

ORDINANCE NO. 2021-07

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AMENDING ARTICLE 4 OF CHAPTER 25 OF THE ESCONDIDO MUNICIPAL CODE, AND ARTICLES 1 AND 63 OF THE ESCONDIDO ZONING CODE TO ALLOW THE CONVERSION OF HOTELS AND MOTELS TO HOUSING

APPLICANT: City of Escondido
PLANNING CASE NO.: PL 21-0228

The City Council of the City of Escondido, California, DOES HEREBY ORDAIN as follows:

SECTION 1. That proper notices of a public hearing have been given and public hearings have been held before the Planning Commission and City Council on this issue.

SECTION 2. The Planning Commission conducted a public hearing on June 22, 2021, to discuss and consider proposed amendments to the Municipal Code and Zoning Code; considered public testimony; and made a recommendation to the City Council.

SECTION 3. The City Council has duly reviewed and considered all evidence submitted at said hearings, including, without limitation:

- a. Written information;
- b. Oral testimony from City staff, interested parties, and the public;
- c. The staff report, dated July 14, 2021, which along with its attachments is incorporated herein by this reference as though fully set forth herein; and
- d. Additional information submitted during the Public Hearing.

SECTION 4. That upon consideration of the staff report, City Staff recommendation, Planning Commission recommendation, Planning Commission staff report, all public testimony presented at the hearing held on this project, and the “Findings of Fact,” attached as Exhibit “A” to this Ordinance and incorporated herein by this reference as though fully set forth herein, this City Council finds the Municipal Code and Zoning Code Amendments are consistent with the General Plan.

SECTION 5. This action is exempt from CEQA, pursuant to Class 1 Categorical Exemption (CEQA Guidelines Section 15301) because it would involve new/revised policies and procedures that would involve negligible or no expansion of an existing use, including small additions to existing structures. Projects seeking to implement the amended provisions would be subject to separate review under the CEQA.

SECTION 6. That the specified sections of the Municipal Code and Zoning Code are amended as set forth in Exhibit “B” to this Ordinance and incorporated herein by this reference as though fully set forth herein.

SECTION 7. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this Ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 8. That as of the effective date of this Ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed. Renumbering and relabeling of existing ordinance title, chapter, article, and/or section headings by this ordinance does not affect the continuing validity of existing laws. Any existing reference to an ordinance,

title, chapter, article, or section heading which is renumbered or relabeled by this ordinance must be construed to apply to the corresponding provisions contained within this ordinance.

SECTION 9. The adoption of this ordinance is not intended to affect or disrupt the continuity of the City of Escondido's ("City") business or administration of its law, including but not limited to the following:

- Actions and proceedings that began before the effective date of this ordinance;
- Prosecution for ordinance violations committed before the effective date of this ordinance; and/or
- The amount, or collection, of license, fee, penalty debt, forfeiture, or obligations due and unpaid as of the effective date of this ordinance.

SECTION 10. That the City Clerk is hereby directed to certify to the passage of this Ordinance and to cause the same or a summary to be prepared in accordance with Government Code Section 36933, to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the County and circulated in the City of Escondido.

SECTION 11. This Ordinance shall become effective on the 30th day following the date of its adoption.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof this 11th day of August, 2021 by the following vote to wit:

AYES : Councilmembers: GARCIA, INSCOE, MORASCO, MARTINEZ, MCNAMARA

NOES : Councilmembers: NONE

ABSENT : Councilmembers: NONE

APPROVED:

DocuSigned by:
Paul McNamara
CAACE20782954D3
PAUL MCNAMARA, Mayor of the
City of Escondido, California

ATTEST:

DocuSigned by:
Zack Beck
A58535D0BDC1430
ZACK BECK, City Clerk of the
City of Escondido, California

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO : ss.
CITY OF ESCONDIDO)

I, Zack Beck, City Clerk of the City of Escondido, hereby certify that the foregoing ORDINANCE NO. 2021-06 passed at a regular meeting of the City Council of the City of Escondido held on the 11th day of August, 2021, after having been read at the regular meeting of said City Council held on the 14th day of July, 2021.

