



Sonoma County Planning Commission **STAFF REPORT**

Sonoma County Permit and Resource Management Department

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FILE: ORD14-0011
DATE: September 3, 2015
TIME: 1:05 p.m.
STAFF: Jane Riley, Project Planner

Board of Supervisors hearing will be held at a later date and will be noticed at that time.

SUMMARY

Applicant: County Of Sonoma

Location: County-wide
APNs: Various Supervisorial District No.: All

Subject: Vacation Rental Code Amendments

PROPOSAL: Revisions to Vacation Rental program, including the addition of provisions for “hosted” rentals; changes to where vacation rentals are allowed and the permitting levels; addition of a new Vacation Rental Exclusion Zone to the Zoning Code text; addition of a new Resort Area Combining Zone to the Zoning Code text; addition of a new Land Use Table specifying the zone districts in which vacation rentals and hosted rentals are allowed, with permitting levels; and changes to the occupancy limits and performance standards for vacation rentals

Environmental Determination: Exempt under Title 14, California Code of Regulations Section 15031(b)(3) and 15303

General Plan: All, except Coastal Zone

Code References: Sonoma County Code Sections 26-02-120 (Definitions); 26-88-120 (Vacation Rentals)

Zoning: Various

RECOMMENDATION: Consider staff presentation(s), hold a public hearing, review policy options and staff recommendations and continue deliberations to September 10, 2015 for further discussion and straw votes on policy options, directing staff to return with the proposed ordinance changes and Resolution recommending changes to the Board of Supervisors on October 1, 2015.

INTRODUCTION AND BACKGROUND

In November 2009, the Board adopted a Resolution of Intention to create a Vacation Rental Ordinance. After an intensive community engagement process, the Board adopted a Vacation Rental Ordinance (No. 5908), which became effective January 1, 2011. The Ordinance allows vacation rentals with up to five guest rooms in most zoning districts, subject to performance standards and issuance of a zoning permit. This type of permit is ministerial and is issued without notice or hearing if the proposal meets the established standards. The 2011 ordinance allows provides that vacation rental with greater than 5 guest rooms could be permitted subject to the granting of a Use Permit; to date, no Use Permits for vacation rentals have been granted. The 2011 Ordinance had been developed over a two year period using an inclusive approach involving neighbors, industry representatives and other stakeholders. The Ordinance was intended to both legalize existing vacation rentals that had not previously been addressed in the Zoning Code, and establish operating standards and compliance measures to ensure neighborhood compatibility.

On November 4, 2014, the Board of Supervisors adopted another Resolution of Intention to initiate amendments to the standards in the County's Zoning Ordinance No. 5908. The Board stressed that a robust public outreach and community engagement program should be undertaken in evaluating the effectiveness of the current ordinance and the options for ordinance amendments or other measures. In addition, the Board provided direction to staff to evaluate and address a number of enforcement issues contained in the Resolution, including coordinating with website advertisers to assist in collection of transient occupancy taxes.

Public Input Efforts to Date

Staff has undertaken significant public outreach, as follows:

1. Mailings to neighbors surrounding vacation rentals asking for input and participation;
2. Establishment and maintenance of an interactive "Vacation Rentals" website;
3. Creation of a new PRMD-VacationRentals email (over 1,100 subscribers);
4. Establishment and ongoing support of a Vacation Rentals telephone "hotline;"
5. Four community forums held in the communities most affected by vacation rentals (Sonoma Valley, Monte Rio and Healdsburg, as well as Santa Rosa);
6. A Planning Commission Public Workshop on May 18th; and
7. A number of meetings with representatives from varied interest groups, including neighborhood associations, the Sonoma County Lodging Association, and the North Bay Association of Realtors.

A Planning Commission Public Workshop was held on May 18, 2015, to provide the data collected to date and to introduce the issues and policy options. Materials from that workshop, including a summary of public comments, are provided under the "Background" tab on this binder, and are also available on the vacation rentals website (www.sonoma-county.org/VacationRentals). Public input on the policy options presented at the May 18 Planning Commission public workshop was requested to be made through the vacation rental website portal, or by regular mail, by June 30, 2015. Those public comments have been compiled and are included under the "public comments" tab with a summary memo dated July 8, 2015.

Process and Timeline

A public hearing before the Planning Commission is scheduled for August 13th and has been duly noticed, including an email notice sent to the 1000+ subscribers to the vacation rentals email list and by mail to all others who asked for notice. Newspaper notice has also been provided in the Press Democrat. Staff recommends that at the conclusion of the public input portion of the September 3rd public hearing, the Planning Commission close the public input portion of the hearing and continue their deliberations and discussion to the meeting date of September 10th, at which time they should provide direction to staff in the form of straw votes on each of the policy options. Staff will return with a Resolution and ordinance at the Commission's October 1, 2015 hearing. At the conclusion of their deliberations and actions, the Planning Commission's recommendation will be forwarded to the Board of Supervisors for consideration this fall.

The Board of Supervisors will hold another public hearing to consider the Planning Commission's recommendations, staff's recommendations and all of the policy options and alternatives, as well as public testimony and all written comments received. The Board of Supervisors will make the final decision on the vacation rental code amendments and the changes will become effective 30 days later.

