 guests who have enjoyed Morro Bay using our house as their base camp. We have collected and paid over \$38,000 in TOT taxes during that time. Our guests often stay for less than a week, and spend significantly on restaurants, shopping, and other activities. We do as well, when we are fortunate enough to take time off and visit our coastal home.

We take care of our property to make it attractive to our guests, and to encourage them to return and stay with us. Over the years, we have made significant improvements to the property in terms of landscaping, and are currently planning a larger investment in an interior remodel. None of that would be possible without the rental income.

Lastly, we take it very seriously when there is even a hint of one of our guests disrupting our neighbors. Just because we aren't there doesn't mean we don't care. We care deeply about our neighborhood. We do not allow our guests to have parties, or gatherings of any kind larger than the sleeping capacity of the house plus two people. In the eight years we have owned the property, we had exactly two rentals that I wish I had not made for these reasons, and both of those were in our first year of ownership. Out of a total of over 2,100 days where the property was rented, we had challenging guests for only seven. That's less than one half of one percent.

Morro Bay GPAC

May 24, 2018

With the above in mind, it is with real sadness that we have been reading the proposed code and listening to the discussion of the Planning Commission related to VR's. Here are our two primary takeaways from what we are seeing and reading:

1) Vacation rentals are detrimental to the community and must be throttled in numerous ways.

2) The input of absentee property owners is less meaningful than anyone else who lives in the City whether they own, or rent.

We don't have an issue with common sense regulations and those that are needed to solve a

problem. But thus far, we aren't convinced that you have established a problem exists that requires new regulations. We believe that before further regulations on VR's are adopted, the City should conduct (and present to all stakeholders) meaningful analysis of how Morro Bay compares to other communities in terms of their housing stock, percentage of VR's, regulations currently in place, and other related metrics. We'd like data, not emotions, to shape these decisions.

For instance, does the City know how many complaints they have received about VR's? Are there repeat offenders? Are there repeat complainers? How does this compare to other areas with or without regulations? Have there been more problems with VR's that don't have a local property manager? Do you know how many don't have a local property manager?

As we read the minutes and watch the video of the GPAC and Planning Commission meetings leading up to this point, it is very clear there is a negative bias in those groups not only towards VR's, but out-of-town property owners generally. If you treat us like we are second class citizens, how can you advertise that you are welcoming to anyone else?

Is it the City's interpretation of comments from the public that full time residents would rather see a house stay empty than see it used as a responsibly operated VR? And if so, is a policy that promotes more empty homes a policy that the City believes is good for the community long term?

There are many ways in which the character of a residential area is influenced. For instance, the character of the community along Beachcomber Drive north of Java is arguably as much commercial and recreational as it is residential. The presence of the Morro Strand Campground is the largest influence, and their use of the neighborhood streets for parking is the most obvious impact. But let's not forget the public who walk or drive down to Beachcomber to watch sunsets or just gaze at the beach, the surfers who use Beachcomber to scout waves and change into and out of their wetsuits, the designated bike lanes all along the front of the homes which carry people from up and down the coast on their bike rides. All these things define the character of that neighborhood, and at least along Beachcomber Drive, it will never have the purely "residential" qualities that some people feel are being threatened by VR's.

Morro Bay GPAC

May 24, 2018

You are certainly aware that some areas in our City, even a few in our neighborhood, have homes with beat up vehicles that don't move, or boats parked in ways that block neighborhood views. Some homes have residents with many more cars than parking spots, or they simply choose to clutter the street with their cars when they have onsite parking. Some homes have nuisances of all kinds associated with them. But by and large these are not vacation rentals. So in an effort to be clear about what we support and what we can't support, I'll try to wrap this up.

WE SUPPORT:

1. Good behavior rules for EVERYONE (not just VR's) related to parking, number of people at one time, noise, and any other typical nuisances. Just because someone lives in a house doesn't give them rights to create a nuisance that VR's will be penalized for. So let's start with code enforcement for everyone, before we single out VR's.
2. Going slowly with any regulations, whatever they are. Unintended consequences are

rampant in this area of planning.

