Meeting Date: **1/12/2016**

Report Type: Consent

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City of SACRAMENTO 11

City Council Report
915 I Street, 1st Floor
www.CityofSacramento.org

Title: (Pass for Publication) Ordinances Amending Title 17 of the Sacramento City Code Relating to Bed and Breakfast Inns and Adding Chapter 5.114 to the Sacramento City Code Relating to Short-Term Rentals (M15-006)

Location: Citywide

Recommendation: 1) Review an Ordinance amending various sections in 17 relating to bed and breakfast inns; 2) review an Ordinance adding chapter 5.114 relating to short-term rentals; and 3) pass for publication both Ordinance titles as required by Sacramento City Charter section 32(c) to be adopted on January 19, 2015.

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Presenter: Joy Patterson, Principal Planner, (916) 808-5607, Community Development Department

Department: Community Development Dept / Finance

Division: Zoning

Dept ID: 21001224

Attachments:

1-Description/Analysis

2-Background

3-Zoning and Permit Requirements for Short-term Rentals, Bed & Breakfast Inns, Hotels, Motels

4-Ordinance - Title 5

5-Ordinance Redlined - Title 17

6-Ordinance - Title 17

City Attorney Review

Approved as to Form
Steve Itagaki
1/6/2016 1:29:43 PM

Approvals/Acknowledgements

Department Director or Designee: Candace Noguchi - 1/4/2016 1:34:35 PM

Description/Analysis

Issue Detail: The “sharing economy” has brought new business and new questions about regulations to the forefront of municipal government policymaking. Striking a balance between encouraging these new businesses and maintaining the safety and comfort of residents and businesses requires careful review. One such business model is the short-term rental of residences such as Airbnb and VBRO. The City’s Revenue Code (Title 3) considers a short-term rental in a home a transient occupancy. People operating short-term rentals are required to follow the same rules as hotels and bed and breakfast inn operations including obtaining a business operations tax (BOT) certificate and remitting collected Transient Occupancy Tax (TOT) to the City in the amount of a percentage of the rental charged to the transient for the transient’s occupancy of the room. The current City TOT is 12 percent of the room charge. A short-term rental currently falls under the land use category of bed and breakfast inn in the Planning and Development Code (Title 17), requiring a Zoning Administrator’s conditional use permit.

At the November 6, 2014, Law and Legislation Committee meeting representatives from Airbnb made a presentation to the Committee introducing their business model and stating their desire to follow Sacramento City Code regulations. The Committee directed the City Manager to direct his staff to review current City revenue and zoning regulations, short-term rental regulations from other cities the use of city residences as short-term rental and their impacts on TOT revenue and land use, and develop any necessary regulations related to this issue. The background information of this report details the development of the two ordinance amendments for short-term rentals.

Policy Considerations: Allowing short-term rentals in residential dwellings in Sacramento is consistent with the 2035 General Plan’s Economic Development Business Climate goal to “Maintain a supportive business climate and a healthy, sustainable economy that increases the City’s ability to expand existing businesses and attract and retain new businesses.”

Economic Impacts: Not applicable

Environmental Considerations: The proposed changes to the City Code would include imposition of some restrictions regarding use of existing properties. This action is not a project subject to CEQA because it involves only general policy and procedure making and the proposed changes would not result in new physical development, will not result in direct changes to the physical environment, and will not result in any reasonably foreseeable indirect physical change in the environment. (CEQA Guidelines §§ 15002(d), 15378, 15061(b)(3).)

Sustainability: Not applicable.

Commission/Committee Action: The item was reviewed by the Law and Legislation Committee at their meetings on November 6, 2014, May 12, 2015, and October 23, 2015. On October 23, 2015, the committee voted, by a vote of four ayes, no noes, and none absent, to recommend approval of the proposed ordinance, with certain amendments, to the Planning and Design Commission for their review and recommendation to the City Council.

On December 10, 2015, a revised ordinance amending Title 17 was reviewed by the Planning and Design Commission. The Commission, by a vote of eight ayes, one noe, and four absent, voted to recommend approval of the proposed ordinance with additional amendments. The recommended amendments are outlined in the Background Information.

Rationale for Recommendation: Clarifying the City's existing short-term rental regulations and providing for a short-term rental permit in Title 5 creates a process by which residents of the City can legally provide a service to visitors of Sacramento while following City Code and protect the integrity of existing neighborhoods at the same time. The proposed amendments to Title 17 also clarify the City's existing bed and breakfast inn regulations. In addition the short-term rental permit also provides the mechanism to cite, suspend, or revoke the permit of individuals not following the City's regulations.