The proposed Code changes are presented in a series of discussion papers contained within a tabbed binder for ease of reference. This binder constitutes the staff report for the project, and will become the "working document" during the public review and hearing process. The binder contains this introduction and six issue topics: Neighborhood Compatibility, Commercialization of Neighborhoods, Preserving Housing Stock, Expanding Opportunities, Leveling the Playing Field, and Code Enforcement. These tabbed sections contain "discussion papers" for each of the issue areas identified. The discussion papers identify the background, key issues, analysis, policy options and staff recommendations for each of the major issue areas identified. Supporting data for each topic area are included as attachments to the discussion papers as applicable. Background materials, previous staff reports, meeting minutes and comments are also provided near the end of the binder.

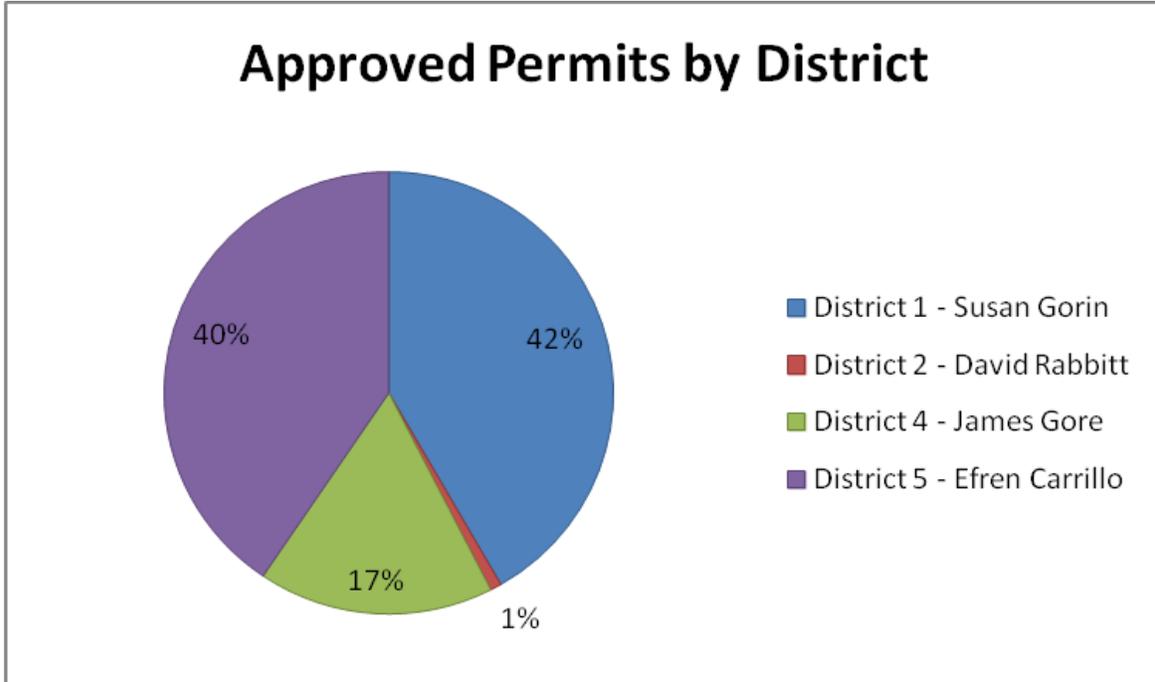
Current Vacation Rental Permits in Sonoma County

Since the Board's adoption of the November 2014 Resolution of Intention, the County PRMD has received an additional 281 applications for vacation rentals permits, bringing the total number of vacation rental permit applications since the effective date of the 2011 ordinance to 1,178 permits. Fifty-three of those applications were requests to continue a vacation rental use after a change in ownership, for a total of 1,059 distinct requests.

Of the 1,059 distinct vacation rental permit requests received, 866 permits have been approved and are current as of July 17, 2015. An additional 17 permits were incomplete for processing or otherwise on hold, 3 applications were denied, and 96 permits that had been issued were subsequently revoked or were expired due to a change in ownership. Twenty-six applications have been either withdrawn, voided, or dropped. The remaining 117 applications are pending and are currently in process.

The majority of the vacation rentals permitted in the County continue to be located in the Russian River Resort areas and in the Sonoma Valley. The Sonoma Valley has now

surpassed the Russian River area in terms of the total number of permits issued. The total distribution of vacation rental permits issued, by supervisorial district, is provided in the pie chart below. No permit requests have been received in coastal areas (District 5) because vacation rentals are not yet regulated within the coastal zone.



District 1 - Susan Gorin	361
District 2 - David Rabbitt	7
District 4 - James Gore	147
District 5 - Efren Carrillo	351
Total	866

OVERVIEW OF PROPOSED CHANGES TO THE VACATION RENTAL PROGRAM

Staff has drafted a number of proposed changes to the County's Vacation Rental Program. The changes would fulfill the direction provided by the Board of Supervisors in their November 2014 Resolution of Intention, and would further implement the General Plan Housing Element. This staff report provides an overview of the various code and vacation rental program changes that are recommended by staff. It builds upon the Summary of Policy Options tables (Attachment A) presented at the May 18, 2015 Planning Commission Public Workshop. More information about the different issues and policy options are presented in a series of separate discussion papers. A short glossary of terms used within this report is included as Attachment B. The following discussion provides an overview of the proposed changes.

