



## County of Santa Cruz Board of Supervisors

### Agenda Item Submittal

**From:** Planning: Permit Centers

(831) 454-2580

**Subject:** Vacation Rental Ordinance and Related Actions

**Meeting Date:** August 18, 2020

### Recommended Action(s):

- 1) Approve in concept the ordinance amending Santa Cruz County Code section 13.10.694 Vacation Rentals and use charts within sections 13.10.312, 13.10.322, 13.10.352 and 13.10.372, to implement amendments to 13.10.694, which are also amendments to the Local Coastal Program,
- 2) Adopt resolution approving the Notice of Exemption (NOE) for compliance with the California Environmental Quality Act and directing submittal of the proposed Local Coastal Program amendments to the California Coastal Commission for Certification, and direct staff to submit the amendments to the California Coastal Commission for certification upon final adoption by the Board;
- 3) Adopt resolution adopting designated area block map, assignment and adjustment criteria; and
- 4) Direct the Clerk of the Board to schedule the ordinance for second reading and final adoption at the Board meeting of September 1, 2020.

### Executive Summary

At its meeting of June 16, 2020, the Board held a public hearing to consider proposed amendments to County Code Chapter 13.10.694, Vacation Rentals, and Chapter 13.10, Zoning Use Charts. Following the close of the public hearing, the Board directed staff to make further revisions to the ordinance and return on June 30, 2020. At its meeting of June 30, 2020, the Board considered the proposed revised amendments to the vacation rental regulations and use charts. Following that public hearing, the Board directed staff to make additional revisions and return on August 4, 2020, which was deferred to the August 18, 2020 meeting.

The revisions directed by the Board that have been incorporated into the currently proposed ordinance and include the following: 1) elimination of the overall percentage caps in the Designated Areas (LODA, DASDA, and SALSDA) that apply to both vacation rentals and hosted rentals; 2) amendment of the numerical cap limit for vacation rental permits in the LODA (Live Oak Designated Area) from 259 to 220; and 3) strengthening and clarification of the Violations Section (L) of the Vacation Rental Ordinance (13.10.694).

The recommended changes by the Board have been incorporated into the proposed ordinance. The ordinance is now back before the Board of Supervisors with a recommendation for approval in concept, with final approval to be scheduled for the Board meeting of September 1, 2020.

### **Analysis**

Eliminate the Overall Percentage Caps in the Designated Areas and Reduce Numerical Cap for Vacation Rental Permits in the LODA. The initial ordinance presented to the Board on June 16th included lowered percentage caps in the Designated Areas. After discussion, the Board directed staff to change the vacation rental permit caps in the Designated Areas from a percentage to a numerical cap for each Area. As directed, staff modified the proposed vacation rental ordinance. Vacation rental permits were parsed out from the overall (lowered) percentage caps and a numerical cap on vacation rental permits was established in each of the Designated Areas. As drafted, the numerical caps were as follows: 259 in the LODA; 241 in the SALSDA; and 3 in the DASDA. As drafted, the lowered overall percentage caps (12%, 3.9% and 3.3%, respectively) were retained as a tool, with the intention of maintaining an overall cap for the vacation rental permits and hosted rentals combined.

Upon consideration, the Board determined that a numerical cap for both vacation rental permits and hosted rental permits would be more straightforward; therefore, the Board directed staff to modify the proposed regulations to eliminate the percentage caps altogether. Further, the Board ascertained that the proposed numerical cap in the LODA, at 259, should be reduced to 220 in order to better align with the Board's initial direction to freeze and reduce the number of permits in the LODA.

As directed, the percentage caps in the Designated Areas have been eliminated and replaced with numerical caps for both vacation rental permits and hosted rental permits in the Designated Areas. In addition, the numerical cap associated with vacation rental permits in the LODA was reduced. As currently drafted, no more than 220 vacation rental permits and 18 hosted rental permits shall be issued in the LODA; no more than 241 vacation rental permits and 45 hosted rental permits shall be issued in the SALSDA; and no more than 3 vacation rental permits and 4 hosted rental permits shall be issued in the DASDA.

The combined effect of the vacation rental permit moratorium adopted by the Board on June 16<sup>th</sup>, and the new ordinance, will be that no new vacation rental permits will be issued in any Designated Area until such time that the number of vacation rentals falls below the applicable numerical cap. Any proposed new vacation rental permit would also need to comply with the 20% Block Cap in order to be eligible for approval.

