



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 12/15/2020

To: Sonoma County Board of Supervisors
Department or Agency Name(s): Permit Sonoma
Staff Name and Phone Number: Tennis Wick, (707) 565-1925
Vote Requirement: 4/5th
Supervisorial District(s): Countywide

Title:

Extension of Urgency Ordinance No. 6321 to Specified Areas within the First and Fifth Supervisorial Districts - Temporary Cap on Vacation Rentals

Recommended Action:

Adopt an Ordinance extending Ordinance No. 6321 (temporary cap on vacation rentals), as extended by Ord. No. 6326, until August 6, 2022, limited to specified areas in Districts One and Five. Outside of these areas, the existing cap on new whole-house vacation rentals will be repealed. This ordinance would not affect the status of existing vacation rental permits or vacation rental permit applications determined to be complete as of August 18, 2020, and does not apply to hosted rentals.

Executive Summary:

Initially adopted by your Board on August 18, 2020, Ordinance No. 6321 temporarily caps the number of vacation rental permits countywide at the number issued or complete for processing as of August 18, 2020. At its meeting on September 22, 2020 your Board adopted Ordinance 6326, which extended Ordinance No. 6321 to expire on December 31, 2020 to allow staff to craft a more targeted ordinance cap.

Based on your Board's direction during the September 22, 2020 meeting, the proposed ordinance before your Board today amends Ordinance 6321 (as amended by Ordinance No. 6326) to continue the cap on new whole-house vacation rentals, but limited to specified areas in Districts One and Five, until August 6, 2022. Upon adoption, the cap would terminate in other areas of the county. Hosted rentals and bed and breakfast facilities are not impacted by Ordinances 6321, 6326, or the proposed extension. If your Board does not adopt an ordinance amending and extending the current ordinance, it will automatically expire countywide on December 31, 2020. Staff recommends that your Board adopt the proposed ordinance to extend the cap on vacation rentals in these specified areas in Districts One and Five until August 6, 2022.

Discussion:

On August 18, 2020 the Board of Supervisors adopted Ordinance No. 6321 on a 4-0-1 vote. Ordinance No. 6321 initiated a temporary cap on vacation rental permits to maintain the number of vacation rental permits countywide at the number of permits issued and complete for processing as of August 18, 2020. Ordinance No. 6321 had an initial duration of 45 days in compliance with state law. On September 22 your Board adopted Ordinance 6326, which extended expiration of Ordinance 6321 to December 31, 2020. Your Board provided the following direction before approving the short term extension of the cap:

1) A temporary cap on vacation rental permits should not be applied with a broad brush because overconcentration, loss of housing stock, and other issues associated with vacation rentals vary across the County and impacts are not evenly distributed. Staff was instructed to refine the areas to which the cap would be applied to affected areas in the First and Fifth Districts, and to return prior to December 31 with an extension focused on these areas only.

2) Your Board instructed staff to collect and analyze data in the Theodor Lane / Falcon Lane neighborhood within Sonoma Valley and within Lower Russian River Municipal Advisory Council boundary and return to the Board prior to expiration of the countywide temporary cap on vacation rentals with recommendations to extend the cap in specific neighborhoods within these areas. The recommendation would identify specific neighborhoods where higher than average vacation rental concentration has potential to adversely affect residential character, housing stock, neighborhood stability, and public safety. This recommendation would also provide a proposed plan for permanent amendments to the County Code, including plans for meaningful community engagement involving applicable Citizen Advisory Councils (CACs) and Municipal Advisory Councils (MACs).

Identification of Areas for Extension of the Vacation Rental Cap

Counties and cities regulate vacation rentals by absolute cap or use proximity and/or density limits to prevent loss of housing stock as well as reduce adverse impacts to residential character, neighborhood stability, public safety, and quality of life. Proximity regulations establish a buffer between rentals and range from 50-300 feet in jurisdictions that regulate vacation rentals by proximity. Density sets a limit on the percentage or absolute number of single family homes that can be rented on a transient basis with a fixed geographic boundary, and range from 5-30% in jurisdictions that regulate vacation rentals by proximity.