The proposed changes are intended to accomplish six primary objectives related to vacation rentals: 1) improve neighborhood compatibility; 2) reduce overconcentration and the commercialization of residential neighborhoods; 3) preserve the county's housing stock; 4) increase opportunities for whole-house vacation rentals in commercial areas, for continued vacation rental uses in traditional resort areas, and for "hosted" rentals in residential areas; 5) level the playing field for permitted operators who play by the rules and pay taxes; and 6) improve code enforcement. Other recommended changes are proposed to clarify definitions and provide consistency between code sections. Finally, a new zoning table is proposed to clarify and quickly identify the different types of visitor-serving uses that are allowed within residential, agricultural and commercial zones.

As recommended by staff, the vacation rental program and related ordinances would be changed in the ways detailed below.

Improving Neighborhood Compatibility

Staff has collected data through a number of sources, including community outreach, code enforcement complaints, and sheriff call-outs to vacation rentals. The most common neighborhood compatibility issues associated with vacation rentals are parties, noise, and the number of vehicles. Complaints about parties and call-outs to the Sheriff's Department are directly related to the number of visitors associated with a vacation rental: approved vacation rentals with guest limits of more than 8 generate significantly more complaints than those with guest limits of 8 or less. The number of vehicles associated with a vacation rental is also tied to the number of guests allowed.

Several changes to the existing performance standards are proposed to limit the number of guests associated with a vacation rental in order to improve neighborhood compatibility:

- Eliminate the provisions for an additional 6 guests during the day; and
- Limit the number of vehicles associated with a vacation rental based on the number of bedrooms and available off-street parking. Require that the limit be included in online listings and advertisements.
- Increase public safety by limiting the size of outdoor fire areas and requiring them to be screened.

Reducing Overconcentration and Commercialization of Neighborhoods

An overconcentration of vacation rentals within a residential neighborhood can result in the loss of residential character as permanent residents are replaced by temporary visitors. The majority of existing, permitted vacation rentals that generate complaints to the Sheriff's Department occur in the R1 Low Density Residential and RR Rural Residential zones, where parcels are smaller and overconcentration is more likely to occur.

One way to control the commercialization of residential neighborhoods is to determine that a home must remain primarily in residential use throughout the year in order to not be considered a commercial establishment subject to commercial requirements such as ADA accessibility and pool permits. This determination would result in a limit on the number of days during a calendar year that a home can be rented on a transient basis such that it can only serve visitors for less than half of the year (less than 180 days per year) to ensure that homes do not become full-time commercial vacation rentals. Industry representatives, however, have opined that such a limit would harm professionally managed rentals who

comply with the rules, without curbing the impacts of poorly-managed or illegal rentals. While property owners or managers will be compelled to disclose rental data as a part of these provisions, enforcement may be difficult. The 180 day rule is proposed to apply only to whole-house vacation rentals located within residential zones, and to only apply going forward (not retroactively).

There are a number of reasons where the County may want to prevent the use of certain areas or neighborhoods for vacation rentals. Some neighborhoods may have an abundance of workforce housing stock that should be protected; others may already have a large concentration of vacation rentals and no more should be allowed. In addition, a number of residents in communities governed by private property restrictions have contacted county staff to request that no vacation rental permits be issued within their communities, asserting that the private restrictions (called CC&Rs) that apply to the area prohibit the establishment and operation of vacation rentals. However, the County does not interpret or enforce private restrictions on property. Generally, private restrictions are enforced by the homeowners' or property owners' associations, and any property owner within the area can file suit to enforce the restriction. Nonetheless, a mechanism for excluding vacation rentals from these communities is sought by many neighborhood associations. A vacation rental exclusion zone is proposed to be adopted into the County Code as a part of these Code amendments. Future requests for application of the new exclusion zone would require public notice and hearings before both the Planning Commission and the Board of Supervisors.

An abundance of whole-house vacation rentals in the R1 Low Density Residential and RR Rural Residential neighborhoods has resulted in a numerous complaints about the loss of residential character of the neighborhoods and communities, as well as a number of neighborhood compatibility issues. The following changes are proposed to address this issue:

- Require a Use Permit for new whole-house vacation rentals in the RR Rural Residential Zone, allowing neighboring residents to weigh in prior to the County's issuance of a vacation rental permit. A determination of compatibility would also need to be made in each case before the permit could be issued.
- Limit whole-house vacation rentals in residential areas to not more than 180 days per calendar year;
- Create a new Vacation Rental Exclusion Zone that could be applied to areas where vacation rental uses should be prohibited; and

Preserving Housing Stock

Recent data show that the County is losing housing stock to vacation rental uses faster than it can build new housing. Since the beginning of 2011, the County has issued permits for over 1,000 whole-house vacation rentals. During the same period, the County has provided only 495 new residential units. A July 2015 Report by Economic & Planning Systems entitled "*The Impact of Vacation Rentals on Affordable and Workforce Housing in Sonoma County*" identifies the conversion of housing to vacation rental use as a factor in the escalation of rental rates and recommends strong measures to limit this loss of housing stock.

