

# COUNTY OF SANTA CRUZ

#### PLANNING DEPARTMENT

701 OCEAN STREET, 4<sup>TH</sup> FLOOR, SANTA CRUZ, CA 95060 (831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123 **KATHLEEN MOLLOY PREVISICH, PLANNING DIRECTOR** 

May 17, 2015

Planning Commission County of Santa Cruz 701 Ocean Street Santa Cruz, CA 95060 AGENDA: May 25, 2016

Agenda Item #: 7 Time: after 9:00 a.m.

SUBJECT: Proposed amendments to County Code Section 13.10.694, Vacation

Rentals

Members of the Planning Commission:

### INTRODUCTION

As you may be aware, the Board of Supervisors has directed Planning staff to create a new Designated Area in the County's Vacation Rentals ordinance, and make some other refinements to the County's existing Vacation Rental regulations. Planning Staff also recommends a few other amendments in response to known issues in the permitting and renewal process. This staff report addresses the following proposed amendments:

- 1) Create a Davenport-Swanton Designated Area (DASDA) limiting the total number of Vacation Rentals that would be permitted in the Davenport-Swanton Area, including block-limits in Davenport, New Town, and Davenport Landing;
- 2) Modify the exemption for unrelated children by lowering the exempt age from 12 to 6 years old;
- 3) Add the requirement for a public hearing for new Vacation Rentals on properties with 4 or more bedrooms:
- Create a condition for expiration of vacation rental permits upon the transfer of properties, with an appropriate grace period for new owners to transfer the permit to their names;
- 5) Recommend guidelines for determining "significant rental use" as required for approval of permit renewals.

The Board also asked for consideration on how the Planning Department currently interacts with HOA requirements. A discussion is included in the staff report.

#### PROPOSED AMENDMENTS TO VACATION RENTAL REGULATIONS

Davenport-Swanton Designated Area (DASDA)

Based on input from the community, a new designated area around the village of Davenport and extending to the Swanton Road area has been defined and is proposed for inclusion in the

regulations (Exhibit E). Inclusion in a Designated Area means that no more than 15% of all parcels that allow a stand-alone residential use, and no more than 20% of those parcels on any given block could obtain a permit to operate a vacation rental. In the case of the proposed DASDA, this would mean no more than 30 properties in the area could become licensed vacation rentals (out of 198 total parcels which permit a stand-alone residential use). This limit ensures that excessive numbers of properties do not convert to transient use, maintaining the overall character of the neighborhoods and community, while creating some allowance for a reasonable level of visitor accommodations. Due to the predominant rural character of the geographic area contained in the proposed DASDA, staff recommends that the 20% "block" limit apply only in the areas of Davenport (including all the R-1 properties along San Vincente St), New Town, and Davenport Landing. The rest of the area within the DASDA would be limited by the 15% overall limit.

#### Limit on Unrelated Children

The current Vacation Rental ordinance does not count children under the age of 12 toward the total overnight or daytime guests permitted at a vacation rental. Planning Department staff and Board Members have received complaints that this standard has become a loophole allowing large groups and teams of school-age children to utilize vacation rental properties in ways that were not anticipated or intended by the regulations. In response, this proposal lowers the age at which children are counted toward total permitted occupancy of a property. The current ordinance allows a maximum of two overnight guests per bedroom, plus 2, and allows daytime use by a maximum of twice that number. Under each maximum, children under 12 are excluded. The proposed amendment lowers the age from 12 to 6 years, while keeping other standards unchanged. (Exhibits C and D) Out of respect for the advance booking of vacation rental properties, staff recommends that this provision go into effect on November 1 of this year, allowing visitors and property owners to maintain existing summer plans. This date also accommodates time needed for the Coastal Commission to certify amendments adopted by the Board of Supervisors.

# Public Hearing for large Vacation Rentals

The Board directed consideration of a public hearing requirement for Vacation Rental applications for properties with four bedrooms or more. This provision has been included with the proposed amendments in sections 13.10.694(D)(2). The public hearing requirement would apply only to new permit applications and would be processed at a Level V, with a public hearing before the Zoning Administrator including the required public noticing for such a hearing.

# Property Transfer Permit Expiration

In response to comments from members of the public residing in the existing Designated Areas which limit the number of allowable vacation rentals, staff is recommending adding a provision to the ordinance to require the expiration of a Vacation Rental permit when a property is sold or otherwise transferred between owners. The proposed language in the ordinance provides for a two-month grace period (60 days) from the close of escrow on a Vacation Rental property during which the new owners must transfer the permit to their names in order to maintain the use of the property as a Vacation Rental. If the new owners choose not

to transfer the permit, the permit will expire. This will allow property owners to participate in the Vacation Rental program more quickly on blocks where the 20% threshold has been met.

Guidelines for "Significant Rental Use"

As the first Vacation Rental permit holders begin to file for renewal, staff has encountered the issue of evaluating the requirement in code section 13.10.694(D)(3)(b)(iii) that renewal requires proof of "significant rental use" of the vacation rental property for at least two out of the prior 5 years. The threshold for "significant rental use" was left intentionally open to interpretation at the time the ordinance was written, but at this time both the public and staff would benefit from a higher level of guidance from the Board. Staff is proposing the adoption of guidelines to help determine what level of use constitutes significant use. The Board has adopted other guidance documents, including design guidelines and guidelines for determining the extent of alteration to non-conforming structures that trigger various permit requirements. The guidelines would provide guidance while leaving individual permit determinations open to the discretion of the planners and the unique circumstances of each application. The proposed guidelines are included as Exhibit F, and would be adopted by resolution of the Board.

# Planning Department Interface with HOA Regulations

When applicants for Vacation Rental permits, or any discretionary permits, visit the Planning Department to begin the application process, staff is trained to advise them that applicants are responsible for interfacing with their Homeowner's Association (HOA) and conforming to any regulations or conditions that an HOA may enforce. Planning staff is not responsible for confirming HOA compliance. The signature page of the Vacation Rental Permit Application also contains the following text:

"I further certify that there are no restrictions against vacation rentals associated with the subject property, including, but not limited to, Homeowner's Association regulations, and I understand that any vacation rental permit issued will be rendered void if there are restrictions against vacation rentals on the subject property."

## **ENVIRONMENTAL REVIEW**

Staff has determined that the proposed ordinance amendments are exempt from CEQA, as they will have no potential impact on the environment. Following final adoption of the proposed ordinance by the Board of Supervisors, a Notice of Exemption will be filed with the Clerk of the Board (Exhibit A).

#### **NEXT STEPS**

Staff will be bringing this proposed ordinance amendment to the Board of Supervisors on June 14, 2016, based on the Planning Commission recommendation. Following action by the Board of Supervisors, the ordinance will be submitted to the Coastal Commission for review and approval, and will go into effect following action by the Coastal Commission.

#### RECOMMENDATION

It is therefore RECOMMENDED that your Commission review the proposed amendments and guidelines, conduct a public hearing, and recommend approval to the Board of Supervisors.

Sincerely,

Sarah Neuse

Planner

Sustainability and Special Projects

# Exhibits:

- A. Resolution recommending approval to the Board of Supervisors
- B. Proposed CEQA Notice of Exemption
- C. Proposed Vacation Rental Ordinance, Underline/Strikeout
- D. Proposed Vacation Rental Ordinance, Clean
- E. Map of proposed DASDA
- F. Proposed Guidelines for evaluating Vacation Rental Permit Renewals
- G. Supervisor Coonerty's Board Report and Board Minutes dated February 9, 2016
- H. Correspondence

# BEFORE THE PLANNING COMMISSION OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO.	
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On the motion of Commissioner: Duly seconded by Commissioner: The following Resolution is adopted:

# PLANNING COMMISSION RESOLUTION RECOMMENDING ADOPTION OF PROPOSED AMENDMENTS TO SANTA CRUZ COUNTY CODE SECTION 13.10.394 REGARDING VACATION RENTALS

WHEREAS, the Board of Supervisors initiated amendments to the Vacation Rental regulations during its February 9, 2016 meeting; and

WHEREAS, the Board of Supervisors directed planning staff to develop and propose amendments to address existing and potential use conflicts; and

WHEREAS, the Planning Commission finds that the proposed amendments are consistent with the Santa Cruz County General Plan and all components of the Local Coastal Program; and

WHEREAS, the Planning Commission finds that staff has properly complied with the California Environmental Quality Act by recommending a notice of exemption for the proposed amendments; and

WHEREAS, the Planning Commission finds that the proposed amendments comply with the California Coastal Act; and

WHEREAS, the proposed amendments represent a further tightening of land use controls and will have no potential impact on the environment and will not change the conclusion of the Negative Declaration that was issued for the original Vacation Rental ordinance and a Notice of Exemption has been prepared and will be filed with the County Clerk upon final Board action to adopt the amendments; and

WHEREAS, the Planning Commission has held a duly noticed public hearing to receive testimony from the public and has considered such testimony and other evidence submitted.

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission recommends that the Board of Supervisors confirm that a Notice of Exemption is appropriate under CEQA; and

BE IT FURTHER RESOLVED, that the Planning Commission recommends that the proposed amendments to the vacation rental regulations of County Code Section 13.10.694, as presented on this date, be adopted by the Board of Supervisors.

