



IMPORTANT NOTICE REGARDING July 21 2020

Planning Commission Meeting

This meeting is being conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic. In accordance with Executive Order N-29-20, the public may only view the meeting online and not in the Commission Chamber.

Submission of Public Comments: For those wishing to make public comments at the July 21, 2020 Commission meeting, please submit your comments via email to be read aloud at the meeting by the City Planner. Email comments must be submitted to the City Planner at jlucchesi@mtshastaca.gov. Email comments on matters on the agenda must be submitted by 4:00 P.M. Pacific Time on the day of the meeting. All email comments shall be subject to the same rules as would otherwise govern speaker comments at the Commission meeting.

Reading of Public Comments: The City Planner shall read all email comments, provided that the reading shall not exceed three (3) minutes, or such other time as the Commission may provide, consistent with the time limit for speakers at a Commission meeting. The email comments submitted shall become part of the record of the Commission meeting.

Comments made in the chat will not be read during public comment.

Mt. Shasta Regular Planning Commission Meeting Agenda

Tuesday, July 21, 2020; 6:00 p.m.

Please note that this meeting is being agendized to allow Commissioners, Staff, and the public to participate in this meeting via ZOOM, pursuant to the Governor’s Executive Order N-29-20. Members of the public may remotely listen to and participate in the meeting via the information below:

Please click the link below to join the meeting:

<https://us02web.zoom.us/j/89766772851>

Or iPhone one-tap :

US: +13462487799, 89766772851#

Or Telephone:

US: +1 346 248 7799 or +1 408 638 0968 or +1 669 900 6833 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 646 876 9923

Webinar ID: 897 6677 2851

Page	STANDING AGENDA ITEMS
	1. Call to Order and Flag Salute
	2. Roll call
	<p>3. Public Comment: This time is set aside for residents to address the Planning Commission on matters listed on items not included on the Regular Agenda. If your comments concern an agenda item noted on the regular agenda, please address the Commission when that item is open for public comment. Each speaker is allocated three (3) minutes to speak. Speakers may not cede their time. Comments should be limited to matters within the jurisdiction of the City. Commission discussion or action cannot be taken on items not listed on the agenda other than to receive comments. If you have documents to present to members of Commission, please provide a minimum of seven (8) copies to the note taker.</p>
Pg 4	<p>4. Meeting Minutes a. Approval of Regular Planning Commission Meeting Minutes for June 16, 2020</p>
Pg 7	<p>5. Off-Street Parking: Temporary Dining Areas Background: With the second round of business shutdowns, restaurants are struggling to economically survive without indoor dining. One strategy is to remove or reduce off-street parking and on street parking in front of the business. This item will discuss off-street and on-street parking and temporary dining areas. Commission Actions: Motion to approve temporary off-street parking requirements and temporary outdoor dining areas.</p>
Pg 18	<p>6. Cannabis Zoning section 18.91.030 Amendment Background: Section 18.91.030 of the Cannabis Zoning Ordinance for the City of Mt. Shasta includes the land use table of allowable uses. The proposed amendments to the land use table would remove commercial cannabis uses from all residential zones.</p>

	Commission Action: Motion to approve proposed amendments to Section 18.91.030 for City Council consideration.
Pg 21	<p>7. Short-term Rental Ordinance</p> <p>Background: The City of Mt. Shasta like most cities have a growing short-term rental (STR) market that caters to tourism. This item will present a draft for a short-term rental ordinance.</p> <p>Commission Action: Give Direction or Motion to approve STR Ordinance for City Council consideration</p>
	8. Commission and Staff Comment
	<p>9. Future Agenda Items – Future items are topics brought to the Planning Commission from a public petition, city staff, Planning Commission member(s), and City Council for review and action. All dates refer to first introductions to the Planning Commission and can be altered due to time and priority level. Items that are bolded correlate with the General Plan Revision Process</p> <ul style="list-style-type: none"> a. Drone Regulations – 8/18/2020 b. Golden Eagle Charter School Parcel Map, Conditional Use Permit, and Architectural Design – 9/22/2020 *Special Meeting
	<p>10. Adjourn – Next meeting scheduled for Tuesday, August 18, 2020 at 6:00pm</p> <p>Availability of Public Records: All public records related to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at City Hall located at 305 North Mt. Shasta Blvd., Mt. Shasta, CA at the same time the public records are distributed or made available to the members of the legislative body. Agenda related writings or documents provided to a majority of the legislative body after distribution of the Agenda packet will be available for public review within a separate binder at City Hall at the same time as they are made available to the members of the legislative body.</p> <p>The City of Mt. Shasta does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or provision of services. In compliance with the Americans with Disabilities Act, persons requiring accommodations for a disability at a public meeting should notify the Deputy City Clerk at least 48 hours prior to the meeting at (530) 926-7510 in order to allow the City sufficient time to make reasonable arrangements to accommodate participation in this meeting.</p>

Any writings or documents provided to a majority of the Planning Commission after distribution of the meeting Agenda Packet regarding any open session item on this agenda will be made available for public inspection during normal business hours within the binder entitled “Agenda Packet for Front Counter” located at City Hall at the desk on the right-hand side inside the front door.

Projects heard at this Planning Commission meeting may be subject to appeal. Please contact the Planning Department for information. Appeals must be submitted to the City Clerk’s office together with the appeal fee. If you challenge the environmental review of the project

proposal in court, you may be limited to raising only those issues raised at the public hearing or in written correspondence delivered to the Planning Department on, or prior to, closing of the public comment period.

Mt. Shasta Regular Planning Commission Meeting Minutes

City Park Upper Lodge 1315 Nixon Rd.

Mt. Shasta Tuesday, June 16, 2020; 6:00 p.m.

Item

STANDING AGENDA ITEMS

1. Call to Order and Flag Salute – Chair Findling called to order at 6:05PM

2. Roll call

Present: Chair Findling and Commissioners Beck, Saryon, Kirby, Higuera, and Pardee

Absent: Commissioner McDowell

3. Public Comment:

Johanna Altorfer: Public Comment read into the record by City Planner. Comments concerning downtown Mt. Shasta.

4. Meeting Minutes:

A. Meeting Minutes for Regular Meeting February 18, 2020

COMMISSION ACTION: Motion to approve meeting minutes for February 18, 2020

MOTION: Commissioner Higuera

SECOND: Commissioner Pardee

AYES: Chair Findling, Commissioners Saryon, Pardee, Higuera, and Beck

NOES:

ABSTAIN: Commissioner Kirby

ABSENT: Commissioner McDowell

B. Meeting Minutes for Regular Meeting May 19, 2020

COMMISSION ACTION: Motion to approve meeting minutes for May 19, 2020

MOTION: Commissioner Higuera

SECOND: Commissioner Beck

AYES: Chair Findling, Commissioners Saryon, Kirby, Pardee, Higuera, and Beck

NOES:

ABSTAIN:

ABSENT: Commissioner McDowell

5. Stormwater Master Plan Draft Presentation

Frank Lyles and Tatiana Garcia, CivicSpark Fellows: Presentation of Draft Stormwater Master Plan.

Clarifying questions

Public Comment: None

Discussion on projects and public input opportunities.

No formal action.

6. Short-Term Rental Regulations

City Staff: Presentation of Staff Report

Questions regarding ordinance options.