DocuSigned by:
Zack Beck
A58535D0BDC1430
ZACK BECK, City Clerk of the
City of Escondido, California

ORDINANCE NO. 2021-07

PL 21-0228**FACTORS TO BE CONSIDERED / FINDINGS OF FACT**Environmental Determinations

1. Pursuant to the California Environmental Quality Act (Public Resources Code section 21000 et. seq.) ("CEQA"), and its implementing regulations (14 C.C.R. § 15000 et seq.) ("CEQA Guidelines"), the City of Escondido ("City") is the Lead Agency for the project ("Project"), as the public agency with the principal responsibility for approving the Project.
2. The Project qualifies for an exemption from further environmental review pursuant to CEQA Guidelines section 15301 (Existing Facilities) because the Zoning Code Amendment would involve new policies and procedures that would involve negligible or no expansion of an existing use, including small additions to existing structures. Existing hotels and motels could convert to other uses, like supportive housing, transitional housing, single-room occupancy, multi-family housing, or combination thereof, rather than temporary dwelling accommodation for transient guests. Hotels and motels present a unique opportunity to utilize existing structures to respond to immediate housing need. These buildings are structurally similar to residential buildings, and have the potential to be quickly adapted to provide housing through publicly-funded programs.
3. The City Council has independently considered the full administrative record before it, which includes but is not limited to the July 14, 2021, City Council Staff Report; testimony by staff and the public; and other materials and evidence submitted or provided to it. The administrative record demonstrates that each of the above requirements have been satisfied. No substantial evidence has been submitted that would support a finding that any of the above-described exemption requirements has not been satisfied. The Project will not have a significant effect on the environment, and all of the requirements of CEQA have been met.

Municipal and Zoning Code Amendment Determinations:

1. In recent years, there have been considerable discussions throughout the State of California regarding the housing shortage, which is associated with rising housing costs and lack of affordable housing options. The rising housing costs and lack of affordable housing options have led to a rise in homelessness in the region, including within the City of Escondido. People experiencing homelessness are more likely to successfully transition to permanent housing when provided with easily accessible support services such as health, substance abuse, education, job training, and case management, in addition to affordable housing.

2. Hotels and motels exist throughout the City in commercial and residential areas. Through adoption of companion City Council Resolution No. 2021-109, the City Council formally determined that Proposition S is not applicable to the rezoning of nonresidential zoning designations to residential zoning designations. As such, hotels and motels in nonresidential zones are not precluded from conversion to residential uses by Proposition S.
3. The conversion of existing hotels and motels to affordable housing requires substantially less time and cost than new development of affordable housing. The conversion of existing hotels and motels to affordable housing allows for the creation of new housing through adaptive reuse of existing buildings, thereby substantially maintaining the existing scale and character of residential neighborhoods.
4. With the enactment of Senate Bill 2 (SB 2, Statutes of 2017), State law requires cities and counties to treat transitional housing and supportive housing as a residential use and allow transitional and supportive housing in all zones that allow residential uses, subject only to those restrictions that apply to other residential uses of the same type in the same zone.

Transitional housing is defined by section 50801 of the Health and Safety Code. Residents of transitional housing are usually connected to supportive services designed to assist households in achieving greater independence and a permanent, stable living situation. Transitional housing can take several forms, including group quarters with beds, single family homes, and multi-family apartments; and typically offers case management and support services to help return people to independent living (often six months to two years). Transitional housing can be provided through group quarters with beds, single-family homes, single-occupancy units, and multi-family units. Transitional housing is a time-limited housing intervention that provides homeless individuals and families with the interim stability and support to successfully move into and maintain permanent housing, typically within a period of 6 to 24 months. This housing solution is often most suitable for individuals and families who are experiencing homelessness for economic reasons, and require safe and affordable shelter on an interim basis while they stabilize and seek a more long-term housing solution.

