



CITY OF ATASCADERO PLANNING COMMISSION

HOW TO OBSERVE THE MEETING:

Interested individuals may attend the meeting in-person at Atascadero City Hall. To observe remotely, the meeting may be livestreamed on [Zoom](#). The video recording of the meeting will be available through the City's website and on the City's YouTube Channel. To observe remotely using the Zoom platform please visit:

<https://us02web.zoom.us/j/83250238111>

HOW TO SUBMIT PUBLIC COMMENT:

Public comment may be provided in-person.

Written public comments are accepted at pc-comments@atascadero.org. **Comments should identify the Agenda Item Number in the subject line of the email.** Such comments will be forwarded to the Planning Commission and made a part of the administrative record. ***To ensure distribution to the Planning Commission before consideration of an item, please submit comments not later than 12:00 p.m. the day of the meeting.*** All correspondence will be distributed to the Planning Commission, posted on the City's website, and be made part of the official public record of the meeting. ***Please note, comments will not be read into the record.*** Please be aware that communications sent to the Planning Commission are public records and are subject to disclosure pursuant to the California Public Records Act and Brown Act unless exempt from disclosure under applicable law. Communications will not be edited for redactions and will be printed/posted as submitted.

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CITY OF ATASCADERO PLANNING COMMISSION AGENDA

**REGULAR MEETING
Tuesday, March 4, 2025
6:00 P.M.**

**City Hall Council Chambers
6500 Palma Avenue, 4th Floor
Atascadero, California 93422**

CALL TO ORDER

Pledge of Allegiance

ROLL CALL: Chairperson Tori Keen
Vice Chairperson Jason Anderson
Commissioner Victoria Carranza
Commissioner Catherine David
Commissioner Greg Heath
Commissioner Maggie O'Malley
Commissioner Eric Pennachio

APPROVAL OF AGENDA

PUBLIC COMMENT (This portion of the meeting is reserved for persons wishing to address the Commission on any matter not on this agenda and over which the Commission has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. The Commission may take action to direct the staff to place a matter of business on a future agenda.)

CONSENT CALENDAR (All items on the consent calendar are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Commission or public wishes to comment or ask questions.)

1. APPROVAL OF THE DRAFT MINUTES OF FEBRUARY 4, 2025

- **Recommendation:** Commission approve the February 4, 2025 Minutes.

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PLANNING COMMISSION BUSINESS

COMMUNITY DEVELOPMENT STAFF REPORTS

None

PUBLIC HEARINGS

(For each of the following items, the public will be given an opportunity to speak. After a staff report, the Chair will open the public hearing and invite the applicant or applicant's representative to make any comments. Members of the public will be invited to provide testimony to the Commission following the applicant. Speakers should state their name for the record and can address the Commission for three minutes. After all public comments have been received, the public hearing will be closed, and the Commission will discuss the item and take appropriate action(s).

DISCLOSURE OF EX PARTE COMMUNICATIONS:

Prior to a project hearing, Planning Commission Members must disclose any communications they have had on any quasi-judicial agenda items. This includes, but is not limited to, Tentative Subdivision Maps, Parcel Maps, Variances, Conditional Use Permits and Planned Development Permits. This does not disqualify the Planning Commission Member from participating and voting on the matter, but gives the public and applicant an opportunity to comment on the ex parte communication.

2. AMENDMENT TO TITLE 9, EXTENDED STAY HOTELS

The project is a request to consider Amendments to Title 9 of the Municipal Code to establish land use standards for extended stay hotels. (ZCH24-0107)

CEQA: This action is exempt from the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") because it can be seen with certainty that there is no possibility that the enactment of this Ordinance would have a significant effect on the environment (Public Resources Code §21605, CEQA Guidelines §15061(b)(3)).

- Recommendation: Staff's recommendation is for the Planning Commission to adopt the Draft Resolution recommending that the City Council approve ZCH24-0107 (Zone Change) based on findings.

COMMISSIONER COMMENTS AND REPORTS

DIRECTOR'S REPORT

ADJOURNMENT

The next regular meeting will be on March 18, 2025, at City Hall, Council Chambers, 6500 Palma Ave., Atascadero, CA.

