



## PLANNING & BUILDING DEPARTMENT

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Date: November 1, 2019

To: El Dorado County Board of Supervisors

From: Planning & Building Department Staff

**Subject: Lake Tahoe Basin Short Term Rental Policy**

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On October 23<sup>rd</sup>, 2019, the Tahoe Regional Planning Agency's (TRPA) Governing Board adopted Code of Ordinance amendments to link TRPA's Residential Allocation Performance Review System to local jurisdiction performance on measures to address neighborhood compatibility through short-term rental (STR) location, operations and enforcement. The proposed Code Amendments and Guidelines were developed by a Working Group formed by the TRPA Local Government and Housing Committee (Committee), which El Dorado County is a member of.

Local jurisdictions around the Basin will now need to demonstrate that their vacation home rental (VHR) Programs meet certain criteria, as illustrated in TRPA's STR Neighborhood Compatibility Guidelines Matrix, in each of the three categories mentioned above in order to be awarded sufficient points to receive annual residential building allocations. Staff is conducting a full evaluation of the County's VHR Program against the Matrix and will return to the Board with options and recommendations on how to comply with the new TRPA Code amendments.

### **Background**

On April 24, 2019, prior to the TRPA Governing Board distribution of the 2019 and 2020 residential allocations to local jurisdictions, the Committee agreed to develop a code amendment to make STR neighborhood compatibility a third criterion of the Performance Review System for the future distribution of residential building allocations and to bring the amendment before the Governing Board by the end of the calendar year (December 2019).

On June 12, 2019, the Committee endorsed a Short-Term Rental Neighborhood Compatibility Work Program (Work Program), including the formation of a Working Group that included all Committee members (including El Dorado County), representatives from neighborhood and environmental groups, the real estate community, the building industry, and the community in general. The Working Group was created to ensure stakeholder and public interest was represented and considered throughout the process.

On June 12, 2019, members of the Working Group and public identified examples of STR Neighborhood Compatibility Best Practices, including locational, operational, and enforcement requirements, that could be included in local jurisdiction STR neighborhood compatibility programs.

On July 17, 2019, the Working Group reviewed and provided input on an updated draft of a report entitled *Local Government Activities Related to Vacation Home Rentals in the Lake Tahoe Basin Report*. The Report includes the best practices developed at the Committee meeting on June 12, 2019, a summary of best practices being implemented or under consideration at the local level, and a summary of current local jurisdiction STR programs. The Report has since been finalized and is now available on the Working Group website ([www.trpa.org/short-term-rental-neighborhood-compatibility](http://www.trpa.org/short-term-rental-neighborhood-compatibility)), along with additional information on local jurisdiction STR permitting, enforcement, and educational programs.

On August 14, 2019, the Working Group reviewed and provided input on the first draft of the Code Amendment and Guidelines. The draft Code Amendment would add a third criterion to the Performance Review System. The Performance Review System (TRPA Code, Section 50.5.2.E) currently requires residential allocation deductions if a local jurisdiction does not score 90 percent or greater on:

**Criterion 1:** Annual Residential Permit Review and Code Compliance Audit

**Criterion 2:** Lake Tahoe Total Maximum Daily Load (TMDL) Implementation

The STR Neighborhood Compatibility Code amendment now requires TRPA to also deduct residential allocations if a local jurisdiction does not achieve a score of 90 percent or greater based on the adopted STR Neighborhood Compatibility Guidelines.

On August 14, 2019, TRPA staff presented draft Guidelines that included the best management practices, including locational, operational, and enforcement requirements, for STR neighborhood compatibility developed by the Working Group and tied them to Regional Plan Goals and Policies and environmental threshold categories. As directed by Working Group members, proposed numerical values for scoring purposes were included. The draft Guidelines included the following categories:

**1) Locational**

The locational component requires local jurisdictions to demonstrate that STRs will be located consistent with land uses and the transportation goals in the TRPA Regional Plan and through policies that address issues such as the proximity to town centers, major tourist facilities, public transit and bike/pedestrian transportation amenities.

**2) Operational**

The operational component requires local jurisdictions demonstrate that they have an ordinance in place that addresses noise, occupancy, parking, refuse, defensible space, water quality, public health and safety, public/visitor education and other program elements, such as on-line permitting and annual renewal/registration.

**3) Enforcement**

The enforcement component requires local jurisdictions demonstrate that they have a program in place for enforcing the locational and operational STR requirements, bringing illegal STRs into conformance, and addressing nuisance behavior of STR renters and visitors.

On September 25, 2019, the Working Group reviewed the proposed Code Amendments and Guidelines and voted unanimously to recommend approval to the TRPA Advisory Planning Commission (APC), Regional Plan Implementation Committee (RPIC), and Governing Board. On October 9, 2019, the APC voted to recommend approval of the proposed Code Amendment and Guidelines to RPIC and the Governing Board. On October 23, 2019, the RPIC recommended approval to TRPA's Governing Board, and on the same day, TRPA's Governing Board adopted the Code Amendments and Guidelines.