Public Comment:

Adam Varcoe: Public Comment read into the record by City Planner. Discussion on economic value of short-term rentals.

Stacey Murad: Public Comment read into the record by City Planner. In favor of banning short-term rentals in condominiums

Paulo Acleta: Public Comment read into the record by City Planner. In favor of short-term rentals in single family homes and not in apartments.

Caroline Ave Neighbor: Public Comment read into the record by City Planner. Discussion on short-term rental impact on long-term residents; especially in apartment buildings.

Peggy Risch: Public Comment read into the record by City Planner. Discussion on personal recommendations for a short-term rental ordinance.

Public Comment: Closed

Discussion on Short-term Rental Ordinance options.

No formal action. Item will be on next agenda.

7. Reopening Mt. Shasta Update

City Planner: Update on reopening Mt. Shasta

No questions or discussion.

8. Commission and Staff Comments

City Staff: Update on vacant building ordinance.

9. Future Agenda Items – Future items are topics brought to the Planning Commission from a public petition, city staff, Planning Commission member(s), and City Council for review and action. All dates refer to first introductions to the Planning Commission and can be altered due to time and priority level. **Items that are bolded correlate with the General Plan Revision Process**

- a. Golden Eagle Charter School Parcel Map, Conditional Use Permit, and Architectural Design – TBD
- b. Drone Ordinance Discussion – July 16, 2020

10. Adjourn – Adjourned at 8:13 PM

Agenda Item # 5

Staff Report

Meeting Date: July 21, 2020
To: Planning Commission
From: Planning Department
Subject: Off-Street Parking: Temporary Dining Areas

<input checked="" type="checkbox"/>	Regular
<input type="checkbox"/>	Consent
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Presentation

Recommended Action:

- 1. Motion to adopt Class I Categorical CEQA Exemption**
- 2. Motion to approved proposed temporary off-street parking regulations for temporary outdoor dining.**

Background:

As of July 13, Governor Gavin Newsom has ordered all indoor restaurants to close indoor operations. This mandate is indefinite. Restaurants are now faced with either closing or changing operations to only take-out, delivery, or outdoor dining. Many of the restaurants in Mt. Shasta are requesting to utilize off-street and on-street parking spaces as outdoor dining areas to continue their business.

Project Description:

The removal of off-street and on-street parking has been quickly adopted by small and large cities in response to COVID19 social distancing and business operation changes. The Planning Department has assembled a list of general and specific regulations for different types of outdoor dining and seating. The proposed list relies on other city regulations specifically, City of Philadelphia, City of San Diego, and City of Boston. The guidelines have been adapted to meet the city and business needs.

The Planning Department will return to Planning Commission when the COVID19 mandate is lifted to evaluate the program and determine if permanent guidelines and regulations should be adopted.

Project History:

The City Council in 2017 approved a pilot parklet project which would allow businesses to utilize on-street parking for outdoor space. Parklets are a common planning tool that allows for outdoor dining, seating, bike parking, and green space to be located in the City street and remove parking. To date, no business has taken advantage of the parklet pilot.

Environmental Review:

The California Environmental Quality Act (CEQA) is environmental legislation that applies to jurisdictional decisions regarding projects that could impact the environment. For the purpose of this review, the proposed changes are the only pieces that are required to be evaluated for compliance. Existing legislation is not evaluated under CEQA.

The proposed temporary outdoor dining and seating regulations qualifies as a Class I Categorical Exemption under CEQA under California Code of Regulations Section §15301. Class I Existing Facilities encompasses the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private facilities, equipment, or topographical features. The temporary dining program would not permanently alter the streetscape of the City nor lead to permanent changes in private facilities.

Fiscal Impact:

The ability for businesses to adapt and continue to operate will benefit the overall tax revenue received from sales tax. Incidentally, the ability to continue to offer attractions and restaurant service to tourists will maintain some Transient Occupancy Tax (TOT) revenue.

Timeline:

The proposed temporary dining area program would be in effect as long as the Governor's mandate is in place. Temporary dining and on-street facilities will be reviewed post-COVID to determine if the City would like to continue the program permanently

Review of Public & Outside Agency Comment:

The Planning Department reached out to businesses impacted by the second round of shutdowns and changes. The general consensus is that businesses need new ideas and ways to continue their operations. Businesses like Mike and Tony's and Black Bear Diner have moved quickly to already put outdoor dining facilities in place.

Recommendation Discussion:

Proposed guidelines for changing outdoor dining and business operations are based on plans produced by other cities. The program is meant to be flexible while ensuring pedestrian and ADA access throughout the city.

The proposed guidelines are:

- Outdoor dining areas must:

- Maintain a minimum 6 foot distance between tables and chairs
- Maintain pedestrian and traffic safety and access
- Maintain a clear path of travel to public utilities, fire hydrants, building entrances, crosswalks, and transit stops.
- Maintain ADA standards on City sidewalks and paths of travel to and from businesses
- Adjacent businesses are strongly encouraged to coordinate to allow expanded dining outside of the traditional width of the building.
- Each lot is permitted to have one portable sign (max. 10 sq. ft. in the areas and max 3.5 foot height
- All outdoor dining and business areas shall obtain an encroachment permit from the City prior to operation if in City rights of way
- No heating, cooking, or open flames, except Fire Chief approved outdoor heaters.
- No food preparation in parking lots or public right of ways
- Appropriate lighting is required at night. All lighting must be downward facing and be turned off outside of operating hours.
- Outdoor dining shall be shut down if operations are a nuisance to neighbors.
- Operation must comply with state public health orders on business activity and public gatherings, including social distancing and hygiene.
- Moveable furniture must be moved inside building or secured to ground when not in use
- Moveable furniture on streets and sidewalks must be labeled as property of the business
- Umbrellas will have a maximum diameter of 6 feet and be between 80 inches -96 inches high above grade
- Maintain all fire department connections
- Planters are allowed as long as not permanently affixed to the public right of way or parking areas. Plants within the planter shall be maintained in a way that does not interrupt traffic or pedestrian access. Plants within the planter shall be maintained in a way that does not promote noxious weeds or dead plant material.
- Open fire pits are prohibited.

- No tents in public right of way; tents are allowed on private lots as long as they meet building and fire code standards
- Establishments with less than 20 tables total must make 1 table ADA accessible. Establishments with more than 20 tables total, must make 5% of the tables ADA accessible.
- The operator and any vendor must maintain appropriate business and food vending licenses
- Any entity serving food and/or drink must possess the appropriate Food Preparation and Serving licenses
- The operator must have insurance with \$2M liability policy; \$4M aggregate
- Liquor licenses are regulated by the Alcohol Beverage Control and operations must follow this agency
- Separate electrical and plumbing permits are required for any temporary wiring or plumbing connections
- Dining areas must be kept clean and free of trash at all times. Trash storage must be kept orderly and moved indoors when business closes; unless using a nearby dumpster already in place.
- All outdoor dining must be seated; no standing tables or shelves
- Reservations are encouraged to prevent unsafe crowding
- Sidewalk cafes
 - Consists of daily use of sidewalk area in front of business for seating.
 - Must maintain a clear path of travel at a minimum of 6 feet; no minor pinch-point below 4 feet wide to fixed objects
 - Café area may extend along the principal building frontage and may extend up to 50 feet on non-principal front with property owner approval
 - No furniture within 6 feet of crosswalk, corner curb cut, or large obstruction (e.g. bus stop shelter, electric transformer, etc.)
 - Maintain clearance of 6 feet around corners of all other sidewalk cafes
 - Maintain 2 feet clearance from any building access
- On-street dining