Supportive housing is defined by section 50675.14 of the Health and Safety Code. Supportive housing, with no limit on stay, links the provision of housing and social services for the vulnerable populations, like the homeless, people with disabilities, and a variety of other target populations. Similar to transitional housing, supportive housing can take several forms, including group quarters with beds, single-family homes, and multi-family units. Supportive housing provides indefinite rental assistance and supportive services to assist homeless persons or target populations achieve housing stability.

Both transitional housing and supportive housing incorporate supportive services such as individual case management, mental health treatment, addiction therapy and vocational training.

5. With the adoption of Proposition 2 at the November 6, 2018, statewide general election, the voters expressly approved of the development of permanent supportive housing pursuant to the No Place Like Home Program (Part 3.9 (commencing with Section 5849.1) of Division 5 of the Welfare and Institutions Code). Pursuant to Government Code section 65656, the Legislature further finds and declares that the provision of adequate supportive housing to help alleviate the severe shortage of housing opportunities for people experiencing homelessness and of necessary services to the target population described in Section 50675.14 of the Health and Safety Code. One way that the Legislature is seeking to develop permanent supportive housing in accordance with programs such as the No Place Like Home Program is by removing zoning barriers that would otherwise inhibit that development.
6. Hotels and motels present a unique opportunity to utilize existing structures to respond to immediate housing need. These buildings are structurally similar to residential buildings, and have the potential to be quickly adapted to provide housing through publicly-funded programs. Today, individual rooms in hotels and motels are often used as a form of transient guest housing accommodation, and there is increasing interest in converting entire properties to transitional housing and/or supportive housing.
7. The term "Single-room occupancy" (SRO) is recommended to be added to the set of definitions for the Zoning Code because this unit type is most likely to be the product of hotel or motel conversions. While SRO dwellings are typically a more affordable type of housing, it doesn't necessarily mean that they're income restricted. In recent years, changing demographics and preferences have led to the development of market-rate SROs for those who simply prefer to live alone without the burden of maintaining amenities like kitchen and/or bathroom facilities. Market-rate projects could be a good fit for single professionals who spend the majority of their time outside of their homes, or for seniors who still live independently but wish to downsize.
8. To qualify for a hotel or motel conversion to housing, which may include group homes or quarters, SRO units, or multi-family housing, the proposed housing development would have to comply with applicable, objective General Plan, Zoning, and subdivision standards. It is the responsibility of the applicant for a building permit or other license, authorization or permit issued by the City to ensure that any construction, alteration, or conversion of property for hotel or motel use conforms to the General Plan and other planning and zoning laws.
9. Supportive housing and transitional housing shall be treated as comparable to any other residential unit to satisfy the overriding goal to integrate homeless persons

or target populations in all communities, consistent with Government Code section 65008(2)(d) ([prohibits imposition of different requirements on a residence intended for occupancy by a protected class or by persons of very low-, low-, moderate-, or middle-income, other than those generally imposed upon other residences].) Any identified concerns can be addressed by the same occupancy limits and zoning enforcement tools that are used for other residential projects.