Strengthen and clarify enforcement-related provisions. The proposed ordinance considered by the Board on June 30, 2020 included amended enforcement-related provisions in order to strengthen the bases for enforcement of permit requirements and for possible revocation of permits. A provision was also added that would allow staff to require Level IV Administrative Review upon receipt of numerous complaints and evidence of a violation.

Upon evaluation of the enforcement-related provisions, the Board determined that the provisions were unclear as drafted. The provisions have since been revised and

streamlined, and the criteria by which a vacation rental permit may be considered for amendment or revocation have been clarified. Further, in an effort to streamline the enforcement provisions, the previously proposed Level IV Administrative Review process has been struck and is not included within the currently proposed amendments.

#### **Environmental Review**

Staff has determined that the proposed ordinance amendments are exempt from further review under the California Environmental Quality Act, as they have no potential to impact 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.

#### **Submittal of Amendments to California Coastal Commission for Certification**

Following adoption of the amended ordinance and the attached resolution, the amendments will be submitted to the Coastal Commission for consideration. The ordinance will go into effect countywide following approval and certification by the Coastal Commission, which is projected to occur by November or December 2020.

#### **Strategic Plan Element(s)**

Attainable Housing Focus Area: Through regulation of vacation rentals in the County, attainable housing is preserved and sustained.

Dynamic Economy Focus Area: Allowing vacation rentals in the County contributes to a vibrant and inclusive community.

#### **Submitted by:**

Kathleen Molloy, Planning Director

#### **Recommended by:**

Carlos J. Palacios, County Administrative Officer

#### **Attachments:**

- a Ordinance SCCC 13.10.694 Vacation Rentals
- b Ordinance SCCC 13.10.694 (strikeout-underline)
- c Resolution - CEQA Exemption, Vacation Rentals - submittal to CCC
- d Notice of Exemption (NOE) from CEQA, Vacation Rental Ordinance
- e Resolution - Designated Area Block Maps
- f Block Map Adjustment Criteria (Exhibit A)
- g Planning Commission Resolution
- h Planning Commission Staff Report and attachments May 27, 2020
- i Web link to PC Staff Report May 27, 2020 (item #7)

ORDINANCE NO. \_\_\_\_\_

**ORDINANCE AMENDING SANTA CRUZ COUNTY CODE SECTIONS  
13.10.694, VACATION RENTALS, AND 13.10.312, 13.10.322, 13.10.352, AND  
13.10.372, USES CHARTS, TO IMPLEMENT AMENDMENTS TO 13.10.694**

The Board of Supervisors does ordain as follows:

**SECTION I**

Section (b) of Section 13.10.312 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	CA	A	AP
Vacation rentals, new, with 3 or fewer bedrooms and all vacation rental renewals (subject to SCCC 13.10.694)	4	4	4
Vacation rentals, new, with 4 or more bedrooms (subject to SCCC 13.10.694)	5	5	5

**SECTION II**

Section (b) of Section 13.10.322 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	RA	RR	R-1	RB	RM
Vacation rentals, new, with 3 or fewer bedrooms and all vacation rental renewals (subject to SCCC 13.10.694)	4	4	4	4	4
Vacation rentals, new, with 4 or more bedrooms (subject to SCCC 13.10.694)	5	5	5	5	5

**SECTION III**

Section (b) of Section 13.10.352 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	PR
Vacation rentals, new, with 3 or fewer bedrooms and all vacation rental renewals (subject to SCCC 13.10.694)	4
Vacation rentals, new, with 4 or more bedrooms (subject to SCCC 13.10.694)	5

**SECTION IV**

Section (b) of Section 13.10.372 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	PERMIT REQUIRED
Vacation rentals, new, with 3 or fewer bedrooms and all vacation rental renewals (subject to SCCC 13.10.694)	4
Vacation rentals, new, with 4 or more bedrooms (subject to SCCC 13.10.694)	5

## SECTION V

The Santa Cruz County Code is hereby amended by amending 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.

(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, accessory dwelling units (“ADUs”) 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. Further, no new vacation rental permits or transfer of permits shall be granted on parcels containing ADUs after March 9, 2018.