WE DO NOT SUPPORT:

1. Penalizing VR's for making improvements to their properties, like taking away their permit if they expand the habitable area of their house. That is guaranteed to arrest investments in those properties. It certainly will in our case.
2. Terminating permits when properties are sold or transferred or inherited. This will immediately devalue VR's and is patently unfair to those of us who have made investments on the reliance of the current regulations.
3. Putting any existing VR property in a situation of non-conformity through these new regulations. That is also unfair, especially to those of us who have bent over backwards to be good neighbors.
4. Dictating how a VR property is managed and by whom. I have a local property manager, but I am the primary contact for any issues with the house because I own it. The property manager does not.

It is surprising to us that the City chose to move forward with such draconian suggestions without having real data to guide the process and the decision-makers. We suggest the City conduct *facilitated* sessions with ALL stakeholder groups to get the information on the table that is needed to make a decision. No lasting solutions can be possible if the only input received is from like-minded people. Lasting solutions take input and compromise from *unlike*-minded people.

Thank you for your time,
Walter Auerbach

Scot Graham

From: Walter Auerbach

Sent: Tuesday, May 15, 2018 9:26 AM

To: Scot Graham

Cc: Cindy Jacinth

Subject: Plan Morro Bay-STR's

Mr. Graham,

I just read with some surprise the proposed code related to short term vacation rentals (STR's). Probably my fault for not paying closer attention to the process, but nonetheless, I was a bit taken aback by the proposals to limit the spacing of STR's, non-transferability upon sale, etc. As owners of a single family home that we rent frequently, we take our responsibilities to the community very seriously. We pay TOT taxes and property taxes, and maintain our homes as well as any local resident. Our plan for the future is to live in the home for 3-4 months every year, but in order to do that we need the income from rentals to afford the house. The proposed regulations feel to me like a slap back for trying to be good neighbors, and patently unfair to those of us who have not had any issues with tenants behaving poorly or disrupting the neighborhood. Frankly we find far higher disruptions of all kinds not only to us as owners but to our guests from the Morro Strand Campground directly in front of us-one of the largest enclaves of STR's in the community. Nowhere yet do I see a discussion of how that facility impacts the adjoining residential neighborhood in terms of parking, smoke, degradation of views, and noise.

Has the City of Morro Bay reached out to the real estate and short term rental industry specifically for input on this matter? All I see in the public comments to date (although frankly I have not studied the package thoroughly yet) are full-time residents who may have had some unfortunate experiences with STR's in their neighborhood. There are (I assume) 250 registered STR's in Morro Bay. You know who they are. I urge you to reach out to us directly for comment from the group who will be most affected by these new proposals.

We are wrestling with the topic here in North Lake Tahoe as you are on the Central Coast, so I'm not unfamiliar with the issues at all. We too have a long-term affordable or workforce housing shortage. We too have issues with some properties that aren't managed well. But restricting STR's does not translate to new long term housing, nor does it change bad behavior. Some of the worst code offenders in our community are full-time residents, not owners who try to maintain their property for the enjoyment of others.

If I hit this send button too quickly it's because I am aware there is a Planning Commission meeting tonight, and would like my comments on the record in the event the future opportunities are more limited than I thought. I am actually hopeful that the reality is not as bad as it seems on the first read-through, and that you'll point that out to me after reading these comments.

Thanks for the opportunity to comment, and I look forward to engaging more fully on this going forward.

Walter Auerbach

Scot Graham

From: Dianne Buquet

Sent: Monday, May 14, 2018 4:47 PM

To: PlanningCommission

Cc: Dana Swanson

Subject: Agenda Correspondence 5/15/18 Module 3

May 14, 2018

Planning Commission and Staff,

Re: Draft Zoning Code Module 3: Short-Term Vacation Rentals

Please accept our comments on the proposed recommendations:

Transfer of License

We disagree with a blanket restriction against transferring Vacation Rental licenses upon sale of property. The history of the property/license should be taken into consideration and the license should be allowed to be transferred upon administrative approval. All Vacation Rental owners have invested heavily in their business, including landscaping, furnishing, marketing, and standard "Blue Sky" business value. Restricting the transfer of the license would represent a significant financial loss to a seller and diminish the value of their home.