	D ADOPTED by the Plann ornia, this day of _			
	COMMISSIONERS COMMISSIONERS COMMISSIONERS COMMISSIONERS			
Chair	person			
ATTEST:	Secretary	_		
APPROVED	AS TO FORM:			
COUNTY CO	nella DUNSEL			

County Counsel Planning Department

cc:



# County of Santa Cruz

# PLANNING DEPARTMENT

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060 (831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123 KATHLEEN MOLLOY PREVISICH, PLANNING DIRECTOR

www.sccoplanning.com

# NOTICE OF EXEMPTION

To:	Clerk of the Board
	Attn: Susan Galloway
	701 Ocean Street, Room 500
	Santa Cruz, CA 95060

**Project Name:** 

**Vacation Rental Ordinance Amendments** 

**Project Location:** 

Santa Cruz County, Countywide

Assessor Parcel No.:

N/A

**Project Applicant:** 

County of Santa Cruz

**Project Description:** 

Ordinance amendments to County Code Section 13.10.694, Vacation Rentals, which would add conditions for the review of new vacation rentals in homes with 4 or more bedrooms, place limits on the number of unrelated children that would be permitted as overnight guests, would establish a condition to allow for the expiration of permits six months after a property transfer unless renewed by the new owner, and that would create a Designated Area around the village of Davenport and the Swanton Road area to limit the number of Vacation Rental Permits available. The proposed amendments to County Code Chapter 13.10 are amendments to the Local Coastal

Program implementing ordinances.

Agency

**Approving Project:** 

County of Santa Cruz

**County Contact:** 

Sarah Neuse, Planning Department Telephone No. 831.454.3290

**Date Completed:** 

This is to advise that the County of Santa Cruz Board of Supervisors has approved the above described project on June 14, 2016 (date) and found the project to be exempt from CEQA under the following criteria:

Exempt status: (check one)
The proposed activity is not a project under CEQA Guidelines Section 15378.  The proposed activity is not subject to CEQA as specified under CEQA Guidelines Section 15060 (c).  The proposed activity is exempt from CEQA as specified under CEQA Guidelines Section 15061(b)(3).  Ministerial Project involving only the use of fixed standards or objective measurements without personal
Ministerial Project involving only the use of fixed standards or objective measurements without personal
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Statutory Exemption other than a Ministerial Project (CEQA Guidelines Section 15260 to 15285).
Specify type:
☐ Categorical Exemption
Class 1

Reasons why the project is exempt:

The project consists of minor ordinance amendments that place limits on development and will not have any potential impact on the environment.

		Tille Feeding and a Coordinator
Signature:	Date:	Title: Environmental Coordinator

#### 13.10.694 Vacation rentals.

- (A) The purpose of this section is to establish regulations applicable to dwellings that are rented as vacation\_rentals for periods of not more than 30 days at a time. These regulations are in addition to all other provisions of this title. This section does not apply to Pajaro Dunes where vacation rentals are governed by an existing development permit. A vacation rental means the entire dwelling unit and does not include the renting of individual rooms in a dwelling unit. The owner/operator/contact person/agent does not live in the dwelling unit while it is rented for use as a vacation rental and only the renter of the vacation rental dwelling and guests of the renter live in the dwelling unit while it is rented for use as a vacation rental. Where there are multiple dwelling units on a site, the owner/operator/contact person/agent may live in one of the dwellings that is not being rented as avacation rental.
- (B) Vacation rentals are allowed in all zone districts that allow residential use with no requirement for any other use, except that any vacation rental meeting the requirements of subsections (C)(42) and (D)(1) of this section may be permitted in any zone district. Habitable accessory structures, nonhabitable accessory structures, second units constructed under the provisions of SCCC 13.10.681, 13.20.107, or 13.20.108, and legally restricted affordable housing units shall not be used as vacation rentals.
- (C) For the purposes of this section, the following terms have the stated meanings:
  - (1) "Vacation rental" means a single-family dwelling unit, duplex, or triplex (including condominium and townhouse units, but not including apartments or manufactured homes in a mobile home park), where the owner/operator/contact person/agent does not live in or occupy the dwelling unit while it is rented for use as a vacation rental and no one but the renter of the vacation rental dwelling and guests of the renter occupy the dwelling unit while it is rented for use as a vacation rental and the entire dwelling unit is rented for the purpose of overnight lodging for a period of not more than 30 days. Where there are multiple dwelling units on a site, the owner/operator/contact person/agent may live in one of the dwellings that is not being used as a vacation rental. For the purposes of these regulations, the following are not considered to be vacation rentals: (1) ongoing month-tomonth tenancy granted to the same renter for the same unit, (2) one less-than-30-day period per year, (3) a house exchange for which there is no payment, or (4) renting of individual rooms in a dwelling unit while the primary occupant remains on-site.
  - (2) "Existing vacation rental" means a dwelling unit that was used as a vacation rental prior to April 5, 2011, and for which a vacation rental permit application was made on or before November

- 28, 2011, and for which a vacation rental permit was granted based on an application submitted on or before November 28, 2011.
- (23) "New vacation rental" means a dwelling unit that was not used as a vacation rental prior to April 5, 2011, or for which a vacation rental permit application was not made on or before November 29, 2011, or for which a vacation rental permit has not been granted.
- (34) The "Live Oak Designated Area" means the Yacht Harbor Special Community (as described in the General Plan—Local Coastal Program and depicted on the General Plan—Local Coastal Program map) and that portion of Live Oak that lies east and south of East Cliff Drive and Portola Drive from the intersection of 9th Avenue and East Cliff Drive to the intersection of Portola Drive and 41st Avenue, as depicted in Figure LODA, attached to the ordinance codified in this section.
- (4<u>5</u>) The "Sea Cliff/Aptos Designated Area" means that portion of the Aptos Planning Area bounded on the west by the Capitola city limit, on the north by Highway One, and on the east and southeast by Bonita Drive, San Andreas Road, and the Urban Services Line from San Andreas Road to Monterey Bay, as depicted in Figure SADA, attached to the ordinance codified in this section.
- (6) The Davenport/Swanton Designated Area means that portion of the North Coast Planning area bounded on the south by Riverside Ave and San Vincente St in the unincorporated town of Davenport, and extending north along Highway 1 to include the areas of New Town and Davenport Landing south of Highway 1, and bounded on the north by the intersection of Swanton Road and Highway 1, and including all parcels within one-quarter mile of Swanton Road, but excluding any parcels that abut Last Chance Road, as depicted in Figure DASDA, attached to the ordinance codified in this section.
- (75) "Block" means the properties abutting both sides of a street extending from one intersecting street to another or to the terminus of the street. In the DASDA, "blocks" shall apply only in the town of Davenport, extending to all the R-1 zoned parcels along San Vincente St, in New Town on Cement Plant, Adeline, and 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> streets, and on Davenport Landing.
- (D) Permit Requirements. A vacation rental permit and transient occupancy tax registration are required for each residential vacation rental. Each vacation rental permit shall remain valid as long as the vacation rental operates at least three out of any consecutive five years, except that each vacation rental permit issued for a vacation rental located in the Live Oak Designated Area,—and-the

Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area shall expire five years from the date of issuance of the original permit or as otherwise provided in subsection (D)(3) of this section. If an application for renewal has been submitted and is deemed complete prior to the expiration date, the expiration of the permit will be stayed until final action on the renewal application. No application for renewal of a\_vacation rental permit shall be accepted more than 180 days before the expiration date. The Planning Director may approve extensions of permit expiration dates or application submittal dates based on demonstrated hardship to the applicant or for other good cause. Approval of a vacation rental permit does not legalize any nonpermitted use or structure. Vacation rental permits are subject to revocation as provided for in SCCC18.10.136.

- (1) Existing Vacation Rental. An initial permit shall be obtained. No public hearing shall be required and no notice of an application for a permit for an existing vacation rental shall be given. For an existing vacation\_rental to be considered a legal use the applicant shall provide the following to the Planning Department within 90 days, and not later than November 28, 2011, after the certification of the original vacation\_ordinance (Ordinance No. 5092) codified in this chapter by the California Coastal Commission:
  - (a) Completed application form.
  - (b) Plans, which do not need to be drawn by a professional, drawn to scale including the following:
    - (i) Plot plan showing location of all property lines, location of all existing buildings, and location of dimensioned on-site parking spaces.
    - (ii) Floor plan showing all rooms with each room labeled as to room type.
  - (c) Nonrefundable application fee as established by the Board of Supervisors, but no greater than necessary to defray the cost incurred by the County in administering the provisions of this chapter.
  - (d) Copy of a rental/lease agreement, which shall include, but not necessarily be limited to, the following: number of guests allowed (two/bedroom plus two, children under 12 not counted prior to November 1, 2016, children under 6 not counted on or after November 1, 2016 not counted; for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., the maximum number of people allowed is twice the maximum number of guests allowed); number of

vehicles allowed (not to exceed the number of existing on-site parking spaces, plus two additional that will be considered to use on-site parking in the vicinity, but will not have any exclusive or assigned use of on-street parking); noise, illegal behavior and disturbances, trash management (e.g., trash to be kept in covered containers only).

