



## **CITY OF SALINAS PLANNING COMMISSION REPORT**

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**DATE: JUNE 16, 2021**

**TO: PLANNING COMMISSION**

**FROM: COURTNEY GROSSMAN, PLANNING MANAGER**

**BY: THOMAS WILES, SENIOR PLANNER**

**TITLE: ZONING CODE AMENDMENT 2021-003; AN ORDINANCE AMENDING CHAPTER 37 OF THE SALINAS MUNICIPAL CODE (ZONING CODE) MODIFYING EXTENDED STAY REGULATIONS FOR HOTEL/MOTELS**

### **RECOMMENDED MOTION:**

A motion to approve a Resolution recommending that the City Council: 1) find the project categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15305 and 15061(b)(3); and 2) then adopt an Ordinance amending Chapter 37 of the Salinas Municipal Code (Zoning Code) modifying Extended Stay regulations for Hotel/Motels.

### **RECOMMENDATION:**

Approve a Resolution recommending that the City Council: 1) find the project categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15305 and 15061(b)(3); and 2) then adopt an Ordinance amending Chapter 37 of the Salinas Municipal Code (Zoning Code) modifying Extended Stay regulations for Hotel/Motels.

### **EXECUTIVE SUMMARY:**

Chapter 37, Article VI, Division 14 provides for a process whereby all Zoning Code Amendments are brought before the Planning Commission for a recommendation to the City Council for a final decision. The proposed Zoning Code Amendment (ZCA) would modify the Extended Stay regulations for Hotel/Motels including, but not limited to, clarifying where Extended Stay Hotel/Motels are permitted, increasing length of stay, and modifying development regulations.

### **BACKGROUND:**

On December 4, 2018, the City Council received a report from the National Resource Network

outlining a plan to eliminate the City's structural deficit. This report now referred to as The Salinas Plan recognized that "Salinas's housing crisis threatens community and economic health – and adds to the City's budget pressures with increased service demands and potential dampening of the private investment that helps to drive revenue growth". As a result, The Salinas Plan includes multiple recommendations on ways to combat escalating housing costs and overcrowding within the dynamics created by the region's agricultural and farmworker economy. One of these recommendations specifically contemplates ways to adapt motels/hotels for seasonal workers and as emergency housing for the homeless.

The Salinas Plan, like the Farmworker Housing Study and Action Plan of the Salinas Valley and Pajaro Valley, stresses the need for an immediate solution to provide safe, decent housing for both employee and emergency housing. The Plan notes that many low performing hotels and motels in Salinas and in the region were being used to house agricultural workers despite the occupancy restriction in the Zoning Code. Both studies encouraged the City to facilitate the conversion of these hotels/motels because of the potential consequences. Enforcement of the zoning occupancy provision could force seasonal or H-2A housing into residential areas where permanent residents including farmworkers were in jeopardy of displacement. For this reason, the Farmworker Housing Study, which focused on the creation of permanent farmworker family housing, specifically includes an action to "collaborate with other jurisdiction to develop a model ordinance for the temporary use of hotels/motels for H-2A or other seasonal farmworkers".

In 2019, the former Mayor convened a stakeholder group of agricultural labor contractors, growers, and housing advocates to provide direction to staff on possible legislation. On March 19, 2019, the City Council voted to approve Zoning Code Amendment 2019-001 to permit the conversion of a hotel or motel for temporary employee or interim housing on the 29<sup>th</sup> day of occupancy. The amendment limited the conversion of a hotel/motel to a six-month period with one six-month extension, not to exceed one year. On January 19, 2021, the City Council approved Zoning Code Amendment (ZCA) 2020-002, which permitted the conversion of a hotel or motel for temporary employee or interim housing for one additional period of up to one year. This ZCA was approved to help facilitate the continued need for short-term housing while the city worked with key stakeholders to develop a long-term solution.

Progress on the long-term solution was delayed due to the COVID-19 pandemic. Two subsequent meetings via Zoom have been held with this stakeholder group to finalize the proposed Amendment to Extended Stay, which provides a long-term solution to this need. A public hearing notice for the Planning Commission meeting regarding the proposed Amendment was publicized in the Monterey County Herald on June 4, 2021.

## DISCUSSION:

The Farmworker Housing Study and Action Plan for the Salinas Valley and Pajaro Valley recognizes the need for the conversion of hotels/motels for workforce or emergency housing. Multiple stakeholder groups acknowledge that the conversion of underperforming hotels/motels is

preferable to potential displacement if prohibited in hotels/motels. Proposed requirements for Extended Stay Hotel/Motels include, but are not limited to, the following (see attached draft City Council Ordinance):