(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/local property manager/agent does not occupy the dwelling unit while it is rented, only the renter and guests thereof occupy the dwelling unit while it is rented, and the dwelling unit is rented for the purpose of overnight lodging for a period of not more than 30 days. Where there is more than one dwelling on a property as part of a dwelling group, the owner/operator/contact person/agent may live in a dwelling that is not used as a vacation rental. For the purposes of these regulations, the following are not considered to be vacation rentals: (a) ongoing month-to-month tenancy granted to the same renter for the same unit, (b) one less-than-30-day period per year, (c) a house exchange for which there is no payment, or (d) 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” or “LODA” 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/La Selva Designated Area” or “SALSDA” means that portion of the Aptos Planning Area bounded on the west by the Capitola city limit, on the north by Highway 1, and on the east and southeast by Bonita Drive, San Andreas Road, the Urban Services Line from San Andreas Road to Monterey Bay, and the community of La Selva Beach, as depicted in Figure SALSDA, attached to the ordinance codified in this section.

(6) The “Davenport/Swanton Designated Area” or “DASDA” means that portion of the North Coast Planning Area bounded on the south by Riverside Ave and San Vincente Street 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, as indicated on the official Block Map (adopted by the Board of Supervisors on August 18, 2020). In the DASDA, “blocks” shall apply only in the town of Davenport, extending to all the R-1 zoned parcels along San Vincente Street, in New Town on Cement Plant, Adeline, and 1st, 2nd, and 3rd Streets, and on Davenport Landing.

(D) Permit Requirements. A vacation rental permit and transient occupancy tax registration (or proof of registration with verified vacation rental platforms) are required for each residential vacation rental. Each vacation rental permit shall remain valid as long as the vacation rental operates for at least three out of any consecutive five years, except that each vacation rental permit issued for a vacation rental shall expire the same month and day five years subsequent to the date of issuance of the original permit or as otherwise provided in subsection (D)(3) of this section. If the expiration date falls on a Saturday or a Sunday, the following Monday shall be considered to be the expiration date. 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. At the inception of the Vacation Rental program, the County established a low-barrier method for recognizing and permitting then-existing vacation rentals. The term is retained here as an historic reference but no longer has regulatory distinction, and all vacation rentals are now considered to be either new or renewal vacation rentals.

(2) New Vacation Rentals. For new applications for vacation rentals of three 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 through the Level IV administrative use permit process as provided in SCCC 18.10.131(B). Appeals of the action on the application may be made by any member of the public pursuant to SCCC 18.10.324, and the Planning Director may refer the application to the Zoning Administrator or Planning Commission for a public hearing in accordance with SCCC 18.10.124(B). For new applications for vacation rentals consisting of four or more bedrooms, the application shall be considered at a public hearing in accordance with Level V use permit public hearing procedures as provided in SCCC 18.10.131(C). Any new vacation rental permit issued for vacation rentals consisting of four or more bedrooms will be given a one-year provisional permit subject to review for compliance with vacation rental code requirements prior to granting the remainder of the standard 5-year term. 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.

(a) Designated Area Caps. Within the LODA, no more than 220 vacation rental permits shall be issued, and no more than 18 hosted rental permits shall be issued, for a total of 238 vacation rentals and hosted rentals in the LODA. Within the SALSDA, no more than 241 vacation rental permits shall be issued, and no more than 45 hosted rental permits shall be issued, for a total of

286 vacation rentals and hosted rentals in the SALSDA. Within the DASDA, no more than 3 vacation rental permits shall be issued, and no more than 4 hosted rental permits shall be issued, for a total of 7 vacation rentals and hosted rentals in the DASDA.

(b) Designated Area Block Limits. In the LODA, SALSDA or DASDA (“Designated Areas”), no new vacation rental shall be approved if parcels with permitted vacation rentals or permitted hosted rentals on the same block total 20 percent or more of the total parcels on that block that allow residential use. A Block Map adopted by resolution of the Board of Supervisors shall assign parcels to blocks to determine block capacity for future vacation rental permits. In the count of parcels that allow residential use in each of the Designated Areas, parcels in the Mobile Home Park Combining Zone District shall be excluded.

The count of parcels that allow residential use shall not include the following streets and areas because numbers are not limited by caps or block limits in these locations: 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.

Notwithstanding these block limits, each block in the LODA, SALSDA, or DASDA 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 or hosted rental if otherwise allowable under applicable Designated Area Caps for both vacation rentals and hosted rentals.