- (e) Proof that a dwelling unit was being used as a vacation rental prior to April 5, 2011. Such proof may consist of, among other things, the following items:
  - (i) Documentation that the owner paid County of Santa Cruz transient occupancy tax for the use of the vacation rental; or
  - (ii) Documentation that there has been vacation rental use of the unit. This could include the following: the owner allowed transient guests to occupy the subject property in exchange for compensation and the applicant furnishes reliable information, including but not limited to records of occupancy and tax documents, guest reservation lists, and receipts, showing payment and dates of stay.
- (f) Retroactive Payment of Transient Occupancy Tax. For those applicants who provide adequate documentation that a dwelling unit was used as a vacation rental prior to April 5, 2011, but where the owner has not registered and paid transient occupancy tax, proof of retroactive payment of the transient occupancy tax amount due to the County to the extent allowed by law for the time during which a dwelling unit was being used as a vacation rental shall be submitted.
- (g) Number of People Allowed. The maximum number of guests allowed in an existing individual residential vacation rental shall not exceed two people per bedroom plus two additional people, except for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., when the maximum number of people allowed is twice the maximum number of guests allowed. Children under 12 are not counted toward the maximums prior to November 1, 2016, children under 6 are not counted toward the maximums on or after November 1, 2016-are not counted toward the maximums.
- (2) New Vacation Rentals. For new applications for Vacation Rentals of 3 Bedrooms or fewer-, Except except as provided in SCCC 18.10.124(B), no public hearing shall be required-and action on these applications shall be by the Planning Director or designee, with notice of the proposed action provided not less than 10 calendar days before issuance of the permit, pursuant to

SCCC18.10.222(B) and (C). Appeals of the proposed action on the application may be made by the applicant or any member of the public. Pursuant to SCCC 18.10.124(B), the Planning Director may refer the application to the Zoning Administrator or Planning Commission for a public hearing. For new applications for Vacation Rentals consisting of 4 or more bedrooms, the application shall be considered at a public hearing in accordance with the Level V procedures in Chapter 18.10.

- (a) When a public hearing is required, notice of such a public hearing shall be provided not less than 10 calendar days before the public hearing, pursuant to SCCC 18.10.223.
- (b) In the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated AreaLive Oak Designated Area and the Seacliff/Aptos Designated Area, no new vacation rental shall be approved if parcels with permitted vacation rentals on the same block total 20 percent or more of the total parcels on that block that allow residential use, excluding those parcels in the Mobile Home Park Combining Zone District; except that in the following areas the percentage of parcels that may have vacation rentals is not limited: Pot Belly Beach Road; Las Olas Drive; those residentially zoned parcels in the Rio Del Mar flats consisting of parcels fronting on Stephen Road, Marina Avenue, and Venetian Road between its intersection with the Esplanade and Aptos Beach Drive to its intersection with Lake Court and Stephen Road; those parcels fronting on or gaining access from Cliff Court or fronting on or gaining access from Rio Del Mar Boulevard between its intersection with Aptos Beach Drive and Beach Drive to its intersection with Kingsbury Drive, Cliff Drive, and Beach Villa Lane; Beach Drive; and Via Gaviota. In addition, no more than 15 percent of all of the parcels that allow residential use in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated AreaLive Oak Designated Area and the Seacliff/Aptos Designated Area, excluding those parcels in the Mobile Home Park Combining Zone District, may contain vacation rentals. Notwithstanding these maximums, each block in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area Live Oak Designated Area and the Seacliff/Aptos Designated Area that has parcels that allow residential use, excluding those parcels in the Mobile Home Park Combining Zone District, may have at least one vacation rental.
- (c) Applicants for a permit for a new vacation rental shall provide the following to the Planning Department:

- (i) Completed application form.
- (ii) Nonrefundable application fee as established by the Board of Supervisors, but no greater than necessary to defray the cost incurred by the County in administering the provisions of this chapter, except that if the application requires a public hearing due to referral of the application to the Zoning Administrator or Planning Commission, then the application will be converted to an "at cost" application and the applicant will be billed for staff time associated with processing the application.
- (iii) Plans, which do not need to be drawn by a professional, drawn to scale including the following:
  - A. Plot plan showing location of all property lines, location of all existing buildings, and location of dimensioned on-site parking spaces.
  - B. Floor plan showing all rooms with each room labeled as to room type.
- (iv) Copy of a rental/lease agreement, which shall include, but not necessarily be limited to, the following: number of guests allowed (two/bedroom plus two, children under 12 not counted prior to November 1, 2016, children under 6 not counted on or after November 1, 2016, for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., the maximum number of people allowed is twice the maximum number of guests allowed); number of vehicles allowed (not to exceed the number of existing on-site parking spaces, plus two additional that will be considered to use on-street parking in the vicinity, but will not have any exclusive or assigned use of on-street parking); noise, illegal behavior and disturbances, trash management (e.g., trash to be kept in covered containers only).
- (v) Copy of a County of Santa Cruz transient occupancy registration certificate for the purpose of the operation of a vacation rental.
- (vi) No new vacation rental use may be permitted in a dwelling unit having a common wall or walls with another dwelling unit or units after the effective date of this ordinance amending the original vacation rental ordinance (Ordinance No. 5092, effective July 13, 2011), unless at the time of submission of the application the applicant provides a written agreement acceptable to the County and signed by all record owner(s) of the

- adjoining dwelling unit(s) stating that they are aware of the proposed\_vacation rental use and have no objection to issuance of a permit for such use. The agreement shall be binding on the parties thereto and their successors in interest for so long as the vacation rental permit for which the agreement was submitted, if issued, remains valid, and each party shall be responsible to inform its own successor(s) in interest in the unit of the agreement as part of the sale or transfer of the unit to such successor(s).
- (d) Number of People Allowed. The maximum number of guests allowed in a new residential vacation\_rental shall not exceed two people per bedroom plus two additional people, except for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., when the maximum number of people allowed is twice the maximum number of overnight guests allowed. Children under 12 are not counted toward the maximums prior to November 1, 2016; children under 6 are not counted toward the maximums on or after November 1, 2016 are not counted toward the maximums.
- (3) Renewal of Vacation Rental Permits in the LODA, SADA, and DASDALive Oak Designated Area and the Seacliff/Aptos Designated Area. In the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area-Live Oak Designated Area and the Seacliff/Aptos Designated Area only, vacation rental permits must be renewed every five years. Beginning on May 14, 2015, the effective date of the establishment of the Seacliff/Aptos Designated Area, those vacation rental permits issued before that effective date for property in the Seacliff/Aptos Designated Area shall be limited to a term of five years from that effective dateMay 14, 2015 and application to renew the vacation rental permit must be made in accordance with the provisions of this section. -An application to renew a permit for a vacation rental in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated AreaLive Oak Designated Area and the Seacliff/Aptos Designated Area shall be made no sooner than 180 days before expiration of the existing permit. It is the intention of the County of Santa Cruz that there is a presumption that an application for renewal of a vacation rental permit will be approved. Determination that the application is complete shall stay the expiration of the existing permit until final action is taken on the renewal application. Except as provided in SCCC 18.10.124(B), no public hearing shall be required and action on permit renewal applications shall be by the Planning Director or designee, with notice of the proposed action provided not less than 10 calendar days before issuance or denial of the permit, pursuant to SCCC 18.10.222(B) and

- (C). Appeals of the proposed action on the renewal application may be made by the applicant or any member of the public.
  - (a) If a public hearing is required, the Planning Director shall schedule the public hearing before either the Zoning Administrator or the Planning Commission, at the Planning Director's discretion. Notice of such a public hearing shall be provided not less than 10 calendar days before the public hearing, pursuant to SCCC 18.10.223.
  - (b) Applicants for renewal of a permit for a vacation rental in the <u>Live Oak Designated Area</u>, the <u>Seacliff/Aptos Designated Area</u>, or the <u>Davenport/Swanton Designated Area</u>Live Oak <u>Designated Area</u> and the <u>Seacliff/Aptos Designated Area</u> shall provide the following to the Planning Department:
    - (i) Completed application form.
    - (ii) Nonrefundable application fee as established by the Board of Supervisors, but no greater than necessary to defray the cost incurred by the County in administering the provisions of this chapter, except that if the application requires a public hearing due to referral of the application to the Zoning Administrator or Planning Commission, then the application will be converted to an "at cost" application and the applicant will be billed for staff time associated with processing the application.
    - (iii) Proof of payment of transient occupancy tax for the use of the dwelling as a vacation rental and a summary of the dates the unit was used as a vacation rental between the time of issuance of the existing permit and the date of application for the renewal. Renewal applications must show significant rental use of the unit for two of the previous five years. Determination of significant rental use shall be made in accordance with guidelines adopted by resolution of the Board of Supervisors.
    - (iv) A photograph of the sign installed on the parcel as required by the existing permit, and clearly including all information required under section 13.10.694(F).
  - (c) Although the renewal process includes a staff review of County records and other pertinent information specific to complaints, if any, that have been received about the particular vacation rental, it is the intention of the County of Santa Cruz that there is a presumption that an application for renewal of a vacation rental permit will be approved.

Approval of a vacation rental renewal permit shall be based on affirmative findings as set forth in SCCC 18.10.230(A). Denial of an application for renewal shall be based on one or more of the required findings not being able to be made, as set forth in SCCC 18.10.230(A).