Financial Considerations: Short-term rentals are already required to pay the TOT that is already established for individuals renting room nights in Sacramento. Thus far, there has not been a system in place to collect it. Working with Airbnb and others to assure that TOT is remitted will add to the City's TOT revenue. However, that amount cannot be determined at this time.

Local Business Enterprise (LBE): None

Background Information

Currently the short-term rental of a room by a transient guest to the City in a residence would fall under the land use category of bed and breakfast inn in the Planning and Development Code. These regulations were put in place in the 1980s to allow people to stay in existing dwellings (often historic properties in the Central City) as short-term rentals in residential areas and, in limited cases, allow for events in certain higher density areas with conditions. Depending upon the zone, a residence used as a bed and breakfast may be limited to seven rooms, activities other than lodging may or may not be permitted dependent on the zone, and a person's stay is limited to 14 days. A zoning administrator's conditional use permit (CUP) is required in some of the residential zones.

The City's Revenue Code (Title 3) also considers a short-term rental in a home a transient occupancy. People operating short-term rentals are required to follow the same rules as hotels and bed and breakfast inn operations including obtaining a business operations tax (BOT) certificate and remitting to the City collected transient occupancy tax (TOT) in the amount of a percentage of the rental charged to the transient for the transient's occupancy of the room. The current City TOT is 12 percent of the room charge.

Law and Legislation Committee - May 12, 2015

Committee members reviewed current City regulations, regulations in other California communities, and a draft of possible changes to the City's current requirements for short-term rentals. While generally supportive of making changes to the current Code, the committee requested staff to conduct community outreach and return with their findings.

Community Meetings

Neighborhood associations, hotel/motel associations, unions, Airbnb representatives, bed and breakfast inn owners, media representatives, and other interested parties were notified of the community information meetings held at City Hall on August 12 and September 9, 2015.

Approximately 20 people came to the first meeting on August 12th. The attendees were primarily Airbnb hosts who were concerned about the cost of a conditional use permit and questioned the need for regulation. Most of the hosts present indicated that they stayed at the site or were nearby when a guest was staying at their home. They were also concerned about paying the TOT and would like Airbnb to be required to remit the tax to the Revenue Division. The group was in general agreement that they would be willing to limit the number of rooms and/or guests and stay at their home when guests were present if the City would not impose a conditional use permit requirement.

The second meeting on September 9th had broader media coverage and resulted in a more diverse group of attendees. Approximately 80 people attended the meeting. City residents and neighborhood associations brought up concerns regarding parking, noise, having unfamiliar people in residential areas, the possibility of an investor buying an apartment complex and turning it into multiple short-term rentals and having a commercial business in a residential area. Representatives of Airbnb and Airbnb hosts were again in attendance and voiced similar concerns on regulation that were discussed at the first meeting.

Law and Legislation Committee - October 23, 2015

Based upon the review of ordinances from other jurisdictions, input from the community meetings and the desire of the Committee to look at alternative regulations for short-term rentals, staff recommended the addition of **"**Short-term Homestay Rental**"** to the definitions and list of permitted home occupations found in the Planning and Development Code. This proposal permitted the use in a residence with the following conditions:

- A maximum of two guest rooms and a maximum of four guests at one time in the unit.
- No events permitted in conjunction with the short-term homestay rental.
- The resident operator required to be on-site between the hours of 11:00 p.m. and 5:30 a.m. when guests are present.

An individual wishing to operate a Short-term Homestay Rental would have been required to obtain a BOT, a Home Occupation Permit (HOP), and remit TOT, through Airbnb or some other provider, for the nights guests stay at their home.

The Committee was supportive of allowing the use by right with limitations but wanted staff to look into adding other provisions to the regulations in the City Code including:

- Increasing the number of guests in a residence to six
- Finding a way to notice neighbors that residence was being used as a short-term rental
- Allowing individuals to use a residence that is not their primary residence as a short-term rental
- Ensuring that staff can suspend a short-term rental permit for a period of time if the individual operating the short-term rental is not abiding by City regulations
- Utilizing proper citation authority

The Committee voted to forward the item to the Planning and Design Commission and then to City Council after staff worked with Council Members Schenirer and Harris to address additional issues of concern to the businesses and residents.