Please note: Should anyone challenge in court any proposed development entitlement listed on this Agenda, that person may be limited to raising those issues addressed at the public hearing described in this notice or in written correspondence delivered to the Planning Commission at, or prior to, this public hearing.

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*City of Atascadero***WELCOME TO THE ATASCADERO PLANNING COMMISSION MEETING**

The Planning Commission meets in regular session on the first and third Tuesday of each month at 6:00 p.m. at City Hall, Council Chambers, 6500 Palma Avenue, Atascadero. Matters are considered by the Commission in the order of the printed Agenda. Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the Community Development Department and are available for public inspection during City Hall business hours at the Front Counter of City Hall, 6500 Palma Avenue, Atascadero, and on our website, www.atascadero.org. All documents submitted by the public during Commission meetings that are either read into the record or referred to in their statement will be noted in the minutes and available for review in the Community Development Department. Commission meetings are audio recorded, and may be reviewed by the public. Copies of meeting recordings are available for a fee. Contact the City Clerk for more information at (805) 470-3400.

TO SPEAK ON SUBJECTS NOT LISTED ON THE AGENDA

Under Agenda item, "PUBLIC COMMENT", the Chairperson will call for anyone from the audience having business with the Commission to approach the lectern and be recognized.

1. Give your name for the record (not required).
2. State the nature of your business.
3. All comments are limited to 3 minutes.
4. All comments should be made to the Chairperson and Commission.
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present.

This is when items not on the Agenda may be brought to the Commission's attention. A maximum of 30 minutes will be allowed for Public Comment Portion (unless changed by the Commission).

TO SPEAK ON AGENDA ITEMS (from Title 2, Chapter 1 of the Atascadero Municipal Code)

Members of the audience may speak on any item on the agenda. The Chairperson will identify the subject, staff will give their report, and the Commission will ask questions of staff. The Chairperson will announce when the public comment period is open and will request anyone interested to address the Commission regarding the matter being considered to step up to the lectern. If you wish to speak for, against or comment in any way:

1. You must approach the lectern and be recognized by the Chairperson.
2. Give your name (not required).
3. Make your statement.
4. All comments should be made to the Chairperson and Commission.
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present.
6. All comments limited to 3 minutes.

If you wish to use a computer presentation to support your comments, you must notify the Community Development Department at (805) 461-5035 at least 24 hours prior to the meeting. Digital presentations brought to the meeting should be on a USB drive or CD. You are required to submit to the Recording Secretary a printed copy of your presentation for the record. Please check in with the Recording Secretary before the meeting begins to announce your presence and turn in the printed copy.

The Chairperson will announce when the public comment period is closed, and thereafter, no further public comments will be heard by the Commission.

HOW TO SUBMIT PUBLIC COMMENT:

If you wish to comment, please email public comments to: pc-comments@atascadero.org by 12:00 pm on the day of the meeting. Such email comments must identify the Agenda Item Number in the subject line of the email. The comments will be forwarded to the Planning Commission and made a part of the administrative record. If a comment is received after the deadline for submission but before the close of the meeting, the comment will still be included as a part of the administrative record of the meeting but will be forwarded to the Planning Commission the next business day. **Please note, email comments will not be read into the record.**

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CITY OF ATASCADERO PLANNING COMMISSION

DRAFT MINUTES

Regular Meeting – Tuesday, February 4, 2025 – 6:00 P.M.

City Hall

6500 Palma Avenue, Atascadero, California

CALL TO ORDER - 6:00 p.m.

Chairperson Keen called the meeting to order at 6:08 p.m. and Vice Chairperson van den Eikhof led the Pledge of Allegiance.

ROLL CALL

Present: Commissioners Anderson, Carranza, Heath, Hughes, Schmidt, Vice Chairperson van den Eikhof, and Chairperson Keen

Absent: None

Vacant: None

Others Present: Annette Manier, Recording Secretary
Taylor Foland, Assistant City Attorney

Staff Present: Phil Dunsmore, Community Development Director
Kelly Gleason, Planning Manager
Erick Gomez, Associate Planner
Sam Mountain, Assistant Planner
Alyssa Slater, Deputy City Clerk

APPROVAL OF AGENDA

MOTION: By Vice Chairperson van den Eikhof and seconded by Commissioner Carranza to approve the Agenda.