- (4) Transfer of Property with Vacation Rental Permit in the LODA, SADA, or DASDA. Vacation Rental Permits on properties within the Live Oak Designated Area, the Seacliff/Aptos Designated Area, and the Davenport/Swanton Designated Area shall expire upon the sale or transfer of a property between owners. New owners shall be granted a 60-day grace period following the close of an escrow in which to transfer the permit to their names.
  - (a) Submittal Requirements for Transfer of ownership. Applications for the transfer of ownership of a vacation rental permit shall include (1) proof of sale of the property including date of close of escrow, (2) a new 24-hour contact as required by Section 13.10.694(E) and (3) a photograph of the Vacation Rental Sign, as required by Section 13.10.694(F) displaying the updated information.
- (5) Expansion of Permitted Vacation Rental. In addition to any other permits required for a proposal to expand the square footage of a permitted vacation rental structure by an amount equal to or more than 50 percent or to increase the existing number of bedrooms by demolition or remodeling, an amendment to the permitted vacation rental permit in accordance with SCCC 18.10.134 shall be required. The amendment application shall include a photograph of the sign installed on the parcel as required by the permitted\_vacation rental permit\_and clearly including all information required under section 13.10.694(F). Based on development and site standards for the applicable zone district, the amendment may allow a greater intensity of use than that allowed by the existing permit or may be conditioned such that the vacation rental use not exceed that authorized by the existing permit.
- (E) Local Contact Person. All vacation rentals shall designate a contact person within a 30-mile radius of the\_vacation rental. The contact person shall be available 24 hours a day to respond to tenant and neighborhood questions or concerns. A property owner who lives within a 30-mile radius of the vacation rental may designate himself or herself as the local contact person.

The name, address, and telephone number(s) of the local contact person shall be submitted to the Planning Department, the local Sheriff Substation, the main County Sheriff's Office, and the local fire agency, and supplied to the property owners of all properties located within a 300-foot radius of the

boundaries of the parcel on which the vacation rental is located. For all vacation rental permit applications, including applications for renewal and amendment, submitted after the effective date of this ordinance amending the original vacation rental ordinance (Ordinance No. 5092) contact information shall also be submitted to the Auditor-Controller-Treasurer-Tax Collector. Proof of mailing contact information to all of the above shall be submitted to the Planning Department within 30 days of permit approval, amendment, or renewal. The name, address and telephone number(s) of the local contact person shall be permanently posted in the rental unit in a prominent location(s). Any change in the local contact person's address or telephone number shall be promptly furnished to the agencies and neighboring property owners as specified in this subsection.

- (F) Signs. All vacation rentals shall have a sign identifying the structure as a permitted vacation rental and listing a 24-hour local contact responsible for responding to complaints and providing general information, which shall be placed no more than 20 feet back from the nearest street. In the LODA, SADA and DASDA, the sign must also display the beginning and end dates of the 5-year vacation rental permit. This information shall be updated upon any renewal of such a permit. The sign may be of any shape, but may not exceed 216 square inches. There is no minimum sign size so long as the information on the sign is legible from the nearest street. A sign required by this subsection shall be continuously maintained while the dwelling is rented.
- (G) Posting of Rules. Vacation rental rules shall be posted inside the vacation rental in a location readily visible to all guests. The rules shall include, but not necessarily be limited to, the following: number of guests allowed (two/bedroom plus two, children under 12 not counted prior to November 1, 2016, children under 6 not counted on or after November 1, 2016 not counted; for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., the maximum number of people allowed is twice the maximum number of guests allowed), number of vehicles allowed (not to exceed the number of existing on-site parking spaces, plus two additional that will be considered to use on-street parking in the vicinity, but will not have any exclusive or assigned use of on-street parking), noise, illegal behavior and disturbances, trash management (e.g., trash to be kept in covered containers only).
- (H) Noise. All residential vacation rentals shall comply with the standards of Chapter 8.30 SCCC, Noise, and a copy of that chapter shall be posted inside the vacation rental in a location readily visible to all guests. No use of equipment requiring more than standard household electrical current at 110 or 220 volts or activities that produce noise, dust, odor, or vibration detrimental to occupants of adjoining dwellings is allowed.

- (I) Transient Occupancy Tax. Each residential vacation rental owner shall meet the regulations and standards set forth in Chapter 4.24 SCCC, including any required payment of transient occupancy tax for each residential\_vacation rental unit.
- (J) Dispute Resolution. By accepting a vacation rental permit, vacation rental owners agree to engage in dispute resolution and act in good faith to resolve disputes with neighbors arising from the use of a dwelling as a\_vacation rental. Unless an alternative dispute resolution entity is agreed to by all parties involved, dispute resolution shall be conducted through the Conflict Resolution Center of Santa Cruz County.
- (K) Violation. It is unlawful for any person to use or allow the use of property in violation of the provisions of this section. The penalties for violation of this section are set forth in Chapter 19.01 SCCC, Enforcement of Land Use Regulations. If more than two documented, significant violations occur within any 12-month period a permit may be reviewed for possible amendment or revocation. Evidence of significant violations includes, but is not limited to, copies of citations, written warnings, or other documentation filed by law enforcement; copies of homeowner association warnings, reprimands, or other association actions; a permit holder providing false or misleading information on an application or renewal application; evidence of violations of State or County health regulations; evidence that a permit holder is delinquent in payment of transient occupancy taxes, fines, or penalties; evidence of non-responsive management or that appropriate signage has not been maintained in compliance with this section; verified neighbor complaints of noise or other disturbances; or other documents which substantiate allegations of significant violations. In the event a permit is revoked based upon a review under this section, no application by the person or entity from whom the permit was revoked shall be filed for a vacation rental permit on the same parcel within two years after the date of revocation, without prior consent of the Board of Supervisors.
- (L) It is unlawful to make a false report to the Sheriff's Office regarding activities associated with vacation\_rentals. [Ord. 5198 § 1, 2015; Ord. 5092 § 6, 2011].

ORDINANCE NO.	
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# ORDINANCE AMENDING SECTION 13.10.694 OF THE SANTA CRUZ COUNTY CODE RELATING TO VACATION RENTAL PERMITS

The Board of Supervisors of the County of Santa Cruz ordains as follows:

#### **SECTION I**

The Santa Cruz County Code is hereby amended by changing Section 13.10.694 to read as follows:

#### 13.10.694 Vacation rentals.

- (A) The purpose of this section is to establish regulations applicable to dwellings that are rented as vacation rentals for periods of not more than 30 days at a time. These regulations are in addition to all other provisions of this title. This section does not apply to Pajaro Dunes where vacation rentals are governed by an existing development permit. A vacation rental means the entire dwelling unit and does not include the renting of individual rooms in a dwelling unit.
- (B) Vacation rentals are allowed in all zone districts that allow residential use with no requirement for any other use, except that any vacation rental meeting the requirements of subsections (C)(2) and (D)(1) of this section may be permitted in any zone district. Habitable accessory structures, nonhabitable accessory structures, second units constructed under the provisions of SCCC 13.10.681, 13.20.107, or 13.20.108, and legally restricted affordable housing units shall not be used as vacation rentals.
- (C) For the purposes of this section, the following terms have the stated meanings:
  - (1) "Vacation rental" means a single-family dwelling unit, duplex, or triplex (including condominium and townhouse units, but not including apartments or manufactured homes in a mobile home park), where the owner/operator/contact person/agent does not live in or occupy the dwelling unit while it is rented for use as a vacation rental and no one but the renter of the vacation rental dwelling and guests of the renter occupy the dwelling unit while it is rented for use as a vacation rental and the entire dwelling unit is rented for the purpose of overnight lodging for a period of not more than 30 days. Where there are multiple dwelling units on a site, the owner/operator/contact person/agent may live in one of the dwellings that is not being used as a vacation rental. For the purposes of these regulations, the following are not considered to be vacation rentals: (1) ongoing month-to-

month tenancy granted to the same renter for the same unit, (2) one less-than-30-day period per year, (3) a house exchange for which there is no payment, or (4) renting of individual rooms in a dwelling unit while the primary occupant remains on-site.

- (2) "Existing vacation rental" means a dwelling unit that was used as a vacation rental prior to April 5, 2011, and for which a vacation rental permit application was made on or before November 28, 2011, and for which a vacation rental permit was granted based on an application submitted on or before November 28, 2011.
- (3) "New vacation rental" means a dwelling unit that was not used as a vacation rental prior to April 5, 2011, or for which a vacation rental permit application was not made on or before November 29, 2011, or for which a vacation rental permit has not been granted.
- (4) The "Live Oak Designated Area" means the Yacht Harbor Special Community (as described in the General Plan—Local Coastal Program and depicted on the General Plan—Local Coastal Program map) and that portion of Live Oak that lies east and south of East Cliff Drive and Portola Drive from the intersection of 9th Avenue and East Cliff Drive to the intersection of Portola Drive and 41st Avenue, as depicted in Figure LODA, attached to the ordinance codified in this section.
- (5) The "Sea Cliff/Aptos Designated Area" means that portion of the Aptos Planning Area bounded on the west by the Capitola city limit, on the north by Highway One, and on the east and southeast by Bonita Drive, San Andreas Road, and the Urban Services Line from San Andreas Road to Monterey Bay, as depicted in Figure SADA, attached to the ordinance codified in this section.
- (6) The Davenport/Swanton Designated Area means that portion of the North Coast Planning area bounded on the south by Riverside Ave and San Vincente St in the unincorporated town of Davenport, and extending north along Highway 1 to include the areas of New Town and Davenport Landing south of Highway 1, and bounded on the north by the intersection of Swanton Road and Highway 1, and including all parcels within one-quarter mile of Swanton Road, but excluding any parcels that abut Last Chance Road, as depicted in Figure DASDA, attached to the ordinance codified in this section.(7) "Block" means the properties abutting both sides of a street extending from one intersecting street to another or to the terminus of the street. In the DASDA, "blocks" shall apply only in the

town of Davenport, extending to all the R-1 zoned parcels along San Vincente St, in New Town on Cement Plant, Adeline, and 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> streets, and on Davenport Landing.