The Housing Element of the Sonoma County General Plan also contains objectives and policies to limit the loss of housing stock to visitor-serving uses:

Objective HE-1.5: Limit the loss of existing housing stock to visitor-serving uses.

Policy HE-1j: Avoid the loss of residential land in urban land-use designations for vacation or time-share uses.

The following change is recommended to address this loss of housing stock:

- Prohibit new vacation rentals in the R1 Zone. Existing, permitted vacation rentals could continue to operate, but would expire upon sale or transfer, or if revoked for non-compliance with the vacation rental standards. Hosted rentals could be established and operated, but whole-house rentals would not be allowed. Vacation Rental uses could still be allowed within a designated resort area (see below).

Increased Opportunities

As noted above, staff recommends Code changes to prevent new whole-house vacation rentals in all urban residential zones, including the R1 zone. Visitors could be better integrated into residential neighborhoods through hosted vacation rentals, where the permanent resident remains on site while “hosting” visitors. This is also known as a one-bedroom Bed and Breakfast under the existing County Code. The current Code allows one-bedroom Bed & Breakfast uses in the rural residential and agricultural zones, but does not allow Bed and Breakfast uses within the urban residential zones. A change is recommended to add this allowed use to the R1 Low Density Residential zone.

Currently, the vacation rental rules allow for a guest house to be used for vacation rental purposes only if it is used as part of a whole-house rental. A guest house has a maximum size of 640 square feet and has a full bathroom but no kitchen. Rental of a guest house alone is currently prohibited by the Code because guest houses may not be rented or leased separately from the main home. A change is proposed to allow an exception to this rule when a legally established guest house is offered as a hosted rental while the owner remains in residence in the main house. This change would apply to guest houses only; second dwelling units may not be used vacation rentals because they are considered to be affordable rental housing stock.

There have also been a number of applications for vacation rentals to be located within existing, legally-established residential structures that are located within commercially-zoned areas. These structures are known as “legal non-conforming” residences, and the zoning code strictly limits their expansion. Because residences are not specifically allowed within commercial zones, vacation rentals are currently prohibited. Since these units are located within commercial areas, revising the vacation rental ordinance to allow them with a zoning permit they would not cause neighborhood compatibility issues and would not result in overconcentration.

Certain areas within the County have historically served visitors as recreation and resort areas. Specifically, the Sonoma Coast and the communities along the Russian River have been used as second residences since the late 19th century. If code amendments are made to prohibit vacation rental uses within the R1 zone district, as recommended, exceptions could be carved out to exempt these traditional resort communities from the prohibition. This could be achieved through the adoption of a new resort area combining

zone which would be used to designate the resort communities where the exception is desired.

The following changes are recommended to increase opportunities for vacation rentals in appropriate areas where impacts on residential neighborhoods would be limited:

- Allow vacation rentals within legally-established residences in commercial zones;
- Allow legally-established guest houses to be rented separately as a hosted vacation rental;
- Allow hosted rentals in the R1 zone where they are not currently allowed; and
- Create a new Resort Area Combining Zone. Parcels added within this combining zone in the future would continue to be allowed to establish new vacation rentals as a permitted use subject to issuance of a zoning permit and the vacation rental performance standards. Application of the new RA Combining Zone to specific areas or parcels would likely follow adoption of the Code changes and is not recommended at this time, but could be discussed by the Planning Commission and Board.

Leveling the Playing Field

Many comments received through the public input process focused on the need to level the playing field for good operators who comply with all of the rules, pay their Transient Occupancy Taxes (TOT), and provide safe, well-managed vacation rentals to our visitors. When properly permitted and managed, vacation rentals provide an alternative to traditional visitor lodging options and can be a preferred way to experience Sonoma County in a more intimate setting. The rapid growth of the sharing economy makes it clear that these uses will continue to be popular with visitors and property owners alike. Better mechanisms to ensure that vacation rentals are safe, fully permitted, and properly managed to reduce impacts on neighbors are needed.

Staff from the offices of the Auditor Controller Treasurer Tax Collector; the Permit & Resource Management Department's Planning, Septic, and Code Enforcement Divisions; the Department of Fire and Emergency Services; and the Sheriff's Department have worked together to try to find enforceable solutions to address the issues associated with the regulation of vacation rental uses. The following recommendations are made:

- The County (rather than the applicant) would provide notice of the 24-hour contact and the permit limitations to neighbors once vacation rental permits have been approved;
- Require that the property manager or 24-hour contact be located within 30 miles of the vacation rental site (current requirement is within a 1-hour drive);
- Require that the property manager or 24-hour contact meet minimum training requirements, including passing a test to demonstrate knowledge of the vacation rental rules and reporting requirements;
- Require the 24-hour responsible party or the property manager to report all calls and complaints, and their responses, w/in 8 hours via dedicated email portal;
- Require that all advertisements and listings show permitted occupancy limits, maximum number of vehicles allowed, quiet hours and prohibition on outdoor activities during those hours, in addition to TOT certificate number; and
- Require a Property Safety Report/Checklist prior to permit issuance for health & safety items including verification of bedroom count and legal egress, septic, parking,

fire extinguisher, pool fencing, hot tub covers, smoke & carbon monoxide monitors, size and screening of any outdoor fire areas.