10. The terms and limitations of the proposed ordinance and allowance to convert hotels and motels, do not act as an override and must be read and applied consistent with other statutory requirements such as CEQA. Appropriate CEQA documents would be prepared after a specific project scope is defined but prior to consideration of approval of any land use development application.
11. The proposed ordinance is consistent with the General Plan goals and policies related to housing choices and diversity, adequate and affordable housing, infill development, smart growth, and neighborhood character. The proposed ordinance would be consistent with the goals and policies of the General Plan because they address they advance a number of land use goals and policies. Goal 2 et. seq. policies of the Land Use and Community Form Element addresses the need for regulations that clearly and effectively implement land use development goals and objectives. This Project is based on establishing new standards for hotel and motel conversions to reflect current values. The proposed ordinance is also consistent with Policy 4.2 of the same element for neighborhood maintenance and preservation since the Project seeks to focus new housing in existing commercial areas, served by transit and close to goods and services, thereby protecting residential neighborhoods and community character from the encroachment of higher density uses. The Project also advances goals and policies that enumerate housing opportunities or housing for a range of households with different income levels.
12. The action to amend the Zoning Code is based on factors pursuant to Section 33-1263 of the Escondido Zoning Code. Cities from time to time make significant efforts to tailor their city's ordinances to create a local community that develops in a way that the local policy-makers desire. Cities use their "police power" to create laws that promote the general health, safety, and welfare of its citizens. The public health, safety, and welfare of the City of Escondido would not be adversely affected by the proposed ordinance because:
 - There is a need for a diversity of housing solutions to address the varying needs of people experiencing homelessness and this Project effectively implements selected long-term objectives related to housing.
 - Transitional housing or supportive housing can take several forms related to hotel or motel conversions, including group homes or quarters with beds, SRO units, or multi-family units.

- The draft ordinance addresses site and building design issues to ensure land use compatibility is achieved, neighborhoods are preserved, and community character is protected. Land use compatibility and its goals should be promoted through proactive planning and zoning techniques (e.g., focused infill planning, zoning/rezoning, revised regulations, provision of infrastructure) for infill development, reuse, and growth in existing urbanized areas to enhance community character, optimize City investments in infrastructure and community facilities, support increased transit use, promote pedestrian- and bicycle-friendly neighborhoods, increase housing diversity, ensure integrity of historic districts, and enhance retail viability.
- Hotels and motels and the types of uses that would result from conversions can coexist in relative proximity to each other in a stable fashion over time such that no use or condition is unduly negatively impacted directly or indirectly by another use or condition.
- The conversion or closure of a hotel or motel requires a separate permit issued by the Planning Division. Requiring a discretionary review process prior to approval of conversions of hotels and motels allows for public participation and an opportunity to provide flexibility from development standards while imposing project-specific conditions of approval to reduce potential impacts to residents and businesses within the vicinity of a potential hotel or motel conversion.

PL 21-0228
MUNICIPAL AND ZONING CODE AMENDMENT

SECTION I.

Repealing in its entirety, the “qualifying rental agreement” definition in section 25-75 of Chapter 25 Taxation, Article 4 (Transient Occupancy Tax), of the Escondido Zoning Code and adopting in full new text to read as specified below.

Qualifying rental agreement shall mean and is limited to a written contract signed by both the operator and tenant, legally enforceable by either party, for a rental period of not less than 31 consecutive days. “Qualifying rental agreement” shall expressly exclude: (1) any agreement regardless of length of the rental term that may be terminated for any reason by either party or by mutual consent prior to the 31st consecutive day of the tenancy; or (2) any agreement that would constitute a violation of law. Any person who has a written agreement with the operator, entered into within the first 30 days of the person's occupancy, that states that the person will stay for more than 30 consecutive calendar days, must pay TOT for the first 30 days of the person's stay in accordance with this Chapter.

SECTION II.

Add the following new text to Chapter 33 Zoning, Article 1 (General Provisions and Definitions)

Sec. 33-8. Definitions

Single Room Occupancy (SRO) Unit means a living or efficiency unit, as defined by California Health and Safety Code section 17958.1, intended or designed to be used as a primary residence for a period of more than 30 consecutive days. Each SRO unit consists of one combined living and sleeping room with a closet, and may contain either a kitchen or separate private bathroom. The kitchen or bathroom, if not contained within the individual unit, shall be provided as a common facility within the same structure and shall be shared with the tenants of other SRO units within the same structure. An SRO may include an office for the purpose of managing the SRO units and common facilities. An SRO may include one self-contained dwelling unit with kitchen and bathroom facilities for a caretaker.

