



AGENDA

Subcommittee: Planning and Community Development
Meeting Date: February 20, 2018
Meeting Time: 4:00 p.m.
Meeting Location: City Hall Conference Room
124 N. Cloverdale Boulevard, Cloverdale, CA

Subcommittee Members:

Chair: Councilmember Melanie Bagby Asst. City Manager/CDD David Kelley
Councilmember Mary Ann Brigham City Manager Paul Cayler

1. **Call to Order:**
2. **Communications:** Committee may, at this time, discuss written communications sent to Committee Members since the last Subcommittee meeting.
3. **Public Comment:** Members of the public may, at this time, comment on any item not on this agenda. Please limit comments to three minutes. Members of the public may comment on items on the agenda when the subcommittee considers that item.
4. **Approval of Minutes:** December 19, 2017
5. **Current Items for Discussion**
 - a) Consider establishment of development standards regarding gun shops
 - b) Update of City's Inclusionary Zoning Ordinance and In-Lieu Fee
6. **Information Only Memos**
7. **Future Agenda Items (subject to change):**
8. **Pending Items**
9. **Good of the Order**
10. **Adjournment:** Adjourn to Tuesday, April 17, 2018, at 4:00 p.m., or alternate date as requested.

CERTIFICATION – Pursuant to Government Code § 54954.2, the agenda for this meeting was properly posted on 02/15/18



DRAFT MINUTES

Subcommittee: Planning and Community Development
Meeting Date: December 19, 2017
Meeting Time: 4:00 p.m.
Meeting Location: City Hall Conference Room
124 N. Cloverdale Boulevard, Cloverdale, CA

Subcommittee Members:

Chair: Councilmember Mary Ann Brigham Asst. City Manager/CDD David Kelley
Councilmember Melanie Bagby City Manager Paul Cayler

1. **Call to Order:** Councilmember Brigham called the meeting to order at 4:00 p.m.
2. **Communications:** None
3. **Public Comment:** None
4. **Approval of Minutes:** The minutes of October 17, 2017, were approved.
5. **Current Items for Discussion:**
 - a) Draft Airbnb ordinance
Staff reviewed the draft vacation rental ordinance included in the agenda packet, the memo distributed at the meeting (attached), and the subsequent steps prior to submittal to the City Council for approval. Discussion regarding language to include in the draft ordinance regarding Accessory Dwelling Units, zoning districts, time limits, and how fees are determined ensued. The subcommittee gave their general support for moving forward with the next steps with this ordinance.
 - b) Consider establishment of Greenhouse Gas Reduction Targets
Mr. Kelley presented a brief background of this item and reviewed the draft resolution recommended by the Regional Climate Protection Authority (RCPA) for adoption by member cities of the RCPA. The subcommittee recommended bringing this resolution before the City Council for consideration and adoption.
 - c) Development of Urgency Ordinance handout for frequently asked questions
Mr. Kelley stated the City Council adopted an urgency ordinance at their December 12, 2017, meeting. He stated certificates would be issued for a minimal fee to be posted and suggested adapting a distributed form (attached) to create a trifold brochure. The subcommittee voiced their approval.
6. **Information Only Memos:** Mr. Kelley gave project update highlights that will be brought forward to the City Council on the Thyme Square project.
7. **Future Agenda Items (subject to change):**
 - a) Consider establishment of development standards regarding gun shops
8. **Pending Items**
9. **Good of the Order**
10. **Adjournment:** The meeting was adjourned at 5:16 p.m. to Tuesday, February 20, 2018, at 4:00 p.m., or alternate date as requested.



Date: December 18, 2017

To: Planning and Community Development Subcommittee

From: David Kelley, Community Development Director
Rafael Miranda, Associate Planner

Re: Draft Airbnb Ordinance

Background

Chapter 18.09 of the Zoning Ordinance contains special provisions and development standards for specific uses and activities that have the potential to create significant impacts on the community and surrounding property. The provisions in Chapter 18.09 are intended to provide standards to minimize the potential impacts of the various uses and activities such as Vacation Rentals. Section 18.09.260 contains specific standards for vacation rentals as follows:

Definition

A vacation rental, is defined in the Zoning Ordinance as “a residence that is rented in its entirety as a tourist accommodation where an operator or on-site manager is not required to be on the premises”.