Code Enforcement

Many of the opinions expressed at the community forums and many of the comments submitted through the county's vacation rental website focused on the need for better enforcement of the existing Code provisions. Code enforcement has been problematic for a number of reasons and changes to the existing code and to processing procedures are needed. The following changes are recommended:

- Change Vacation Rental Code to make violations of Performance Standards infractions rather than misdemeanors, allowing guests who violate performance standards to be cited by an officer of the County (Sheriff, Code Enforcement, Environmental Health Officer);
- Impose "3 strikes" rule – any vacation rental property that incurs 3 confirmed violations within a 2-year period will summarily lose its permit and will not be allowed to re-apply or operate for at least 2 years; and
- Impose automatic penalties of 10x permit cost for non-permitted vacation rentals and 3x maximum daily rental for verified or cited violations of the performance standards.

Application of New Rules to Existing Vacation Rentals

Generally when changes to zoning codes are adopted, the new provisions apply prospectively to permits issued only after the ordinance becomes effective. Since all existing vacation rental permits expire upon sale or transfer of the property, the new code changes would be applied when the new owner applies for a new vacation rental permit. However, in the case where the permit authority finds that a use has become a public nuisance or is in non-compliance with conditions, the permit can be revoked and new standards can be applied immediately.

Staff's recommendations include a number of changes to performance standards that would typically become effective upon sale or transfer of the property, when a new permit is required. For example, the change to require a use permit for vacation rentals within the RR zone would not apply to existing permits until the property is sold and the new owner wishes to re-apply for a vacation rental permit. Vacation rentals in the R1 Low Density Residential Zone would be allowed to continue to operate until sale or transfer, at which time the permit would automatically expire and not be reissued. Some of the changing vacation rental performance standards, such as the new 180 rental days per year maximum, are recommended to be applied only to new permits going forward. The new requirements that the property owner be located within 30 miles of the vacation rental property and pass a test demonstrating their knowledge would become effective on the next change in property management, or upon sale or transfer of the property, whichever comes first. Other performance standards, such as the requirement that property managers report complaints and their resolutions within 8 hours, could be put into place as of the effective date of the revised ordinance. All new vacation rental applications would be subject to all of the new standards. The Commission may wish to discuss the effective dates for each policy option as a part of their deliberations.

Other Recommended Changes

In addition to the changes set forth above, other sections of the Zoning Code will need to be amended to properly implement staff's recommendations. Provisions for hosted vacation

rentals and the use of guest houses would be clarified in the definitions section, and permitting levels would be consistent with existing Bed and Breakfast regulations (1 bedroom rentals are subject to issuance of a zoning permit, with 2 or more bedrooms subject to issuance of a use permit). A new Land Use Table (see Attachment C) would also be adopted to summarize the different visitor-serving uses allowed within the different zones.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission hear the staff presentation and hold a public hearing. At the conclusion of the public input portion of the September 3rd public hearing, staff recommends that the Planning Commission begin their deliberations and discussion of the policy options with a series of straw votes. Should the Planning Commission need to continue their deliberations, the meeting date of September 10th has been reserved for the Commission's continued discussion and action. The Planning Commission's recommendation will be forwarded to the Board of Supervisors for consideration at another public hearing to be held this fall.

LIST OF ATTACHMENTS for Commissioners, by tabbed Section

INTRODUCTION

Staff Report dated September 3, 2015
Policy Option Tables
Proposed Land Use table

NEIGHBORHOOD COMPATIBILITY

Discussion Paper with Policy Options and Recommendations

OVERCONCENTRATION AND COMMERCIALIZATION OF NEIGHBORHOODS

Discussion Paper with Policy Options and Recommendations
Maps and Data

PRESERVING HOUSING STOCK

Discussion Paper with Policy Options and Recommendations
EPS Report, "The Impact of Vacation Rentals on Affordable and Workforce Housing in Sonoma County" dated July 7, 2015

EXPANDING OPPORTUNITIES

Discussion Paper with Policy Options and Recommendations

LEVELING THE PLAYING FIELD

Discussion Paper with Policy Options and Recommendations

CODE ENFORCEMENT

Discussion Paper with Policy Options and Recommendations

DRAFT RESOLUTION (pending)

PUBLIC COMMENTS

Comments received through July 6, 2015, with summaries
(comments received after July 6 are provided separately)