SECTION III.***Add the following new definition to Chapter 33 Zoning, Article 63 (Transient Lodging Facilities)*****Sec. 33-1341. Definitions**

"Hotel Conversion" is any action that converts any building or structure used for transient lodging in which there are five or more transient guest rooms by either (1) a change of use to a commercial, industrial, or other non-residential use; (2) a change of use to a group home or quarters, single-room occupancy (SRO) units, multi-family housing, or a combination thereof, that may be utilized for supportive housing, transitional housing, or other types of housing; (3) a conversion to a condominium, cooperative, or similar form of ownership; or (4) a discontinuance of transient occupancy or closure of transient lodging that changes the use for a purpose other than transient lodging operations. Such a conversion of any of the above may affect an entire building or structure used for transient lodging, or any portion thereof.

SECTION IV.***Chapter 33 Zoning, Article 63 (Transient Lodging Facilities) - Adopting in full new text to read as specified below.*****Section 33-1348. Hotel Conversions.**

(a) Purpose. The specific purpose of the hotel conversion procedure is to ensure that any conversion of transient lodging to other uses is preceded by adequate notice, and to allow for the conversion of existing hotels, motels, and other transient lodgings to various types of land uses, while providing for the review of the configuration, design, location, and potential impacts of the proposed use in order to evaluate the suitability of a new or converted use to the site.

(b) Applicability.

(1) Permit required. In addition to any other necessary discretionary land use permit that may be required, a Hotel Conversion Permit (Plot Plan Permit) is required in order to authorize the conversion of hotels, motels, and other transient lodgings to another use, and may be approved for any use classification permitted or conditionally permitted in the base district in any zoning district in which an existing hotel or motel is located. To qualify for a

hotel or motel conversion to housing, the land development request or proposed housing development would have to comply with applicable, objective General Plan, zoning, and subdivision standards.

- (A) No application to construct a new use on the property shall be accepted for processing or approved, unless the proposed land use development application is in conformance with this section and a Hotel Conversion Permit is first obtained.
- (B) No building permit or other license, authorization, or permit shall be construed to allow any action in contravention of this section, and any license, authorization, or permit obtained that purports to allow any action in contravention of this section shall be void.
- (C) Regulations Non-Exclusive. The provisions of this chapter regulating Hotel Conversions are not intended to be exclusive, and compliance therewith shall not excuse noncompliance with any other provisions of the Municipal Code or any other regulations pertaining to the operation of businesses as adopted by the City Council of the City of Escondido

- (2) Zoning Districts. Existing hotels and motels in all zoning districts, as well as those located in Specific Plan areas, may be permitted to be converted provided the conversion is found consistent with all applicable standards provided in this section.

(c) Authority.

- (1) The director, or director's designee, shall have the authority to grant, conditionally grant, or deny a hotel conversion Permit application for any use that is permitted in the zoning district. For projects including other discretionary actions that must be approved at a higher level than the director (such as by the Planning Commission or City Council), the design review permit will also be decided upon at that higher level.
- (2) The conversion of hotels, motels, and other transient lodgings to any other use that is conditionally permitted in the same zoning district shall be reviewed and considered by the Planning Commission through the issuance of a Major Conditional Use Permit.
- (3) A Hotel Conversion Permit application that requires concurrent review and approval of a zone change or other discretionary action at a higher level than the director or Planning Commission shall require the review by the Planning

Commission, which shall forward a recommendation to the City Council for final action.

(d) Permit administration. At the time a new hotel conversion is requested in any existing building or structure, a Hotel Conversion Permit application package shall be submitted to the planning division, together with the applicable application fee as established by the City Council.

(1) Application requirements. An application for a hotel conversion shall be filed in compliance with section 33-1315 (Authorization, Procedure, and Modification) in the same manner as a Plot Plan Permit.

