



Legislation Text

File #: 23-0436, **Version:** 2

Planning and Building Department, Tahoe Planning, Stormwater, and Vacation Home Rental Division, recommending the Board receive and file a presentation on a Vacation Home Rental Program Update and provide direction to staff regarding potential program adjustments and/or amendments to the Vacation Home Rental Ordinance. (Cont. 3/7/2023, Item 37)

FUNDING: N/A

DISCUSSION / BACKGROUND

On August 24, 2021 (File No. 21-1262, Item No. 22), following approval of an Introduction (First Reading) of Ordinance 5146 Amending Title 5 - County Business Taxes, Licenses and Regulations of the El Dorado County Ordinance Code, Chapter 5.56 - Vacation Home Rentals, adding Section 5.56.056 - Vacation Home Rental Clustering, the Board directed staff to return to the Board within 24 months to review data pertaining to clustering and other issues surrounding the Vacation Home Rental (VHR) Ordinance. The purpose of this item is to present an update on the VHR program and seek Board direction on any potential program adjustments and/or amendments to the VHR Ordinance.

During this presentation, the Board will receive updates from VHR program administration staff, Code Enforcement staff and Treasurer-Tax Collector staff. A brief summary of updates for each is provided below:

VHR Program Updates:

Though the VHR program administration team is now fully staffed, staff are continuing to address a backlog of work and delays in issuing permits. The program transitioned database platforms in 2022 - from Trakit to the Hinderliter De Lamas and Associates (HdL) Prime - Business License Software System (Prime System), which was developed and customized for use by the Planning and Building Department's VHR and Commercial Cannabis programs. The transition to the Prime System has been smooth, and efficiencies are being realized. This Prime System is the same program that the Treasurer-Tax Collector's Office uses, which allows customers to apply for their VHR Permit, their Business License and their Transient Occupancy Tax (TOT) Certificate within the same program.

There are currently 835 active VHR Permits in the Tahoe Basin and 123 active VHR Permits on the West Slope. The number of permits has been decreasing in the Tahoe Basin due to the clustering policy that the Board adopted in late 2021 (File No.21-1262, Item No. 32). Conversely, the number of permits has been increasing on the West Slope. The clustering policy is beginning to achieve the Board's goal of balancing neighborhood compatibility between locals and visitors.

The VHR program administration team also manages a Wait List for individuals interested in VHR Permits. Individuals on the Wait List are currently within the buffer of a legally existing VHR, and thus are prohibited from applying for a VHR permit. The number of permits in the Tahoe Basin fell below the 900 cap in October of 2021. Because part of this item is to consider potential changes to the VHR Ordinance, staff is requesting the Board's direction on whether or not to remove or reduce the cap in

the Tahoe Basin now that the clustering policy governs the number of active VHR permits.

Code Enforcement Updates:

Code Enforcement staff will present on open and closed cases in the Tahoe Basin and the West Slope, which currently includes 80 active cases in the Tahoe Basin and 17 active cases on the West Slope. Staff will also discuss cases resulting in fines and current process interactions with the Sheriff's Office. Following the Board's approved changes to Code Enforcement staffing, a Code Enforcement Officer position has been filled and is now stationed in the Tahoe office full time. That officer performs VHR duties, but is also assigned to other code case types in District V.

Treasurer-Tax Collector Updates:

The Treasurer-Tax Collector will provide an update on their program status, including current Business License and TOT data and processes.

VHR Changes for Consideration:

Staff are seeking the Board's consideration and direction on potential VHR program adjustments and/or Ordinance amendments, including:

1. Require compliance with County's Vegetation Management Ordinance prior to permit or renewal issuance.
2. Potentially remove or reduce the cap in the Tahoe Basin.
3. Increase penalty amounts in the Ordinance per Senate Bill 60 and implement additional requirements outlined in the referenced Bill.
4. Require the following for Hosted Rentals:
 - Permit
 - Permit Fee
 - Inspection
 - Maximum occupancy
5. Allow Local Contacts to be decertified.
6. Provide additional clarification on TOT payment responsibility (i.e. minimum number of rental nights).
7. Any other VHR program related changes.

ALTERNATIVES

The Board may choose not to provide direction to staff for next step actions at this time.

PRIOR BOARD ACTION

See Discussion/Background above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Chief Administrative Office, County Counsel, Fire Districts, Sheriff's Department, and Treasurer-Tax Collector

CAO RECOMMENDATION

The Board should receive and file the presentation, and provide direction to staff as determined by the Board.

FINANCIAL IMPACT

There is no change to Net County Cost associated with this presentation. Should the Board choose

to pursue amendments to the VHR Ordinance, staff can evaluate any financial impacts associated with the changes and provide that information to the Board during a future item.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Good Governance: Evaluate requests and recommendations based on complete assessment of the best available information, with the goal of reaching well informed decisions.

CONTACT

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