



Planning and Development Department
LONG RANGE PLANNING DIVISION

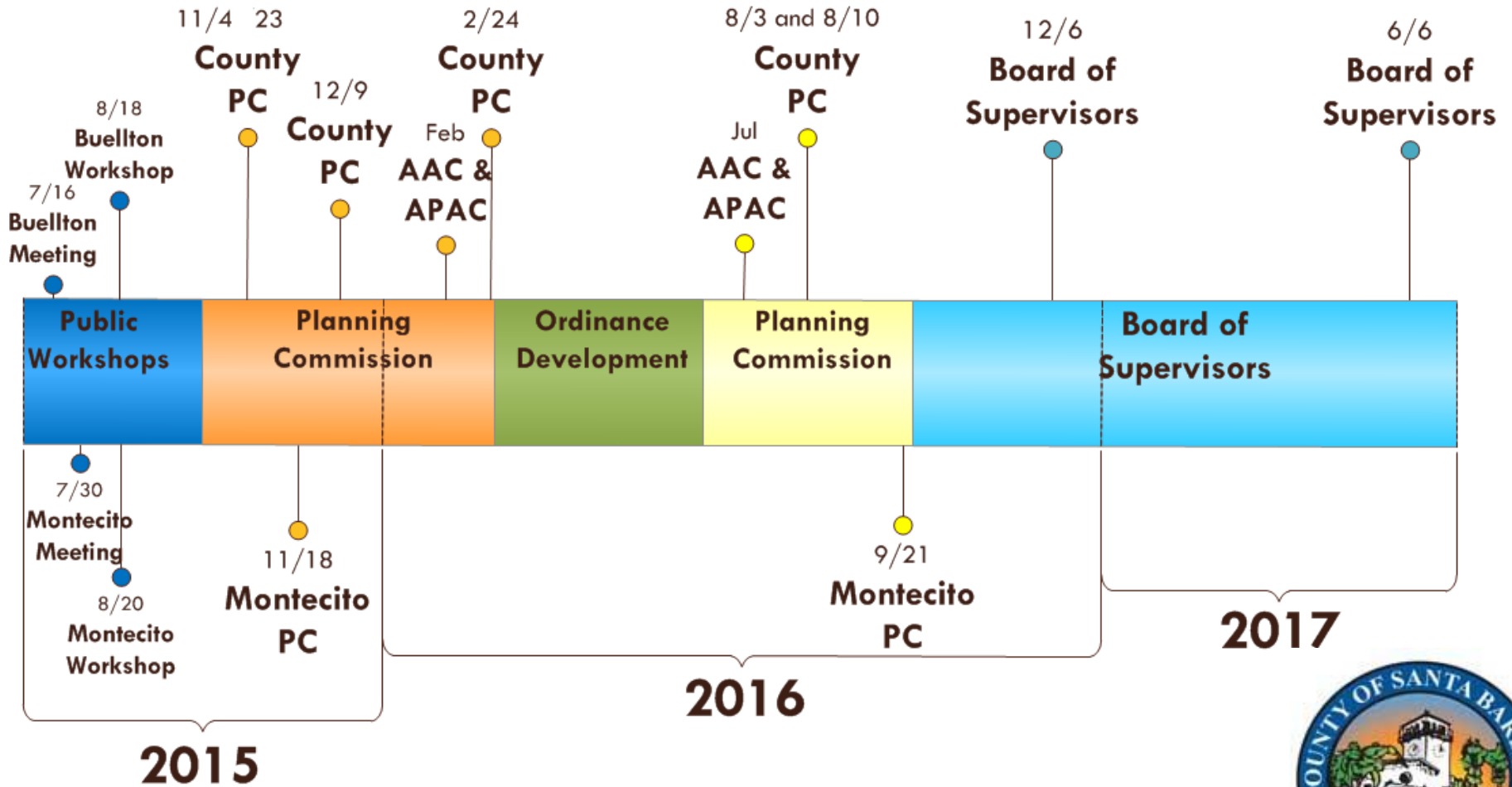
SHORT-TERM RENTALS

BOARD OF SUPERVISORS

JUNE 6, 2017

Timeline

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Background

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□ Planning Commissions Recommendation

- ▣ Define Short Term Rental

- ▣ Prohibit in Residential

- ▣ Prohibit in AG-I

- ▣ Prohibit in Resource Protection, Industrial, and Certain Special Purpose Zones

- ▣ Allow in Commercial and Mixed Use

- ▣ Allow in AG-II with Regulations



Transient Occupancy Tax

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Timeframe	Amount	Number of Certificate
Fiscal Year 2014 – 2015	\$1,416,339	492
Fiscal Year 2015 – 2016	\$1,669,810	535