Proposed City Code Amendments to Title 5 and Title 17

Staff from the City Manager's Office, the City Revenue Division and City Planning Division met with councilmembers Schenirer and Harris to review the proposed modifications. As a result of these meetings and review of the committee's direction, staff has prepared two ordinances: one amending Title 5 to add a chapter on short-term rentals; and the second to modify the provisions of the bed and breakfast inn section to Title 17 to include provisions for short-term rentals that are exempt from conditional use permit requirements.

Planning and Design Commission Meeting - December 10, 2015

The Planning and Design Commission reviewed the proposed amendments to Title 17. To provide more context for the proposed changes to the Planning and Development Code, the proposed changes to Title 5 were available for the commission's reference.

The proposed amendments to the Planning and Development Code contain the following provisions that amend existing bed and breakfast regulations:

1. Modifications to the bed and breakfast inn definition to delete the provision that the owner/manager is required to live on-site and that a lodger is limited to staying a maximum of 14 days.
2. Amendments to allow a bed and breakfast inn use in the RE, R-1A, EC andC-4 zones.
3. Allow 14 guest rooms in a bed and breakfast inns located in multiple family zones.

The proposed ordinance also adds to the bed and breakfast inn regulations in Title 17 the following related to short-term rentals:

1. Adds a definition for short-term rental.
2. Limits a short-term rental to providing lodging to no more than six persons at any time.
3. Limits the short-term rental of a dwelling that is not the primary residence of the dwelling to providing lodging for no more than an aggregate of **90 days** in any calendar year.
4. Defines the primary residence of the owner as the dwelling in which the **owner** resides for more than **six months** during a calendar year.
5. Indicates that anyone operating a short-term rental must obtain a short-term rental permit from Revenue, a BOT and collect TOT, but is not required to obtain a Conditional Use Permit or a Home Occupation Permit.

If an individual(s) cannot meet short-term rental requirements and still wishes to provide lodging to more than six people at one time and/or wishes to provide lodging to people in a residence that is not their primary residence for more than 90 days in a calendar year, the residence would be considered a bed and breakfast inn and the use would

need to follow bed and breakfast inn requirements. Bed and breakfast inns are required to obtain a zoning administrator's conditional use permit in the single unit and lower density multi-unit dwelling zones (R-1, R-1B, R-2, R-2A, R-2B, R-3, R-3A zones).

Proposed amendments to Title 5, the Business Licenses and Regulations Code, address several of the concerns of the Law and Legislation Committee. The Code allows for several types of business permits. The proposed ordinance amending Title 5 creates a new business permit for short-term rentals. The ordinance amending Title 5 contains the following provisions:

- Requires any person operating a short-term rental to submit the necessary applications and pay the necessary fees to obtain a short-term rental permit.
- Requires that a notice be provided to property owners within 200 feet of the short-term rental dwelling.
- Contains provisions for suspending, revoking, conditioning or administering penalties on a short-term rental permit
- Prohibits special events at a short-term rental
- Includes the limitations on a maximum of six lodgers and providing lodging no more than 90 days in a calendar year if the dwelling is not the primary residence of the dwelling owner

The commission recommended that the proposed ordinance amending Title 17 be approved by the City Council with the following amendments:

- Modify dwelling to read **dwelling unit** in the definition of short-term rental (Item 4, 17.228.104.D.2).
- Change the number of days in a non-primary residence from 90 to **120 days** (Item 6, 17.228.104.D.2).
- In order to clarify the definition of primary residence, change six months to **184 days** in a calendar year and change the references to owner to **permittee** (Item 7, 17.228.104.D.2).

The commission also suggested that the City Council consider the following changes to the Title 5 ordinance:

- Change the time in the definition of primary residence from six months to 184 days to be consistent with their recommended amendments to Title 17 (5.144.010)
- Increase the time that a short-term permit is valid from one year to three years (5.114.130)
- Require the use of the permit number in all ads (Already a requirement of 5.114.250)

The attached ordinances amending Titles 5 and 17 are the ones presented to the Planning and Design Commission and do not include their recommendations.

A chart summarizing the zoning and permitting requirements proposed in the two ordinances is also attached to this report.