(i) Block Map Adjustment. Several areas throughout the County, especially in the LODA and SALSDA, are comprised of incongruous “blocks.” The Block Map is intended to clarify that parcels are permanently assigned to a block in the most organized fashion possible; however, adjustment of blocks may be warranted in certain circumstances. In conjunction with applying for a Vacation Rental Permit, an applicant may request a Block Map Adjustment.

(ii) The Planning Director or designee has the discretion to adjust the Block Map upon making the following finding:

Adjustment of the Block Map is warranted because the block in question is incongruous and such adjustment of the Block Map will not result in an overconcentration (20% or more) of parcels with vacation rentals on the assigned block.

(c) Applicants for a permit for a new vacation rental shall provide the following to the Planning Department:

(i) Completed application form.

(ii) Application fee deposit. The deposit will cover the estimated costs of processing the application for a new vacation rental permit. Upon notice by the Planning Department, applicants may need to deposit additional funds to cover further processing costs.

(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) Form of a rental/lease agreement to be used, or house rules/requirements, which shall include, but not necessarily be limited to, the following:
- A. Number of guests allowed, which shall not exceed two per legal bedroom plus two additional guests (children under eight years old 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.
- B. Number of vehicles a guest is allowed to park on-site and off-site (specific to the neighborhood), which shall not exceed the number of existing, required, or permitted parking spaces. The on-site parking requirements for new vacation rental permits shall be a minimum of one on-site space for one and two-bedroom units, and a minimum of two on-site spaces for three- or more bedroom units. The guest will be allowed to park one additional vehicle off-site. The guest must use street parking for the off-site vehicle in the vicinity of the vacation rental but will not have any exclusive or assigned use of any available street parking. Should off-site parking occur within a parking district, the vacation rental permit holder will be required to purchase a parking permit at the business rate and will not be eligible for residential parking permit allocations. In situations where the required on-site parking cannot be provided, an on-site parking exception may be requested in conjunction with a Level V Vacation Rental Permit Application, for consideration by the Zoning Administrator at a public hearing, who shall make the following finding in conjunction with approval of the parking exception:
- Existing traffic and parking on nearby streets and properties would not be adversely affected by granting of an on-site parking reduction, as off-site parking is typically available and not subject to significant levels of congestion.
- C. Restrictions on noise, illegal behavior, and disturbances, including an explicit statement that fireworks are illegal in Santa Cruz County; and directions for trash management (e.g., trash to be kept in covered containers only).
- (v) Copy of County of Santa Cruz transient occupancy registration, or proof of registry with a verified on-line platform, 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, unless the applicant provides a written agreement acceptable to the County and signed by the record owner(s) of the adjoining dwelling unit(s) either at the time of application submittal or prior to approval of the vacation rental permit, 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).
- (vii) Only one vacation rental is permitted per parcel regardless of the number or configuration of dwellings on the parcel.
- (d) Residences that are subject to affordable housing covenants and/or are income-restricted for affordable housing purposes are not eligible for a vacation rental permit.



(e) **Waiting List.** The Planning Department shall maintain a waiting list in the event that a Designated Area is at or exceeds the established block or designated area maximum, which shall be comprised of property owners who wish to operate either a vacation rental or a hosted rental in the LODA, SALSDA or DASDA. Prospective applicants shall submit requests via a Waiting List Request Form. Applicants for the waiting list must be the current owner/s of the property. The waiting list request shall become void upon transfer of ownership in accordance with the criteria outlined in SCCC 13.10.694(D)(4).

(3) **Renewal of Vacation Rental Permits.** All vacation rental permits must be renewed every five years starting on September 15, 2020, except those in the LODA and SALSDA, where vacation rental permits must be renewed every five years from the date of issuance. An application to renew a permit for a vacation rental shall be submitted no sooner than 180 days before the expiration date of the existing permit, and no later than the date of expiration of that permit. Upon receipt of a complete application, the expiration of the existing permit shall be stayed until final action is taken on the renewal application. Except as provided in SCCC 18.10.124(B), vacation rental renewals shall be processed pursuant to the Level IV administrative use permit process as provided in SCCC 18.10.131(B). Appeals of the proposed action on the renewal application may be made by the applicant or any member of the public pursuant to SCCC 18.10.324.