- (D) Permit Requirements. A vacation rental permit and transient occupancy tax registration are required for each residential vacation rental. Each vacation rental permit shall remain valid as long as the vacation rental operates at least three out of any consecutive five years, except that each vacation rental permit issued for a vacation rental located in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area shall expire five years from the date of issuance of the original permit or as otherwise provided in subsection (D)(3) of this section. If an application for renewal has been submitted and is deemed complete prior to the expiration date, the expiration of the permit will be stayed until final action on the renewal application. No application for renewal of a vacation rental permit shall be accepted more than 180 days before the expiration date. The Planning Director may approve extensions of permit expiration dates or application submittal dates based on demonstrated hardship to the applicant or for other good cause. Approval of a vacation rental permit does not legalize any nonpermitted use or structure. Vacation rental permits are subject to revocation as provided for in SCCC 18.10.136.
  - (1) Existing Vacation Rental. An initial permit shall be obtained. No public hearing shall be required and no notice of an application for a permit for an existing vacation rental shall be given. For an existing vacation rental to be considered a legal use the applicant shall provide the following to the Planning Department within 90 days, and not later than November 28, 2011, after the certification of the original vacation ordinance (Ordinance No. 5092) codified in this chapter by the California Coastal Commission:
    - (a) Completed application form.
    - (b) Plans, which do not need to be drawn by a professional, drawn to scale including the following:
      - (i) Plot plan showing location of all property lines, location of all existing buildings, and location of dimensioned on-site parking spaces.
      - (ii) Floor plan showing all rooms with each room labeled as to room type.

- (c) Nonrefundable application fee as established by the Board of Supervisors, but no greater than necessary to defray the cost incurred by the County in administering the provisions of this chapter.
- (d) Copy of a rental/lease agreement, which shall include, but not necessarily be limited to, the following: number of guests allowed (two/bedroom plus two, children under 12 not counted prior to November 1, 2016, children under 6 not counted on or after November 1, 2016; for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., the maximum number of people allowed is twice the maximum number of guests allowed); number of vehicles allowed (not to exceed the number of existing onsite parking spaces, plus two additional that will be considered to use on-site parking in the vicinity, but will not have any exclusive or assigned use of on-street parking); noise, illegal behavior and disturbances, trash management (e.g., trash to be kept in covered containers only).
- (e) Proof that a dwelling unit was being used as a vacation rental prior to April 5, 2011. Such proof may consist of, among other things, the following items:
  - (i) Documentation that the owner paid County of Santa Cruz transient occupancy tax for the use of the vacation rental; or
  - (ii) Documentation that there has been vacation rental use of the unit. This could include the following: the owner allowed transient guests to occupy the subject property in exchange for compensation and the applicant furnishes reliable information, including but not limited to records of occupancy and tax documents, guest reservation lists; and receipts, showing payment and dates of stay.
- (f) Retroactive Payment of Transient Occupancy Tax. For those applicants who provide adequate documentation that a dwelling unit was used as a vacation rental prior to April 5, 2011, but where the owner has not registered and paid transient occupancy tax, proof of retroactive payment of the transient occupancy tax amount due to the County to the extent allowed by law for the time during which a dwelling unit was being used as a vacation rental shall be submitted.

- (g) Number of People Allowed. The maximum number of guests allowed in an existing individual residential vacation rental shall not exceed two people per bedroom plus two additional people, except for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., when the maximum number of people allowed is twice the maximum number of guests allowed. Children under 12 are not counted toward the maximums prior to November 1, 2016, children under 6 are not counted toward the maximums on or after November 1, 2016.
- (2) New Vacation Rentals. For new applications for Vacation Rentals of 3 Bedrooms or fewer, except as provided in SCCC 18.10.124(B), no public hearing shall be required and action on these applications shall be by the Planning Director or designee, with notice of the proposed action provided not less than 10 calendar days before issuance of the permit, pursuant to SCCC18.10.222(B) and (C). Appeals of the proposed action on the application may be made by the applicant or any member of the public. Pursuant to SCCC 18.10.124(B), the Planning Director may refer the application to the Zoning Administrator or Planning Commission for a public hearing. For new applications for Vacation Rentals consisting of 4 or more bedrooms, the application shall be considered at a public hearing in accordance with the Level V procedures in Chapter 18.10.
  - (a) When a public hearing is required, notice of such a public hearing shall be provided not less than 10 calendar days before the public hearing, pursuant to SCCC 18.10.223.
  - (b) In the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area, no new vacation rental shall be approved if parcels with permitted vacation rentals on the same block total 20 percent or more of the total parcels on that block that allow residential use, excluding those parcels in the Mobile Home Park Combining Zone District; except that in the following areas the percentage of parcels that may have vacation rentals is not limited: Pot Belly Beach Road; Las Olas Drive; those residentially zoned parcels in the Rio Del Mar flats consisting of parcels fronting on Stephen Road, Marina Avenue, and Venetian Road between its intersection with the Esplanade and Aptos Beach Drive to its intersection with Lake Court and Stephen Road; those parcels fronting on or gaining access from Cliff Court or fronting on or gaining access from Rio Del Mar Boulevard between its intersection with Aptos Beach Drive and Beach Drive to its intersection with

In addition, no more than 15 percent of all of the parcels that allow residential use in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area, excluding those parcels in the Mobile Home Park Combining Zone District, may contain vacation rentals. Notwithstanding these maximums, each block in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area that has parcels that allow residential use, excluding those parcels in the Mobile Home Park Combining Zone District, may have at least one vacation rental.

- (c) Applicants for a permit for a new vacation rental shall provide the following to the Planning Department:
  - (i) Completed application form.
  - (ii) Nonrefundable application fee as established by the Board of Supervisors, but no greater than necessary to defray the cost incurred by the County in administering the provisions of this chapter, except that if the application requires a public hearing due to referral of the application to the Zoning Administrator or Planning Commission, then the application will be converted to an "at cost" application and the applicant will be billed for staff time associated with processing the application.
  - (iii) Plans, which do not need to be drawn by a professional, drawn to scale including the following:
    - A. Plot plan showing location of all property lines, location of all existing buildings, and location of dimensioned on-site parking spaces.
    - B. Floor plan showing all rooms with each room labeled as to room type.
  - (iv) Copy of a rental/lease agreement, which shall include, but not necessarily be limited to, the following: number of guests allowed (two/bedroom plus two, children under 12 not counted prior to November 1, 2016, children under 6 not counted on or after November 1, 2016; for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., the maximum number of people allowed is twice the maximum number of guests allowed); number of vehicles allowed (not to exceed the number of existing on-site parking spaces, plus two additional that will be Page 6 of 12

considered to use on-street parking in the vicinity, but will not have any exclusive or assigned use of on-street parking); noise, illegal behavior and disturbances, trash management (e.g., trash to be kept in covered containers only).

- (v) Copy of a County of Santa Cruz transient occupancy registration certificate for the purpose of the operation of a vacation rental.
- (vi) No new vacation rental use may be permitted in a dwelling unit having a common wall or walls with another dwelling unit or units after the effective date of this ordinance amending the original vacation rental ordinance (Ordinance No. 5092, effective July 13, 2011), unless at the time of submission of the application the applicant provides a written agreement acceptable to the County and signed by all record owner(s) of the adjoining dwelling unit(s) stating that they are aware of the proposed vacation rental use and have no objection to issuance of a permit for such use. The agreement shall be binding on the parties thereto and their successors in interest for so long as the vacation rental permit for which the agreement was submitted, if issued, remains valid, and each party shall be responsible to inform its own successor(s) in interest in the unit of the agreement as part of the sale or transfer of the unit to such successor(s).
- (d) Number of People Allowed. The maximum number of guests allowed in a new residential vacation rental shall not exceed two people per bedroom plus two additional people, except for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., when the maximum number of people allowed is twice the maximum number of overnight guests allowed. Children under 12 are not counted toward the maximums prior to November 1, 2016; children under 6 are not counted toward the maximums on or after November 1, 2016.
- (3) Renewal of Vacation Rental Permits in the LODA, SADA, and DASDA. In the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area only, vacation rental permits must be renewed every five years. Beginning on May 14, 2015, the effective date of the establishment of the Seacliff/Aptos Designated Area, those vacation rental permits issued before that effective date for property in the Seacliff/Aptos Designated Area shall be limited to a term of five years from

May 14, 2015 and application to renew the vacation rental permit must be made in accordance with the provisions of this section. An application to renew a permit for a vacation rental in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area shall be made no sooner than 180 days before expiration of the existing permit. It is the intention of the County of Santa Cruz that there is a presumption that an application for renewal of a vacation rental permit will be approved. Determination that the application is complete shall stay the expiration of the existing permit until final action is taken on the renewal application. Except as provided in SCCC 18.10.124(B), no public hearing shall be required and action on permit renewal applications shall be by the Planning Director or designee, with notice of the proposed action provided not less than 10 calendar days before issuance or denial of the permit, pursuant to SCCC 18.10.222(B) and (C). Appeals of the proposed action on the renewal application may be made by the applicant or any member of the public.