Motion passed 7:0 by a roll-call vote.

PUBLIC COMMENT

None.

Chairperson Keen closed the Public Comment period.

CONSENT CALENDAR

1. APPROVAL OF THE DRAFT MINUTES OF DECEMBER 17, 2024

- Recommendation: Commission approve the December 17, 2024 Minutes.

MOTION: By Commissioner Schmidt and seconded by Commissioner Anderson to approve the Consent Calendar.

Motion passed 7:0 by a roll-call vote.

PLANNING COMMISSION BUSINESS

A. Administration of Oaths of Office

Administration of Oath of Office to new Planning Commissioners Maggie O'Malley, Eric Pennachio, and Catherine David; and returning Planning Commissioners Greg Heath, Jason Anderson, Victoria Carranza, and Tori Keen.

Roll Call:

Recording Secretary Manier performed roll call with new Commissioners seated.

PRESENTATION

- A.** Recognition of outgoing Planning Commission members Jeff van den Eikhof, Dennis Schmidt, and Randy Hughes.

Director Dunsmore and Chairperson Keen thanked Commission members for their contributions to the Commission and the City.

PLANNING COMMISSION REORGANIZATION:

A. Election of Chairperson and Vice Chairperson

The Commission will select a Chairperson and Vice Chairperson.

Chairperson Keen opened nominations for Chairperson and Vice Chairperson.

MOTION: By Commissioner Anderson and seconded by Commissioner Carranza to nominate Chairperson Keen as Chairperson. Chairperson Keen accepted the nomination.

Motion passed 7:0 by a roll-call vote.

MOTION: By Commissioner Heath and seconded by Chairperson Keen to nominate Commissioner Anderson as Vice

Chairperson. Commissioner Anderson accepted the nomination.

Motion passed 7:0 by a roll-call vote.

COMMISSIONER COMMENTS AND REPORTS

Commissioner Carranza gave an update on the downtown murals.

New and returning Commissioners made brief introductions about their background.

DIRECTOR'S REPORT

Director Dunsmore stated that we will have an upcoming training session for the Commission, and will work on dates and times that will work for everyone.

Director Dunsmore spoke about offering a tour of new development sites, and spoke about the General Plan Update.

Assistant City Attorney Foland said she will be sending out the Brown Act to new Commissioners.

ADJOURNMENT – 6:46 p.m.

The next regular meeting of the Planning Commission will be held on February 18, 2025.

MINUTES PREPARED BY:

Annette Manier, Recording Secretary
Administrative Assistant

Adopted



CITY OF ATASCADERO

PLANNING COMMISSION STAFF REPORT

Item: 2
Department: Community Development
Date: 3/4/2025

Extended Occupancy Hotels and Motels (PILOT Program)

TO: Phil Dunsmore, Community Development Director

FROM: Kelly Gleason, Planning Manager

PREPARED BY: Kelly Gleason, Planning Manager

SUBJECT: Extended Occupancy Hotels and Motels/ PILOT Program (ZCH24-0107)

RECOMMENDATION:

Planning Commission adopt Draft Resolution, recommending the City Council adopt a text amendment to Title 9, adding extended stay hotel/motel as a use, modifying definitions, and providing standards and a fee for such uses, based on findings.

DISCUSSION:

BACKGROUND

The purpose of a hotel, motel or similar lodging facility is to accommodate short term or “transient” lodging within a commercial zoning district. Long-term stays typically fit the definition of a residential unit such as a house or apartment. Such long-term residential uses are typically not allowed within commercial zones unless approved as part of a mixed-use project. Short term lodging units are different than long term residential units in that they are subject to different building codes, fees, and taxes and have different neighborhood compatibility concerns. The City’s definition for “hotels and motels” requires all stays to be less than 30-days to remain commercial in nature. Consistent with State law, short-term stays are subject to transient occupancy tax (TOT), while stays over 30 days are not.