1. Requirement for a Conditional Use Permit (CUP) (may be administrative depending on environmental review) in the Commercial Thoroughfare (CT), Commercial Retail (CR), Mixed Arterial Frontage (MAF), Mixed Use (MX), and Village Center (VC) Zoning Districts. Extended Stay in Hotel/Motels in other Zoning Districts would not be permitted. The Amendment would change the requirement for an Extended Stay Hotel/Motel in the MX District from a Site Plan Review (SPR) to a Conditional Use Permit (CUP); and
2. Proposed Extended Stay Hotel/Motels would be required to be constructed subject to the development regulations and design standards of the applicable Zoning District and additional requirements tailored to Extended Stay Hotel/Motels; and
3. Maximum length of stay per individual would be changed from a maximum of 28 days for motel/hotels, or 180 days for Extended Stay Motel/Hotels, to ten (10) months within a three hundred sixty-five (365) day period; and
4. New construction for Extended Stay Hotel/Motels would require the provision of 1.25 off-street parking spaces per guest room plus one parking space per fifty square feet of banquet seating area. In addition, parking for other uses and facilities would be provided as required by [\*Section 37-50.360: Off-street parking and loading spaces regulations\*](#). Existing hotel/motels converted to extended stay would be required to maintain existing parking spaces but would not be required to meet the same parking standard as new construction; and
5. A minimum one hundred fifty (150) square feet per room, including bathroom would be required. Kitchen floor area would not be included in the minimum calculation. Each room would be required to contain a bathroom including a toilet, sink, and shower or tub; and
6. A minimum of five hundred (500) square feet of common area would be required, which could include a dining area. Laundry facilities consisting of individual or common washer and dryer would be required including a minimum of one washer and one dryer to be provided for every 25 rooms; and
7. Existing hotel/motels that are converted to Extended Stay may not have to meet certain development regulations provided specific findings are established; and
8. Compliance would be required with the various operating standards contained in Zoning Code Section 37-50.085 such as 24-hour on-site property management and ongoing maintenance.

Because there are a number of hotels/motels located in the Airport Overlay, any potential legislation needed to be presented to the Airport Land Use Commission (ALUC), further extending the time needed for the adoption of such an Ordinance. On May 24, 2021, the ALUC found the proposed Amendment to Chapter 37 of the City of Salinas' Municipal Code consistent with the 1982 Salinas Municipal Airport Land Use Plan as per attached Resolution 21-001 (see below).

The proposed Amendment is consistent with the Salinas General Plan and other plans and policies adopted by the Salinas City Council and would not result in uses inconsistent with any land use designation. The proposed Amendment would ensure the City continues to support the goals and policies in the Economic Development Element, which recognizes agriculture as a critical component of the city's overall economic prosperity. The Amendment would provide a permanent mechanism to convert underutilized hotels/motels for critical housing. The City of Salinas is facing a housing crisis as documented in the 2019 Monterey County Point in Time Count, which identified 1,182 Salinas residents as homeless. The 2018 Farmworker Housing Study and Action Plan for the Salinas Valley and Pajaro Valley further underscores the housing need, determining that additional 45,560 units of farmworker housing are needed just to alleviate critical overcrowding in farmworker households.

#### Findings:

The proposed Amendment will not reverse existing policies, because the proposed changes would be consistent with the General Plan. The proposed Amendment is in substantial conformance with the purposes, intent, and provisions of the General Plan. The Amendment would eliminate restrictions on Extended Stay for Hotels/Motels such as the 25% percentage limitation on number of rooms for this use and 180-day maximum stay. The amended provisions provide more flexibility to facilitate multiple housing and economic development provisions in the General Plan. Allowing existing, older hotels/motels, many of which are obsolete as tourist destinations, convert to Extended Stay will ensure our workforce has access to safe housing and encourage investment in these properties. This Amendment will also enable non-profit organizations to lease rooms to provide safe temporary housing for those experiencing homelessness while permanent housing is secured. Currently, these organizations must consistently move their clients to avoid hotel/motel occupancy restrictions, which limit stays to 28-days. This Amendment would advance Policy H-3.5 by encouraging and supporting "the provision of housing and services for homeless individuals and families...through public-private partnerships, and through local collaborative efforts". Finally, the proposed Amendment includes operational standards to ensure compatibility with neighboring properties and promotes proper maintenance, reinforcing multiple General Plan policies.

Additional findings in support of the proposed Zoning Code Amendment are incorporated in the attached Planning Commission Resolution.

#### CONCLUSION:

The proposed Zoning Code Amendment advances the City's plans and policies by providing a

flexible and safe residential resource for our workforce, especially farmworkers and residents experiencing displacement due to natural disaster or homelessness. Without the ability to use hotel/motels in this way, these populations would be forced into neighborhoods exacerbating overcrowding or forced onto the streets. The Amendment also incorporates operating standards per the Conditional Use Permit (CUP) process to ensure neighborhood compatibility and safety.

#### CEQA CONSIDERATION:

The environmental impacts of the project have been analyzed in accordance with the California Environmental Quality Act (CEQA). The proposed Zoning Code Amendment is categorically exempt (Class 5) from further environmental analysis per CEQA Guidelines Section 15305 (Minor Alterations in Land Use Limitations). The project is also categorically exempt from CEQA pursuant to Guidelines section 15061(b)(3). This exemption is allowed when the activity, in this case the recommendation of adoption of the Ordinance, does not have the potential for causing a significant effect on the environment. The proposed Amendment includes minor modifications to the provisions for Hotel/Motel, Extended Stay, which will be subject to the Conditional Use Permit (CUP) process to mitigate impacts.

#### TIME CONSIDERATION:

The proposed project is a request for a Zoning Code Amendment, which is a legislative act and not subject to the Permit Streamlining Act (PSA).

#### ALTERNATIVES AVAILABLE TO THE COMMISSION:

The Planning Commission has the following alternatives:

- 1) Affirm the findings set forth in the attached Resolution, recommending that the City Council find the Amendment exempt from CEQA and introduce and then adopt the Amendment with modifications; or
- 2) Find that the amendment is not appropriate and establish findings at the public hearing recommending that the City Council deny the Amendment.

#### ATTACHMENTS:

Draft Planning Commission Resolution

Draft City Council Ordinance

Monterey County Airport Land Use Commission Resolution No. 21-001

Monterey County Airport Land Use Commission Staff Report dated May 24, 2021

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