LAND USE	ZONES								REVENUE	PERMITS
	RE R-1 R-1A R-1B R-2 R-2B R-3 R-3A	R-2A	R-4 R-4A R-5 RMX OB OB2, OB3, EC C-2 C-3	RO	SC	C-1	C-4	M-1 M-1S M-2 M-2S, MRD, HC	BOT required?	TOT required?	Short-term rental permit required?
Short-term rental of dwelling *primary residence of operator *max. six guests at one time	X								YES	YES	YES
Short-term rental of dwelling *not primary residence of operator *max. six guests at one time *max. 90 days calendar year	X								YES	YES	YES
Bed and breakfast inn (this includes short-term rentals and transient rentals that do not meet limitations listed above under short-term rental	ZA CUP		X	X		X	X		YES	YES	NO
Hotel/motel			X		PDC CUP		X	X	YES	YES	NO

NOTES:
If a zone is not listed above the four uses shown above are not permitted in the zone
X = use permitted in zone
blank space = use not permitted in zone
ZA CUP = Zoning Administrator Conditional Use Permit
PDC CUP = Planning and Design Commission Conditional Use Permit

DEFINITIONS:
Short-term rental: A bed and breakfast inn in an RE, R-1, R-1A, R-2, R-2B, R-3 or R-3A zone that is limited as follows: 1. Lodging is provided for no more than six persons at and time; and 2. If the dwelling is not the primary residence of the owner, lodging is provided for no more than an aggregate of 90 days in any calendar year. New definition

Bed and breakfast inn: A dwelling in which temporary night-to-night lodging, with or without meals, is being provided for compensation. A bed and breakfast inn includes on-site accessory structures. (Note: In RE, R-1, R-1A, R-1B, and R-2 zones guest rooms are limited to seven. In R-2A, R-2B, R-3, R-3A zones guest rooms limited to 14.) Modified definition and RE, R-1A and C-4 added to zones where B&B permitted

Hotel/motel: A building designed for occupancy as temporary lodging with or without meals, in which there are six or more guest rooms. A hotel is typically larger than a motel and often includes conference and banquet facilities.

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE ADDING CHAPTER 5.114 TO THE SACRAMENTO CITY CODE RELATING TO SHORT-TERM RENTALS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Chapter 5.114 is added to the Sacramento City Code to read as follows:

Chapter 5.114 SHORT-TERM RENTALS

Article I. General Provisions

5.114.010 Definitions.

For purposes of this chapter, the following definitions apply:

"Director" means the director of finance or designee.

"Lodger" means a person to whom a permittee is providing lodging for compensation.

"Permittee" means the person to whom a short-term rental permit is issued.

"Primary residence of the owner" means the dwelling in which the owner resides for at least six months during the calendar year.

"Short-term rental" has the same meaning as in section 17.228.104.D.

"Short-term rental dwelling" means the dwelling that is subject to a short-term rental permit.

5.114.020 Fees and penalties established.

A. The following fees are established and imposed pursuant to the provisions of this chapter:

1. Short-term rental permit application fee; and

2. Short-term rental permit appeal fee.

B. The city council shall establish by resolution the amounts of the foregoing fees, and any penalties.

5.114.030 Permits not transferable.

A short-term rental permit may not be transferred.

5.114.040 Violations.

A. Any person who violates a provision of this chapter is subject to criminal sanctions and administrative penalties pursuant to chapter 1.28.

B. Violations of this chapter are hereby declared to be a public nuisance subject to a civil action for abatement by the city attorney pursuant to chapter 1.28.

C. Any person who violates a provision of this chapter is liable for civil penalties of not less than $250 or more than $25,000 for each day the violation continues.

D. In addition to any other remedy allowed by law, all remedies prescribed under this chapter are cumulative and the election of one or more remedies does not bar the city from the pursuit of any other remedy to enforce this chapter.

Article II. Short-Term Rental Permits.

5.114.100 Short-term rental permit required.

A. No person shall operate a short-term rental unless a short-term rental permit is in effect for the dwelling.

B. Upon demand of a peace officer or city employee authorized to enforce this chapter, every person operating a short-term rental shall present the short-term rental permit that is in effect for that dwelling.

5.114.110 Applications for short-term rental permits.

A. An owner, lessee, or holder of a similar interest in a dwelling may apply for a short-term rental permit by filing an application with the director. The application must be on a form approved by the city manager and may require any information or documentation consistent with the provisions of this chapter.

B. To renew a short-term rental permit, the permittee shall file an application with the director. The application must be submitted no later than 30 days prior to the short-term rental permit expiration date. Untimely applications to renew

short-term rental permits are subject to a late penalty in the amount established by resolution of the city council.

C. Every application for a short-term rental permit, including renewal applications, shall be accompanied by the short-term rental permit application fee in the amount established by resolution of the city council.

D. No person shall knowingly make a false statement of fact or knowingly omit any information that is required in an application for a short-term rental permit.