Development Standards

Section 18.09.260 of the Zoning Ordinance states that Vacation Rental are permitted in Commercial Zoning districts as indicated in Table 18.05.030-A. According to Table 18.05.030-A, Vacation Rentals are permitted in the following three Commercial Zoning Districts:

1. Downtown Commercial (DTC);
2. General Commercial (G-C); and
3. Office/Multi-Family Residential (O-R) districts.

The Development Standards in the Zoning Ordinance require a Conditional Use Permit for any Vacation Rental. Vacation rentals are not permitted in the Transit Oriented Design (TOD) or Service Commercial (SC) Zoning Districts and are prohibited in all Residential Zoning Districts.

Zoning Ordinance Section 18.09.260. B provides Minimum Development standards for Vacation Rentals. Vacation Rentals shall comply with the development standards for the zoning district in which it is to be located and with the special conditions below.

1. Any proposed vacation rental shall be compatible with the neighborhood and shall be harmonious and compatible with the existing uses within the neighborhood.
2. A vacation rental shall consist of no more than one complete residential unit on a parcel and must be detached from any other residential use.

3. Parking requirements are one space per bedroom. Excessive amounts of paving shall not be allowed. Areas devoted to parking and paving should not be disproportionate to the site size.
4. All California Building Standards Code and Fire Code requirements for the level of occupancy of the vacation rental shall apply and must be met. All units are subject to inspection.
5. All environmental health regulations shall be met.
6. Guest stays shall be limited to a period less than thirty consecutive days.
7. A city business license is required and shall be maintained at all times.
8. Transient occupancy tax (TOT) shall be paid by the owner or operator per requirements of the City of Cloverdale Municipal Code. Nonpayment of TOT when the use is still operational may constitute grounds for revocation of the conditional use permit by the planning commission. Nonpayment for a period of one year shall be evidence that the use is discontinued.
9. A maximum occupancy shall be established for the vacation rental at the time of conditional use permit issuance. The number shall be determined by the size and nature of the rental and on-site parking provision. Violation of the established occupancy is subject to the revocation of the conditional use permit by the planning commission.
10. Rules for occupancy shall be posted on site including proper handling of trash and recyclables, noise and quiet hours, emergency contact information that includes police and fire, maximum occupancy limits, and other specific responsible use guidelines for rental features and equipment.
11. Adjoining neighbors shall be given owner or operator contact information in case of disturbance, and shall be notified prior to the issuance of the conditional use permit.
12. All postings to advertise a vacation rental shall also post the permit number and business license with the advertisement. (Ord. 698-2015 § 3 (Att. 1) (part), 2015)

Vacation Rental Trends

Community Development staff routinely reviews vacation rental websites to determine if vacation rentals on non-compliant properties are being offered in the City of Cloverdale. Code violation letters are sent to non-compliant property owners. A survey of available rentals indicates that some vacation rentals are “hosted” by the owner or residents of the property (i.e. the property owner occupies a portion of the vacation rental and on site during the rental of the unit). Hosted vacation rentals are not currently addressed under the current definition of vacation rental in the Cloverdale Zoning Ordinance and are “unregulated”. City staff has received inquiries from residents about the potential for hosted vacation rentals within the City of Cloverdale and their desire to operate a hosted vacation rental in a legally permissible manner. Some reasons for providing a hosted vacation rental include:

- A. Additional supporting income for the owner occupant;

- B. Connecting with guests that visit Cloverdale for various reasons including business meetings, working locally while on a job or project, visiting family member who lives nearby and does not have room, sightseeing in an area, considering moving to Cloverdale and/or want to check out the area; or
- C. Need Interim place to stay until they find a permanent home or apartment.

Draft Airbnb Ordinance

Community Development Staff with the assistance of the City Attorney prepared a draft Airbnb ordinance (Exhibit 1). The attached draft Ordinance proposes to add a land use entitled “Hosted Vacation Rentals” which would be located in residential zones. Residences would be required to be listed on the hosted vacation rental registry and this use would require the owner to live there and be there when the residence is being rented. The existing provision for vacation rentals would then be amended to be referred to as “Non-Hosted Vacation Rentals,” as those uses are currently allowed with a Conditional Use Permit in commercial zones, and the owner is not required to be present when the unit is rented.

