

ORDINANCE NO. 742 N.S.

AN ORDINANCE: TO AMEND DIVISION 17.40, RESIDENTIAL RENTALS, OF THE PIEDMONT CITY CODE IN ITS ENTIRETY; TO AMEND SECTION 17.20.020, PERMITTED USES [FOR ZONE A], OF THE PIEDMONT CITY CODE; AND TO AMEND SECTION 17.90.010, DEFINITIONS, OF THE PIEDMONT CITY CODE.

The City Council of the City of Piedmont hereby ordains as follows:

SECTION 1 INTENT

It is the intent of the City Council of the City of Piedmont to amend Division 17.40, Residential Rentals of the Zoning Ordinance of the Piedmont Municipal Code, and to make corresponding cross-references and amendments to other, related sections of the Zoning Ordinance: Section 17.20.020, Permitted Uses, for Zone A (cross-referenced by all other zones), and Section 17.90.010, Definitions.

On January 16, 2018, the City Council received a report from the Planning Commission recommending that all short-term rentals be prohibited. At that meeting, the City Council discussed the issues and directed staff to return with proposed regulations that would allow short-term rentals. On March 5, 2018, the City Council considered proposed regulatory parameters and directed staff to prepare an ordinance. This ordinance was considered at a meeting of the City Council held on April 16, 2018.

SECTION 2 FINDINGS OF CONSISTENCY WITH GENERAL PLAN

The City Council hereby finds that the zoning amendment established by this ordinance is compatible with the goals, objectives, and policies of the General Plan of the City of Piedmont.

SECTION 3 CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The proposed amendment is categorically exempt from CEQA because it can be seen with certainty that there is no possibility that its adoption may have a significant effect on the environment. (Public Resources Code section 21065; CEQA Guidelines, 14 Cal. Code of Regs. Sections 15061(b)(3), 15378.)

SECTION 4 AMENDMENT OF DIVISION 17.40, RESIDENTIAL RENTALS.

Division 17.40, Residential Rentals, of the Zoning Ordinance of the Piedmont City Code is amended in its entirety to read as set forth in Exhibit A, attached.

SECTION 5 AMENDMENT OF SECTION 17.20.020, PERMITTED USES.

Section 17.20.020, Permitted Uses, of the Zoning Ordinance of the Piedmont City Code is amended to read as follows:

“17.20.020 Permitted uses.

The following are permitted uses in Zone A:

- A. Single-family residence together with accessory structures and associated uses, located on the same lot.
- B. Rented room, subject to section 17.40.020, or short-term rental, subject to a short-term rental permit under section 17.40.030.
- C. Accessory dwelling unit, subject to division 17.38.
- D. Small or large family day care home in accordance with California Health and Safety Code sections 1597.43 - 1597.47.”

SECTION 6 AMENDMENT OF SECTION 17.90.010, DEFINITIONS.

Section 17.90.010, Definitions, of the Zoning Ordinance of the Piedmont City Code is amended to insert the following definitions in alphabetical order:

“Rented room. See section 17.40.020.”

“Short-term rental. See section 17.40.030.”

SECTION 7 SEVERABILITY

The provisions of this Ordinance are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Ordinance or their applicability to other persons or circumstances.

SECTION 8 POSTING AND EFFECTIVE DATE

This Ordinance shall be posted at City Hall after its second reading by the City Council for at least 30 days and shall become effective 30 days after the second reading.

I certify that the foregoing ordinance was passed and adopted as a part of the consent calendar by Resolution 31-18 at the regular meeting of the City Council of the City of Piedmont on May 7, 2018, by the following vote:

Ayes:	Andersen, Cavanaugh, King, McBain, Rood
Noes:	None
Absent:	None

Attest: _____
John O. Tulloch, City Clerk

Exhibit A

DIVISION 17.40 RESIDENTIAL RENTALS

Sections

17.40.010	Purpose and intent
17.40.020	Rented room
17.40.030	Short-term rental
17.40.040	Business license tax
17.40.050	Enforcement

17.40.010 Purpose and intent.

- A. Purpose. The purpose of this division is to establish regulations governing the rental of residential property within the city.

- B. Intent. By enacting this division 17.40, the city council intends to:
 - 1. Provide a community benefit by allowing alternative forms of lodging, allowing residents to participate in the sharing economy, and allowing residents an opportunity for additional source of income.

 - 2. Allow the renting of homes, apartments, or rooms for periods of 30 days or more.

 - 3. Allow short term renting of single-family dwelling units and rooms in single-family dwelling units for less than 30 consecutive days, while still preserving the single-family character of neighborhoods, and preventing short-term rental activities from becoming a nuisance or a threat to public health, safety or welfare;

 - 4. Establish standards and a permit requirement for short-term rentals; and

 - 5. Prohibit the short-term rental of accessory dwelling units and multi-family dwelling units to preserve them for long-term housing.

17.40.020 Rented room.

- A. Applicability. This section 17.40.020 applies to the rental of a room or rooms in a residential property for a period of 30 consecutive days or longer.

- B. Definitions. In this section:

Rented room means the renting of a room or any combination of rooms within an existing single-family or multi-family dwelling unit that meets all of the following requirements:

- 1. one or more rooms, including at least one bedroom, is rented to a lessee under a rental agreement, not for the entire dwelling;

2. the rental period is a minimum of 30 consecutive days;
3. the tenant has the common use of the primary kitchen facilities, with no temporary or permanent cooking facilities in the rented room(s); and
4. either shared or separate bathroom.