5.114.120 Grounds for denying a short-term rental permit.

The director may deny an application for a short-term rental permit for any of the following reasons:

A. The application is incomplete;

B. The application contains a false or misleading statement or omission of a material fact;

C. The dwelling is subject to an enforcement action pursuant to any provision of this code, including but not limited to chapters 8.04 (Nuisances Generally), 8.96 (Dangerous Buildings Code), and 8.100 (Housing Code);

D. The dwelling has more than once been found to be in violation of any provisions of this code, including but not limited to chapters 8.96 (Dangerous Buildings Code) and 8.100 (Housing Code);

E. The owner or occupants of the dwelling have more than once been found to be in violation of any applicable law, including but not limited to chapters 8.08 (Social Nuisance Code) and 8.68 (Noise Control).

F. The applicant or the owner of the dwelling is delinquent on any payment to the city of any fees, penalties, taxes, or any other monies related to the property;

G. Within 12 months of the date of application, a short-term rental permit for the dwelling was revoked; or

H. The operation of a short-term rental by the applicant or at the dwelling is a threat to the public health, safety, or welfare.

5.114.130 Issuance of short-term rental permit – Notice to neighbors.

A. Unless the director determines that grounds for denying an application for a short-term rental permit exist, the director shall issue the permit. The director may

impose conditions on the permit as necessary to protect the public health, safety, and welfare.

B. Upon issuance of a short-term rental permit, the city will notify all property owners within 200 feet of the permitted short-term rental dwelling. The notice will be in writing and contain the location of the short-term rental dwelling and the contact information for the permittee.

5.114.130 Term of short-term rental permit.

A short-term rental permit is valid for one year from the date the permit was issued, unless it is suspended or revoked sooner.

5.114.140 Suspending, revoking, or conditioning a short-term rental permit.

A. The director may suspend, revoke, or condition any short-term rental permit for any of the following reasons:

1. One or more of the circumstances upon which a short-term rental permit could be denied as described in section 5.114.120 exists or has occurred; or

2. The permittee has violated any provision of this chapter.

B. The conditions that the director may impose on the short-term rental permit include, but are not limited to:

1. Requiring the home owner or occupant to remain at the dwelling during certain hours while guests are present;

2. Requiring a manager who resides locally and who will quickly respond to complaints;

3. Reducing the number of guests that are allowed to lodge at the dwelling; and

4. Reducing the number of days in a year that the permitee is allowed to provide lodging.

Article III. Short-Term Rental Regulations

5.114.200 Occupancy limit.

No permittee shall, for compensation, provide lodging for more than six people at any time in a short-term rental dwelling.

5.114.210 Annual limit.

If the short-term rental dwelling is not the primary residence of the owner, no permittee shall, for compensation, provide lodging for more than an aggregate 90 days in any calendar year.

5.114.220 Registry required.

A. A permittee shall keep a register that documents the following information:

1. All dates on which the permitee provided lodging for compensation;

2. The number of lodgers on each date; and

3. The amount of rent paid by lodgers for each night of lodging.

B. A permittee shall maintain this register in a printed format for at least three years and shall provide the register to the city with each application for, or renewal of, a short-term rental permit.

5.114.230 Posting of permit.

A permittee shall post a copy of the short-term rental permit in a conspicuous place in each room in which a lodger is expected to sleep.

5.114.240 Signs prohibited.

No permitee shall post on the short-term rental dwelling property any sign or writing visible from the exterior of the dwelling indicating that the dwelling is available for rent.

5.114.250 Advertisement must include permit number.

No permittee shall advertise the availability of the short-term rental dwelling unless the advertisement includes the city-issued number of the short-term rental permit.

5.114.260 Special events prohibited.

No permittee shall allow any conferences, weddings, fundraisers, or similar gatherings at the short-term rental dwelling.

5.114.270 Taxes.

Permittees shall pay the appropriate business operations tax as set forth in chapter 3.08 and the uniform transient occupancy tax as set forth in chapter 3.28.

Article IV. Procedures for Actions on Permits.

5.114.300 Hearing required—Exception.

A. No short-term rental permit may be suspended, revoked, or conditioned until the permittee is provided a notice of hearing pursuant to section 5.114.310 and an opportunity to be heard by the director.

B. Notwithstanding subsection A, a permit issued pursuant to this chapter may be suspended, revoked, or conditioned immediately upon the director's determination that the immediate suspension of the permit is necessary to protect the public health, safety, or welfare.

