

Short-term Vacation Rentals

Short-term Vacation Rental. The rental of any structure or any portion of any structure for occupancy for dwelling, lodging, or sleeping purposes for 30 consecutive calendar days or less in duration, including detached single-family residences, condominiums, duplexes, twinplexes, townhomes, and multiple-family dwellings.

Hosted. A short-term vacation rental where up to two bedrooms are rented while a long-term resident is present in the housing unit.

Non-hosted. A short-term vacation rental where a structure or portion of a structure is rented without concurrently being occupied by the property owner.

Standards

Short-term vacation rentals shall be located, developed, and operated in compliance with Chapter 5.47, Short-term Vacation Rental Permit, and Chapter 5.04, General Provisions, of the Morro Bay Municipal Code and the following standards.

A. Standards Applicable to All Short-Term Vacation Rentals.

1. **Accessory Dwelling Unit Prohibition.** Short-term vacation rentals shall not be located within accessory dwelling units except as follows:
 - a. **Exemption.** Each legal conforming accessory dwelling unit for which the City has issued a valid business tax certificate prior to March 1, 2016, for use of that unit as a vacation rental, may continue to be used as a vacation rental, provided, that:
 - i. The business tax certificate has remained valid continuously from that date, and Transient Occupancy Tax has been paid in each of each year of operation.
 - ii. Ownership of that accessory dwelling unit is not transferred in any way, by sale, foreclosure, inheritance or otherwise and
 - iii. The habitable area of that accessory dwelling unit is not enlarged in any way.

If any or all of the conditions set forth in a, b, and c are not met, then the rental activity shall immediately cease and said accessory dwelling unit shall no longer be exempt from prohibition of use as a short-term vacation rental.

2. **Parking.** The number of parking spaces required for the applicable Residential Housing Type and Short-Term Vacation Rental pursuant to Table TBD, Required Number of Parking Spaces, shall be provided on-site.
 - a. Short-term vacation rentals are prohibited on properties that do not provide the number of required parking spaces for the applicable Residential Housing Type pursuant to Table TBD, Required Number of Parking Spaces.
 - b. Required parking shall be provided on-site. The allowance for off-site parking pursuant to Section TBD.B.1, Allowance for Off-Site Parking, shall not apply to short-term vacation rentals.
 - c. Occupants of Short-Term Vacation Rentals shall only park vehicles on-site and shall only park in spaces that meet the development and design requirements of Chapter TBD, Parking and Loading.
 3. **No Transfer of Vacation Rental Upon Sale of Property.** A short-term vacation rental license shall not be transferred from a seller to a buyer of real property. A short-term vacation rental license may transfer to the designated beneficiary of real property upon death.
 4. **Existing Nonconforming Vacation Rentals.** Any short-term vacation rentals that are licensed and operating upon the effective date of this ordinance may continue to operate so long as the vacation rental license remains in effect and in use, ~~and~~ Transient Occupancy Tax is paid, and the number of tenancies per month does not exceed two per calendar month with a maximum of ten total days rented in any calendar month.
- B. **Additional Standards Applicable to Non-hosted Short-term Vacation Rentals in Residential Districts.**
1. **Location.** In Residential Districts, non-hosted short-term vacation rentals shall be located a minimum of 200-250 feet from any other non-hosted short-term vacation rental.
 2. **Number of Tenancies.** In Residential Districts, non-hosted short-term vacation rentals are limited to four individual tenancies per calendar month. The first day of each tenancy determines the month assigned to that tenancy. No additional occupancy of the residence (with the exception of the property owner and private non-paying guests) shall occur.
 3. **Number of Tenants.** In Residential Districts, the~~The~~ number of tenants in non-hosted short-term vacation rentals shall not exceed ~~the number that can be accommodated by the provided onsite parking, and shall not exceed~~ two persons per bedroom ~~plus two additional persons.~~

C. **Additional Standards Applicable to Hosted Short-term Vacation Rentals in Residential Districts.**

1. ***Number of Tenants.*** ~~The~~ In Residential Districts, the number of tenants in hosted short-term vacation rentals shall not exceed two persons per bedroom.~~the number that can be accommodated by the provided onsite parking, and shall not exceed two persons per bedroom plus two additional persons.~~
2. ***Number of Bedrooms.*** In Residential Districts, the number of bedrooms rented in hosted short-term vacation rentals shall not exceed two.
- ~~2.3.~~ ***Owner Occupation.*** The property owner shall be present during all guest stays and shall be on-site a minimum of 50 percent of the time during the rental. When the property owner is not on-site, the owner or a designated responsible party shall be within a 30-minute drive of the property at all times during the rental.