- Must use vertical partition (e.g. cones, barrels, gates, bike corrals) spaced a minimum of 10 feet apart
- Clearance between curb and travel lane must be minimum of 7 feet
- No vertical partition or furniture may protrude into the travel lane
- Dining may extend in the parking lane along the principal building frontage of the business and along principal frontage of adjacent business with property owner approval
- No Accessible Parking (handicap parking) spaces may be used for outdoor dining
- There shall be no more than 2 inches between planks of a platform
- Platform must be flush with curb to eliminate tripping hazard or maximum 6 inch above street level
- Platform street dining requires sketch/diagram of platform design
 - Platform approval is based on City Engineer approval
- Temporary Street Closure
 - Participating businesses
 - Two points of contact required for each restaurant
 - Must manage use of bathrooms and avoid crowding during rain or inclement weather
 - Each business participating must agree to the terms of the street closure
 - Delineation must be used to indicate the area under individual restaurant management (no open festival format)
 - Outdoor handwashing stations are required at each business and the entry/exits of the closure area
 - Restaurants may be required to monitor and maintain a maximum capacity in closure zone.
 - Closures limited to one weekend (Friday evening to Sunday evening)
 - If a closure is left in place overnight, trash and recycling containers must be rolled to end of street.
 - Street shall be kept free of trash and containers kept clean and emptied when full

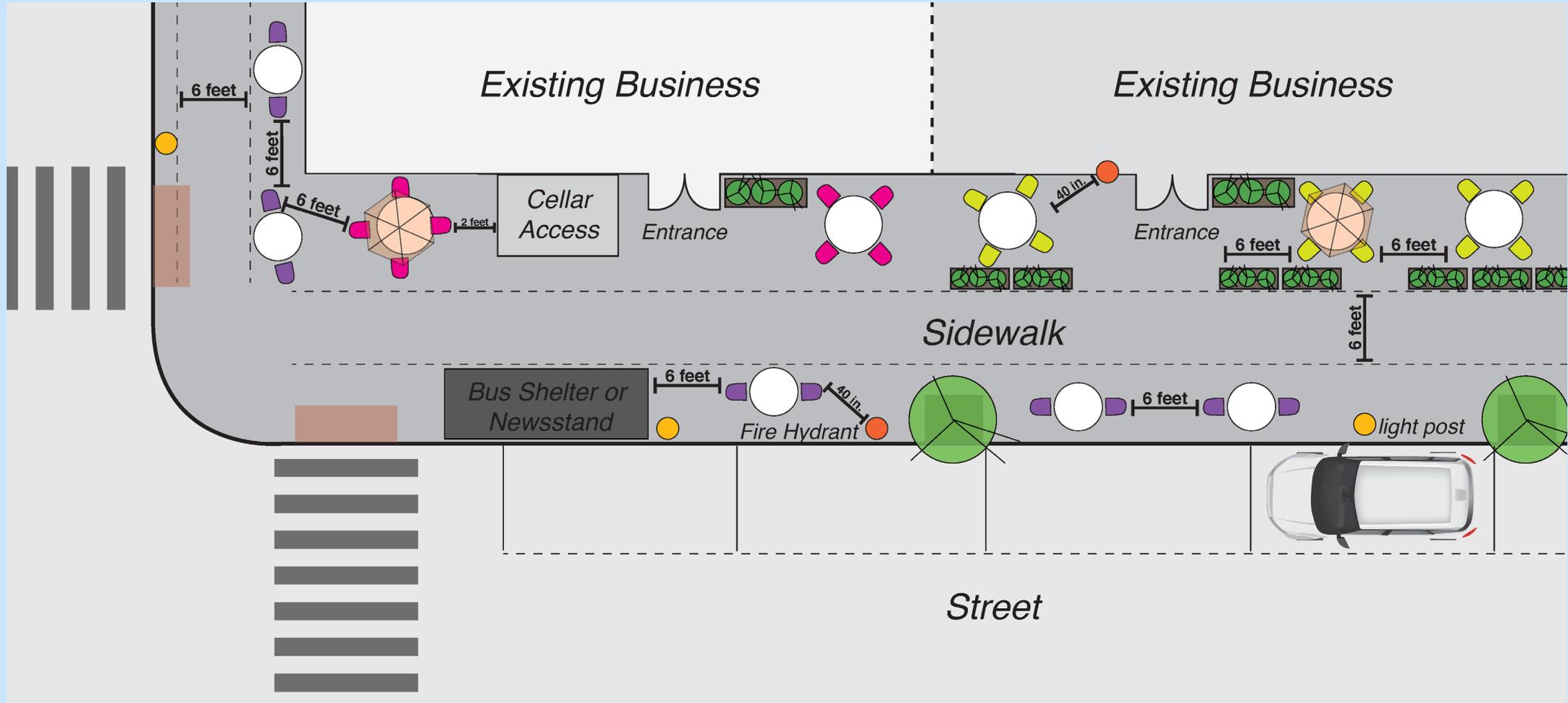
- Street closure will not require a special event permit
- Amplified performance acts are not allowed. Amplified music is allowed as long as noise levels do not disturb neighboring uses.
- Private Parking Lot Extension
 - All use permitted on the lot may conduct business outdoors
 - Eating and drinking establishments and retail sales may operate on a lot if permitted in the base zoning district, notwithstanding any requirements for parking
 - Tents may be erected with Fire Department approval
 - Separate construction permits are required for any structures occupied by the public
 - Amplified performance acts are not allowed. Amplified music is allowed as long as noise levels do not disturb neighboring uses.
 - No Accessible Parking (handicap parking) spaces may be used for outdoor dining or blocked by outdoor seating

Attachments:

I. Outdoor Dining and Seating Illustrations (City of Philadelphia)

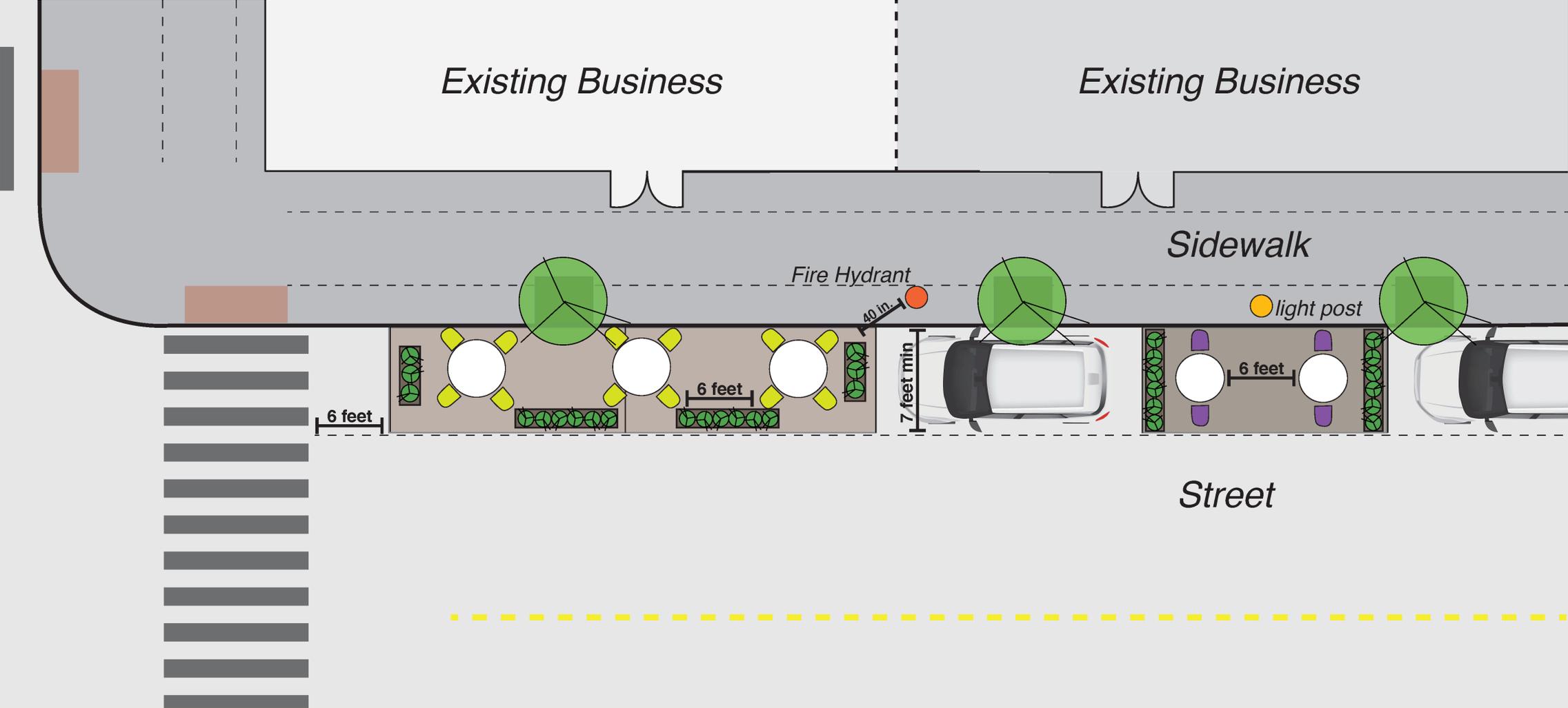
A) Sidewalk Café Layout - wide sidewalk

Daily use of sidewalk area in front of business for restaurant seating



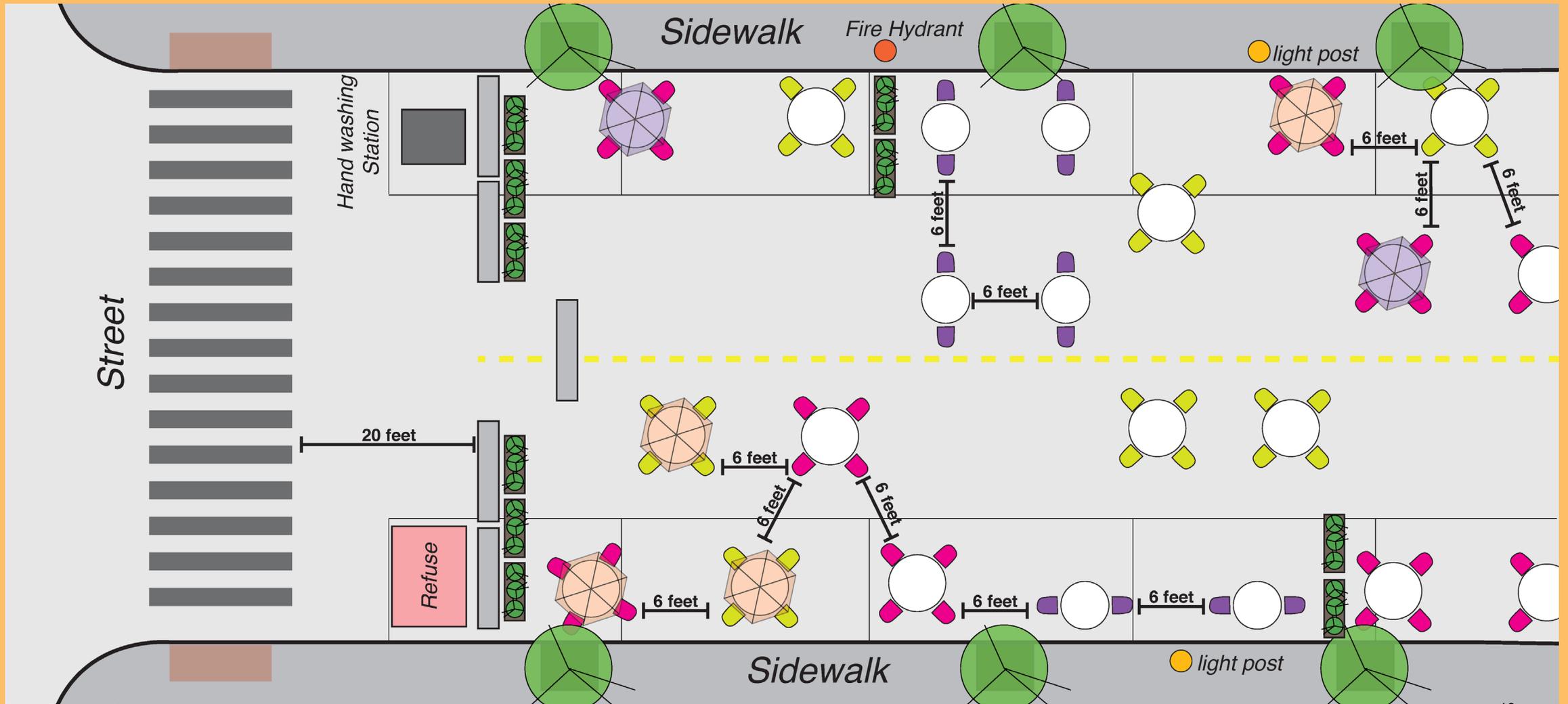
B.2) Platform Streetery Layout

Converts curbside parking into outdoor dining or take-away food and beverages



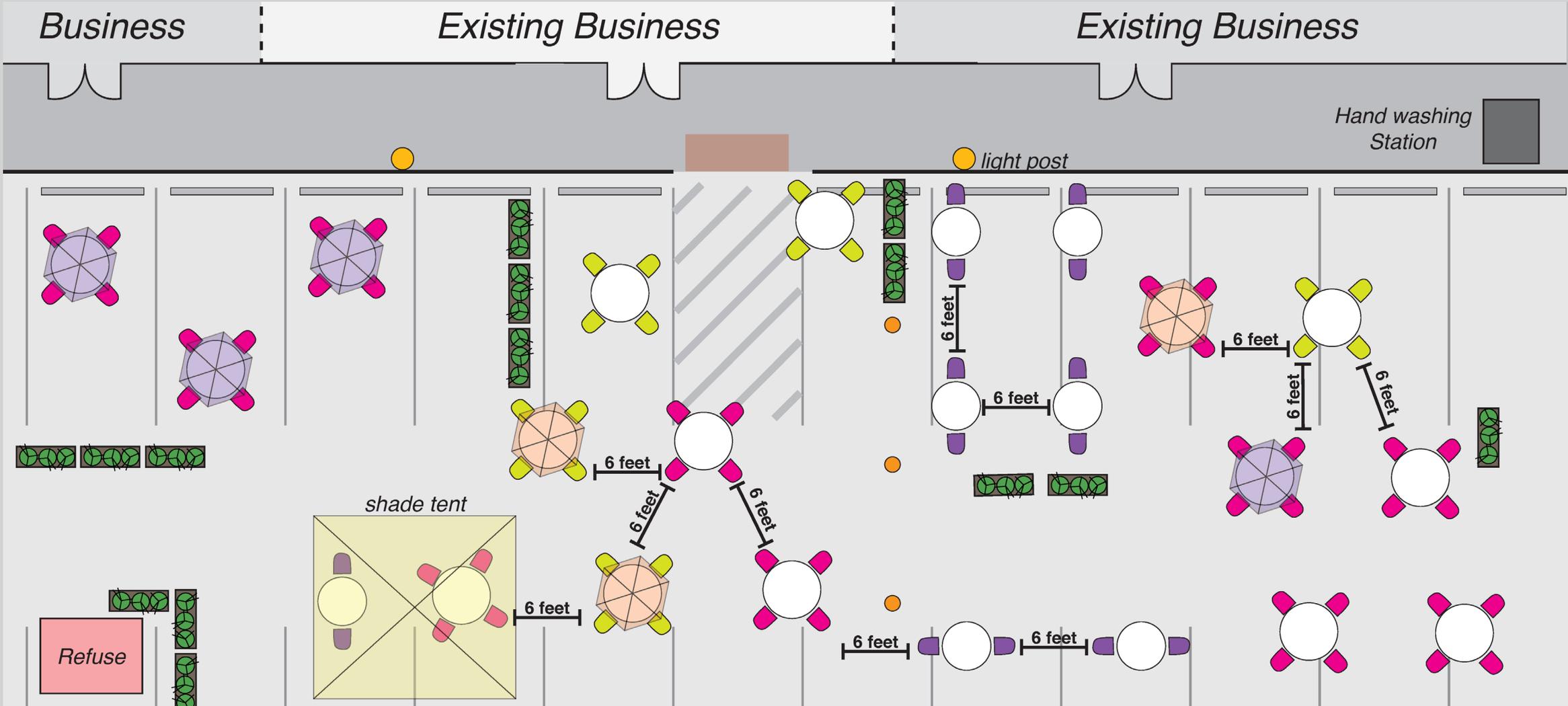
C.1) Temporary Street Closure - PILOT Layout

Scheduled full closure of certain blocks of streets for restaurant seating



D) Private Lot Extension Layout

Temporary closure of privately owned lot for outdoor dining and retail



Agenda Item # 6

Staff Report

Meeting Date: July 21, 2020
To: Planning Commission
From: Planning Department
Subject: Cannabis Zoning Ordinance Section 18.91.030

<input checked="" type="checkbox"/>	Regular
<input type="checkbox"/>	Consent
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Presentation

Recommended Action:

Motion to approve proposed amendments to Section 18.91.030 “Land Use Table” for City Council consideration

Background:

The City of Mt. Shasta Cannabis Zoning Ordinance includes zoning information and regulations related to the cannabis industry and uses. Section 18.91.030 specifically lists the permitted, conditionally permitted, and not permitted uses within zones. The intent of the zoning ordinance is to sort the possible cannabis industry uses into zones which house similar type industries. For example, cannabis retailers are zoned primarily in CI Downtown Commercial zones which house other types of retail.

Cannabis industry uses primarily operate in commercial, employment center, and planned unit development zones. These zones accommodate the industry well and surround them with like uses. In 2017, the first cannabis zoning version included residential zones as a conditional use in an effect to have existing, illegal cannabis product manufactures to come into compliance with new state rules and eventually move into a commercial space. There is no estimate for the original number of illegal home based businesses prior to 2017 but anecdotal evidence indicated there could be small manufacturers in residential areas.

Now, the residential zoning continues to exist in the land use table without any permits in residential or any expressed interest. The City did grant a Conditional Use Permit to one home-based cannabis food manufacturer in 2018 but the operate withdrew their permit shortly after. The operation was able to locate a commercial kitchen in a permitted zone.

Project Description:

The proposed amendment to Chapter 18.91.030 would remove residential zones from the land use table thus removing residential zones as appropriate zoning for commercial cannabis uses.