The attached draft proposes adding two sections to the Zoning Code as follows:

- A. Add a section 18.03.200 to Chapter 18.03 – Land Use Permits and Approvals. This section would allow the Planning Director to approve a residence for listing on the hosted vacation rental registry. The process is set up similarly to the home occupation permit. The Ordinance would require the following standards to be met:
 - 1. The owner of the residence resides in the residence.
 - 2. The owner has a valid business license.
 - 3. The residence has been inspected and found to be in compliance with all California Building Standards Code and Fire Code requirements applicable to the level of occupancy of the residence.
 - 4. The owner of the residence has acknowledged reading all regulations pertaining to the use of the residences for hosted vacation rentals, including the standards set forth in Section 18.09.265 and the city’s transient occupancy tax requirements and agrees to comply with those regulations.
 - 5. The owner has provided written notice to the owners and occupants of all properties located within 200 feet of the residence of the intent to use the residence as a hosted vacation rental and provided a phone number at which the owner may be contacted during times that the residence is being rented.
- B. Add section 18.09.265 in Chapter 18.09, Special Provisions and Development Standards. This section would define the use “Hosted Vacation Rental” and set forth nine specific standards for that use.

In addition to the above listed changes to the Zoning Ordinance, there would need to be some additional corresponding amendments to several tables and the definitions throughout the Zoning Ordinance, as part of a comprehensive zoning amendment necessary to implement the hosted vacation rental Ordinance. Finally, the City Attorney recommends amending section

18.03.020H to provide that, like home occupation permits, listing on the registry does not run with the land but is personal to the applicant.

Please also note the following:

- A. Annual Report Requirement: An annual Report requirements is included in section 18.09.265. Currently the owner would be required to report the number of days the residence was rented. I'm not sure if there is additional information you would like included such as number of bedrooms rented in the residence?
- B. Revocation Process: Under the zoning code, revocation of all permits generally is by the Planning Commission. Since this isn't really a permit procedure, and in order to streamline removal from the list, included in section 18.03.200 is the authority for the Planning Director to remove a property from the registry in certain circumstances. That decision could then be appealed pursuant to 18.03.040.
- C. Concentration Requirements: As currently written, the ordinance does not include provisions to address potential concentration issues. If that is a concern, there could be a requirement that no two hosted vacation rentals be located with a certain number of feet, or only a certain number be located within a specific block or other area.

Next Steps:

Next steps for the Draft Tree Preservation Ordinance is as follows:

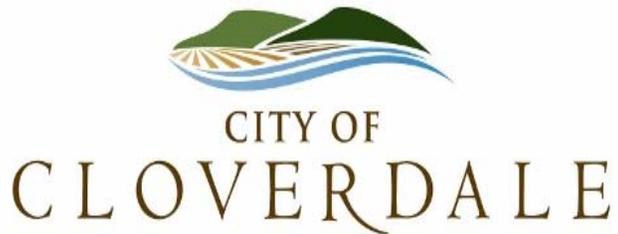
1. Receive Input from the Planning & Community Development Subcommittee
2. Complete Draft Revisions to the Draft Airbnb Ordinance including table updates and minor revisions to other sections of the Municipal Code and Zoning Ordinance to ensure internal consistency. throughout the text of the Zoning Code.
3. Review of Draft Ordinance by the City Attorney
4. Planning Commission Workshop on Draft Ordinance
5. Planning Commission Public Hearing.
6. Schedule Pubic Hearing Before City Council.

Attachments:

Exhibit 1 – Draft Airbnb Ordinance

Temporary Dwelling Unit (TDU) Regulations

Urgency Ordinance 719-2017



Phone: (707) 894-1701

Fax: (707) 894-3451

www.cloverdale.com



For more information on how you can place a TDU on your property, please contact the City of Cloverdale Community Development Department.

Cloverdale City Hall is open Monday through Thursday, 8:00 a.m. to 5:00 p.m.



The City will take action with property owners who do not comply with these regulations and all applicable regulations included in the Cloverdale Municipal Code.

Thank you for your cooperation in maintaining Cloverdale as a safe and attractive place to live and invest.

October 9, 2017

CITY OF CLOVERDALE
124 N. Cloverdale Blvd., Cloverdale, CA 95425
(707) 894-1701

What is a Temporary Dwelling Unit?

On December 12, 2017, the City Council adopted an Urgency Ordinance in response to the fires that damaged or destroyed thousands of homes in Sonoma County. The Urgency Ordinance is in effect until October 9, 2019, and it allows vehicles generally used for human habitation to be parked on private property and occupied provided that certain requirements are met and a Temporary Land Use Certificate is issued by the City.

Where can an TDU be parked?

Outside of the Downtown Commercial (DTC) Zoning District TDUs can be parked in the driveway of a single-family residence or in a private parking lot of a commercial, industrial or institutional use. Private parking lots that are currently non-conforming for parking are not eligible.

What are the use and occupancy restrictions for a TDU?