In order to compete with the Airbnb market, hotels are increasing the number of units that provide kitchens. Additionally, hotels and motels rely on renting a portion of their rooms to long-term stays to help provide occupancy rates during slow times. These rooms are often occupied by traveling nurses or seasonal contractors. With increasing interest in the extended stay hotel model, local hoteliers are looking for options to allow flexibility on the length of stay while remaining a commercial, transient oriented business. A new definition for extended stay hotels and motels, as well as establishing standards for the operation of such, is proposed to increase opportunities for local hotel operators.

CODE TEXT AMENDMENTS

The proposed code text amendment would create a definition for an *Extended Stay Hotel/Motel* and create a set of required standards to establish and operate this use. Extended stay hotels would be allowed in all zoning districts where transient lodging is allowed but would require use permit approval to ensure compliance with conditions and regulations governing certain operating procedures. Standards for these uses are proposed to be added as section 9-6.186, and include the following provisions:

- Requires extended stay guests to have access to all the same amenities and services as short term hotel guests.
- Requirement for the operator to enter into an agreement with the City for fee payment for each extended stay (fee would be considered a payment in lieu of tax aka. PILOT).
- Sets a maximum of 20% of an operator's annual revenue for extended stays
- Establishes a fee penalty for violations of the agreement

The amendments also include minor modifications for consistency with the new definition and standards. These minor changes include refinements to the definition of Recreational Vehicle Parks to specify requirements for short-term stays only and modification to the kitchen allowances for hotels to clarify that hotels with kitchens in more than 10% of rooms must now be considered as extended-stay hotels.

ANALYSIS:

Historically, Atascadero has been a housing rich community with a good inventory of housing units, but our region remains in a housing deficit, especially at the below market rate levels. Therefore, it has been prudent to retain policies that protect the commercial nature and tax revenue associated with hotels and motels. However, the expansion of the tourism market and changes to the industry require that City policy be updated to keep up with trends. Traditional hotels are facing significant competition from the residential short-term rental market. Staff has interviewed multiple hotel owners and found that they need an option to provide long-term stays to balance their revenue and staffing.

In 2024, the City amended the Municipal Code to allow for kitchen facilities in hotel rooms, subject to findings and requirements. When kitchens are included in hotel rooms, current code requires recordation of a deed restriction limiting stays to less than 30-days to remain subject to Transient Occupancy Tax (TOT) payment and not be considered a residential apartment. This requirement is included for all hotels and motels through the City's definition, but recordation of a deed restriction provides the City with greater enforcement ability.

While the City has seen some past examples of non-permitted conversion, there is a growing trend toward longer stays (more than 30-days) and the desire to have larger hotel units that include kitchens and living space. There has been an increase in traveling nurses and remote workers looking to experience the central coast for longer than an extended weekend.

Establishing an *Extended Stay Hotel/Motel* use would allow the City to regulate and set standards for the operation of hotels that want to offer flexibility in length of stay. As State law prohibits the collection of TOT for stays 30-days or greater, the City can, through the use permit process, require implementation of standards and agreements that mitigate revenue impacts and ensure that the hotel is maintained as a commercial business. This would be accomplished through a Payment In-Lieu of Tax (PILOT) agreement that would set occupancy and reporting standards for hoteliers who participate and well as a define penalties for occupancy violations, ensuring that the use remains commercial in nature and provides revenue to the City as a commercial transient lodging use.

CONCLUSION

With a changing trend toward more independent lodging amenities and longer stays, the City is proposing amendments to the Municipal Code to provide flexibility to local hotel operators while ensuring land use and revenue standards are maintained for transient lodging uses. This amendment would apply Citywide for all new hotels, motels, and related lodging facilities that want to offer an extended stay option.

ENVIRONMENTAL DETERMINATION:

The California Environmental Quality Act (CEQA), Section 15061(3)(b), exempts activities which are covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed text amendment will not have any significant adverse environmental impacts.

FINDINGS:

To recommend approval of the proposed project, the Planning Commission must recommend to the City Council the following findings. These findings and the facts to support these findings are included in the attached resolutions.