The proposed amendments would not impact residential properties that have a personal garden tag or are growing indoors for their personal use. A personal garden tag allows for a household to grow not more than 6 plants in their yard under specific setbacks and regulations. Indoor growing of cannabis for personal use indoors is not and cannot be regulated by the City.

Environmental Review:

The California Environmental Quality Act (CEQA) is environmental legislation that applies to jurisdictional decisions regarding projects that could impact the environment. For the purpose of this review, the proposed changes are the only pieces that are required to be evaluated for compliance. Existing legislation is not evaluated under CEQA.

The proposed removal of residential zoning from the cannabis ordinances are considered exempt from the CEQA process pursuant to general rule exemption Section 15061(b) 3. The activity is covered by the general rule because there is no possibility that the activity in question may have a significant effect on the environment.

Projects are defined as an activity which may cause wither a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. It is determined that the amendments recommended do not result in a direct impact on the environment or increase indirect impacts. The amendment is not considered a project under the CEQA process; therefore, does not need to be assessed.

Fiscal Impact:

There are no existing cannabis license holders in residential zones; therefore, there would be no impact to the City's cannabis tax revenues.

Review of Public & Outside Agency Comment:

Previous Planning Commission and City Council meetings have collected some public comment related to allowing cannabis uses within residential zones. Most commenters were not in favor of allowing commercial cannabis uses within the residential zones.

Recommendation Discussion:

As discussed in project description, the Planning Department is recommending the removal of residential zoning from the land use table found in Section 18.91.030. The recommendation is based on the previous public concern and lack of industry business.

Attachments:

I. Section 18.91.030 with proposed amendments

Attachment I

Chapter 18.91

CANNABIS INDUSTRY LAND USE

18.91.030 Land use table.

(A) Land Use Table. The land use table shall be used to determine whether a cannabis industry is permitted (P), not permitted (NP), and permitted with a conditional use permit (CP). If a zoning district in this title is not listed in the land use table in this section, then the use is prohibited, unless specifically addressed in a specific plan, downtown enhancement district, or special district regulation.