C. If a permit is immediately suspended pursuant to subsection B, the permittee subsequently shall be provided a notice of hearing pursuant to section 5.114.310 and an opportunity to be heard by the director.

5.114.310 Notice of hearing.

A. The director shall serve on the permittee a notice of hearing on the decision to suspend, revoke, or condition a short-term rental permit. The notice shall be in writing and contain a brief statement of the grounds for the action, and the date, time, and location of the hearing.

B. The notice of hearing shall be personally served or sent by certified mail to the permittee at the address submitted in the permit application at least 10 calendar days prior to the hearing. Service by certified mail is complete at the time the notice is deposited in the mail.

5.114.320 Notice of decision.

A. If, after the permittee has had an opportunity to be heard, the director decides to suspend, revoke, or condition a short-term rental permit, the director shall serve a notice of decision on the permittee. The notice shall be in writing and contain:

1. The specific grounds for the decision;

2. A statement that the permittee may appeal the decision by submitting an appeal, in writing to the director, within 10 calendar days of the date of service of the notice; and

3. A statement advising that the failure to appeal the decision will constitute a waiver of all rights to an appeal hearing, a failure to exhaust administrative remedies, and a bar to any judicial action pertaining to the director's decision.

B. The notice of decision shall be personally served or sent by certified mail to the permittee at the address submitted in the permit application. Service by certified mail is complete at the time the notice is deposited in the mail.

5.114.330 Return of the permit.

A permittee shall return a suspended or revoked short-term rental permit to the director within three calendar days of the receipt of the notice of decision described in section 5.114.320.

5.136.340 Appeal of action on permit.

A. Any applicant or permittee may appeal the director's decision to deny, suspend, revoke, or condition a short-term rental permit by submitting a written notice of appeal to the director within 10 calendar days from the date of service of the notice of decision. The written notice of appeal must contain:

1. A brief statement in ordinary and concise language of the specific decision protested, together with any material facts claimed to support the appeal;

2. A brief statement in ordinary and concise language of the relief sought, and the reasons why it is claimed the protested decision should be reversed or otherwise set aside;

3. The signatures of all parties named as appellants and their official mailing addresses; and

4. A declaration under penalty of perjury by at least one appellant as to the truth of the matters stated in the notice of appeal.

B. The appeal hearing shall be conducted by a hearing examiner appointed pursuant to section 8.04.070.

C. Upon receipt of any appeal filed pursuant to this section, the director shall transmit the appeal to the hearing examiner, who shall cause it to be calendared for the next regularly scheduled appeal hearing date that is at least 15 days later.

D. The hearing examiner shall serve a notice of appeal hearing on each appellant. The notice shall be in writing and contain the date, time, and location of the appeal hearing. The notice shall be personally served or sent by mail to the appellant at the address shown on the appeal at least 10 days prior to the date of the hearing.

E. Only those matters or issues specifically raised by the appellant in the written notice of appeal shall be considered in the appeal hearing.

F. Failure of any person to file a timely appeal in accordance with the provisions of this section shall constitute an irrevocable waiver of the right to an administrative hearing and a final adjudication of the matter and any portion thereof.

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE AMENDING VARIOUS SECTIONS OF TITLE 17 OF THE SACRAMENTO CITY CODE RELATING TO BED AND BREAKFAST INNS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

A. The definition of "bed and breakfast inn" in section 17.108.030 of the Sacramento City Code is amended to read as follows:

> "Bed and breakfast inn" means a dwelling~~, including on-site accessory structures, in which the inn owner or manager resides; and~~ in which~~, for compensation,~~ temporary night-to-night lodging~~ not to exceed 14 consecutive days~~, with or without meals, is being provided for compensation~~, and special events such as banquets, conferences, and weddings may be held~~. A bed and breakfast inn includes on-site accessory structures.

B. Except as specifically amended in subsection A above, all other provisions of section 17.108.030 remain unchanged and in full effect.

SECTION 2.

A. The table set forth in section 17.204.110.B.2. (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Bed and breakfast inn	Subject to special use regulations in section 17.228.104	ZA

B. Except as specifically amended in subsection A above, the tables set forth in section 17.204.110 remain unchanged and in full effect.

SECTION 3.

A. The table set forth in section 17.204.310.B.2. (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Bed and breakfast inn	Subject to special use regulations in section 17.228.104	ZA

B. Except as specifically amended in subsection A above, the tables set forth in section 17.204.310 remain unchanged and in full effect.

SECTION 4.