1. The proposed project or use is consistent with the General Plan;
2. The establishment, and subsequent operation or conduct of the use will not, because of the circumstances and conditions applied in the particular case, be detrimental to the health, safety, or welfare of the general public or persons residing or working in the neighborhood of the use, or be detrimental or injurious to property or improvements in the vicinity of the use;
3. The proposed Zone Change will not create any new significant and unavoidable impacts to traffic, infrastructure, or public service impacts.

ALTERNATIVES:

1. The Planning Commission may recommend modifications to the City Council regarding the proposed text amendment. Any proposed modifications should be clearly restated in any vote on any of the attached resolutions.
2. The Planning Commission may determine that more information is needed on some aspect of the proposed amendments and may refer the item back to staff to develop the additional information. The Commission should clearly state the type of information that is required. A motion, and approval of that motion, is required to continue the item to a future date.
3. The Planning Commission may recommend that City Council deny the proposed amendments. The Commission must specify what findings cannot be made, and provide a brief oral statement, based on the Staff Report, oral testimony, correspondence, or any other rational introduced and deliberated by the Planning Commission.

REVIEWED BY OTHERS:

This item has been reviewed by the Community Development Director, Finance Director, and City Attorney.

REVIEWED AND APPROVED FOR COUNCIL AGENDA

Kelly Gleason, Planning Manager

ATTACHMENTS:

1. Draft PC Resolution

PC RESOLUTION

**RESOLUTION OF THE PLANNING COMMISSION OF THE
CITY OF ATASCADERO, CALIFORNIA, RECOMMENDING THE CITY
COUNCIL AMEND TITLE 9 PLANNING & ZONING, TO ADD EXTENDED
OCCUPANCY HOTEL/MOTEL TO THE LAND USE DEFINITIONS AND
ESTABLISH STANDARDS FOR SUCH USES**

**EXTENDED OCCUPANCY HOTELS AND MOTELS
(ZCH24-0107)**

WHEREAS, the City of Atascadero (6500 Palma Ave., Atascadero, CA 93422), is considering Zone Change Text Amendments to Title 9; and

WHEREAS, Hotels, Motels and other transient lodging facilities are commercial uses and are intended to serve the traveling public; and

WHEREAS, the California revenue and Taxation Code section 7280 grants the City the authority to charge Transient Occupancy Tax for short-term occupancy of hotel and motel facilities; and

WHEREAS, the City relies on a variety of revenue sources generated from commercial uses, such as sales tax and transient occupancy tax; and

WHEREAS, long-term residences are subject to different fees and zoning requirements than commercial hotel or motel uses; and

WHEREAS, current City code requires all hotels and motels to limit occupancy to 30 days or less and prohibits extended occupancy to remain a commercial transient lodging use; and

WHEREAS, enactment of these code provisions provides transient lodging operators a benefit by allowing them an option to offer extended occupancies to transient clients on a limited basis, which is otherwise disallowed by the City; and

WHEREAS, in exchange for this added benefit the City has implemented requirements within this code amendment to ensure maintenance of commercial revenue; and

WHEREAS, the Planning Commission has determined that it is in the best interest of the City to enact amendments to Title 9 Planning and Zoning of the Atascadero Municipal Code for consistency with the General Plan and to maintain a clear and legible set of Zoning Regulations that is easily interpreted by the public and staff; and

WHEREAS, a timely and properly noticed Public Hearing upon the subject Planning and Zoning Text Change application was held by the Planning Commission of the City of Atascadero

at which hearing evidence, oral and documentary, was admitted on behalf of said Planning and Zoning Text Amendments; and

WHEREAS, the laws and regulations relating to the preparation and public notice of environmental documents, as set forth in the State and local guidelines for implementation of the California Environmental Quality Act (CEQA) have been adhered to; and

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Atascadero, California makes the following findings, determinations and recommendations with respect to the proposed Zoning Code Text Amendment:

SECTION 1. Findings for Approval. The Planning Commission finds as follows:

A. Findings for Zone Text Amendment:

1. **FINDING:** The Planning and Zoning Text Change is consistent with General Plan policies and all other applicable ordinances and policies of the City.

