

Introduced by: _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE ZONING CODE (TITLE 17) TO ADD SECTION 17.50.296 TO CHAPTER 17.50 OF THE PASADENA MUNICIPAL CODE PERTAINING TO SHORT-TERM RENTALS

The People of the City of Pasadena ordain as follows:

SECTION 1. This ordinance, due to its length and corresponding cost of publication, will be published by title and summary as permitted in Section 508 of the Pasadena City Charter. The approved summary of this ordinance is as follows:

“Summary

This proposed ordinance amends the Zoning Code (Title 17) to add Section 17.50.296 to Chapter 17.50 of the Pasadena Municipal Code, which establishes regulations to permit short-term rental activity as an accessory use to a dwelling unit, and requires remittance of Transit Occupancy Tax.

Ordinance No. _____ shall take effect 30 days from its publication.”

SECTION 2. Pasadena Municipal Code, Title 17, Article 5, Chapter 17.50, Section 17.50.296 (Short-Term Rentals) is added as follows:

“17.50.296 – Short-Term Rentals

- A. **Applicability.** The following standards apply to short-term housing rentals whereby a dwelling unit is shared, in whole or in part, for transient occupancy as a way of generating rental income.

B. **Definitions.** For the purposes of this Section, the following words or phrases shall have the following meanings:

1. **Home-Sharing.** An accessory use of a primary residence for the purposes of providing temporary lodging, for compensation, for periods of 30 consecutive days or less.
2. **Host.** An occupier of a dwelling unit who rents his/her primary residence for home-sharing under this Section.
3. **Hosted Stay.** A home-sharing activity whereby the host remains on-site throughout the guest's stay (except during daytime and/or work hours).
4. **Hosting Platform.** A marketplace in whatever form or format which facilitates the short-term rental activity, through advertising, match-making, or any other means, using any medium of facilitation, and from which the operator of the hosting platform derives revenues, including booking fees or advertising revenues, from providing or maintaining the marketplace.
5. **Primary Residence.** A host's permanent residence or usual place of return for housing as documented by at least two of the following and in the host's name: motor vehicle registration; driver's license, voter registration; tax documents showing the residential unit as the host's residence; or a utility or cellular phone bill. A person may have only one primary residence and must reside there for a minimum of 9 months per year.

6. **Un-Hosted Stay.** A home-sharing activity whereby the host remains off-site during the guest's stay.
7. **Vacation Rental.** A dwelling unit that is not a primary residence and which is available for temporary lodging, for compensation. The term "vacation rental" shall not include: single-room occupancy buildings; bed and breakfast inns; hotels; a dwelling unit for which a tenant has a month-to-month rental agreement and the rental payments are paid on a monthly basis; or corporate housing.

- C. **Eligible Types of Dwelling Units.** Short-term rentals shall be permitted in single-family residences, duplexes, condominiums, townhomes, and multi-family rental units, except covenant restricted (affordable) and Section 8 units.
- D. **Vacation Rentals Prohibited.** Vacation rentals, as defined in this Section, are a prohibited use and shall not be operated in the City.
- E. **Short-Term Rental Permit.** The host is required to obtain a short-term rental permit from the City, pursuant to the provisions of this Section, before renting any primary residence to a transient occupant/guest.
1. **Application.** To apply for a short-term rental permit, a host shall file an application with the Planning and Community Development Department on a form provided by the Department, and shall include all information required by the instructions on the application and the guidelines necessary to implement this Section, which guidelines may be approved

by the City Manager or his/her designee.

2 **Eligibility Requirements.** The following requirements must be met for approval of a short-term rental permit:

- a. The host shall obtain a Transient Occupancy Registration Certificate from the Finance Department.
- b. The host shall sign a notarized affidavit confirming that:
 - i. The short-term rental unit is his/her primary residence and that the local responsible contact person or property management company will be available 24 hours per day.
 - ii. The space used for short-term rental meets or exceeds fire and life safety requirements, including installation of smoke and carbon monoxide detectors, and adequate means of egress.
 - iii. The abutting property owners and occupants will be notified prior to the start of activity that the host's primary residence will be used for short-term rental
 - iv. For tenants, renters, or lessees of residential units engaging in short-term rental, that he/she has notified their landlord/property owner of their intent to sublease their unit as a short-term rental.
- c. For properties with existing legally permitted accessory dwelling

units or accessory structures constructed or issued building permits for prior to January 1, 2017, the term "primary residence" shall refer to the parcel of land and constitute both the main structure and the subordinate unit, both of which can be used for short-term rental activity provided the main structure is the host's permanent residence. An accessory dwelling unit or accessory structure permitted after January 1, 2017 shall not be used for short-term rental

- d. The host shall demonstrate that an accessory structure is legally permitted and habitable based on building permit history. In the absence of a building permit record demonstrating such, the Building Official shall determine if the accessory structure is suitable for habitability and an inspection of the accessory structure may be required.
- e. Notwithstanding Subsection 17.50.296(E)(2)(b)(i), for owner-occupied properties with multiple dwelling units, including duplexes, triplexes, or apartment complexes, and generally containing rental units, the owner of such property may short-term rent his/her primary residence plus one additional dwelling unit on the property.
- f. If a primary residence is subject to the rules of a homeowners' or condominium association, allowance to engage in short-term rental

through this Section shall not be inferred to grant any permission that invalidates or supersedes provisions in those documents.

- g. The host shall sign an indemnification and hold harmless agreement in a form approved by the City Attorney, agreeing to indemnify, save, protect, hold harmless, and defend the City of Pasadena, the City Council of the City of Pasadena, individually and collectively, and the City of Pasadena representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, or costs at any time received, incurred, or accrued as a result of, or arising out of host's actions or inaction in the operation, occupancy, use, and/or maintenance of the property.