- ◆ The owner of the single-family residence is required to live on the property.
- ◆ The TDU may be occupied as a residence until October 9, 2019.

What can be used as a TDU?

A TDU includes:

- ◇ travel trailers
- ◇ motorhomes
- ◇ camper vans
- ◇ RV's,
- ◇ tiny homes; and
- ◇ other vehicles generally used for human habitation.

What are the requirements?

- ◆ The TDU shall not encroach on to the public sidewalk or street.
- ◆ The TDU shall be parked outside on a paved or hardscape of:
 - ◇ a private single-family residence driveway; or
 - ◇ up to five TDUs may be parked in a private parking lot of a commercial, industrial or institutional use provided the required parking for the use is not reduced by more than 10%.
- ◆ The single-family residence is owner occupied.
- ◆ The TDU shall be parked a minimum of 20 feet from a habitable building on an adjacent parcel.
- ◆ The TDU shall be connected to the appropriate electrical supply for the specific TDU which usually is 30 amps and shall not utilize connection adapters, household extension cords, or generators.
- ◆ The TDU is 1997 model year or newer.
- ◆ The TDU at a single-family residence shall be connected to City water and sewer or access to the restroom and shower of the primary residence shall be provided; or shall be connected to City sewer and water when parked in a private parking lot.
- ◆ The TDU contains a working, fire extinguisher, smoke detector, or carbon monoxide detector.
- ◆ The TDU shall be removed by October 9, 2019.

What City permits and fees apply?

- ◆ A Temporary Land Use Certificate is required for all vehicles used as a Temporary Dwelling Unit. No fee is charged for the Temporary Land Use Certificate. The Certificate must be posted in a visible location on the exterior of the vehicle.
- ◆ A separate Electrical Permit with a permit fee may be required by the Building Division.



For a complete description of the regulations and permitting requirements for temporary dwelling units, please visit the City's website at:

www.cloverdale.com

*Or call the Community Development Department at
(707) 894-1701*

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Exhibit 1

Scope of Services, Budget & Payment Schedule

In-Lieu Fee Update and Related Affordable Housing Services

**City of Cloverdale, CA
David Paul Rosen & Associates (DRA)**

February 1, 2018

Background

The City of Cloverdale, California (City) last updated the City's Inclusionary Zoning Ordinance (IZO) in-lieu fee for ownership units in 2016, and during the intervening period home prices have markedly increased. In 2017, California State legislators passed AB 1505, which authorizes the legislative body of any county or city to adopt ordinances to require, as a condition of development of rental residential units, that the development include a percentage of units affordable to lower income households. The rental housing provisions in the City's IZO should be reviewed in light of the provisions of AB 1505 and recent legal precedence, for example to ensure the findings are in good order.

The City of Cloverdale, California (City) retained the services of David Paul Rosen & Associates (DRA), a California sole proprietorship, to provide affordable housing consulting services with respect to the City's inclusionary housing ordinance, prior to the adoption of AB 1505. DRA completed an analysis of the owner in lieu fee for the City. The City wishes to extend and amend DRA's contract to provide services assuring compliance with AB 1505 for rental housing, assess alternative methods for calculating an in lieu fee for rental housing, and other services as detailed below.

This document provides the Scope of Services, Budget and Payment Schedule for DRA to perform the requested services.

Scope of Services

1. Owner In-Lieu Fee Update

Per the In-Lieu fee provision of the City of Cloverdale's IZO, DRA will prepare an update of the In-Lieu fee program for ownership housing units. DRA will update its 2017 in lieu fee calculations, using as the basis for its calculation the definition of "maximum affordable sales price" contained in Section 18.13.020, Definitions, of Chapter 18.13 of the City's Municipal Code, Inclusionary Housing and Density Bonuses.

Deliverable: Memo with proposed 2018 in lieu fee amounts based on the most recent available household income and market price data, with attached assumptions and calculations.

2. Affordable and Market Rents and Sales Prices

DRA will calculate affordable rents and sales prices under the existing IZO (specified at 80% AMI) using HUD income limits and Community Development Department (HCD) statutory definitions of affordable housing. DRA will also illustrate affordable rents at up to four other income levels selected in consultation with City staff (e.g. 30% AMI, 50% AMI, 60% AMI, 100% AMI) the City may consider if amending its ordinance.

DRA will review available data on market rents and sales prices in Cloverdale and the surrounding market area in the time leading up to and after the recent fires. DRA will summarize trends in market rents and sales prices over the past five years as data permit.