FACT: The proposed zoning code text updates are consistent with the General Plan. The modifications to the definitions and establishment of standards to allow for extended stay hotels and motels furthers the city's economic development goals and expands use opportunities through commercial areas.

2. **FINDING:** This Amendment of the Zoning Ordinance will provide for the orderly and efficient use of lands where such development standards are applicable.

FACT: The proposed text expands extended stay options for hotels and motels while maintaining the commercial nature of the use through the adoption of development standards and will not affect the use of land designated for such uses.

3. **FINDING:** The Text Change will not, in itself, result in significant environmental impacts.

FACT: The proposed text amendment is minor and will not result in a physical environment impact. Hotel and motel uses remain allowed in locations designated by the Atascadero Municipal Code.

SECTION 2. CEQA. This Ordinance is exempt from the California Environmental Quality Act (CEQA), Public resources Code Section 21000 et seq., because it can be seen with certainty that there is no possibility that the enactment of this Ordinance would have a significant effect on the environment (Pub. Resources Code § 21065; CEQA Guidelines §§ 15378(b)(4), 15061(b)(3).

SECTION 3. Recommendation of Approval. The Planning Commission of the City of Atascadero, in a regular session assembled on March 4, 2025, resolved to recommend that the City Council introduce for first reading by title only, an Ordinance that would amend the Title 9 of the Atascadero Municipal Code as shown in Exhibit A.

BE IT FURTHER RESOLVED that a copy of this Resolution be delivered forthwith by the Planning Commission Secretary to the City Council of the City of Atascadero.

On motion by Commissioner _____, and seconded by Commissioner _____, the foregoing resolution is hereby adopted in its entirety by the following roll call vote:

AYES: ()

NOES: ()

ABSTAIN: ()

ABSENT: ()

ADOPTED:

CITY OF ATASCADERO, CA

Tori Keen
Planning Commission Chairperson

Attest:

Phil Dunsmore
Planning Commission Secretary

Amend AMC Section 9-6.185 as follows:

9-6.185 Hotels and motels.

Where a hotel or motel is located in a commercial zoning district, the following standards shall apply:

(a) Hotels and motels without kitchens shall be allowed as specified for each zoning district.

(1) Wet bars, as defined in this title, shall be permitted.

(b) Hotels and motels may have ~~full~~ kitchens ~~that include cooking appliances~~ in up to ~~50~~10% of the rooms/units, subject to the following:

(1) The hotel development must contain a minimum of 20 rooms/units;

(2) A deed notification shall be recorded ~~against~~ on the property ~~detailing the commercial nature of the property~~ for restricting the property for commercial uses and short-term occupancies of ~~less than 30-~~days ~~or less~~. The notification shall be in a form approved by the Community Development Director.

(c) ~~Exceptions. Hotels and Motels may have kitchens that include cooking appliances in up to 25% of the rooms/units~~ with approval of an ~~conditional administrative~~ use permit ~~Exceptions to the above standard may be modified~~, subject to the following findings ~~and conditions~~:

(1) The project is designed consistent with the standards of the Atascadero Municipal Code and provides amenities consistent with a tourist serving ~~lodging~~ use; and

(2) The project is located in an area that supports tourist serving activities.

(3) ~~A deed notification shall be recorded on the property restricting the property for commercial uses and short-term occupancies of 30 days or less. The notification shall be in a form approved by the Community Development Director.~~

(4) ~~The operator shall enter into an agreement specifying penalty fees for any violation of the deed notification, municipal code standards, or conditions of approval.~~

~~This section does not apply to Extended-Occupancy Hotels or Motels which are subject to the provisions of section 9-6.186.~~

Add new AMC Section 9-6.186 as follows:

9-6.186 Extended-Occupancy Hotel/Motel

Where a hotel, motel, or similar transient lodging use in a commercial zone allows guests to stay for more than 30 days, the following standards must be met.

