



## Legislation Text

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**File #:** 18-1121, **Version:** 1

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Vacation Home Rental Ad Hoc Committee, recommending the Board:

- 1) Conceptually approve amendments to Title 5 - County Business License Ordinance of the El Dorado County Ordinance Code, Chapter 5.56 - Vacation Home Rentals in the Lake Tahoe Basin;
- 2) Direct staff to work with the Vacation Home Rental (VHR) Ad Hoc Committee and return on August 28, 2018, for the first reading of the revised ordinance;
- 3) Direct staff to report to the Board one year following the effective date of the approved ordinance revisions with an evaluation of VHR regulation and enforcement; and
- 4) Adopt and authorize the Chair to sign Resolution **163-2018**, amending the FY 2018-19 Authorized Personnel Allocation to delete one vacant FTE Fiscal Assistant in the Treasurer-Tax Collector's Office and add one FTE Development Technician in the Planning and Building Department. (Est. Time: 1 Hr.)

**FUNDING:** N/A

### **DISCUSSION / BACKGROUND**

#### **Ordinance Revisions**

Chapter 5.56 - Vacation Home Rentals in the Lake Tahoe Basin, was first enacted in 1997. In September, 2017, the Board designated an ad hoc committee, consisting of Supervisors Ranalli and Novasel, to study the issues related to VHRs and make recommendations for improved regulations and enforcement. The Board has adopted several revisions to the ordinance that took effect earlier this month. The committee is proposing additional revisions based on further study of the issue and other jurisdictions' practices, as well as input received at several public meetings.

The suggestions below represent ideas that will be further refined through the Ad Hoc Committee, not specific ordinance language. Based on the Board's discussion and direction today, staff will draft language in coordination with the committee, stakeholders, and County Counsel.

1. Limit overnight occupancy to 12, regardless of the number of bedrooms or the size of the home.

Current language provides for the number of occupants to be determined by the number of bedrooms in the home. The formula is two people per bedroom, plus four. The proposal is to change the formula to two people per bedroom plus two, and to limit occupancy to 12. Children under the age of five would not be included in the calculation. In order to accommodate more than 12 occupants, an owner would have to apply for a conditional use permit. The conditional use permit process would allow for additional requirements to be placed on larger homes to help mitigate their impacts on neighborhoods.

2. Establish quiet hours of 10:00 p.m. - 8:00 a.m.

Current language prohibits the use of outdoor hot tubs between the hours of 10:00 p.m. and 8:00 a.m., but does not specifically address other noise during these hours. The recommendation is to set quiet hours for all activities. The committee also recommends equipping enforcement staff with decibel meters to enforce this provision.

3. Impose penalties for violations on the entity directly responsible for the violation.

Current language makes the owner responsible for all violations of the ordinance, and any penalties for violations are assessed to the owner. The recommendation is to fit the penalty to the violation. A noise violation committed by an occupant would result in a penalty to the occupant, not the owner. An administrative violation, such as failure to provide an appropriate bear-proof trash receptacle, would result in a penalty to the owner. All violations, whether committed by the occupant or owner, would count toward the maximum number of violations allowed within an 18-month period before a permit is suspended or revoked.

4. Include fire and life safety requirements.

Many residents and several fire districts have noted a need for improved safety regulations in VHRs. The recommendation is to work with the fire districts to draft a set of specific fire and life safety requirements to include in the ordinance as conditions of receiving a VHR permit. Each VHR would be inspected for compliance with the ordinance prior to permit issuance, and again annually prior to renewal of the permit.

5. Require owners and managers to take an online course and test covering VHR rules as part of the VHR permit application process.

In order to ensure that owners and VHR managers fully understand the VHR rules and their obligations, the recommendation is to require them to take an online course, pass a test, and submit the results along with their permit application. The course would cover the ordinance requirements and emphasize educating and informing VHR renters about the rules and encouraging them to be good neighbors during their stay.