MINUTES

Draft May 18th Public Workshop Minutes

BACKGROUND MATERIALS

October and November 2014 Board Staff Reports

BOS Resolution of Intention

May 18 Planning Commission Workshop Materials

Powerpoint Presentation

Vacation Rentals Fact Sheet

Public Outreach Materials

SUMMARY OF POLICY OPTIONS

OBJECTIVE: AVOID OVERCONCENTRATION & COMMERCIALIZATION OF NEIGHBORHOODS

POLICY OPTION	PROS	CONS
<p>Adopt Exclusion Overlay Zone</p> <ul style="list-style-type: none"> A “VRX” zoning overlay district that can be applied to geographic areas or neighborhoods to exclude Vacation Rentals 	<ul style="list-style-type: none"> Flexible to limit only in certain areas where vacation rentals not desired Can apply to areas with CCR’s prohibiting vacation rentals Easily understood and available through zoning 	<ul style="list-style-type: none"> Requires notice and hearings before Planning Commission and Board of Supervisors Not all owners affected may agree Separate action needed
<p>Require a Use Permit</p> <ul style="list-style-type: none"> A discretionary permit that gives notice to neighbors, opportunity for hearing, and conditioned or deny use 	<ul style="list-style-type: none"> Allows case by case review Can be conditioned or denied Neighbors are notified and can weigh in before the decision is made Runs with the land unless term-limited Can be used to provide flexibility for uses that don’t meet standards 	<ul style="list-style-type: none"> More costly May require septic upgrades Takes longer
<p>Require predominate use to remain residential by limiting number of days that a home can be rented to visitors (180 days)</p>	<ul style="list-style-type: none"> Retains residential character for most of the year Avoids reclassification of a residence to a commercial use type Limits intrusion on neighbors Provides some flexibility for owners 	<ul style="list-style-type: none"> Limits potential revenues to owners Could be difficult to enforce Does not address neighborhood impacts during busy seasons
<p>Adopt Separation Criteria</p> <ul style="list-style-type: none"> Establish minimum separation of 500 – 1,000 feet between Vacation Rentals 	<ul style="list-style-type: none"> Avoids overconcentration Reduces parking, noise, and traffic issues 	<ul style="list-style-type: none"> Difficult to administer Owners could limit others by locking in a permit Limited applicability in large jurisdictions

SUMMARY OF POLICY OPTIONS

OBJECTIVE: PROVIDE BETTER NEIGHBORHOOD COMPATIBILITY

POLICY OPTION	PROS	CONS
Reduce number of guests allowed <ul style="list-style-type: none"> • Eliminate +2 overnight • Eliminate +6 day guests • Eliminate unrestricted holidays • Eliminate exception for < 3 year olds 	<ul style="list-style-type: none"> • Reduces parking, noise, and traffic issues • Limits parties 	<ul style="list-style-type: none"> • Limits flexibility of Vacation Rentals for large groups • Difficult to count heads • May reduce number of vacation rentals available to families
Reduce the number of rooms allowed with Zoning Permit <ul style="list-style-type: none"> • Three room maximum without Use Permit 	<ul style="list-style-type: none"> • Reduces parking, noise, and traffic issues • Allows neighbors to weigh in on larger homes 	<ul style="list-style-type: none"> • Discourages large home Vacation Rentals • Does not address concentrations of smaller homes
Limit number of vehicles <ul style="list-style-type: none"> • Require owners to limit the number of vehicles to 2 in Rental Agreements 	<ul style="list-style-type: none"> • Limits parties • Reduces parking problems 	<ul style="list-style-type: none"> • May be difficult to enforce • Cannot limit parking on public streets
Increase required off-street parking and/or eliminate allowance to count an on-street parking space toward required parking	<ul style="list-style-type: none"> • Reduces parking issues • Limits parties 	<ul style="list-style-type: none"> • Could eliminate many units in traditional resort areas • Cannot limit parking on public streets
Prohibit events	<ul style="list-style-type: none"> • Reduces parking, noise, and traffic 	<ul style="list-style-type: none"> • Limits flexibility for owners and visitors
Regulate outdoor fires	<ul style="list-style-type: none"> • Reduce fire risk in dry areas 	<ul style="list-style-type: none"> • May limit use of outdoor space
Require quiet hours to be listed in advertisements <ul style="list-style-type: none"> • Require visitor agreement to noise conditions 	<ul style="list-style-type: none"> • Makes visitors aware before renting • Reduces noise and parties 	<ul style="list-style-type: none"> • May be difficult to enforce