(2) Hotel Conversion projects shall be allowed to convert to any land use or activity as provided in any permitted and conditionally permitted Principal Use Matrix in the base district in any zoning district in which an existing hotel or motel is located. Hotel conversion projects shall comply with all applicable requirements of the General Plan, Zoning Code, specific plans, area plans, City design standards, building and safety requirements, and other applicable City standards. No hotel conversion project shall be granted a permit unless the following requirements are satisfied:

- (A) Demand analysis and mitigation as specified in section 33-1125 for a change of use to a commercial, industrial, or other non-residential use; for a conversion to a condominium, cooperative, or similar form of ownership; or for other changes of the use for a purpose other than transient lodging operations.
- (B) Compliance with section 6-457 (Other Fees and Exactions for Public Services), if otherwise applicable, for a change of use to group home or quarters, SRO units, multi-family housing, or combination thereof that may be utilized for supportive housing, transitional housing, or other types of housing provisions.
- (C) The establishment, maintenance, or operation of the use would not, under the circumstances of the particular case, be detrimental to the health, safety, or general welfare of persons residing or working in the neighborhood of the proposed use.
- (D) The use, as described and conditionally approved, would not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the City.
- (E) The design, location, operating characteristics, and size of the proposed use, including any proposed increase in floor area, room/unit count, or height is consistent with the provisions of this ordinance and the implementation of

which would be compatible with the existing land uses in the vicinity in terms of aesthetic values, character, scale, and view protection.

- (3) Project review, notice, and hearing.
- (A) Each application shall be analyzed to ensure the application is consistent with the purpose and intent of this section.
- (i) Expedited Processing of Plans and Permits. Projects providing affordable housing, including affordable housing for seniors and/or target populations, will receive expedited processing as currently available.
- (B) City staff shall submit a staff report and recommendation to the decision-maker for consideration on a Hotel Conversion Permit.
- (C) The applicant shall be provided with a list of applicable conditions. In approving a Hotel Conversion Permit, the applicable review authority may impose conditions (e.g., landscaping and maintenance, lighting, off-site improvements, parking, performance guarantees, property maintenance, signs, surfacing, time limits, traffic circulation) deemed reasonable and necessary to ensure that the approval would be in compliance with the findings required by this section, and to preserve the public health, safety, and general welfare.
- (i) The City Council may find that there is substantial evidence to support a finding that the imposition of conditions would result in an extreme economic hardship for the applicant for an affordable housing project, including affordable housing projects for seniors and/or target populations. An extreme economic hardship does not exist where the cost of implementing the conditions would merely deny the applicant the maximum profits that could be realized from the hotel conversion.
- (ii) If the City Council determines that the conditions would result in extreme economic hardship for the applicant, the City Council may waive or modify any conditions that would otherwise be necessary to enable the City Council to make the findings required. Such conditions may be waived or modified only to the extent minimally necessary to alleviate such extreme economic hardship.
- (4) Findings and Decision. The applicable review authority may approve, conditionally approve, or disapprove an application for a Hotel Conversion Permit. The review authority may approve a Hotel Conversion Permit only after first finding that the hotel or motel proposed for conversion was legally constructed and is currently a legal or legally nonconforming use and the

project represents successful implementation of this section, and complies with all other applicable provisions of local and state law.

- (i) For hotel conversion projects under the purview of the director, the director's written decision and conditional letter of approval shall be filed in the Planning Division and a copy provided to the applicant at the address shown on the application. The applicant must sign and return the conditional letter of approval, thereby agreeing to the conditions of approval, prior to submittal of applications for construction permits.
- (ii) For hotel conversion projects under the purview of the Planning Commission or the City Council, the applicable review authority shall conduct a public hearing on an application for a Hotel Conversion Permit before the approval or disapproval of the Permit.

(5) Post approval procedures. The procedures relating to appeals, changes, expiration, performance guarantees, and revocation that are identified in the Zoning Code shall apply following the decision on a Hotel Conversion Permit application.