After reviewing other jurisdictions standards in the context of the areas in Sonoma County under consideration, a proximity limit of 200 feet was used to determine if exceeding the current vacation rental proximity pose an immediate threat to residential character, neighborhood stability, public safety, and quality of life. Given the lack of new residential development, and housing prices well below the Sonoma County median, housing stock is under immediate threat in areas within the Lower Russian River Municipal Advisory Council (MAC) where vacation rental density exceeds the area average of 10.4%.

First District, Theodor Lane / Falcon Lane

This neighborhood consists of all parcels fronting on Theodor Lane, Falcon Lane, Eveton Lane, and Bacchus Court that are not within the already existing Vacation Rental Exclusion (X) Combining District. Roads in this neighborhood are privately maintained. Existing vacation rental locations are identified in Attachment 4 by dots representing a 200-foot radius around each location.

There are 30 single family homes in the area not within the Vacation Rental Exclusion (X) Combining District, and 13 vacation rentals within the same area. This equates to 43% of the housing stock within this neighborhood being used as vacation rentals, which is the highest density of any area evaluated within Sonoma County, and many additional vacation rentals are located on adjacent parcels with a 50-foot separation. New vacation rentals will further reduce existing housing stock and increase the negative effects

on neighborhood character created nearly half of the available homes being used as vacation rentals.

An extension of the cap on new vacation rental permits is recommended for the Theodor Lane / Falcon Lane neighborhood within in the First District.

Fifth District, Lower Russian River Municipal Advisory Council Area Boundary

Attachment 4 contains a map showing vacation rental locations within the Lower Russian River MAC boundary. These location are shown as a 200-foot radius dots to provide visualization of high proximity areas. A three step process was used to identify areas where extension of a temporary cap on new vacation rentals may be necessary to protect housing stock, residential character, neighborhood stability, public safety, and quality of life.

1. Visually identify high proximity areas where the 200-foot radius dots have significant overlap.
2. Identify a neighborhood area associated with each high proximity area and determine vacation rental density. In the Lower Russian River, most residential areas consist of small lots, generally less than 1/3 acre in size, surrounded by very large agricultural, timber, or resource production parcels. Because most housing in the Lower Russian River pre-dates permit requirements, tax assessor use codes were matched against the parcel list to identify areas where most parcels are residentially developed. The number of parcels with residential tax codes is compared against the number of vacation rentals in each area to determine vacation rental density for each neighborhood.
3. Proximity was determined by relative location of existing rentals, area covered by the 200-foot radius dots, and overlap of the 200-foot radius dots. This ranking was done on a relative basis, with neighborhoods sorted into Low, Moderate, High, and Very High proximity categories. "Low" represents areas with a relatively small number of vacation rentals located less than 200 feet from each other, and "Very High" indicating that over half the vacation rentals are less than 200 feet from each other. Each area is identified with its associated local neighborhood. The table is shown below and sorted by density, from high to low:

Neighborhood	Homes	Vacation Rentals	Density	Proximity
Neely Road	105	27	25.7%	Very High
Northwood	113	20	17.7%	Moderate
Monte Rio East	147	23	15.6%	High
Vacation Beach	189	27	14.3%	Very High
Guernewood/Monte Rosa	640	86	13.4%	High
Terraces/Villa Grande	381	49	12.9%	High
Guerneville North	223	24	10.8%	High
Drake Road	408	43	10.5%	High
Austin Creek	293	27	9.2%	Low
Armstrong	166	12	7.2%	Moderate
Hacienda	292	21	7.2%	Moderate

Summerhome	162	11	6.8%	Moderate
Rio Dell	338	17	5.0%	Low
Rio Nido	504	25	5.0%	Low
Total Russian River	3961	412	10.4%	

Using the average 10.4% density identified in these areas as a threshold where new vacation rental permits would reduce availability of housing stock, Neeley Road, Northwood, Monte Rio East, Vacation Beach, Guerneville / Monte Rosa, Terraces / Villa Grande, Guerneville North, and Drake Road are recommended for inclusion in the vacation rental cap extension in the Fifth District. These areas also exhibit high to very high proximity of vacation rentals, which adversely affects residential character, neighborhood stability, public safety, and quality of life.