Process. An Administrative Use Permit (AUP) shall be required for the approval of any hotel/motel use where stays of more than 30 days occur, subject to the following:

(a) Requirements and conditions. The following shall be required for all hotels/motels offering extended-occupancy rooms:

- (1) The hotel must contain a minimum of 20 rooms/units;
- (2) A deed notification shall be recorded on the property that sets forth the requirements for occupancies greater than 30 days. The notification shall be in a form approved by the Community Development Director.
- (3) The operator (as defined in Section 3-3.02) must enter into an agreement with the City that sets forth the conditions of extended-occupancy that includes, but is not limited to: an extended-occupancy fee payable by the operator for each day of occupancy over 30 days or portion thereof, penalties for non-compliance, and maximum length of occupancy. The agreement will be recorded against the property.
- (4) A maximum of 20% of the operator's overall annual gross revenue for the period July 1 through June 30 of each year may be generated from extended- occupancies (rental periods greater than 30 days).
- (5) The operator must pay the extended-occupancy fee at the same time and according to the reporting and remitting schedule set forth in Section 3-3.07. Late payments of the extended- occupancy fee are subject to the same penalties and interest as set forth in Section 3-3.08.
- (6) For all extended- occupancy revenue in excess of 20% of the annual revenue as defined in subsection (a)(2), a penalty will be assessed and payable by the operator.

(b) Findings. Approval of extended occupancy rooms/units within any hotel, motel, or similar transient lodging use shall be subject to the following findings:

- (1) The hotel/motel is located within a commercial zone of the City.
- (2) None of the extended occupancy is intended to be rented as a permanent residential multi-family room or unit.
- (3) Extended occupancy of a portion of the rooms/units is necessary to ensure the economic viability of the transient lodging and short-term occupancy lodging uses in the hotel/motel.

(c) Kitchen Facilities. Extended-Occupancy Hotels and Motels may have kitchens that include cooking appliances, subject to the following:

- (1) The hotel development must contain a minimum of 20 rooms/units;
- (2) The project is designed consistent with the standards of the Atascadero Municipal Code and provides amenities consistent with a tourist serving lodging use; and
- (3) The project is located in an area that supports tourist serving activities.

Add a new definition to AMC § 9-9.102 to read as follows:

Extended-Occupancy Hotel/Motel. A hotel, motel, or similar transient lodging facility containing twenty or more rooms/units in which a portion of the rooms/units are intended or designed to be used, or which are used, rented or hired out, to be occupied for sleeping purposes by guests who need lodging for extended periods greater than 30 days and typically not greater than several months. Key amenities may include, but are not required to include kitchens or kitchenettes with cooking appliances and may also include separate living and sleeping areas, in-room laundry

facilities and/or on-site laundry services, and more spacious accommodations compared to traditional hotel rooms.

Amend existing definitions in AMC § 9-9.102 to read as follows:

Hotels, Motels. Commercial transient lodging establishments, including hotels, motor hotels, motels, tourist courts, or cabins, primarily engaged in providing overnight or otherwise temporary lodging for ~~less than~~ 30 days or less, with or without meals, for the general public. Transient lodging facilities which accommodate occupancies greater than 30 days are considered “Extended Stay Hotel/Motel”.

Recreational Vehicle Parks. Transient lodging establishments primarily engaged in renting, leasing or otherwise providing overnight or otherwise temporary short-term occupancy sites for 30 days or less or short-term sites for trailers, campers, park model units, or tents, with or without individual utility hookups, but with other facilities such as public restrooms. Does not include incidental camping areas, which are included under "rural sports and group facilities."

Table 3.2 in AMC § 9.3-330 is amended to add a new classification for “Extended Occupancy Hotel/Motel” as follows:

Table 3-2 - Nonresidential Use Table											
Allowed Land Uses and Permit Requirements											
Nonresidential Zones	A Allowed Use, Zoning Clearance Required CUP Conditional Use Permit Required AUP Administrative Use Permit Required <input type="checkbox"/> Not Permitted										
	Permitted Uses By Zones										Special Regulation(s)
	CN	CP	CR	CS	CT	CPK	DC	DO	IP	I	
<u>Extended-Occupancy Hotel/Motel</u>		<u>CUP</u>	<u>AUP</u>	<u>AUP</u>	<u>AUP</u>		<u>CUP</u>				<u>9-6.186</u>