(e) Development Standards and Land Use Regulations. Development regulations shall be those of the base district in any zoning district in which an existing hotel or motel is located to ensure that hotel conversions may be designed, located, and operated compatibly with uses on adjoining properties and in the surrounding area. Exceptions to the development standards and land use regulations of any zoning district as enumerated in this subsection shall be provided to incentivize the reuse of hotel, motels, and other transient lodgings for group home or quarters, SRO units, multi-family housing, or combination thereof. When there are General Plan, Zoning Map, or specific plan amendments contemplated or under study as part of the hotel conversion request, the City may apply additional terms, limitations, or conditions to the application request so that the use more closely aligns with applicable, objective General Plan and zoning standards.

(1) Minimum lot size. There shall be no applicable minimum lot width, depth, or total lot size for hotel and motel conversions.

(2) Residential density. The resulting number of residential units after the conversion shall be no greater than the number of guest rooms in the existing hotel or motel.

(3) General unit size and building requirements.

- (A) The general building and occupancy standards required in connection with group homes or quarters shall be not less than the amount set forth by Article 6 (Residential Zones) of the Zoning Code
 - (B) The net area of a SRO unit may range from a minimum of 150 square feet to a maximum of 400 square feet, with the average unit size being no greater than 345 square feet.
 - (C) Multi-family units shall meet the general building requirements of Article 6 (Residential Zones) of the Zoning Code. The minimum size of a residential unit resulting from a hotel or motel conversion shall be the same as the minimum size of a SRO.
- (4) General occupancy requirements for group homes or quarters with beds, SRO units, or multi-family units.
- (A) Common open spaces shall be designed to accommodate appropriate furnishings and shall be furnished for use by residents. Appropriate furnishings for indoor spaces may include such items as lounge chairs or couches, tables with chairs, writing desks, and televisions. Outdoor furnishings may include such items as outdoor benches; tables with chairs; barbecues; and shade coverings like arbors, patio covers, garden shelters, or trellises.
 - (B) Laundry facilities must be provided within units or elsewhere on-site. If laundry facilities are provided as a shared provision, a minimum of two washers and two dryers must be provided in a separate room. Additional washers and dryers must be provided for any development that has more than 20 units at the ratio of one washer and one dryer for every 20 units or portion thereof.
 - (C) Common bathrooms must be located on any floor with units that do not have full bathrooms. Common bathrooms shall be either single occupant use with provisions for privacy or multi-occupant use with separate provisions for men and women. Common bathrooms shall have shower or bathtub facilities at a ratio of one such bathroom for every 10 units. Each shared shower or bathtub facility shall be provided with an interior lockable door.
 - (D) Complete common cooking facilities/kitchens must be provided if any unit within the project does not have a kitchen. At least one complete common cooking facility/kitchen shall be provided within the project for every 20 units or portion thereof. One complete common cooking facility/kitchen shall be provided on any floor where units without kitchens are located.
- (5) Floor area ratio. The resulting floor area, as defined in 'Floor Area, Gross' for "all other districts" after conversion shall no more than 110% of the existing

- floor area of the hotel or motel being converted. Floor area added solely for the purpose of complying with the Building Code or life safety requirements shall not be counted for purposes of calculating the floor area ratio.
- (6) Site coverage. There shall be no maximum site coverage applicable for hotel and motel conversions.
- (7) Height. Any increase in height resulting from hotel and motel conversions shall comply with the maximum height set forth in the underlying zoning district. The conversion of any existing hotel or motel to affordable housing pursuant to this subsection shall not result in loss of legally nonconforming status with regard to building height.
- (8) Setbacks. Hotel and motel conversions shall not be subject to the setback requirements of the underlying zoning district. The conversion of any existing hotel or motel to affordable housing pursuant to this subsection shall not result in loss of legally nonconforming status with regard to setbacks.
- (9) Common areas and open space. All hotel and motels conversion shall include common areas with amenities such as seating, tables, barbecues, recreation areas or other related amenities. The size and nature of these common areas shall be approved by the reviewing authority pursuant to a Hotel Conversion Permit.
- (A) Not less than 50 square feet of usable common areas and open space area shall be provided for each SRO unit. Group homes or quarters and multi-family units shall meet the general building and occupancy standards for open space areas.
- (B) Shared bathrooms, laundry rooms, or kitchens shall not be considered as open space areas.
- (10) Landscaping. Minimum landscaped areas shall not be applicable to hotel and motel conversions. Additional landscaping screening shall be provided as necessary to visually buffer the proposed development from surrounding streets and properties, particularly residential properties, and may consist of any combination of landscaping, fencing, or other suitable method. Notwithstanding the foregoing, the maximum height of walls and fences between the front property line and the occupancy frontage for hotel and motel conversions may be increased to six feet, provided that such walls and fences are at least 50% open and are set back a minimum of three feet from the front