□ Fiscal Impact of PC Recommendation on TOT

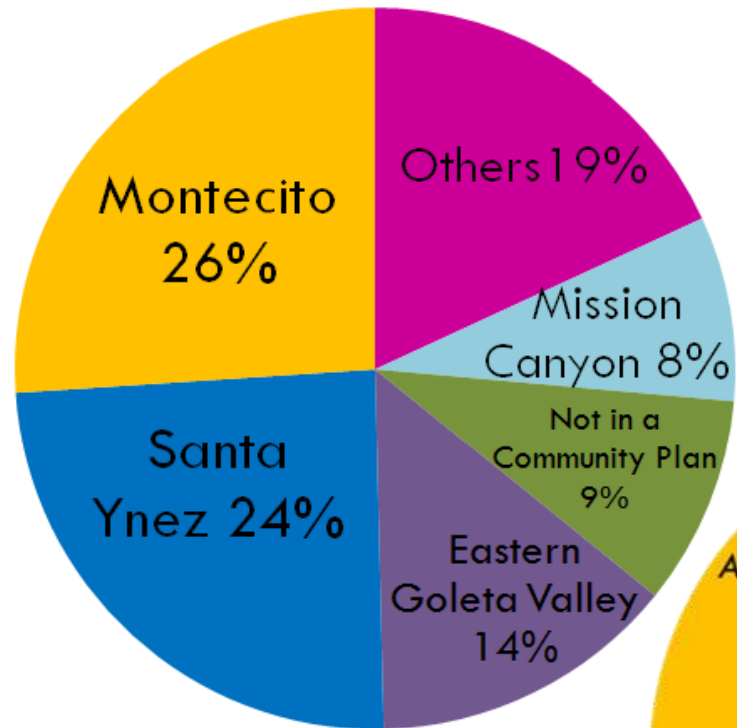
- 8% are located in zones where STRs would be allowed
- 92% are located in zones where STRs would be prohibited
- Estimated loss of \$1.5 million in TOT revenue

- The TOT certificates state it does not constitute a permit under the LUDC, Article II, and MLUDC
- Application can be changed to collect additional information