- (a) If a public hearing is required, the Planning Director shall schedule the public hearing before either the Zoning Administrator or the Planning Commission, at the Planning Director's discretion. Notice of such a public hearing shall be provided not less than 10 calendar days before the public hearing, pursuant to SCCC 18.10.223.
- (b) Applicants for renewal of a permit for a vacation rental in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area shall provide the following to the Planning Department:
  - (i) Completed application form.
  - (ii) Nonrefundable application fee as established by the Board of Supervisors, but no greater than necessary to defray the cost incurred by the County in administering the provisions of this chapter, except that if the application requires a public hearing due to referral of the application to the Zoning Administrator or Planning Commission, then the application will be converted to an "at cost" application and the applicant will be billed for staff time associated with processing the application.
  - (iii) Proof of payment of transient occupancy tax for the use of the dwelling as a vacation rental and a summary of the dates the unit was used as a vacation rental between the time of issuance of the existing permit and the date



of application for the renewal. Renewal applications must show significant rental use of the unit for two of the previous five years. Determination of significant rental use shall be made in accordance with guidelines adopted by resolution of the Board of Supervisors.

- (iv) A photograph of the sign installed on the parcel as required by the existing permit, and clearly including all information required under section 13.10.694(F).
- (c) Although the renewal process includes a staff review of County records and other pertinent information specific to complaints, if any, that have been received about the particular vacation rental, it is the intention of the County of Santa Cruz that there is a presumption that an application for renewal of a vacation rental permit will be approved. Approval of a vacation rental renewal permit shall be based on affirmative findings as set forth in SCCC 18.10.230(A). Denial of an application for renewal shall be based on one or more of the required findings not being able to be made, as set forth in SCCC 18.10.230(A).
- (4) Transfer of Property with Vacation Rental Permit in the LODA, SADA, or DASDA. Vacation Rental Permits on properties within the Live Oak Designated Area, the Seacliff/Aptos Designated Area, and the Davenport/Swanton Designated Area shall expire upon the sale or transfer of a property between owners. New owners shall be granted a 60-day grace period following the close of an escrow in which to transfer the permit to their names.
  - (a) Submittal Requirements for Transfer of ownership. Applications for the transfer of ownership of a vacation rental permit shall include (1) proof of sale of the property including date of close of escrow, (2) a new 24-hour contact as required by Section 13.10.694(E) and (3) a photograph of the Vacation Rental Sign, as required by Section 13.10.694(F) displaying the updated information.
- (5) Expansion of Permitted Vacation Rental. In addition to any other permits required for a proposal to expand the square footage of a permitted vacation rental structure by an amount equal to or more than 50 percent or to increase the existing number of bedrooms by demolition or remodeling, an amendment to the permitted vacation rental permit in accordance with SCCC 18.10.134 shall be required. The amendment application shall include a photograph of the sign installed on the parcel as required by the permitted

vacation rental permit and clearly including all information required under section 13.10.694(F). Based on development and site standards for the applicable zone district, the amendment may allow a greater intensity of use than that allowed by the existing permit or may be conditioned such that the vacation rental use not exceed that authorized by the existing permit.

(E) Local Contact Person. All vacation rentals shall designate a contact person within a 30-mile radius of the vacation rental. The contact person shall be available 24 hours a day to respond to tenant and neighborhood questions or concerns. A property owner who lives within a 30-mile radius of the vacation rental may designate himself or herself as the local contact person.

The name, address, and telephone number(s) of the local contact person shall be submitted to the Planning Department, the local Sheriff Substation, the main County Sheriff's Office, and the local fire agency, and supplied to the property owners of all properties located within a 300-foot radius of the boundaries of the parcel on which the vacation rental is located. For all vacation rental permit applications, including applications for renewal and amendment, submitted after the effective date of this ordinance amending the original vacation rental ordinance (Ordinance No. 5092) contact information shall also be submitted to the Auditor-Controller-Treasurer-Tax Collector. Proof of mailing contact information to all of the above shall be submitted to the Planning Department within 30 days of permit approval, amendment, or renewal. The name, address and telephone number(s) of the local contact person shall be permanently posted in the rental unit in a prominent location(s). Any change in the local contact person's address or telephone number shall be promptly furnished to the agencies and neighboring property owners as specified in this subsection.

(F) Signs. All vacation rentals shall have a sign identifying the structure as a permitted vacation rental and listing a 24-hour local contact responsible for responding to complaints and providing general information, which shall be placed no more than 20 feet back from the nearest street. In the LODA, SADA and DASDA, the sign must also display the beginning and end dates of the 5-year vacation rental permit. This information shall be updated upon any renewal of such a permit. The sign may be of any shape, but may not exceed 216 square inches. There is no minimum sign size so long as the information on the sign is legible from the nearest street. A sign required by this subsection shall be continuously maintained while the dwelling is rented.

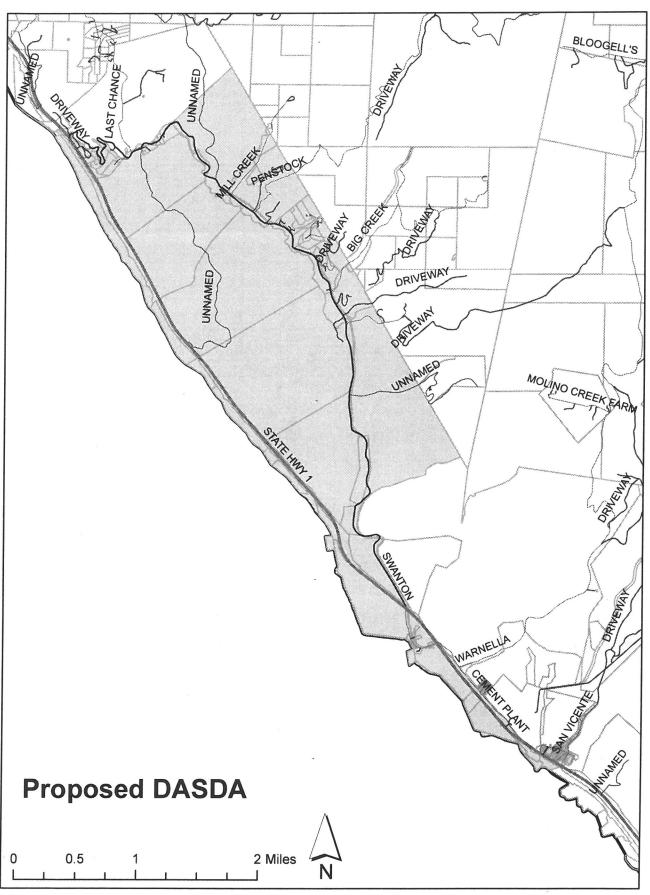
- (G) Posting of Rules. Vacation rental rules shall be posted inside the vacation rental in a location readily visible to all guests. The rules shall include, but not necessarily be limited to, the following: number of guests allowed (two/bedroom plus two, children under 12 not counted prior to November 1, 2016, children under 6 not counted on or after November 1, 2016; for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., the maximum number of people allowed is twice the maximum number of guests allowed), number of vehicles allowed (not to exceed the number of existing on-site parking spaces, plus two additional that will be considered to use on-street parking in the vicinity, but will not have any exclusive or assigned use of on-street parking), noise, illegal behavior and disturbances, trash management (e.g., trash to be kept in covered containers only).
- (H) Noise. All residential vacation rentals shall comply with the standards of Chapter 8.30 SCCC, Noise, and a copy of that chapter shall be posted inside the vacation rental in a location readily visible to all guests. No use of equipment requiring more than standard household electrical current at 110 or 220 volts or activities that produce noise, dust, odor, or vibration detrimental to occupants of adjoining dwellings is allowed.
- (I) Transient Occupancy Tax. Each residential vacation rental owner shall meet the regulations and standards set forth in Chapter 4.24 SCCC, including any required payment of transient occupancy tax for each residential vacation rental unit.
- (J) Dispute Resolution. By accepting a vacation rental permit, vacation rental owners agree to engage in dispute resolution and act in good faith to resolve disputes with neighbors arising from the use of a dwelling as a vacation rental. Unless an alternative dispute resolution entity is agreed to by all parties involved, dispute resolution shall be conducted through the Conflict Resolution Center of Santa Cruz County.
- (K) Violation. It is unlawful for any person to use or allow the use of property in violation of the provisions of this section. The penalties for violation of this section are set forth in Chapter 19.01 SCCC, Enforcement of Land Use Regulations. If more than two documented, significant violations occur within any 12-month period a permit may be reviewed for possible amendment or revocation. Evidence of significant violations includes, but is not limited to, copies of citations, written warnings, or other documentation filed by law enforcement; copies of homeowner association warnings, reprimands, or other association actions; a permit holder providing false or misleading information on an application or renewal application; evidence of

violations of State or County health regulations; evidence that a permit holder is delinquent in payment of transient occupancy taxes, fines, or penalties; evidence of non-responsive management or that appropriate signage has not been maintained in compliance with this section; verified neighbor complaints of noise or other disturbances; or other documents which substantiate allegations of significant violations. In the event a permit is revoked based upon a review under this section, no application by the person or entity from whom the permit was revoked shall be filed for a vacation rental permit on the same parcel within two years after the date of revocation, without prior consent of the Board of Supervisors.

(L) It is unlawful to make a false report to the Sheriff's Office regarding activities associated with vacation rentals. [Ord. 5198 § 1, 2015; Ord. 5092 § 6, 2011].

