



Legislation Details (With Text)

File #: 18-1400 **Version:** 1

Type: Agenda Item **Status:** Approved

File created: 9/6/2018 **In control:** Board of Supervisors

On agenda: 10/9/2018 **Final action:** 10/9/2018

Title: HEARING - Chief Administrative Office, recommending the Board of Supervisors consider the following:
 1) Adopt and authorize the Chair to sign Resolution 205-2018, establishing fees for vacation home rental (VHR) inspection pilot program;
 2) Direct that VHR's be inspected upon permit issuance and biannually thereafter; and
 3) Disband the VHR ad hoc committee. (Est. Time: 20 Min.)

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Resolution, 2. B - Counsel Approval, 3. C - Draft Inspection Checklist, 4. Executed Resolution 205-2018

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------|----------|--------|
| 10/9/2018 | 1 | Board of Supervisors | Approved | Pass |

HEARING - Chief Administrative Office, recommending the Board of Supervisors consider the following:
 1) Adopt and authorize the Chair to sign Resolution **205-2018**, establishing fees for vacation home rental (VHR) inspection pilot program;
 2) Direct that VHR's be inspected upon permit issuance and biannually thereafter; and
 3) Disband the VHR ad hoc committee. (Est. Time: 20 Min.)

DISCUSSION / BACKGROUND

Vacation Home Rental Inspections and Fees

The Board of Supervisors has revised County Ordinance Code Chapter 5.56 to incorporate inspections of properties prior to permit issuance or renewal, and to include specific fire and life safety requirements as permit conditions. The County does not currently have sufficient staff to perform these inspections.

The VHR ad hoc committee worked with several fire protection districts, led by the Lake Valley Fire Protection District, in which approximately 70% of the currently licensed VHRs are located, to craft the regulations for fire and life safety. Lake Valley and Meeks Bay Fire Protection Districts and Fallen Leaf Lake CSD have indicated that inspecting VHRs in the unincorporated area of the Lake Tahoe Basin would help them become familiar with the location and layout of these homes, making their responses more efficient, and enhancing responder safety. This provides an opportunity to partner with the fire districts to inspect the homes for compliance with the County's VHR requirements and the individual permit application while improving the districts' ability to serve the community. In addition, the districts feel it is appropriate to inspect VHRs similarly to how they inspect other business involving transient occupants, such as hotels and motels.

On August 28, 2018, the Board approved a template letter of agreement (LOA) and delegated authority to the CAO to sign the LOA with districts that are interested in performing VHR inspections. As noted, the districts in the unincorporated area of the Lake Tahoe basin have already indicated their interest. On the Western Slope, the Garden Valley Fire Protection District has approved the LOA to provide inspection services. CAO staff has worked with the districts to develop a draft inspection checklist (attached).

The proposed fees in the resolution are based on estimated time to complete the inspections, including staff and vehicle costs, and administrative time to report to and invoice the County. The fees include one re-inspection for items that were not fully compliant in the first inspection, at no additional charge. A third inspection would require payment of the full fee. It is proposed that all VHRs be inspected initially prior to permit issuance, and biannually thereafter. The proposed fees are:

| Size of Home (Sq. Ft.) | Fee |
|------------------------|---------|
| <1,500 | \$325 |
| 1,500-3,000 | \$650 |
| 3,001-4,500 | \$975 |
| >4,500 | \$1,300 |

It is anticipated that the VHR permitting function will be transferred to the Planning and Building Department early in 2019, and that TRAKiT, the newly-implemented permitting and land management system, would be used to collect the fees and distribute them to the districts that perform inspections. The districts would invoice the County for inspections until the process is fully transitioned to Planning and Building.

The current cost of a VHR permit is \$208, which includes the Administrative Permit issued by Planning and Building and the VHR permit/Business license issued by the Treasurer-Tax Collector. These inspection fees would be in addition to those application fees.

The Board has directed staff to report to the Board on the VHR program in the Spring and Fall of 2019. The Fall report will include an evaluation of the inspection program and a review of the fees. In addition, the report will include recommendations for further cost recovery of the County's permitting and enforcement functions.

Notice of this hearing was published in the Mountain Democrat and Tahoe Tribune on September 28, 2018 and October 5, 2018.

Disbanding the VHR Ad Hoc Committee

On July 28th, the VHR ad hoc committee presented, and the Board approved, the first reading of a second round of ordinance revisions. At that time, the committee also recommended that the committee be disbanded while the County works on enforcing the adopted ordinances and collects data, with a report due back to the Board in the Spring of 2019. At that time, if the Board feels additional work is necessary, they may appoint a new committee, or direct staff to make adjustments.

ALTERNATIVES

1. The Board could require VHR permit applicants to hire a Certified Home Inspector or licensed contractor, at their cost, to perform the inspection, complete the checklist, and certify that the list is true and complete. This option could be implemented immediately, with very little administrative burden on the County. The checklist would be completed and submitted prior to issuance of a vacation rental permit, and no additional fee transactions, hiring of additional staff for inspections, or fee distribution would be necessary. This would place an additional burden on the applicant to find and hire an inspector, however, owners would also be able to compare qualifications and price. This option appears to be the most viable if the Board chooses not to approve the fees and inspection program as recommended.
2. The Board could hire additional County staff, estimated at \$320,000 annually, which would add a fixed cost to the County. Any new inspection fees could be adopted to offset this cost, however, fee revenue to recover the costs would be unpredictable.
3. The Board could direct staff to solicit proposals for the provision of these services. This process would take 3-6 months to complete.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel, Fire Protection Districts.

FINANCIAL IMPACT

There is no direct fiscal impact to the County associated with the adoption of the fees. Implementation of inspections will require some County staff time to collect the inspections fees, and to review the completed checklists. Once all VHR functions have fully transitioned to the Planning and Building Department, a study will be done to determine whether additional cost recovery through permit fees is warranted.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Provide a signed copy of the resolution to the Chief Administrative Office.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

Sue Hennike, Principal Management Analyst