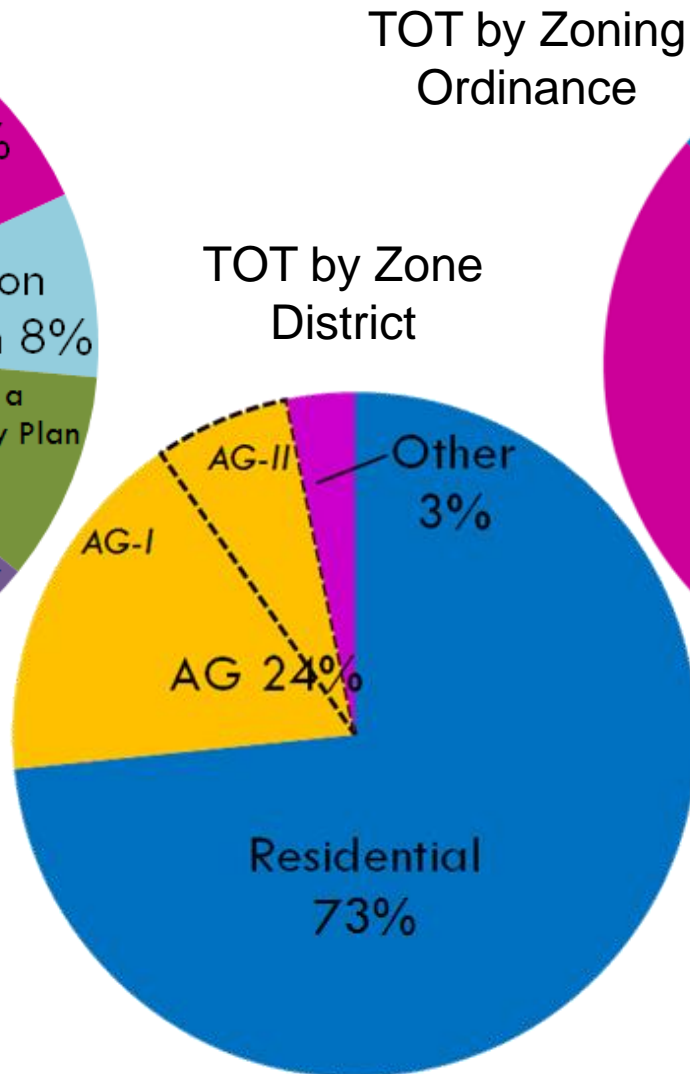


Location of STRs with TOT Certificates

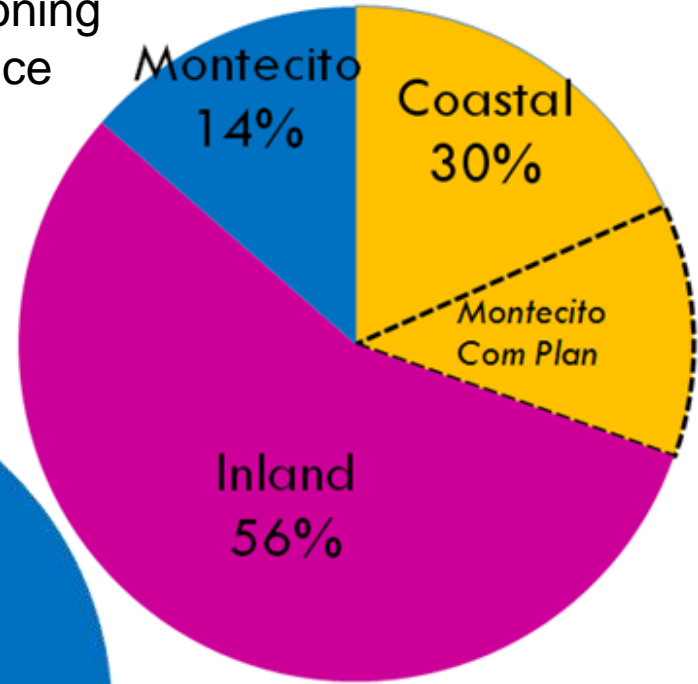
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TOT by Community Plan



TOT by Zone District



Housing Element

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- **Housing Element**
 - ▣ Inventories vacant/underutilized sites zoned and suitable for new development
 - ▣ Estimates what can be built in the future to meet Regional Housing Needs Allocation (RHNA) requirements
- **Depart. of Housing and Community Development**
 - ▣ No position on STRs
- **Impact of STRs on future RHNA is unknown**
- **STRs Action would not impact current Housing Element certification**



Additional Information

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- **Owner Occupied STR Properties**
 - ▣ 535 TOT certificates were issued in the last FY
 - ▣ 185 are claiming a homeowners exemption
- **Vacancy Rates**
 - ▣ Accurate, meaningful, and current vacancy rate data is not available for unincorporated county
- **Coastal Commission's Comments**
 - ▣ Commented on PCs recommendation
 - ▣ New direction may result in new comments
- **Accessory Dwelling Units**
 - ▣ Local jurisdiction decides



Regulatory Approaches

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- ❑ **Prohibition**
- ❑ **Allow only in certain zones**
- ❑ **Allow only in certain geographic areas**
- ❑ **Allow through either Land Use Permits (Planning and Development) or Business Licenses (Tax Collector)**
- ❑ **Allow only in owner occupied units**
- ❑ **Allow only homestays**



Homestays and Farmstays

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□ Homestay

- ▣ A dwelling where an owner or long-term tenant of the property inhabits the same parcel at the same time as the transient occupant

□ Farmstay

- ▣ A farm that provides guest accommodations and interactive activities where guests participate in basic operations
- ▣ Allowed in Inland Gaviota Plan on AG-II with Land Use Permit



Development Standards

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- ❑ **Compliance with current building codes**
- ❑ **Prohibited structures**
- ❑ **Limitation on the number of guests**
- ❑ **Parking restrictions**
- ❑ **Nuisance response plan**
- ❑ **Regulations posted within unit**
- ❑ **Noise**
- ❑ **Renewal of permit**
- ❑ **Revocation standards**



Enforcement

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- **Current P&D Enforcement Complaint Driven**
- **Possible New Enforcement Measures**
 - ▣ Added public outreach and education
 - ▣ Limited proactive enforcement
 - ▣ Actively enforcing the ordinance
- **Considered in the next fiscal year budget process**
 - ▣ Budget and staffing implications
 - ▣ Enforcement costs are difficult to predict
- **Tax Collector Enforcement**
 - ▣ Conducts internet searches for violators
 - ▣ Send letters about TOT requirements



Recommendation

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- **Receive and file the report and determine it is not a project, subject to CEQA**
and
- **Adopt the recommended Planning Commissions STR ordinances**
or
- **Direct staff to revise the proposed STR ordinances and return with revisions**
or
- **Take no action at this time**