SUMMARY OF POLICY OPTIONS

OBJECTIVE: PRESERVE HOUSING STOCK

POLICY OPTION	PROS	CONS
<p>Prohibit Vacation Rentals in R1 Zone unless in Resort Area (RA) Combining Zone</p>	<ul style="list-style-type: none"> • Protects residential housing stock • Preserves residential integrity of neighborhoods • Could still allow in areas with a Resort Area combining zone • Existing, permitted uses can continue • Also addressed overconcentration and compatibility issues 	<ul style="list-style-type: none"> • Limits owner options unless within the RA Combining Zone • Existing, permitted uses operating without complaints would still expire upon sale or transfer; new permits would not be issued (unless RA) • Existing, permitted uses would continue in problem areas unless sold, transferred, or revoked
<p>No new vacation rental permits until rental vacancy rates are over 5%</p>	<ul style="list-style-type: none"> • Limits conversion of housing stock during tight markets • Provides some flexibility for owners in good market • Existing, permitted uses can continue 	<ul style="list-style-type: none"> • Immediately freezes new permits • Reduces flexibility for owners • Existing, permitted uses operating without complaints would still expire upon sale or transfer; new permits would not be issued until rental vacancy rate exceeds 5%
<p>Cap the total number of Vacation Rental Permits allowed</p> <ul style="list-style-type: none"> • Countywide • By Supervisorial District • By Zone 	<ul style="list-style-type: none"> • Limits conversion of stock • Existing permitted uses can continue 	<ul style="list-style-type: none"> • Difficult to administer • Artificial Cap • Does not allow for tailoring of solutions to specific areas

SUMMARY OF POLICY OPTIONS

OBJECTIVE: CODE ENFORCEMENT

POLICY OPTION	PROS	CONS
<p>Impose larger penalties</p> <ul style="list-style-type: none"> • 10 times permit cost if unpermitted • 3 times rental rate per day for violations 	<ul style="list-style-type: none"> • Easy to understand • Will promote voluntary compliance • More fair 	<ul style="list-style-type: none"> • Could pose a hardship
<p>Require two year renewal</p> <ul style="list-style-type: none"> • Maximum two year term on permits • Auto-renew if no violations • No need to reapply for two years 	<ul style="list-style-type: none"> • Eliminates problem Vacation Rentals over a 2-year period • Increases scrutiny of renters • Allows flexibility to apply new rules in two years, if applicable 	<ul style="list-style-type: none"> • Carries risk for owners • May penalize owners for renters' behavior
<p>Citation Program</p> <ul style="list-style-type: none"> • Violations of performance standards would become citable infractions, not misdemeanors • Officer of the County (including Sheriff) could issue citation to violating party 	<ul style="list-style-type: none"> • Greatly enhances Sheriff ability to address issues at vacation rentals • Penalizes renters for bad behavior • Issuance of a citation would be considered a verified violation • Takes responsibility for enforcement off neighbors • Encourages good tenant selection 	<ul style="list-style-type: none"> • Could penalize owners for poor renter behavior if repeated citations occur • Citation amounts are very low
<p>Three strikes automatic revocation</p> <ul style="list-style-type: none"> • Three verified violations or citations within a 2-year period would result in revocation and could not reapply for two years 	<ul style="list-style-type: none"> • Helps to ensure enforcement • More effective than abatement process 	<ul style="list-style-type: none"> • Reduces revenue for owners • Difficult to validate complaints • May penalize owners for renters' behavior

SUMMARY OF POLICY OPTIONS

OBJECTIVE: INCREASING OPPORTUNITIES

POLICY OPTION	PROS	CONS
<p>New Resort Area (RA) Combining Zone to allow Vacation Rentals that would otherwise be restricted</p>	<ul style="list-style-type: none"> • Allows different rules to be applied in traditional resort areas • Allows for tailoring to specific communities needs 	<ul style="list-style-type: none"> • Establishing RA Combining Zone is costly and requires notice and hearing • Some owners may not agree to the Overlay
<p>Allowances for Hosted Rentals</p> <ul style="list-style-type: none"> • Provisions for hosted rentals would be clarified, and lower permitting levels established • Code would be changed to expand allowances for Hosted Rentals (1-room B&Bs) to the R1 (not currently allowed) 	<ul style="list-style-type: none"> • Would allow and encourage hosted rentals, which have less impacts • Can supplement income for property owners who remain in their homes but provide a room to guests • Does not result in the loss of housing stock 	<ul style="list-style-type: none"> • May be difficult to regulate
<p>Expand allowances to Commercial Zones</p> <ul style="list-style-type: none"> • Existing Code limits vacation rentals to residential zones • Would expand allowances to legally-established homes in commercial zones 	<ul style="list-style-type: none"> • Increases opportunities in areas where neighborhood impacts are less of a concern • Puts visitors closer to commercial services 	<ul style="list-style-type: none"> • Existing legal non-conforming uses use limits would apply
<p>Allow Guest Houses to be Rented as Vacation Rentals (hosted)</p> <ul style="list-style-type: none"> • Existing Code allows guest homes to be used only with the main home • Change would allow guest houses as a stand-alone hosted vacation rental 	<ul style="list-style-type: none"> • Increases opportunities for hosted rentals, which have less impacts • Would not remove a unit from housing stock • Vacation rentals in second dwelling uses would still be prohibited 	<ul style="list-style-type: none"> • May be difficult to determine if older guest houses are legally established and habitable • Might encourage installation of illegal kitchens in guest houses