Use Type	Land Use Class	Permit Type Required by Zoning Code					
		R1	R2	C1	C2	EC	P-D
Cultivator	Type 1, Up to 5,000 Sq. Ft.	NP	NP	CP	P	P	P
	Type 2, 5,001 to 10,000 Sq. Ft.	NP	NP	CP	P	P	P
Dispensary/Collective	Retail Dispensary	NP	NP	P	P	P	P
Distributor	Warehouse/Distributor/ Transporter	NP	NP	CP	P	P	P
Manufacturer	Manufacturing/Processing (Nonvolatile)	CP	CP	CP	P	P	P
	Manufacturing/Processing, Food-Based	CP	CP	CP	P	P	P
Nursery	In Building (Industry)	NP	NP	CP	P	P	P
	Outdoor (Industry)	NP	NP	CP	P	P	P
Testing	Laboratory	NP	NP	CP	P	P	P
Transporter	Freight/Transport	NP	NP	CP	CP	P	P

Zoning Code	Zoning Definition
R1	Low Density Residential
R2	Medium Density Residential
C1	Downtown Commercial
C2	General Commercial
EC	Employment Center
P-D	Planned Development

P – Permitted (Use by Right)

CP – Conditional Use Permit

NP – Not Permitted

(Ord. CCO-19-02 § 3, 2019; Ord. CCO-17-07 § 1, 2017)

Agenda Item # 7

Staff Report

Meeting Date: July 21, 2020
To: Planning Commission
From: Planning Department
Subject: Short-term Rental Ordinance

<input checked="" type="checkbox"/>	Regular
<input type="checkbox"/>	Consent
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Presentation

Recommended Action:

Give Direction

Or

Motion to approve proposed Short-term Rental Ordinance for City Council Consideration

Background:

Short-term rentals (STR), vacation rentals, and home sharing are all terms used to describe the rental of all or part of a residential dwelling unit for a duration of occupancy of less than 30 days. Common examples include renting a house or an apartment for a week or weekend for a short stay or for several weeks associated with business travel or longer vacations. Short-term rentals are most commonly offered and rented through online hosting platforms such as Airbnb, VRBO, and HomeAway. The short-term rental industry has experienced tremendous growth in the last five years. The City of Mt. Shasta has approximately 118 legal and illegal short-term rental units based on an online search of STR in the City Limits.

While short-term rentals may provide income to residents and broader lodging options than the existing hotel market, there may be significant downsides to these uses. The popularity and profitability of short-term rentals has spurred an industry where dwellings are bought and used exclusively for short-term rentals, removing housing stock that would otherwise be available for longer lease terms. A rotating series of renters in residential neighborhoods may create traffic, noise, parking, and safety concerns for neighborhoods.

Regulation History:

The City of Mt. Shasta has had minimal regulation on short-term rentals, beginning with the introduction of a zoning restriction in 2016. The City maintains one line of zoning code restricting

STR in R1 zones (MSMC 18.16.040). STRs have increased since 2016 from 7 registered STRs to 52 registered STRs in 2019. City Staff have struggled to keep up with enforcement and safe regulation of STR's. The City Staff have highlighted this item for Planning Commission discussion and possible regulation.

The City of Mt. Shasta does have a permitting and regulations for Bed and Breakfasts (BnB) (MSMC 18.21). The BnB's in the City operate under strict regulations with additional permitting steps and requirements. STR's do not have any prescribed operating requirements.

STR Locations by Zone

A summary of the total number of STR's in each was requested at the last Planning Commission meeting. The total amount per zone are as follows:

Zone	
Designation	# of STR
R1*	1
R1/B1	2
R2	9
R3	9
C1	14
C2	6
EC	0
*Grandfathered Unit	

Zoning and Lot Restrictions

The City of Mt. Shasta currently utilizes a zoning restriction (strict prohibition of STR in R1 Low Density Residential). The Planning Commission may continue this practice by explicitly prohibiting or requiring a Conditional Use Permit (CUP) for various zonings. Background research shows that zoning restrictions are not as common as maximum license caps and ownership restrictions.

Lot restrictions are when a minimum lot size is required for a STR. Siskiyou County recently required all STR in the City of Mt. Shasta Sphere of Influence to have a minimum lot size of 2.5 acres which coincides with the 2.5 acre septic system minimum requirement. Lot restrictions are usual seen only in county regulations for STR due to the common use of septic systems that can be overwhelmed by frequent visitors or other infrastructure. Cities do not typically have lot restrictions due to the availability of water and sewer infrastructure, but Planning Commission may explore this option for City regulations.

Short-term Rental Location/Ownership Restrictions

Many STR ordinances restrict STR's by requiring primary residence of the dwelling unit, require a local primary residence, or set a cap for the number of non-primary residences used for STR. Based on the discussion from the June Planning Commission meeting, both primary and non-primary residence were kept in the ordinance. The City of Sandpoint requirement that the owner of non-primary residence live within 20 miles was kept. Planning Commission will need to determine whether they wish to allow non-primary residences and if so, how many would each individual be allowed to own. The current 2 total is from the Redwood City ordinance and can be amended.

Maximum Number of Licenses

The Planning Commission has a number of options for capping STR licenses. The favorable option from the June Regular Planning Commission was a cap determined by the total number of housing units.

The current housing element listed the total number of housing units at 1637. Planning Commission indicated that a cap of 1% may be too low for a total of 17 licenses. Other cap amounts are:

- 1.5% = 25 licenses
- 2% cap = 33 licenses
- 2.5% cap = 41 licenses
- 3% cap = 49 licenses

City Staff do not recommend setting the percentage cap higher than 3% due to the number exceeding the current number of licenses. City Staff recommend a 1.5% cap for a total of 25 licenses.

Rental Day Restrictions

It is common to see Cities and Counties place a cap on the total number of days that a STR can be rented per calendar year. This regulation is commonly paired with ownership restrictions. The number of days in a calendar year that an STR can be available is flexible; with most cities choosing a maximum of 120 or 180 days per calendar year. Planning Commission may choose to include this recommendation for all or conditional STR's within the City.

The Planning Commission was split on the appropriate amount of days and requested the division between primary and non-primary at the June Regular meeting. The commercially zoned STR's have a limit of 120 day for a primary residence without a host, no limit for if the host is present, and 180 days for non-primary residences. The residentially zoned STR's have a limit of 60 days without a host, no limit with a host, and 90 day limit for non-primary residence.

Amnesty Period and Grandfathering

An amnesty period is when a nonconforming use is given time to come into compliance or cease the nonconforming use. Grandfathering is when a nonconforming use is allowed to continue without coming into total compliance with a new ordinance. In terms of STR, amnesty periods are more commonly used to ensure STR's come into compliance with new regulations and operating procedures. The amnesty period option also ensures that the total number of STR's is reduced (in most cases) to allow for new long-term rentals or new housing stock for long-term residents to become available.

The Planning Commission voiced some concern over a one year amnesty period in the proposed ordinance. The one year amnesty period has been increased to 18 months. The period could be increased but should not exceed 2 years.

General Plan Connection:

The proposed ordinance is consistent with the General Plan as it protects existing residential neighborhoods from encroachment of incompatible commercial activities while protecting the existing supply of housing.

Environmental Review:

The proposed Chapter creation is not considered a project under the California Environmental Quality Act (CEQA) Guidelines Section § 15378 due to the activity not resulting in a direct or reasonably foreseeable indirect physical change in the environment. Alternatively, the chapter creation is exempt from CEQA as it can be seen with certainty that there is no possibility for causing a significant effect on the environment Section § 15061(b)(3). The action will not cause a direct or reasonably foreseeable indirect change in the environment, as the use of short-term rental would be limited to existing primary residences and no additional structures or construction is required to comply with the regulations. The amendment provides for regulations to limit traffic, parking and noise impacts through the prohibition on special events, restricts the occurrence of unhosted rentals, preserves residential character by providing a local contact person to respond to complaints, and requires use of on-site parking.

