



City of Culver City

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Staff Report

File #: 21-691, **Version:** 1

Item #: C-7.

CC - Adoption of an Ordinance Amending Culver City Municipal Code (CCMC), Title 17: Zoning (Zoning Code), Sections 17.220 - Commercial Zoning Districts, 17.320 - Off-Street Parking and Loading, and 17.700 - Definitions, to Establish "Extended Stay Hotel" as a Category of Hotel/Motel Land Uses (P2019-0058-ZCA).

Meeting Date: February 22, 2021

Contact Person/Dept: Michael Allen/Current Planning Manager

William Kavadas/Assistant Planner

Phone Number: (310) 253-5727/(310) 253-5706

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Public Hearing: ☒

Action Item: ☐

Attachments: ☒

Planning Commission Action Required: Yes ☒ **Date:** March 27, 2019

Public Notification: (E-Mail) Meetings and Agendas - City Council (02/04/2021 & 02/17/2021); (Posted) City Website (01/21/2021); Gov Delivery (01/21/2021); (Published) in Culver City News (01/21/2021).

Department Approval: Sol Blumenfeld, Community Development Director (02/15/2021)

RECOMMENDATION:

Staff recommends the City Council adopt an Ordinance (Attachment No. 1) amending Culver City Municipal Code (CCMC) Title 17: Zoning (Zoning Code), Section 17.220-Commercial Zoning Districts, 17.320 - Off-Street Parking and Loading, and 17.700 - Definitions, to Establish "Extended Stay Hotel" as a Category of Hotel/Motel Land Uses (P2019-0058-ZCA).

BACKGROUND:

On March 27, 2019, the Planning Commission recommended approval of the proposed Zoning Code Amendment. Discussion included questions about State transient occupancy tax law, the duration for which it may be collected, and whether there was need for longer term transient stays.

On June 24, 2019, the City Council continued the Zoning Code Amendment and requested additional information regarding State transient occupancy tax law and how long term stay hotels would affect City finances.

On October 14, 2019 and January 13, 2020, the City Council continued further discussion of the Zoning Code Amendment.

On February 8, 2021, the City Council unanimously introduced the proposed Ordinance approving Zoning Code Amendment P2019-0058-ZCA. City Council inquired about the ability to charge an in-lieu fee for Extended Stay Hotel land uses to account for any potential loss in transient occupancy tax (TOT) revenue. City Council suggested discussing potential for an in-lieu fee with the Finance Advisory Committee and to bring back suggestions to City Council at a future date.

The proposed Ordinance is brought back for adoption by the City Council.

ENVIRONMENTAL DETERMINATION:

The project is considered exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity to amend the Zoning Code will have a significant effect on the environment. The proposed Zoning Code Amendment, to allow occupancy of transient lodging for longer than 30 days, by itself does not result in any physical changes nor any significant effects on the environment. A CEQA finding, consistent with the above, is included in the proposed Ordinance.

FISCAL ANALYSIS:

CCMC Section 11.02.105 requires the collection of a TOT on hotel/motel stays of 30 days or less. Stays of longer than 30 days are not subject to the TOT. Allowing stays of greater than 30 days would reduce the TOT revenue collected. It is difficult to determine the potential reduction in TOT tax revenue without knowing the number of hotel rooms that will be used as extended stays and the rate of those rooms at the time of the stay. The current TOT tax rate is 14%. Staff will schedule a meeting with the Finance Advisory Committee at a future date to discuss the potential for an in-lieu fee for Extended Stay Hotel as discussed during the February 8, 2021 City Council Meeting.

ATTACHMENTS

1. 2021-02-22_ATT - Proposed Ordinance and Exhibit A, Code Amendments

MOTION

That the City Council:

Adopt the proposed Ordinance, amending Culver City Municipal Code (CCMC) Title 17:

Zoning (Zoning Code), Section 17.220-Commercial Zoning Districts, 17.320 - Off-Street Parking and Loading, and 17.700 - Definitions, to Establish "Extended Stay Hotel" as a Category of Hotel/Motel Land Uses (P2019-0058-ZCA).