Deliverable: Memo summarizing recent trends in affordable and market sales prices and rents in Cloverdale and the market area.

3. Rental In-Lieu Fee and Ordinance Review

DRA will estimate a rental in-lieu fee under the existing ordinance and potential variations that may be considered by the City and will advise on provisions of the ordinance. DRA proposes to estimate the in-lieu fee using both "gap to cost" and "gap to price" approaches. The gap to cost approach compares the difference in the supportable debt at affordable rents and the cost to build a prototypical rental unit. The gap to price approach compares the difference in the capitalized value of the unit at market rents and at affordable housing rents. The approach and formulas for

calculating the in-lieu fee will be discussed with City staff and documented in the assumptions memo prior to preparing the in-lieu fee analysis.

DRA will estimate the development costs and market rents for up to three rental housing prototypes selected in consultation with City staff for use in calculating the in-lieu fee under the gap to cost and gap to price approaches and for the rental housing feasibility analysis in Task 5. Estimated development costs will include land acquisition, hard construction costs, permits and fees, financing, design and other soft costs.

DRA will review the City's Inclusionary Zoning and Density Bonus Ordinances, Chapter 18.13 and provide administrative guidance on changes and improvements that may be adopted administratively by the City in light of AB 1505 and recent court cases. DRA will work with the City Attorney to identify changes that may be warranted, such as recommendations for additional housing needs data to substantiate the findings.

Deliverables: 1) Memo summarizing assumptions including affordable rents under the IZO and other selected target income levels and a description of the gap to cost and gap to price approaches for calculating the rental in-lieu fee; and 2) Memo with estimated in lieu fees, with attached assumptions and calculations, and recommendations on changes to the rental housing provisions of the IZO.

4. Needs Assessment/Findings Update for IZO

DRA will summarize key measures of affordable housing needs and market-related findings for the IZO consistent with the requirements of AB 1505. DRA will draw from the Housing Element, Task 2 findings, and other readily available sources to summarize key affordable housing needs including the following:

- Cost-burden
- Overcrowding
- Regional Housing Needs Assessment (RHNA) allocations by income level and the City's progress towards meeting them
- Special needs

Deliverable: Memo summarizing affordable housing needs and findings for the IZO ordinance.

5. Rental Feasibility Analysis

DRA will use the market and development cost data from Tasks 2 and 3 to assess the potential effect of an in-lieu fee under the existing IZO and potential variations site on the feasibility of new market-rate rental housing construction in Cloverdale. DRA will also estimate the potential effect of including on-site rental units, for up to three income targeting scenarios, on new housing development.

Deliverable: Memo summarizing the findings of the rental feasibility analysis, with attached assumptions and calculations, and recommendations on changes to the rental housing provisions of the IZO.

6. Planning Commission/City Council Presentation

DRA will prepare and attend one presentation of the recommended In-Lieu Fee update and policy recommendations to the City Planning Commission or City Council under the direction of Assistant City Manager/Community Development Director. The presentation will involve a PowerPoint document and attendance by one DRA Principal at one scheduled Planning Commission or City Council meeting.

Deliverable: PowerPoint presentation; meeting attendance by DRA Principal.

Budget and Payment Schedule

DRA will complete the above referenced services under the following budget and payment schedule:

Task	Fee	Due
1. Owner In-Lieu Fee Update	\$5,000	\$2500 upon contract execution, and \$2500 upon delivery by DRA of the memo detailing methodology and conclusions for updating the City's IZO Owner In-Lieu Fee.
2. Affordable and Market Rent and Price Trends	\$5,000	\$2500 upon contract execution and \$2500 upon delivery by DRA of a memo analyzing recent trends in affordable and market rents and sales prices in Cloverdale and market area.
3. Rental In-Lieu Fee and Ordinance Review	\$20,000	\$7,500 upon submission by DRA of memo with affordable rents and in lieu fee formula; \$12,500 upon memo with in lieu fee and IZO recommendations.
4. Needs Assessment/ Findings Update for IZO	\$5,000	\$5000 upon delivery by DRA of a memo summarizing key affordable housing needs and findings in Cloverdale
5. Rental Feasibility Analysis	\$12,000	\$5,000 upon contract execution and \$7,000 upon delivery by DRA of a memo summarizing financial assessment of effect of in lieu fee and inclusionary requirements in Cloverdale
6. Planning Commission/ City Council Presentation	\$2,500	\$2500 Upon completion of the presentation by a DRA Principal at either a City Council or Planning Commission Meeting.
Total	\$49,500	

