



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: FEBRUARY 15, 2022

DEPARTMENT: COMMUNITY DEVELOPMENT DEPARTMENT

FROM: MEGAN HUNTER, COMMUNITY DEVELOPMENT DIRECTOR

THROUGH: COURTNEY GROSSMAN, PLANNING MANAGER

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TITLE: ZONING CODE AMENDMENT 2022-001; RESCIND ORDINANCE 2646 AND AMEND CHAPTER 37 OF THE SALINAS MUNICIPAL CODE (ZONING CODE) MODIFYING EXTENDED STAY REGULATIONS FOR HOTELS/MOTELS

RECOMMENDED MOTION:

A motion finding Zoning Code Amendment 2022-001 exempt from the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15304 and 15061(b)(3), rescinding Ordinance 2646, and adopting an Ordinance for Zoning Code Amendment 2022-001 modifying Extended Stay Regulations for Hotels/Motels.

RECOMMENDATION:

Staff recommends that the City Council find Zoning Code Amendment 2022-001 exempt from the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15304 and 15061(b)(3), rescind adopted Ordinance 2646, and introduce and adopt an Ordinance amending Chapter 37 of the Salinas Municipal Code (Zoning Code) modifying Extended Stay regulations for Hotels/Motels.

EXECUTIVE SUMMARY:

On August 10, 2021, the City Council adopted Ordinance 2646 which is known as Zoning Code Amendment 2021-003. The purpose of the Ordinance is to allow hotels/motels in certain zoning districts to operate as extended stay with occupancy up to 10 months in a year if approved through a Conditional Use Permit (CUP). This change helps address the City's housing shortage by providing short-term housing for our workforce and those experiencing homelessness.

As CUP applications were received for Extended Stay for Hotels/Motels, it was discovered that staff inadvertently attached the wrong version of the Ordinance to the City Council Staff Report on August 10, 2021. The version that was adopted by City Council was not the version the Planning Commission reviewed and recommended approval on June 16, 2021. In addition, the adopted ordinance is inconsistent with the August 10th City Council Staff Report, which outlines Ordinance provisions from the June 16th draft Ordinance reviewed by the Planning Commission. To be consistent with the Planning Commission recommendation of June 16th and the August 10th City Council Staff Report, it is recommended that Ordinance 2646 be rescinded, and the attached Ordinance be adopted.

BACKGROUND:

The purpose of the 2021 Zoning Code Amendment is to address the housing crisis in the City of Salinas where there is a great need of temporary housing solutions while additional affordable housing units can be created. Over many years, Salinas has depended on motels/hotels that are no longer used by visitors to provide critical short-term housing for agricultural workers and emergency shelter for homeless residents. The use of these motels/hotels for this purpose conflicted with the Extended Stay regulations in the Zoning Code. In 2019, the City staff at the direction of City Council began working with various stakeholders including housing advocates, agricultural businesses and associations, and hotel/motel owners to develop an amendment that 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. These changes to Extended Stay regulations will further multiple goals in the General Plan and will minimize potential displacement created by employers purchasing scarce residential properties to house their workers.

DISCUSSION:

During the preparation of the August 10th City Council Staff Report packet for Zoning Code Amendment 2021-003, an older version of the Ordinance was inadvertently attached and subsequently adopted by Council. This version was different than the one that the Planning Commission reviewed and recommended approval on June 16, 2021. One of the primary differences between the two versions is the allowance of Extended Stay in the Commercial Retail (CR) Zoning District. The version adopted by City Council does not permit Extended Stay in the CR Zoning District. However, the August 10th City Council Staff Report clearly states that the attached Ordinance would allow Extended Stay in the CR Zoning District. To be consistent with the Planning Commission recommendation and City Council Staff Report, staff is proposing to rescind Ordinance 2646 and replace it with an updated Ordinance which provides for consideration of Extended Stay for Hotels/Motels in the CR Zoning District through the CUP process.

Background information may be accessed in the attached July 16th Planning Commission Staff Report and the August 10th City Council Staff Report for Zoning Code Amendment 2021-003. Both the City Council and the Planning Commission reports indicate that Extended Stay for Hotels/Motels would be allowed with a CUP in several Zoning Districts including the Commercial Retail (CR) Zoning District.

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”. 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 City Council draft ordinance.

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 adoption of an 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.

STRATEGIC PLAN INITIATIVE:

This staff report and recommendation align with the Investment Strategies/Risk Management of the City Council goals by addressing the City’s housing challenges and supporting economic development.

DEPARTMENTAL COORDINATION:

The proposed amendment has been discussed among the Current Planning, Permit Services and Housing Divisions of the Community Development Department. The Fire Department also provided feedback. The Legal Department has been instrumental in guiding staff on how to

proceed with the Zoning Code Amendment.

FISCAL ANAD SUTABILITY IMPACT:

State and city regulations allow for the collection of transient occupancy tax (TOT) for the first twenty-eight (28) days of occupancy. This Zoning Code Amendment does not change this requirement.

ATTACHMENTS:

Draft City Council Ordinance

Ordinance 2646

August 10, 2021 City Council Staff Report for Zoning Code Amendment 2021-003

Planning Commission Resolution No. 2021-13 for Zoning Code Amendment 2021-003

June 16, 2021 Planning Commission Staff Report for Zoning Code Amendment