**CITY OF SALINAS**

**FINANCE COMMITTEE**

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DATE:          **MARCH 4, 2019**

DEPARTMENT:    **COMMUNITY DEVELOPMENT DEPARTMENT**

FROM:          **MEGAN HUNTER, DIRECTOR**

TITLE:          **ZONING AMENDMENT TO ALLOW THE TEMPORARY USE OF EMPLOYEE OR INTERIM HOUSING IN EXISTING PROPERTIES DEVELOPED AS A HOTEL OR MOTEL**

RECOMMENDED MOTION:

A motion to recommend the City Council Adopt an ordinance amending Section 37-50.300 (Temporary Use of Land) of Chapter 37 of the Salinas Municipal Code (Zoning) for temporary employee and interim housing in existing properties developed as a hotel or motel.

DISCUSSION:

The proposed Zoning Code Amendment would permit the conversion of a hotel or motel for temporary employee or interim housing. The proposed amendment would limit the conversion of a hotel/motel to a six-month period with one six-month extension, not to exceed one year. The proposed amendment also includes operational standards to ensure community compatibility and to minimize potential hazards. The purpose of the amendment is to facilitate the urgent need for short-term housing while the city works with key stakeholders to develop a long-term solution. This amendment would allow employee and interim housing to continue beyond the twenty-eight (28) day occupancy restriction for hotels or motels.

State and city regulations allow for the collection of transient occupancy tax (TOT) for the first twenty-eight days of occupancy. Under the new Zoning Code Amendment, hotel/motel operators would still be required to pay TOT for the first twenty-eight days of occupancy.

The proposed ordinance is scheduled to be considered by the Planning Commission on March 6th and by City Council on March 19th.

FISCAL AND SUSTAINABILITY IMPACT:

Under the Zoning Code Amendment, the temporary use of land permit (TULP) would be effective on the 29th day of occupancy. As a result, the hotel/motel operator would still have to pay for TOT for the first twenty-eight 28 days of occupancy.