200' Foot Restriction

We suggest that the proposed 200' separation, if approved, should not be implemented on a citywide basis. There may be circumstances in certain neighborhoods where this requirement should be administratively waived. For example a potential VR owner could be allowed to be closer than 200' if they receive signed agreements from affected property owners in a reasonable proximity of the existing and proposed Vacation Rental. Or, in the case of an owner occupied property that chooses to rent a room as a HomeStay. They too should be excluded from the 200' requirement.

Accessory Dwelling Unit Prohibition

Accessory Dwelling Unit Vacation Rentals on owner occupied properties are the jewels of the City. They have the best oversight of any Vacation Rentals by far. We don't support this proposed regulation.

Enforcement

We would suggest the following additions to the Draft Ordinance:

Proactively investigate, fine and shut down all unlicensed Vacation Rentals prior to implementation of any proposed regulations.

Non owner occupied Vacation Rentals must have a Local Contact Person available to respond within 30 minutes of notification of a complaint and take remedial action as necessary.

Vacation Rental owners are required to include the finalized regulations i.e. parking, noise, and occupancy into all booking contracts and shall be posted inside the Vacation Rental. Both should include the statutes and

penalties per the municipal code for any violations of the regulations.
Rich & Dianne Buquet

Scot Graham

From: Erin
Sent: Wednesday, June 06, 2018 1:13 PM
To: PlanningCommission
Subject: Fwd: Vacation rental ordinance in Morro Bay

Sent from my iPhone

Begin forwarded message:

From: Erin
Date: June 6, 2018 at 12:23:26 PM PDT
To: planningcommision@morrobayca.gov, council@morrobayca.gov
Subject: Vacation rental ordinance in Morro Bay

Greetings,

To Morro Bay Mayor, City Council, Planning Commission and staff.

I am Erin S Stouwie, co-owner of By the Bay Cleaning Company. I wanted to address this body tonight and give you some additional information as you consider decisions on the number of vacation rentals.

By the Bay Cleaning is a small business owned by myself and a female business partner. Each of us have lived in the community for over ten years. Our kiddos attend Morro Bay schools, we are active in the community and we spend most of our money in the Morro Bay community. This is our home and we choose to live here because of the quality of life. Just like you, we care about the future quality of life in Morro Bay and the safety of our children and noise levels are of concern to us also.

Our business specializes in the cleaning of vacation rentals, both for rental management companies and some private homeowners. By the Bay Cleaning Company is known for high standards of quality and service and attention to detail in each of the homes. We are one of the many small to medium size businesses that will be affected by the decisions you make concerning vacation rentals.

Your decision on the number of licensed vacation rentals available will affect each of the families of our six employees, all who live in the Morro Bay community. All of our employees are generating additional income for their families. I am the sole breadwinner for my family and my partner must have her income while her husband is out of work. A decision to reduce vacation rentals will have a direct effect on our livelihood and the livelihood of our employees. It will mean fewer homes to be cleaned and there is a good possibility you will put us out of business causing us to have to move away from the community.

In addition, your decision on vacation rentals also will have a larger collateral impact that will be felt by many other businesses. Like the rock thrown into the pond, the decision on vacation rentals will affect businesses like our local pharmacy and drug store, coffee shops, restaurants, landscapers, restaurants as well as Albertson's, Spencer's, Rite Aid, Miner's and many other local businesses in the Morro Bay community.

Over the past ten years we have witnessed the growth of vacation home rentals nationwide and Morro

Bay has enjoyed part of that good fortune. When families and groups consider where they might find the greatest value for their vacation dollars they often choose vacation rentals over hotels and motels. We offer numerous high quality opportunities to the vacation renter. On a cost per room basis vacation rentals provide the most cost effective option for a family to enjoy coastal access in Morro Bay. Thanks to the growth businesses like ours have been grown and the Morro Bay economy has been good. It has been a win-win for our community and our residents.

We urge you to consider the impact of your decision on the many businesses that will be affected in Morro Bay. If you decide to reduce the number of vacation rentals you offer the renter less supply of homes and those potential renters are likely to look elsewhere.

We love our community and have chosen to raise our families here and we choose to serve here. Thank you for your time and attention.

Best Regards,

Erin S Stouwie