property line. The reviewing authority may approve deviations from any wall and fence requirements as part of the issuance of a Hotel Conversion Permit. A decorative masonry wall six feet in height shall be constructed along any common property line between the subject property and any adjoining property containing a single-family use.

(11) Parking.

(A) The number of off-street parking spaces required in connection with any particular land use shall be not less than the amount set forth by Article 39 of the Zoning Code unless modified herein.

- (i) Market rate SRO units shall provide a minimum of one parking space per unit.
- (ii) The parking required for restricted group homes or quarters, SRO units, or multi-family dwelling units to be sold or rented to lower income households or target populations shall not exceed 0.5 parking spaces per unit.
- (iii) If utilized for supportive housing development, consistent with Supportive Housing Law (Government Code sections 65650 – 65656), if the supportive housing is located within 1/2 mile of a public transit stop, no minimum parking requirements shall be applied for the units occupied by supportive housing residents, pursuant to Government Code section 65654.

(B) Guest parking requirements.

- (i) Market rate SRO units shall provide one guest parking space for every eight SRO units (0.125 guest parking spaced per unit).
- (ii) The requirement to provide guest parking is waived for restricted, lower-income affordable dwelling units. Restricted SRO units or multi-family units with more than 30 converted guest rooms shall not be eligible for this waiver provision for the portion of units that exceeds 30 units; and shall provide one guest parking space for every eight SRO units (0.125 guest parking spaces per SRO unit), with a minimum of one guest parking space per project and a maximum of 15 stalls for guest parking.

(C) With the exception of projects that allow only senior residents, projects that have less than one automobile parking space per unit shall provide one easily accessible space for storing and locking a bicycle per unit. For projects that provide one or more parking spaces per unit, at least one bicycle storage space for every three units shall be provided.

(12) Signs. All hotel and motel conversions shall comply with the residential signage provisions of Article 66 (Signs) of the Zoning Code.

- (13) Lighting. All hotel and motel conversions shall comply with the provisions of Article 35 (Outdoor Lighting) of the Zoning Code.
- (14) Affordability. If required as a component of the land use development request, there are two different approaches to maintaining long-term affordability that require signing an Affordable Housing Agreement: 1) the applicant agrees to maintain the designated dwelling unit as affordable for at least 45 years for for-sale units and 55 years for rental units; or 2) the applicant agrees to participate in a "shared equity purchase program." The decision on which approach to use is up to the developer, except where state or federal standards applying to a given project require specific affordability periods. Under the long-term affordability program, the housing must remain affordable for at least 45 years for for-sale units and 55 years for rental units, from the original date of sale or rental. Affordability terms are secured by an affordable housing agreement, which shall be in a form approved by the City Attorney and recorded on the property prior to or concurrent with the initial occupancy (for rental units) or sale of the property.

SECTION V. Clerical Tasks.

The City Clerk is hereby authorized and directed to change any chapter numbers, article numbers, section and page numbers in the event that the adoption of this Municipal Code and Zoning Code amendment reveals that there is a conflict, in order to avoid confusion and possible accidental repeal of existing provisions.