6. Notify neighboring residents of VHR permits issued.

Many residents have expressed a desire to have more information about VHRs in their neighborhoods. The committee recommends exploring methods to notify residents when VHR permits are issued in their neighborhoods. It is recommended that the ordinance require, as a condition of receiving a VHR permit, that the owner acknowledge that certain information about the VHR will be published on the County website. Such information will include but not be limited to, the owner's name, the VHR address, and the local contact information.

7. Limit the number of VHR permits in the unincorporated area of the Lake Tahoe Basin.

In response to concerns over the number of VHRs in the unincorporated area of the Lake Tahoe Basin, the committee recommends capping the total number of permits that can be issued in that area. Once the cap is reached, a waiting list will be established and new permits will only be issued as permits space becomes available under the cap. Staff is

recommending a cap of 900 within the unincorporated area of the Tahoe Basin, which is approximately 10% of the residences in that area. This would allow all current permit holders to retain their permits and would provide for some non-permitted VHRs to come into compliance. The cap would not apply to the unincorporated area outside the Tahoe Basin, nor would it apply to hosted rentals or homestays, as these are not included in the definition of VHR. In order to renew a permit, an owner would also be required to demonstrate they have paid at least \$200 in Transient Occupancy Tax in the preceding year. This will ensure that permits are active.

8. Establish penalties for operating a VHR without a permit

Under the current ordinance, the penalty for operating a non-permitted VHR is not clear. It is recommended that the current monetary penalties for other violations be applied to operating a non-permitted VHR, with each day of operation counting as a separate violation. Upon the fourth violation, the owner would be ineligible to receive a permit for one year, and would not be eligible to be on the wait list for a permit.

### **Staffing Change**

Responsibility for enforcing the VHR ordinance recently transferred to the Planning and Building Department. In order to provide staffing to assist with this function, it is recommended that one vacant Fiscal Assistant (1 FTE) be deleted from the Treasurer-Tax Collector's Office and one Development Technician (1 FTE) be added to the Planning and Building Department. Further staffing changes may be recommended in the coming months, based on the department's needs for enforcement of VHR regulations. The permitting function is expected to be transferred to Planning and Building by January, 2019, which will likely result in additional staffing adjustments.

### **Next Steps**

The committee will seek public input on the conceptual recommendations at a meeting of the ad hoc committee on July 26<sup>th</sup> and work with staff to draft ordinance language for first reading on August 28, 2018. Staff anticipates bringing a resolution to adopt inspection fees to the Board for consideration at the same meeting.

Following adoption of ordinance revisions, staff will monitor activity and continue working to improve enforcement. Within one year following the effective date of approved ordinance revisions, staff will report to the Board with an evaluation of VHR regulation and enforcement. This will provide time to complete the transition of permitting and enforcement from the Treasurer-Tax Collector to the Planning and Building Department and to collect data that will help to determine the effectiveness of the regulation and enforcement process. During this period, staff will also work to identify opportunities for cost recovery, including adjustment of permit fees to reflect the new permitting process once it has been fully implemented.

### **ALTERNATIVES**

The Board could choose to retain the current ordinance, approve a portion of the recommended amendments, or make additional recommendations.

### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

Treasurer-Tax Collector, County Counsel

**CAO RECOMMENDATION**

Approve as recommended.

**FINANCIAL IMPACT**

The staffing change is not expected to result in an increase in costs in this fiscal year. The amount appropriated in the Treasurer-Tax Collector's Office for the vacant Fiscal Technician will be sufficient to fund a Development Technician for the remainder of the fiscal year, due to savings from the position vacancy. Funding will be transferred from the Treasurer-Tax Collector to Planning and Building during the final budget adoption in September. It should be noted, however, that the salary range for a Development Technician is approximately 25% higher than that of a Fiscal Assistant. It is expected that the Development Technician will have increased responsibilities under the new enforcement structure. Once all functions have fully transitioned to the Planning and Building Department, the total costs of permitting and enforcement will be analyzed and staff will provide the Board with recommendations for cost recovery, which may include increasing permit fees.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

N/A

**STRATEGIC PLAN COMPONENT**

Good Governance

**CONTACT**

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