C. General. The owner of a single-family dwelling unit in any zoning district is permitted to rent a rented room in such dwelling unit to a limit of one lessee. With the written consent of the property owner, a tenant has the same right. This provision does not authorize an owner or tenant to operate a boarding house or otherwise rent or sublease more than one rented room per dwelling unit.

D. Safety. The property owner is responsible for assuring that the rented rooms meet building codes. The property owner must either (at the owner's discretion):

1. Request that the city inspect the property to assure that the primary residence and the rented rooms meet building codes, consist of legally existing rooms eligible for use as a bedroom and habitable spaces. The property owner shall pay a nominal inspection fee in the amount established by city council resolution; or
2. Submit to the city a signed safety declaration in a form prepared by the city, to be kept in the property file at the city.

17.40.030 Short-term rental.

A. Applicability. This section 17.40.030 applies to short term rentals of less than 30 consecutive days. The short-term rental must be located in a single-family dwelling unit that is the primary residence of the property owner or long-term tenant. It may not be located in an accessory dwelling unit (permitted or unintended) or multi-family dwelling. The short-term rental may be hosted or non-hosted.

B. Definitions. In this section:

Advertising platform means any online site that provides a means for the host to advertise or otherwise offer for rent a short-term rental.

Host or *hosted* means the primary occupant of the dwelling is present during the short-term rental. *Non-hosted* means the primary occupant is not present during the short-term rental.

Operate means the operation of a short-term rental, and includes the acts of establishing, maintaining, or listing for rent a short-term rental with an advertising platform.

Primary Occupant means an occupant who is either the owner of the dwelling or a long-term tenant in the dwelling with a month-to-month lease or lease of a longer duration.

Short-term rental means the use of a dwelling unit, or portion of it, for a rental of less than 30 consecutive days.

C. Short-Term Rental Permit; Permit Issuance. No person may operate a short-term rental without first obtaining a short-term rental permit. A short-term rental permit may be approved by the Director, provided that the Director determines the applicant has met the following requirements:

1. Application. The applicant must complete an application on a form provided by the city, accompanied by a fee established by city council resolution.
2. Property owner consent. If the applicant is a tenant, he or she must demonstrate written approval of the property owner to allow short-term rentals.
3. Insurance. The applicant must provide evidence of, and maintain, general liability insurance of at least \$1,000,000 during the term of the short-term rental permit that covers the applicant's short-term rental operations.
4. Contact information. The applicant must provide current contact information to the city, and information regarding the advertising platform(s) to be used.
5. Safety. The dwelling or rooms serving as a short-term rental must have a smoke detector, carbon monoxide detector, fire extinguisher, and adequate egress, all as determined by the chief building official. The applicant must either (at the applicant's discretion):
 - a. Request that the city inspect the property to assure that the primary residence and the rented rooms meet building codes, consist of legally existing rooms eligible for use as a bedroom and habitable spaces. The property owner shall pay a nominal inspection fee in the amount established by city council resolution; or
 - b. Submit to the city a signed safety declaration in a form prepared by the Director, to be kept in the property file at the city.

D. Appeals. Any interested party may appeal any decision by the Director to approve or deny a short-term rental permit pursuant to division 17.78 of the Piedmont Municipal Code. No permit shall be deemed issued or effective until the appeal period set forth in division 17.78 has expired.

E. Permit Term and Renewal. A short-term rental permit is valid until December 31 of the year it is issued, unless suspended or revoked. The permittee may renew the permit annually, by submitting a renewal application and fee before the expiration of the permit.

F. Operating standards. A short-term rental is allowed only if it conforms to these standards:

1. Permit. The short-term rental is operated under a short-term rental permit issued by the city in accordance with Section 17.40.030.
2. 2-night minimum. The short-term rental must be rented for a minimum of two consecutive nights.
3. 60 days maximum. The short-term rental may not be rented more than 60 days in a calendar year.

4. No Events. The short-term rental may be used for dwelling, sleeping or lodging purposes, but may not be rented for any other commercial purpose, including temporary events or gatherings.

5. Guest Safety. The short-term rental permittee must provide the following materials electronically to any guests before arrival and make available printed materials on-site for the guest with the following information:

- a. A diagram of exits, fire extinguisher locations, and fire and police contact numbers;
- b. The short-term rental permittee’s contact information;
- c. The city’s noise regulations (sections 12.8 – 12.12);
- d. The city’s smoking ordinance (chapter 12, article II);
- e. The city’s garbage and recycling guidelines (available on the city’s website, or a print copy of the residential services guide: *recycling, organics and garbage*).

6. Current Information. The short-term rental permittee shall, during the term of the permit, promptly inform the Director regarding any changes regarding information provided in the application, including contact information and information regarding advertising platforms used by the permittee to advertise the short-term rental.

17.40.040 Business license tax.

A person renting a room or operating a short-term rental is considered to have rental property and must pay an annual business license tax under City Code chapter 10.

17.40.050 Enforcement.

The city may enforce this division by any means permitted by law, including but not limited to those set forth in chapter 1 (General Provisions), article 2 (Code Enforcement) of this code, or under division 17.80, Enforcement. The city council may establish fines by resolution.”