



## Legislation Text

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**File #:** 18-1279, **Version:** 2

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Vacation Home Rental Ad Hoc Committee, recommending the Board approve the final passage (Second Reading) of Ordinance **5092** amending Title 5 - County Business License Ordinance of the El Dorado County Ordinance Code, Chapter 5.56 - Vacation Home Rentals in the Lake Tahoe Basin. (Cont. 8/28/18, Item 44)

**FUNDING:** N/A

### **DISCUSSION / BACKGROUND**

On August 28, 2018 (Item 44), the Board approve the introduction (First Reading) of Ordinance 5092 and continued the matter to September 11, 2018 for final passage (Second Reading).

At the July 24, 2018 meeting of the Board of Supervisors, the Board voted to 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, and directed staff to return to the Board with a revised ordinance.

The changes that were conceptually approved by the Board were as follows:

1. Limit overnight occupancy to 12, regardless of the number of bedrooms or the size of the home.
2. Establish quiet hours of 10:00 p.m. - 8:00 a.m.
3. Impose penalties for violations on the entity directly responsible for the violation.
4. Include fire and life safety requirements.
5. Require owners and managers to take an online course and test covering VHR rules as part of the VHR permit application process.
6. Notify neighboring residents of VHR permits issued.
7. Limit the number of VHR permits in the unincorporated area of the Lake Tahoe Basin.
8. Establish penalties for operating a VHR without a permit

Following conceptual approval by the Board, the committee held a public meeting in the Tahoe Basin to gather public input on the concepts. Specifically, members of the public were asked to provide feedback on the concepts and any detail for staff to keep in mind when writing the ordinance changes.

Based on the Board's discussion and direction, as well as further direction from the Ad Hoc

Committee, stakeholders, and County Counsel, staff drafted language in coordination with the committee. The conceptual changes have been incorporated into the ordinance code, with two notable exceptions:

1. The overnight occupancy limit of 12, regardless of the number of bedrooms or the size of the home, is **not** included in the ordinance.

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 draft ordinance changes this formula to two people per bedroom plus two. At the direction of the Ad Hoc Committee, the total occupancy of no more than 12 without a conditional use permit was not included.

This policy change was recommended originally to address some of the most commonly-heard complaints from residents, including noise, parking issues, parties, and trash. Many of these concerns related to very large homes, built for the purpose of renting as a VHR, and the unique issues resulting from that intensity of the use. The conditional use permit process was proposed in order to place additional requirements on large VHRs to help mitigate their impacts to neighborhoods.

However, there are concerns as to the onerous nature of the Conditional Use Permit (CUP) process. A CUP is a discretionary permit, applications for which are subject to review by the Department of Planning and Building and approval by the Zoning Administrator or the Planning Commission at a public meeting. This process adds to the length of time before an owner would receive a permit, and costs are much higher due to the need for professional studies and County staff time.

Given these factors, the Ad Hoc Committee recommends that the Board direct that staff instead work with stakeholders to determine a set of stricter regulations that could be applied to VHRs with a total proposed occupancy of 12 or more. These regulations would be crafted to reduce issues associated with larger VHRs, such as noise monitoring, requirements for on-site parking, or other requirements in addition to those required of smaller VHRs. As staff works to implement the new ordinance and gain compliance, it is anticipated that any need for additional performance standards for larger VHRs will be identified and can be incorporated into the ordinance for Board consideration at a later date.

2. The 900-permit limit for VHRs in the unincorporated area of the Lake Tahoe Basin is not included in the ordinance.

At their June 11, 2018 meeting, the Ad Hoc Committee asked for feedback from the public on several other options for reducing over-concentration of VHRs, including establishing separation distances between VHRs, prohibiting VHRs in residential areas, requiring a use permit for all VHRs, limiting rentals to "hosted" only, an overlay zone, and a cap on the total number of permits.

Feedback from participants shows that there is a lack of consensus among the community on this issue. In order to address the issues occurring in the Tahoe Basin due to the large number of VHRs, as well as to recognize the economic benefits of retaining VHRs, the ad hoc

committee originally proposed to continue allowing those currently licensed VHRs to operate, and impose a temporary limit the total number of VHRs in the Lake Tahoe Basin.

However, at the July 28<sup>th</sup> Ad Hoc Committee meeting, a number of participants from the real estate and construction industries voiced their concerns over the cap in number of permits, since so many potential home owners are looking for the option to rent their homes on a short-term basis. Some residents experiencing issues with established VHRs in their neighborhoods were also not in favor of the cap on permits, since existing VHRs would be able to retain their current permits. With other options available for limiting the concentration of VHRs, imposition of a cap may be premature at this time.

The Ad Hoc Committee has continuously heard, from proponents of VHRs as well as from critics, that enforcement of the rules and regulations is of the utmost importance. It is recommended that the County increase enforcement efforts to combat the problems expressed by residents in the Basin. As previously stated, the Ad Hoc Committee recommends that the Board direct staff to gather data over the course of the next year, and use that data to determine whether other options to address overconcentration (such as separation distance between VHRs) are needed in the Tahoe Basin.

#### **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, Planning and Building, Sheriff's Office, Fire Districts

#### **CAO RECOMMENDATION**

Approve as recommended.

#### **FINANCIAL IMPACT**

There are no immediate financial impacts associated with approval of this item. 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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