SUMMARY OF POLICY OPTIONS

OBJECTIVE: LEVEL THE PLAYING FIELD

POLICY OPTIONS	PROS	CONS
<p>Require the 24/7 contact to be located within 30 miles of rental rather than within one hour drive</p>	<ul style="list-style-type: none"> • More responsive management • Easier to measure and enforce 	<ul style="list-style-type: none"> • Less flexibility for owners who also serve as managers
<p>Require a qualified Property Manager or a 24/7 responsible party who is qualified and trained</p> <ul style="list-style-type: none"> • Training or testing program would be established 	<ul style="list-style-type: none"> • Assists owners in best practices for management • Enhance responsiveness • May reduce problems with poor tenant selection 	<ul style="list-style-type: none"> • Training takes time and money • Less flexibility for out-of-area property owners
<p>Require reporting of all complaints and responses</p> <ul style="list-style-type: none"> • Require managers to report to PRMD 24/7 site or email within 8 hours 	<ul style="list-style-type: none"> • Better tracking of problems and responses • Increases accountability • Shifts responsibility to property managers for reporting complaints 	<ul style="list-style-type: none"> • May lead to revocation or non-renewal of permits with repeated complaints or failure to report • May lead to disqualification of property manager
<p>Require that all ads and listings include approved limits</p> <ul style="list-style-type: none"> • Occupancy limits, vehicles allowed, quiet hours & prohibition against outdoor activities during these hours, TOT certificate number 	<ul style="list-style-type: none"> • Potential renters aware of rules when first considering properties • Easy to determine non-compliant listings 	<ul style="list-style-type: none"> • Prevalence of listing sites may make enforcement difficult
<p>Require Property Report Checklist prior to Permit Approval</p> <ul style="list-style-type: none"> • Contractor or other professional to verify Health & Safety items • Pool fencing, fire extinguishers and smoke detectors, outdoor fire covers, legal egress from guestrooms, decks and hot tubs, septic and parking 	<ul style="list-style-type: none"> • Helps to protect public health and safety by requiring that minimum standards be met • Encourages visitors to rent permitted properties and avoid those that are not permitted 	<ul style="list-style-type: none"> • Additional cost to owners • May encourage continued illegal operation in the case of older rentals with non-permitted components

Bed and breakfast inn. A "bed and breakfast inn" means a single-family dwelling, with an owner in residence, containing no more than ten (10) guest rooms used, let or hired out for transient occupancy.

Bed and breakfast inns containing not more than one (1) guest room, contained within a single-family dwelling, are allowed in most zones with a zoning permit. Food service **is not required; see also Hosted Rental. If food service is provided, it** is limited to breakfast served to inn guests only, and shall be subject to the approval of the Sonoma County department of health services. No weddings, lawn parties or similar activities shall be permitted. No outdoor amplified sound shall be permitted.

Guest house means an accessory building which consists of a detached living area of a permanent type of construction with no provisions for appliances or fixtures for the storage and/or preparation of food, including, but not limited to, refrigeration, dishwashers or cooking facilities. The building shall not be leased, subleased, rented or sub-rented separately from the main dwelling, **except as a "hosted rental" as provided for under 26-88-120 (Vacation Rentals)** The floor area of a guest house shall be a maximum of six hundred forty (640) square feet. Floor area shall be calculated by measuring the exterior perimeter of the guest house and the length of any common walls. In the case of straw bale or similar construction, floor area may be calculated using interior dimensions. For the purpose of calculating the maximum size of a guest house, any storage area attached to the guest house, excluding garage, shall be included. A guest house shall be located closer to the primary dwelling on the subject lot than to a primary dwelling on any adjacent lot. The guest house shall not be located more than one hundred feet (100') from the primary dwelling on the subject lot, except where the planning director determines that a greater setback is appropriate in light of topography, vegetation or unique physical characteristics.

Hosted vacation rental – a hosted vacation rental is a vacation rental where the owner is in residence in the house, or in the case of a guest house used as a vacation rental, the owner is in residence within the main home on the same property. A whole-house vacation rental is not a hosted rental, even if the property owner resides in another dwelling unit on the same property. Hosted vacation rentals are permitted as a Bed & Breakfast Inn with one room.

(A change is proposed to allow a hosted rental to use a legally-established guest house as the vacation rental, while the owner remains in residence in the main home. In no case may both structures be rented to 2 separate parties on a transient basis unless a use permit has been obtained)

Second Dwelling Unit means an attached or detached residential dwelling unit provided in compliance with Sections [26-88-060](#) (Second Dwelling Units), which unit provides complete independent living facilities for one (1) or more persons, and includes separate permanent provisions for entry, living, sleeping, eating, cooking and sanitation on the same parcel as a single-family dwelling (Government Code § 65852.2). *(Second Dwelling Units may not be used or occupied on a transient basis, and so cannot be used as a vacation rental.)*

Transient use or transient occupancy means occupancy of a lodging facility or residence by any person other than the primary owner by concession, permit, right of access, license, gift or other

Attachment B
Glossary of Terms

agreement for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days.

Vacation rental means a property with a dwelling unit or guest house intended for permanent occupancy that is occupied by any person other than the primary owner for transient use; or is otherwise occupied or utilized on a transient basis. Vacation rental does not include a bed and breakfast inn permitted and operated in accordance with this Code, or occasional home exchanges that are not otherwise subject to TOT. **Unless otherwise specified, the term “vacation rentals” refers to the rental of a whole house, where the owner is not in residence within the house.**