A. Table 1 of section 17.216.420.B.1. of the Sacramento City Code is amended to read as follows:

Table 1

Category	Permitted uses
Primary	Office High-tech manufacturing research and development (not limited to 25% office—may have 100% office uses) Medical facilities: Hospital Laboratory Skilled nursing facility Research and development Physician's clinic Convalescent hospital Drug/alcohol treatment centers Pharmacy Optician lab or clinic Dental offices Psychiatric hospital or clinic Veterinary clinic; veterinary hospital[1] Educational/vocational/training (public or private) Banks; savings and loans Post office Childcare center
	Light Industrial Uses: Distribution; warehousing Manufacturing High-tech manufacturing research and development (limited to 25% office) Assembly
Support Retail	Health club

	School—dance, music, art, martial arts Automobile-related services (i.e., auto service, parts, repair) Gas sales Restaurant; café; deli Hotel; motel; bed and breakfast inn Consumer retail (maximum 10,000 square feet per store, with an aggregate building size of 30,000 square feet)[2] (e.g., books, food, videos, etc.)
Residential	Multi-unit dwelling

[1] Veterinary clinics and hospitals need a conditional use permit if there is outdoor boarding of animals.

[2] Includes drug stores and office supply stores up to a maximum of 20,000 square feet per store, except EC-65 and EC-80 sites, which have a maximum of 10,000 square feet. Includes auto-related retail uses (excluding gas sales) up to a maximum of 15,000 square feet.

B. Except as specifically amended in subsection A above, all other provisions of section 17.216.420 remain unchanged and in full effect.

SECTION 5.

A. The table set forth in section 17.216.910.A.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Bed and breakfast inn	

B. Except as specifically amended in subsection A above, the tables set forth in section 17.216.910 remain unchanged and in full effect.

SECTION 6.

Section 17.228.104 of the Sacramento City Code is amended to read as follows:

17.228.104 Bed and breakfast inn in residential zones.

A. Bed and breakfast inn in RE, R-1, R-1A, R-1B, and R-2 zones. A zoning administrator's conditional use permit is required to establish a bed and breakfast inn in ~~the R-1, R-1B, and R-2~~ these zones. The bed and breakfast inn shall not have more than seven guest rooms. Conferences, weddings, fund raisers, and similar gatherings of non-lodgers are prohibited.

B. Bed and breakfast inn in R-2A, R-2B, R-3, and R-3A zones. A zoning administrator's conditional use permit is required to establish a bed and breakfast inn in ~~the R-2A, R-2B, R-3 and R-3A~~ these zones. The bed and breakfast inn shall

not have more than ~~seven~~ 14 guest rooms. In these zones, the zoning administrator's conditional use permit may ~~permit~~ allow facilities for conferences, weddings, fund raisers, and other similar gatherings and functions attended by non-lodgers as a part of the bed and breakfast inn use, and may include conditions restricting type, frequency, and timing of events, and other limits on operations as the decision-maker determines necessary to issue the conditional use permit. Except as expressly authorized in the conditional use permit, gatherings and functions attended by non-lodgers are prohibited.

C. Notwithstanding subsections A and B of this section, a short-term rental, as defined in subsection D, is a permitted use of a dwelling and a zoning administrator's conditional use permit is not required for that use. A short-term rental must comply with the requirements in chapter 5.114. The provisions of chapter 17.228 (Home Occupations) do not apply to short-term rentals.

D. For purposes of this section, a "short-term rental" means a bed and breakfast inn that is limited as follows:

1. Lodging is provided for no more than six persons at any time; and

2. If the dwelling is not the primary residence of the owner, lodging is provided for no more than an aggregate of 90 days in any calendar year. "Primary residence of the owner" means the dwelling in which the owner resides for more than six months during a calendar year.

E. Except as specifically stated, nothing in this section exempts the operation of a bed and breakfast inn or short-term rental from the requirements of any other provision of this code, including chapter 3.08 (Business Operations Tax) and chapter 3.28 (Uniform Transient Occupancy Tax).

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE AMENDING VARIOUS SECTIONS OF TITLE 17 OF THE SACRAMENTO CITY CODE RELATING TO BED AND BREAKFAST INNS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

A. The definition of "bed and breakfast inn" in section 17.108.030 of the Sacramento City Code is amended to read as follows:

> "Bed and breakfast inn" means a dwelling in which temporary night-to-night lodging, with or without meals, is being provided for compensation. A bed and breakfast inn includes on-site accessory structures.