### **SECTION II**

This o the Coastal Zo	rdinance shall take effectione, and upon certification	t on the 31st n by the Coa	t day after the date of final passage of astal Commission inside of the Coasta	utside of l zone.
	AND ADOPTED this f the County of Santa Cru		, 2016, by the Board of lowing vote:	
Super visors of	and country of Suring of	0, 0210 101	8	
AYES:	SUPERVISORS			
NOES:	SUPERVISORS			
ABSENT:	SUPERVISORS			
ABSTAIN:	SUPERVISORS			
			C1 :	
			Chairperson of the	
Attest:			Board of Supervisors	
	of the Board			
Cion	or the Board			
Approved as t	o form:			
Sp	celle			
County Couns	el			



# **Guidelines for Renewal of Vacation Rental Permits**

County Code Section 13.10.694 requires that the renewal of vacation rental permits in the LODA, SADA, and DAVDA, show show **significant rental use** of the unit for two of the previous five years.

Significant rental use shall be interpreted to include no fewer than 10% of weekend nights in a given year, or a minimum occupancy of 5 weekends or 10 nights per year.

The following may be used to verify significant rental use:

- 1. Tax payment receipts from the County Tax Collector
- 2. Copies of annual TOT payment records from the County Tax Collector
- 3. Copies of signed rental agreements between property owner and renters
- 4. Proof of advertising of vacation rental properties, i.e. print outs of AirBnB listings or listings with a property management company.
- 5. Signed affidavits by prior renters of the property including the dates they occupied the property and the total amount they paid for the rental.
- 6. Copies of sales receipts for the rental of the property.
- 7. Documentation of rental supplied by a property management company, or documentation of occupied nights as maintained by the entity publicizing the vacation rental.



# County of Santa Cruz

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District

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**Santa Cruz County** CA

**Agenda Item** DOC-2016-107



Direct planning staff to amend the County's Vacation Rental Ordinance, conduct a CEQA analysis and hold a public hearing at the Planning Commission and bring back to this Board for consideration an amended ordinance that creates a new designated area for the Swanton community and the Town of Davenport (including Davenport Landing) in which vacation rentals, as defined in our code, would make up no more than 10% of the homes in the designated area, as Recommended By Supervisor Coonerty

#### Information

Department:

Board of Supervisors: Third Sponsors:

Third District Supervisor

Ryan Coonerty

**Attachments** 

Board Memo Davenport/North Coast Association Letter

#### Board Letter

For the past several months my office has been discussing the issues of vacation rentals with the community of Davenport and Swanton, both communities are located on the North Coast of Santa Cruz County in the Third District. As is the case with many coastal communities along the coast of California, Davenport is experiencing a rise of single family homes being converted to full-time vacation rentals. Similarly, the rural area surrounding Swanton Road also has single family homes that are being advertised as vacation rentals. Although the number of vacation rentals operating in Davenport and Swanton is small, because the community of Davenport is made up of only 100 homes, and the Swanton area is largely rural, even a small number of full-time vacation rentals can severely impact the community, affecting everything from the affordability of a single family home, to neighborhood compatibility, to the viability of Pacific School, a public K-6th grade elementary school serving the families of Davenport and the North Coast.

In response to the concerns of the community, I convened a town meeting this past November and invited planning staff to join me to let the community know what their options might be to restrict vacation rentals in Davenport and Swanton. At the standing-room-only meeting, planning staff discussed the County-wide vacation rental ordinance and how the County further restricts vacation rentals in the Live Oak Designated Area (LODA) and the Seacliff Aptos Designated Area (SADA). In the LODA and the SADA, vacation rentals are capped at no more than 25% per block and no more than 15% per area, with some streets carved out in the SADA for unlimited vacation rentals. Planning staff and I answered questions and listened to comments, the vast majority of which were in support of some regulation that would limit the number of vacation rentals.

Attached, you will find a letter from the Davenport North Coast Association requesting that this Board direct staff to create a designated area for the town of Davenport, including Davenport Landing, which would restrict the number of vacation rentals that could operate in the designated area. After careful review and consideration of their options, the community believes a 10% cap on vacation rentals in the new designated area would be appropriate, with no restrictions by block. In addition, they request that similar restrictions should be developed for the Swanton area up to, but not including, Last Chance Road.

I concur with this recommendation and as such, I recommend the following direction:

The Board direct planning staff to amend the County's Vacation Rental Ordinance that creates a new designated area for the Swanton community and the town of Davenport (including Davenport Landing) in which vacation rentals, as defined in our code, would make up no more than

5/17/2016 DOC-2016-107 Direct planning staff to amend the County's Vacation Rental Ordinance, conduct a CEQA analysis and hold a public hearing at the Planning...

10% of the homes in the designated area.

- 2. Conduct a CEQA analysis and hold a public hearing at the Planning Commission
- Bring the item to the Board of Supervisors for consideration and action.

#### Meeting History

Feb 9, 2016 9:00 AM Video Supervise

Supervisors Regular Meeting

**♪** Draft

(Item taken separately)

Additional direction:

(a) Requested the Planning Commission take a look at a public hearing requirement for Vacation

Rentals that are 4 or more bedrooms;

(b) Directed staff to look at the maximum cap for unrelated kids; and

(c) Directed staff to look at compliance with Home Owners Association (HOA) rules

RESULT: MOVER: ADOPTED [3 TO 2]

Joh

John Leopold, Vice Chair; First District Supervisor

SECONDER: AYES: Zach Friend, Second District Supervisor John Leopold, Zach Friend, Greg Caput

NAVS:

Ryan Coonerty, Bruce McPherson

#### Public Discussion

#### Add Comment

I urge you to limit North Coast vacation rentals to 10% of total housing. Ordinary residential housing is already impossibly difficult to find here, and expensive. In areas outside Davenport visitors who were unaware of wildfire prevention would be a liability. Negative impacts on traffic and community are true for Davenport and amplified in the smaller North Coast communities. Finally, I doubt the County's willingness and ability to enforce what limits are set, but lower limits would be easier to enforce. Respectfully, Jack Herman Posted by Jack Herman on 2/9/2016 at 8:00 AM

I am in favor of developing limitations on the proliferation of vacation rentals on the North Coast, in order to mitigate the impact of increased traffic, the lack of sufficient public safety services, and the impact on the price of housing, as well as upon our local water and sewer system. I believe it is wise to preserve housing for families in Davenport area, which is already bearing the negative weight of increased tourism and visitors -- which is only going to increase. The Vacation Rental Ordinance has worked very well in other parts of the county. I'm aware that Aptos and Live Oak has a 15% cap, but Davenport is a very different situation: there are only about 100 homes in Davenport, and they are tightly spaced. I am therefore asking the Board of Supervisors to instruct the Planning Department to draft a Vacation Rental Ordinance scaled appropriately for the size of our community: A 10% cap would be a significant and appropriate in our little town. Thank you, Ann Parker

Posted by Ann Parker on 2/8/2016 at 10:36 PM

I am in favor of developing limitations on the proliferation of vacation rentals on the North Coast in order to mitigate the impact of increased traffic, lack of public safety services, student body of Pacific School, the price of housing, and our water and sewer system. I believe it is wise to preserve housing for families in Davenport area, which is at risk of becoming the next tourist center. The Vacation Rental Ordinance has worked very well in other parts of the county, but unlike Aptos and Live Oak, there are only about 100 homes in Davenport. Therefore, I am asking the Board of Supervisors to instruct Planning Department to draft a Vacation Rental Ordinance scaled to the size of our community, where a 10% cap would be a significant and appropriate. Thank you, Noel Garin Bock Posted by Noel Bock on 2/8/2016 at 9:03 PM

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#### Sarah Neuse

From: Sent: lee rossi [leerossi@hotmail.com] Tuesday, May 10, 2016 3:32 PM

To: Subject: Sarah Neuse; Elizabeth Hayward Re: Vacation Rental Ordinace

Hi Sara and Elizabeth,

Could you please retract my last email to the commission board hearing for the 5/25 meeting and replace it with the one below:

Hi Sara and Elizabeth,

I am writing to you to voice my concern and Ideas to be heard at the upcoming 5/25 planing commission meeting. My concerns, Ideas and solutions are below for the upcoming meeting.

There are current vacation rental permit holders that do not list, rent or exercise their vacation rental permit's. Sometimes they pay little TOT taxes to make it look like they are exercised to show for the upcoming renewal. They simply use this tactic to increase the value of their home, and to lock others out on the street from obtaining a vacation rental permit. This ordinance with the 20% max limit has created a monopoly. Here is the definition of the word monopoly which fits the situation on my street. Monopoly - exclusive control of a commodity or service in a particular market, ora control that makes po ssible the manipulation of prices. The houses on my street have sold with an increase in value by having a vacation rental permit. Currently these homes are not rented as vacation rentals. I live across the street from a vacation rental, one behind me and one next door to me. I am upset that these homes are able to obtain and keep their permits, and a possible renewal this year showing proof of their little TOT taxes paid for renting them out. For a renewal, I know they must show/prove the use of their home as a vacation rental. But nothing is in the ordinance with exact details of renewal. Simply when the renewal permit for these homeowners comes up they will pay the necessary fee's/fine/ possible fake past TOT taxes to show they were renting out their homes to renew their permits.

This ordinance is not fair to the homeowners like me that have to live next to a vacation rental home and never be able to reap the benefits of owning/obtaining a vacation rental permit. No one home should own a vacation rental permit for the life of the home. There should be a waiting list and once your rental permit expires it goes to the next person on the waiting list. All I am asking is something fair for everyone on my street to be able to obtain in their lifetime a vacation rental permit at some point in owning their home. I am not asking to takeaway permits, I am asking for a fair process in which the rental permit travels amongst the streets that are at the 20% max per the ordinance.