3. **Expiration and Renewal.** A short-term rental permit is valid for one (1) year from the date of issuance. It may not be transferred, does not run with the land, and is valid only at the original short-term rental site. A short-term rental permit may be renewed if the host meets the renewal requirements including: (1) pays the renewal fee; (2) is deemed to have been in substantial conformance with the provisions of this Section for the past year; (3) documents and provides any changes that have occurred to the information on the current short-term rental application; and 4) submits

short-term rental records described in Subsection 17.50.296(G)(2) for the last year to demonstrate compliance with this Section as part of the renewal. Without a renewal application submitted within one (1) year to the date of the issuance of the short-term rental permit, or prior renewal, a permit is considered null and void.

4. **Suspensions and Revocations.** Notwithstanding any other provision of the Pasadena Municipal Code to the contrary, the City may require the modification, discontinuance, or revocation of the short-term rental permit if it is found that violations of this Section have occurred, in addition to any other city, state, or federal regulation, ordinance, or statute. Short-term rental may not occur while a violation remains open. The Planning and Community Development Director shall give notice to the host/record owner of the real property affected to appear at an administrative hearing at a time and place fixed by the City Manager or his/her designee and show cause why the short-term rental approval should not be modified, discontinued, or revoked pursuant to PMC Chapter 1.25. If a short-term rental permit is revoked, the host must wait at least one year before he/she can apply and register for short-term rental again.

F. Short-Term Rental Regulations.

1. Short-term rentals shall not adversely affect the residential character of the neighborhood nor shall the use generate noise, vibration, glare, odors,

or other effects that unreasonably interfere with any person's reasonable enjoyment of his or her residence. To this effect, the short-term rental activity shall comply with all provisions of the Pasadena Municipal Code, including Chapter 9.36 (Noise Restrictions) and Chapter 8.64 (Litter Control).

2. No person shall advertise, undertake, maintain, authorize, book, or facilitate any renting to transient guests in a manner that does not comply with this Section.
3. No person shall advertise any short-term rental without a City issued short-term rental permit number depicted in a visible location on the advertisement, including any listing on a hosting platform.
4. Un-hosted stays shall be limited to a maximum of 90 days per year. There shall be no limit for hosted stays.
5. Short-term rentals shall not be used by more than 2 guests per bedroom plus 2 additional guests at one time.
6. Commercial events, commercial parties, or commercial group gatherings, including but not limited to weddings, banquets, and corporate events, are prohibited from occurring as part of the short-term rental use. The dwelling shall not be short-term rented for the sole purpose of accommodating such uses.
7. Parking for the short-term rental use shall be provided on-site.

8. No signs shall be posted on the exterior of the dwelling advertising the presence of the short-term rental use.
9. No person shall offer or engage in short-term rental in any part of the property not approved for residential use, including but not limited to, a vehicle parked on the property, a storage shed, trailer, garage, or any temporary structure like a tent.

G. Host Requirements.

1. The host shall be responsible for any nuisance violations arising at a property during short-term rental activities.
2. The host shall keep and preserve, for a period of three years, all records as may be necessary to determine the amount of such tax as he/she may have been liable for the collection of and payment to the City, including the number and length of each short-term rental stay, and the price paid for each stay. The Planning and Community Development Department and/or the Finance Department shall have the right to inspect these records at all reasonable times. Hosts shall provide a copy of the records from the last year to the Planning and Community Development Department at the time of renewing the short-term rental permit.
3. The host shall fully comply with all the requirements of PMC Chapter 4.44 (Transient Occupancy Tax) and any successor sections.
4. The host shall provide and maintain fire extinguishers, smoke detectors,

carbon monoxide detectors, and information related to emergency exit routes and emergency contact information.

H. **Fees.** The City Council may establish and set by Resolution all fees and charges as may be necessary to effectuate the purpose of this Section.

I. **Enforcement.**

1. Enforcement of this Chapter shall be subject to the processes and procedures in Chapters 1.24 and 1.25 of the Pasadena Municipal Code.
2. Any person failing to comply with any provision of this Section shall be deemed guilty of a violation of the Pasadena Municipal Code, which may be punishable as outlined in Chapter 1.24 (General Penalty) of the Pasadena Municipal Code, and may be subject to any other penalty or enforcement mechanism available to the City.
3. Three violations against the same property being used for short-term rental may result in the automatic suspension of the permit. After notice and a hearing before the city manager or his/her designated administrator as provided in Chapter 1.25 (Administrative Penalties – Compliance Orders), the permit may be revoked. If a short-term rental permit is revoked, the host must wait at least one year before he/she can apply and register for short-term rental again.
4. Any person convicted of violating any provision of this Section in a criminal case or found to be in violation of this Section in a civil case brought by a

law enforcement agency shall be ordered to reimburse the City and other participating law enforcement agencies their full investigative costs, pay all back Transit Occupancy Taxes, and remit all illegally obtained rental revenue to the City so that it may be returned to the short-term rental guests or used to compensate victims of illegal short-term rental activities.

5. Any person who violates any provision of this Section shall be subject to administrative fines and administrative penalties pursuant to PMC Section 1.25.160 and Section 1.25.170.
6. The remedies provided in this Section are not exclusive, and nothing in this Section shall preclude the use or application of any other remedies, penalties, or procedures established by law.”

SECTION 4. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published by title and summary.

SECTION 5. This ordinance shall take effect 30 days from its publication.

Signed and approved this _____ day of _____, 2017.

Terry Tornek
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its meeting held this _____ day of _____ 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Date Published:

Mark Jomsky
City Clerk

Approved as to form:



Theresa E. Fuentes
Assistant City Attorney