The remaining areas within the Lower Russian River MAC boundary have density below the Lower Russian River MAC boundary average of 10.4% and exhibit low to moderate proximity. Impacts to housing stock and neighborhood character are not as great as the other areas, and a temporary cap may not be necessary to prevent new vacation rentals from reducing housing stock and having a negative impact on community character. These areas have been labeled “optional” in Attachment 3. Inclusion of the optional areas would be a policy decision for your Board.

The currently proposed extension of Ordinance 6321 until August 6, 2022 will limit permits to those permits already issued, plus applications that were determined complete, as of August 18, 2020. Outside of these areas, the vacation rental cap will terminate as of the date of adoption of the proposed ordinance. Your Board may choose an earlier date for expiration, and if permanent amendments to County Code are adopted regulating vacation rentals, it would repeal the cap at that time.

Staff Recommendation

In accordance with State law, this initial term of this urgency interim ordinance adopted August 18, 2020 was a maximum of 45 days, and was extended by Ordinance No. 6321 to expire on December 31, 2020. If your Board desires, it may on a 4/5 vote further extend the ordinance to expire on or before August 6, 2022 for the specified areas within the First and Fifth Districts as shown on the attached maps and parcel lists, while staff works on collecting additional data and analysis to evaluate area-specific impacts and develop ordinance revisions in response to this analysis. Staff recommends that the Board extend the ordinance capping the number of vacation rentals in these specific areas to the number of valid permits issued in each area as limited by Ordinance 6321 and 6326. Staff further recommends that staff be directed to return to the Board in June of 2021 with additional data and a recommended approach for refinement of the ordinance.

Prior Board Actions:

1. Ordinance 6326 (September 22, 2020) Extending Ordinance No. 6321 until December 31, 2020
2. Ordinance 6321 (August 18, 2020) Adoption of Urgency Ordinance No. 6321 to Cap Vacation Rentals at August 18, 2020 levels

FISCAL SUMMARY

Narrative Explanation of Fiscal Impacts:

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Continued operation of the interim ordinance capping the number of vacation rentals at levels as of August 18, 2020 can be accommodated through the existing vacations rentals program. Data collection and analysis will require approximately 200 staff hours and are available in the work plan for fiscal 20/21. However, data analysis and the development of policy options related to the vacation rentals ordinance revision will require extensive public outreach and will likely cost \$80,000 to \$130,000 depending on scope. Staff will return in June 2021 with a more definitive breakdown of costs.

Narrative Explanation of Staffing Impacts (If Required):

The work products outlined above may be accomplished with existing staff, however ordinance revisions not currently accounted for in the work plan would require reallocation of staff resources away from other initiatives or augmentation of existing staff. A more definitive assessment of staffing impacts for ordinance work will be available in June 2021.

Attachments:

- Att 1: Ordinance Exhibit A: Urgency Ordinance Extending Ordinance No. 6321, a Temporary Cap on Vacation Rentals, in specified locations within the 1st and 5th Supervisorial Districts
- Att 2: 10-day report as required by Government Code 65858 identifying staff action on the Interim Ordinance No. 6321.
- Att 3: Ordinance Exhibit C - List of Affected Parcels
- Att 4: Ordinance Exhibit D - Area Maps
- Att 5: Correspondence from Theodor Lane area residents

Related Items "On File" with the Clerk of the Board:

N/A