Below are some solutions:

- 1. Create a waiting list for streets that are 20% max per ordinance. Once a permit expires, it automatically goes to the next person on the waiting list regardless if the current permit holder has abided by all rules of the ordinance.
- 2. Create a new added vacation rental Ordinance for part/time vacation rental owners. e.g people that only rent out their homes a few times a year. e.g. 10-20 weeks per year. Meaning people like me that leave out of

town a few times a year. There could be a separate % for full time rentals, and separate % part time vacation rentals.

- 3. Increase the 20% cap max for the streets that are maxed out to possibly 30-40%
- 4. Change the vacation rental ordinance from 29 days to 7-14 days. This will allow for people to rent out their homes during the holidays for part time vacation rental owners like in example 2 above.
- 5. Get rid of the max% (highly unlikely but an option, no other city or county has a moratorium on vacation rentals)
- 6. Increase the 20% for a home owner applying for a permit based upon a public hearing from directly affected neighbors. (e.g when you apply initially for a vacation rental permit the notice goes to directly affected neighbors to protest against the permit for valid reasons)
- 7. Have the 20% cap plus 10% more in which the the (10% more permits) become traveling permits amongst others on the street that are on a waiting list.

Again If I have to put up with living next door to a vacation rental, I should be able to obtain a vacation rental permit in the near future.

All I am asking is for something fair that all homeowners can be able to one day obtain a vacation rental permit. Not the same house that will sit for decades and reap all the rewards, monies and status of having a vacation rental permit.

Thank you for reading this.

Respectfully,

Lee Rossi

p.s This is all derived from a few neighbors obtaining their vacation rental permits and then selling their homes for an increase in value. The neighbors pulled a fast one on all of us.

From: Sarah Neuse <Sarah.Neuse@santacruzcounty.us>

Sent: Tuesday, May 10, 2016 10:43 AM

To: 'lee rossi'

**Cc:** Ken Hart; Steven Guiney; Kathy Previsich; Rachel Christopher **Subject:** RE: Vacation rental Ordinance on 25th ave is a scam

Hello Mr. Rossi,

Yes, of course. You can send correspondence on this item directly to me, at this email address, or to the Planning Commission Secretary, Elizabeth Hayward (Elizabeth.hayward@santacruzcounty.us). We appreciate receiving your comments by 5/18 in advance of the 5/25 hearing if at all possible.

Sarah

### Sarah Neuse

From:

Britney Augustine [roxygirlba@hotmail.com]

Sent:

Tuesday, May 10, 2016 3:52 PM Sarah Neuse; Elizabeth Hayward

To: Subject:

Issues for the 5/25 planning commission meeting

Dear Sarah and Elizabeth,

I recently wrote a letter to John Leopold regarding a vacation permit problem in our neighborhood. After talking with a few neighbors they gave me your emails to address my concerns for the upcoming 5/25/2016 planning commission meeting.

My main problem is that there is an ordinance maxing out a cap 20% of street allowed to obtain a vacation permit. I live in the Live Oak area. Live Oak is the only area in Santa Cruz County that has this ordinance. Westside, Midtown, Capitola, etc doesn't have this ordinance. I have a few problems with this:

- 1. A few neighbors who have vacation permits got them to raise values on their home during time of selling. New owners are not renting their house out, nor are they putting permit in their name. Permits are life of property(5yrs). What is unfair about this is its locking out the possibility for those that want to have permit to rent out their house. Like myself. If I have to live around vacation permitted properties I should be able to obtain one as well.
- 2. Some Neighbors who have vacation permits do not utilize them. When time for renewal they pay very little TOT taxes just skate by and get approved. This is abusing their permit and unfair for those who would use them correctly.
- 3. Its first come first serve instead of a waiting list process. This allows someone to swoop in get a permit in front of someone who has been waiting for the oppertunaty.

This ordinance is flawed. It creates a monopoly on who can/cannot obtain a vacation permit. There is no room in this ordinance to punish/revoke/non-renewal for those who has permits that are not utilizing them correctly. (EXAMPLE: A neighbor on my street get at least 1-5 phone calls to the sheriffs dept. for problems with her renters. In the ordinance it states X amount of complaints will result in non-renewal which has not happened in this case) This also goes for those that pay little TOT tax just to get renewal.

Some possible solution that I think would help:

- 1. Have a waiting list. This allows when properties aren't renewed or get revoked it allows those waiting to obtain one.
- 2. When a property sells have a time frame of when permit needs to be transferred into new owners name. if in (30,60,90 days) this has not been done that permit is taking off the property and is up for next person on waiting list.
- 3. Take away 20% street cap. Why is this area the only one in Santa Cruz that has it?
- 4. Increase street cap % by 10-15% more clearly the first % isn't working or the neighborhood wouldn't be this upset. And believe me we are.
- 5. Make people show proof of rental when submitting their TOT tax so that when its time for renewal people aren't faking it just to get their approval.
- 6. Maybe make 2 different kind of permits. 1. Permit being rent as little as one night. 2. Permit be weekly/monthly permits

I have done a lot of research and all I can say is the ordinance is unfair, it is a monopoly on who can/cannot get a permit, and there is no consequences for miss use. I personally feel that my solutions would help all parties. The city gets Paid (TOT taxes), those with permits if they truly are in it for the right reason any above new restriction are not outta reach, it also allows new permits to be obtained.

I appreciate your time

Britney Augustine

### Sarah Neuse

From:

Elizabeth Hayward

Sent:

Friday, May 13, 2016 8:19 AM

To:

Sarah Neuse

Subject:

FW: Comments for May 25th Planning Commission hearing

From: Jim Hayes [mailto:JHayes@jhayes.org]
Sent: Thursday, May 12, 2016 5:33 PM

**To:** Elizabeth Hayward

Subject: Comments for May 25th Planning Commission hearing

Santa Cruz County Planning Commission 701 Ocean Street 4th Floor SANTA CRUZ, CA 95060

Dear Planning Commission,

I am a resident on 25th Ave. in the Live Oak Development Area. I live next-door to a vacation rental.

I have a few concerns for the planning commission:

- 1) There needs to be a well documented complaint resolution process.
- 2) The permit renewal process needs to be \*very\* transparent.
- 3) Quality of life issues.

#### **BRIEF HISTORY**

The our block on 25th Ave has a long history of being quiet, extremely close-knit and friendly. And, yes, quirky\*. The turnover has been astoundingly low, and for many years properties turned over only when one of our dear neighbors became frail and died.

Example: When my neighbor across the street retired and left the area, they approached me to buy the property to "keep it in the family" so to speak. I did. I remodeled it and moved in, selling my old house across the street shortly after. I carried on the tradition (as have so many) to find friendly neighbors that would be a good fit for the street.

## IMPACT OF CURRENT SYSTEM

When the vacation rental permit system started, the neighbors and I didn't think much of the impact it would have on our street. We knew each other well, knowing that nobody would ever think of attempting to turn their home into a rental.

**Then Alice died.** She lived next door to me, and didn't really try to be part of the neighborhood. She was very involved with her church, but not the neighbors, except when she needed one of us to come over and help her move, reach, or repair something that had broken. :-)

Alice's daughters sold the property to the highest bidder, a lawyer from San Jose. The new owner told me that this was a second home, and she eventually wanted to live in the house.

She fixed it up, and then turned it into a full-time vacation rental. At the time, she told me it would only be for six months. It has been nearly five years, and it has been non-stop people in-and-out. A new batch every weekend.

After the first few rentals, one-by-one the other neighbors snapped up the remaining permits in an attempt to prevent another "Alice" situation. This isn't foolproof, but it's a short term solution.

# **QUALITY OF LIFE ISSUES**

Every weekend brings a new batch of renters next door, and every weekend I grit my teeth, wondering "What's it going to be this week? Drunken brawls? Profanity laced replies when I ask the renters to be quiet? RV's in the street? 8 Cars? Dogs left in the backyard all day barking?" (All of this happened in the first few months of the new rental.)

I gave up complaining to the owner and just started calling the Sheriff's Dept.

The rental owner doesn't understand that it's not my job to police her property. It is her job to make sure her property isn't a nuisance. While she has done better at screening renters, she doesn't understand that people on vacation don't care about the sign that says "no hottub after 10pm", etc. It's just human nature.

#### **COMPLAINT PROCESS**

The ordinance needs more specific rules to protect surrounding neighbors from "bad apples".

As far as I know there isn't a formal complaint process. All the ordinance says (at my last reading) is that there has to be "verifiable" complaints for anything to happen, which is an extremely vague statement. The ordinance doesn't go into any specifics on how rental owners are penalized for noise, crowds, cars or other violations of the ordinance.

For those of us on the receiving end of bad neighbors, not having a clearly defined process of redress is really frustrating.

#### RENEWAL TRANSPARENCY

To my knowledge (and please correct me!) the permit renewal process has not been publicly documented. This needs to happen. Neighbors living near nuisance properties need to be able to have their concerns heard as part of the renewal process, and the renewal process should have some teeth to it.

Thanks for holding the hearing. I hope to be there in person!

Jim Hayes 325 25th Ave. Santa Cruz, CA 95062

\*Our block was the one that had to be evacuated twice because one of our neighbors thought it was OK to store some really nasty explosives on his property for (as we were assured) making fireworks. Nothing but fun on 25th Ave. :-)