



# County of Santa Cruz

## Planning Department

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**Meeting Date:** September 7, 2016  
**Date:** August 30, 2016  
**To:** Housing Advisory Commission  
**From:** Sarah Neuse, Sustainability and Special Projects  
**Subject:** Vacation Rental Amendments

### INTRODUCTION

On February 9 of this year the Board of Supervisors directed staff to amend the County's Vacation Rentals Ordinance to create a new Designated Area with limits on vacation rental permits around Davenport, revise the age at which children are counted toward maximum occupancy, add a public hearing for new permit applications for rental units with four or more bedrooms, and discuss with the Planning Commission how staff addresses HOA rules in the permitting process. Planning staff recommended a few additional amendments to address known issues in the permitting and renewal process, and the Planning Commission also made recommendations for the Board to consider. The approved ordinance (August 16, Item #51) is scheduled for a second reading at the Board on September 13<sup>th</sup>, 2016, and then will be part of the second round of LCP amendments submitted to the Coastal Commission this year. Staff anticipates the completion of the Coastal process no earlier than November 2016.

The ordinance enacts the following requirements:

- 1) Creation of the Davenport-Swanton Designated Area (DAVDA), where permits are limited to 10% of all residential properties in the area overall and to no more than 20% on any one block in Davenport, New Town, and Davenport Landing;
- 2) Modification of the occupancy exemption for unrelated children by lowering the exempt age from 12 to 8 years old;
- 3) Addition of a requirement for a public hearing before the Zoning Administrator for new vacation rentals with 4 or more bedrooms;
- 4) Addition of a requirement that all vacation rental owners inform renters that fireworks are illegal in Santa Cruz County;
- 5) Addition of a provision that vacation rental permits within the Designated Areas will expire upon the transfer of the property to new owners when the transfer triggers re-assessment under Prop 13 (transfers into a family trust, inheritance or other property exchange between family members will not be affected);
- 6) Requirement that vacation rental permit renewal applications in the Designated Areas (LODA, SADA and DASDA) must show three, rather than two, years of significant rental use of the property in order to renew. This corrects an inconsistency with an earlier section of the ordinance that states that permits outside the Designated Areas are valid as long as the vacation rental operates three out of five years;
- 7) Creation of guidelines for determining "significant rental use", which require rental on at least 10% of weekend nights or ten nights per year, for renewing permits;
- 8) Prohibition on more than one vacation rental permit on a single parcel;
- 9) Modification of the provision regarding expansion of vacation rental homes to require a new permit, rather than an amendment to an existing permit;
- 10) Correction of a typographical error in section 13.10.694 (D)(1)(d) to refer to "on street" parking rather than "on site" parking.
- 11) Direction on future work program item to develop a hosted rental permit program.

The underline/strikeout ordinance is attached for further information.