Fiscal Impact:

The City's Finance Department is the chief department permitting and enforcing STR regulations. The Finance Department are typically the first point of contact with STR owners and operators. The Finance Department does not currently recover costs associated with Transient Occupancy Tax (TOT, also known as the hotel tax) collection, recording keeping, and enforcement. The total TOT collected per STR has decreased in the past 3 years. We predict this reduce in per STR tax collection due to improper reporting and the saturation of the STR market. The reduction in the number of STR's operating in the City would not significantly impact the total TOT tax revenue collected.

The implementation of a permitting process similar to the BnB regulations would allow City Staff to recover costs associated with managing and enforcing STR regulations. Cost recovery does not reduce expenditures or generate new revenue but puts the cost of doing business onto the business, thus freeing up general tax revenues for other projects and services.

Information was presented by members of the public at the June Regular Planning Commission meeting that the City receives or could receive ~\$300, 000 in TOT tax from STR. The Finance Director evaluated the email information and determined that the assessment was incorrect. A majority of the STR's referenced are located in Siskiyou County and not City Limits. The Finance Director confirmed that the share of STR is 4% of the annual TOT revenue. The Finance Department experiences frequent problems in receiving reports timely and everything related to collecting from STR's take a disproportionate share of staff time related to all TOT collections the math related to "beds in heads" ignore the average amount collected from traditional rooms compared to average amounts collected from STR's.

Review of Public & Outside Agency Comment:

The City Staff have not pursued public comment directly related to regulating the STR market, but have received public input in other processes that indicates local support for more long-term rentals and less STR. The City's 2018 Visioning Survey, as part of the General Plan revision, shoed 65% of respondents listing long-term housing as a critical issue for the City and 47% specifically listed Short-term rentals as a negative change they have observed in the City.

The 2014 Housing Element update for the City's General Plan included public workshops which collected information on housing issues and opportunities. Short-term or vacation rentals were listed as a concern.

Recommendation Discussion:

Planning Commission unanimously requested the creation of proposed language for more regulation on the STR industry. Attachment includes options for regulation related to previous discussion at the May 19, 2020 Regular Planning Commission meeting and ordinances from other cities.

A change that occurred outside of the June Planning Commission is the confirmation of the definition of a "Primary Residence". In consultation with the City Attorney it was determined that the best option for the definition is the longer more detailed option. The confirmation of a primary residence should include proof of residency like voter registration, tax statements, or driver's license. These documents are easy to obtain and file on record with the City. The City can also easily check the validity of these documents.

The Planning Department requires direction from Planning Commission regarding the following items:

- If the Commission wish to allow non-primary short-term rental and if so, how many.
- Determine the annual limits on number of days a Short-term Rental can operate in one calendar year. Commercial zones: The proposed ordinances states 120 days for primary residences without a host, no cap on limits for stays with the host present. The proposed ordinance has an annual limit for non-primary residences at 180 days. Residential Zones: The proposed ordinance states 60 days for primary residences without a host, no limit for if the host is present. The annual limit for non-primary residence is 90 days.

- Planning Commission must determine the preferred cap limit. City Staff recommendation is 1.5% cap based on total housing units in the Housing element which is a total of 25 licenses.
- Planning Commission must confirm whether to allow STR's only in certain zones. The current language is adapted from other ordinances and discussion at the last meeting. Commercial zones allow STR as a sue by right and residential zones require a conditional use permit to operate a short-term rental.
- Operating standards were separated by residentially and commercially zoned properties. The chief difference is the total number of people, quiet hours, and annual limit on rental days.

Attachments:

I. Proposed Chapter 5.50 with Comments and Text Options

Attachment I

Chapter 5.50

Short-Term Rental Licensing and Standards

5.50.010 Purpose

The purpose of this Chapter is to allow limited short-term rental uses while preventing the loss of housing opportunities for residents, preserve residential character and establish operating standards to reduce potential noise, parking, traffic, property maintenance, and safety impacts to neighborhoods, and provide a registration process for the City to track and enforce these requirements as needed and ensure appropriate collection of taxes.

5.50.020 Definitions

For the purposes of this chapter, the follows definitions shall apply:

“Adjacent Properties” means the dwelling units located next to the dwelling unit in which the short-term rental is located.

“Host” means any person who is the owner of record of residential real property or any person who is a lessee of residential real property pursuant to a written agreement for the lease of such real property, who offers a dwelling unit, or portion thereof for short-term rental either through a hosting platform or individually as an operator.

“Hosting Platform” means a means through which a host may offer a dwelling unit, or portion thereof, for short-term rental. A hosting platform includes, but is not limited to, an internet-based platform that allows a host to advertise and potentially arrange for temporary occupation of the dwelling unit, or portion thereof, through a publicly searchable website, whether the short-term renter pays rent directly to the host or to the hosting platform.

“Primary Residence” means a dwelling unit where a person has been physically present, and that the person regards as home. A person may only have one primary residence at any given time. Evidence of a person’s primary residence includes, but is not limited to, documentation from income tax statements, voter registration, or a driver’s license. If a property has multiple dwelling units, including an accessory dwelling unit or apartment complex, each dwelling unit and accessory dwelling unit shall be considered a separate residence subject to the primary residence requirement.

“Short-Term Rental” means the use or possession of or the right to use or possess any room or rooms, or portions thereof in any dwelling unit for residing, sleeping, or lodging purposes for less than 30 consecutive calendar days, counting portions of days as full calendar days.

“Short-Term Renter” means a person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of less than 30 consecutive days, counting portions of calendar days as full calendar days.

5.50.030 Short-Term Rental License Requirement

A. Short-term rental uses shall be permitted in any primary residence subject to the requirements of this Chapter, including compliance with the operating standards, registration, Transient Occupancy Tax payments, and recordkeeping obligations. Except as provided for in this Chapter, all other short-term rental uses shall be prohibited.

B. Short-term rental uses shall be permitted in any residential use in C1 Downtown Commercial and C2 General Commercial. Short-term rental uses shall be considered a conditional use in Residential zones. All short-term rental uses are subject to the requirements of this Chapter, including compliance with operating standards, registration, Transient Occupancy Tax payments, and recordkeeping obligations. Except as provided for in this Chapter, all other short-term rental uses shall be prohibited.

C. Option 3: A Short-term rental host may operate up to [2] non-primary residence short-term rentals.

D. Each on-primary residence short-term rental must have a property owner who permanently resides within twenty (20) miles of Mt. Shasta City Limits.

5.50.040 Maximum Licenses

A city-wide cap of **one (1) percent** of total City housing units will be placed on the number of short-term rental registrations issued (First come first served). The total number of City Housing units shall be the total number of housing units reported in the most recent Housing Element.

Commented [JL1]: 1% cap = 17 licenses
1.5% = 25 licenses
2% cap = 33 licenses
2.5% = 41 licenses
3% cap = 49 licenses

5.50.050 Short-Term Rental License Permitting Process & Renewal

(A) Application. Prior to advertising or making available the short-term rental for renting, hosts shall register their residence as a short-term rental with the City. This registration shall be submitted on a form prepared by the City and shall include the name and contact information of the host, the address of the residence being used for short-term rental, the contact information for the local contact person, an acknowledgement of compliance with the requirements of the City's Municipal Codes, applicable health and safety standards, and other information as requested.

(B) Fee. The registration form shall be accompanied by a filing fee in an amount established by resolution of the City Council.