B. Except as specifically amended in subsection A above, all other provisions of section 17.108.030 remain unchanged and in full effect.

SECTION 2.

A. The table set forth in section 17.204.110.B.2. (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Bed and breakfast inn	Subject to special use regulations in section 17.228.104	ZA

B. Except as specifically amended in subsection A above, the tables set forth in section 17.204.110 remain unchanged and in full effect.

SECTION 3.

A. The table set forth in section 17.204.310.B.2. (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Bed and breakfast inn	Subject to special use regulations in section 17.228.104	ZA

B. Except as specifically amended in subsection A above, the tables set forth in section 17.204.310 remain unchanged and in full effect.

SECTION 4.

A. Table 1 of section 17.216.420.B.1. of the Sacramento City Code is amended to read as follows:

Table 1

Category	Permitted uses
Primary	Office High-tech manufacturing research and development (not limited to 25% office—may have 100% office uses) Medical facilities: Hospital Laboratory Skilled nursing facility Research and development Physician's clinic Convalescent hospital Drug/alcohol treatment centers Pharmacy Optician lab or clinic Dental offices Psychiatric hospital or clinic Veterinary clinic; veterinary hospital[1] Educational/vocational/training (public or private) Banks; savings and loans Post office Childcare center
	Light Industrial Uses: Distribution; warehousing Manufacturing High-tech manufacturing research and development (limited to 25% office) Assembly
Support Retail	Health club School—dance, music, art, martial arts Automobile-related services (i.e., auto service, parts, repair) Gas sales

	Restaurant; café; deli Hotel; motel; bed and breakfast inn Consumer retail (maximum 10,000 square feet per store, with an aggregate building size of 30,000 square feet)[2] (e.g., books, food, videos, etc.)
Residential	Multi-unit dwelling

[1] Veterinary clinics and hospitals need a conditional use permit if there is outdoor boarding of animals.

[2] Includes drug stores and office supply stores up to a maximum of 20,000 square feet per store, except EC-65 and EC-80 sites, which have a maximum of 10,000 square feet. Includes auto-related retail uses (excluding gas sales) up to a maximum of 15,000 square feet.

B. Except as specifically amended in subsection A above, all other provisions of section 17.216.420 remain unchanged and in full effect.

SECTION 5.

A. The table set forth in section 17.216.910.A.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Bed and breakfast inn	

B. Except as specifically amended in subsection A above, the tables set forth in section 17.216.910 remain unchanged and in full effect.

SECTION 6.

Section 17.228.104 of the Sacramento City Code is amended to read as follows:

17.228.104 Bed and breakfast inn in residential zones.

A. Bed and breakfast inn in RE, R-1, R-1A, R-1B, and R-2 zones. A zoning administrator's conditional use permit is required to establish a bed and breakfast inn in these zones. The bed and breakfast inn shall not have more than seven guest rooms. Conferences, weddings, fund raisers, and similar gatherings of non-lodgers are prohibited.

B. Bed and breakfast inn in R-2A, R-2B, R-3, and R-3A zones. A zoning administrator's conditional use permit is required to establish a bed and breakfast inn in these zones. The bed and breakfast inn shall not have more than 14 guest rooms. In these zones, the zoning administrator's conditional use permit may allow facilities for conferences, weddings, fund raisers, and other similar gatherings and functions attended by non-lodgers as a part of the bed and

breakfast inn use, and may include conditions restricting type, frequency, and timing of events, and other limits on operations as the decision-maker determines necessary to issue the conditional use permit. Except as expressly authorized in the conditional use permit, gatherings and functions attended by non-lodgers are prohibited.

C. Notwithstanding subsections A and B of this section, a short-term rental, as defined in subsection D, is a permitted use of a dwelling and a zoning administrator's conditional use permit is not required for that use. A short-term rental must comply with the requirements in chapter 5.114. The provisions of chapter 17.228 (Home Occupations) do not apply to short-term rentals.

D. For purposes of this section, a "short-term rental" means a bed and breakfast inn that is limited as follows:

1. Lodging is provided for no more than six persons at any time; and

2. If the dwelling is not the primary residence of the owner, lodging is provided for no more than an aggregate of 90 days in any calendar year. "Primary residence of the owner" means the dwelling in which the owner resides for more than six months during a calendar year.

E. Except as specifically stated, nothing in this section exempts the operation of a bed and breakfast inn or short-term rental from the requirements of any other provision of this code, including chapter 3.08 (Business Operations Tax) and chapter 3.28 (Uniform Transient Occupancy Tax).