(C) Application Completeness. The submitted information shall be used to determine whether to register the short-term rental. The host will be notified if an application is incomplete. If the host fails to submit the required information or fees necessary to complete the application within thirty (30) calendar days after the notice of an incomplete application, the application shall expire and be deemed withdrawn.

(D) Decision. The [City Planner or City Manager] or their designee shall be responsible for deciding short-term rental registration applications. After an application is deemed complete, registration shall be approved where:

1. The host demonstrates the ability to meet the requirements of this Chapter,

2. The subject residence is not the subject of an active compliance order or administrative citation from the City in the past 12 months, and

3. A short-term rental registration for the residence has not been denied or revoked in the prior 24-month period.

(E) Validity. An approved registration shall be valid and payable on a fiscal year basis. An approved registration shall be personal to the host and shall automatically expire upon sale or transfer of the dwelling unit. No registration may be assigned, transferred, or loaned to any other person.

(F) Annual Renewal. A registration may be renewed annually upon payment of registration renewal fees and all required transient occupancy tax remittance associated with short-term rental. The host shall submit such information concerning the short-term rental activity as may be required to enable the tax collector to verify the amount of tax paid. Failure to renew prior to the expiration date will result in expiration of the registration.

(G) Requirements No Exclusive. The issuance of a short-term rental registration shall not relieve any person of the obligation to comply with all other provisions of this code applicable to the use and occupancy of the property.

(H) Administrative Policy. The City Manager or their designee shall have the authority to develop administrative policies to implement the intent of this Chapter.

5.50.060 Appeal of Denial or Revocation of License

(A) Revocation of Registration. A short-term rental registration issued under the provisions of this Chapter may be revoked after notice and hearing as provided for in this Section, for any of the following reasons:

1. Fraud, misrepresentation, or false statements contained in the application;
2. Fraud, misrepresentation, or false statements made in the course of carrying on a short-term rental as regulated by this Chapter;
3. Any violation of any provision of this Chapter or of any provision of this code; or
4. Any violation of any provision of federal, state, or local laws.

(B) Revocation Hearing. Before revoking a short-term rental registration, the City Planner shall give the responsible host notice in writing of the proposed revocation and of the grounds thereunder, and also of the time and place at which the host will be given a reasonable opportunity to show cause why the registration should not be revoked. The notice may be served personally upon the host or may be certified ailed to the host at the last known address of at any address shown upon the application at least 10 days prior to the date of the hearing. Upon conclusion of the hearing the City Planner may, for the grounds set forth herein, revoke the registration.

(C) Appeal form Denial or Revocation of Registration. Any host whose application has been denied or registration has been revoked shall have the right to an administrative appeal before the

City Manager or a designated hearing officer. An appeal shall be filed in writing on a form provided by the City stating the grounds therefor within 10 days of the decision. The City Manager or designated hearing officer shall hold a hearing thereon within a reasonable time and the decision shall be final.

(D) Waiting Period. Any host whose registration has been denied or revoked shall be ineligible from applying for a new registration for a 24-month period.

(E) Records of Compliance. The host shall retain records documenting the compliance with these requirements for a period of three (3) years after each period of short-term rental, including but not limited to records showing payment of transient occupancy taxes by a hosting platform on behalf of a host. Upon reasonable notice, the host shall provide any such documentation to the City upon request for the purpose of inspection or audit to the City Manager of their designee.

5.50.070 Operational Standards, Restrictions, and Requirements

The following operating standards shall apply to all short-term rentals:

- (A) Legal Dwelling. Short-term rentals may only occur within legal dwelling units.
- (B) Limitation on Listings. Short-term rentals shall not have more than 1 listing for the same primary residence on the same days.
- (C) Local Contact Person. Hosts shall identify to all guests and all occupants of adjacent properties a local contact person to be available 24 hours per day, 7 days per week during the term of any unhosted stay. The designated local contact person shall:
 - 1. Respond within 30 minutes to complaints regarding the condition or operation of the dwelling unit or the conduct of guests; and
 - 2. Take remedial action to resolve such complaints
- (D) Parking. No additional parking shall be required for short-term rentals. Existing on-site parking spaces shall be made available to short-term renters.
- (E) Special Event. Weddings, corporate events, commercial functions, and any other similar events which have the potential to cause traffic, parking, noise, or other problems in the neighborhood are prohibited from occurring at the short-term rental property, as a component of short-term rental activities.
- (F) Each short term rental must pass a public safety inspection to validate emergency egress standards as well as operable and properly placed smoke alarms, fire extinguishers and CO detectors, as applicable
- (G) No recreational vehicle, travel trailer, tent or other temporary shelter may be used as a short term rental.

The following standards shall apply to all short-term rentals in commercial zones:

- (A) Annual Limit.
 - 1. A primary residence may be occupied as a short-term rental for no more than **[120]** days per calendar year where no host is present. There shall be no limit on the number of days a primary residence may be occupied as a short-term rental where

the host is present. For purposes of this Section, a host is considered present when they are on the premises at all times between the hours of 10:00 P.M. and 6:00 A.M.

2. A non-primary residence may be occupied as a short-term rental for no more than [180] days per calendar year.

(B) The number of guests will be limited to two guests per bedroom plus another two, for a maximum of ten guests per short-term rental with outdoor quiet hours in effect between 10:00 P.M. and 7:00 A.M.

The following standards shall apply to all short-term rentals in residential zones:

(A) Annual Limit.

1. A primary residence may be occupied as a short-term rental for no more than [60] days per calendar year where no host is present. There shall be no limit on the number of days a primary residence may be occupied as a short-term rental where the host is present. For purposes of this Section, a host is considered present when they are on the premises at all times between the hours of 10:00 P.M. and 6:00 A.M.
2. A non-primary residence may be occupied as a short-term rental for no more than [90] days per calendar year.

(B) The number of guests will be limited to two guests per bedroom plus another two, for a maximum of six guests per short-term rental with outdoor quiet hours in effect between 8:00 P.M. and 8:00 A.M.

5.50.080 Transient Occupancy Tax

Transient Occupancy Tax (TOT) must be collected short-term rentals and paid to the City pursuant to Chapter 3.12 of the Mt. Shasta Municipal Code. Collection of transient occupancy taxes for short-term rentals shall be the responsibility of the host. The hosting platform shall collect TOT when they have signed a voluntary agreement (or equivalent) with the City.

5.50.090 Penalties and Enforcement

Violations. Penalties as provided for in Chapter 1.03 may be imposed for failure to comply with the provisions of the Chapter.

5.50.100 Amnesty Period for Existing Short-Term Rentals

Notwithstanding any other provision of law, short-term rentals operating on or before the enactment of this ordinance shall be considered existing, unpermitted uses. An amnesty period of eighteen (18) months after the effective date of this ordinance is being offered to allow these existing, unpermitted uses to be legalized by conforming to the requirements of this Chapter, including compliance with operating standards, registration, and recordkeeping obligations. Transient Occupancy Tax payments continue to be required at all times for short-term rentals and must be collected and paid during the amnesty period. Applications to bring an existing, unpermitted short-term rental use into compliance shall be made on or before one year after the effective date of this ordinance. Existing short-term rental uses that do not conform to the requirements of this Chapter shall cease operation within eighteen (18) months of the effective

date of this ordinance and shall be prohibited from resuming unless and until the use conforms to the requirements of this Chapter.