(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 shall provide the following to the Planning Department:

(i) Completed application form.

(ii) Application fee deposit. The deposit will cover the estimated costs of processing the application for renewal of a vacation rental permit. Upon notice by the Planning Department, applicants may need to deposit additional funds to cover further processing costs.

(iii) Proof of payment of transient occupancy tax, or proof of registry with a verified on-line platform, 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. For renewal applications processed prior to November 1, 2016, renewal applications must show significant rental use of the unit for two of the previous five years. For renewal applications processed on or after November 1, 2016, applications must show significant rental use for three out 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 calendar year.

(iv) A photograph of the sign installed on the parcel as required by the existing permit, and clearly including all information required under subsection (F) of this section.

(c) Processing of renewal applications includes a review of any issued or pending building permits or other permits and review of all pertinent information specific to complaints, if any, that have been received about the subject vacation rental. Approval of a vacation rental renewal permit shall be based on affirmative findings as set forth in SCCC 18.10.230. 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). Additionally, a County Code violation or violations related to the property, such as operating the vacation rental while under emergency orders from the state or County that prohibit such operation, mis-advertising the rental, citations for violation

of SCCC 8.30 (Noise), and/or failure of the local property manager to timely respond to complaints are all grounds for denial.

(d) Renewals of “Existing Vacation Rentals,” or permits issued pursuant to the first-adopted version of the County’s vacation rental regulations in 2011, shall not be subject to block density, neighbor sign-off for condominium units with shared walls, on-site parking requirements, or the restriction on operating a vacation rental on a property which is also developed with an ADU. Additionally, the restriction not allowing vacation rentals in ADUs applies only to vacation rental permits originally issued after March 9, 2018.

(4) Transfer of Property with Vacation Rental Permit in the LODA, SALSDA, or DASDA. Within the Live Oak Designated Area, the Seacliff/Aptos/La Selva Designated Area (except within the La Selva Beach community), and the Davenport/Swanton Designated Area, for properties transferred after September 13, 2016, when a property transfer triggers reassessment pursuant to the California Revenue and Taxation Code Section 60 et seq., as determined by the Assessor, the vacation rental permit(s) associated with the property shall expire and shall become nonrenewable at the time of property transfer. For properties located in all other areas of the County, and including the community of La Selva Beach, that are transferred after September 21, 2020, when a property transfer triggers reassessment pursuant to the California Revenue and Taxation Code Section 60 et seq., as determined by the Assessor, the vacation rental permit(s) associated with the property shall expire and shall become nonrenewable at the time of property transfer. Any future use as a vacation rental shall require approval of an application for a new vacation rental rather than a renewal vacation rental.

(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, a new vacation rental permit shall be required in accordance with subsection (D)(2) of this section.

(E) Local Property Manager. All vacation rentals shall designate a local property manager, who is located within 30 miles of the vacation rental. The local property manager shall be available 24 hours a day to respond to tenant and neighborhood questions or concerns. A property owner who lives within 30 miles of the vacation rental may designate themselves as the local property manager. Failure to respond within 60 minutes of being contacted, as verified by County Code Enforcement staff or the County Sheriff, shall constitute a significant violation and may lead to revocation of the permit in accordance with SCCC 18.10.136.

The applicant shall mail, deliver, or otherwise provide the name, address, telephone number(s) of the local property manager, and the beginning and expiration dates of the vacation rental permit, to the Planning Department, the local Sheriff Substation, the Auditor-Controller-Treasurer Tax Collector, the main County Sheriff’s Office, and the local fire agency, and 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. Proof of mailing or delivery of the 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 property manager shall be permanently posted in the rental unit in a prominent location. Any change in the local property manager’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 the 24-hour local property manager responsible for responding to complaints and providing general information, which shall be placed no more than 20 feet back from the nearest street. For all rentals, the sign must also display the beginning and end dates of the five-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; number of vehicles allowed; restrictions on noise, illegal behavior, and disturbances, including an explicit statement that fireworks are illegal in Santa Cruz County; and directions for trash management (e.g., trash to be kept in covered containers only).

(H) Noise. All residential vacation rentals shall comply with the standards of SCCC 8.30 (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 SCCC 4.24, including any required payment of transient occupancy tax for each residential vacation rental unit.

(J) Advertising. All advertising for vacation rentals shall include the vacation rental permit number in the first two lines of the advertisement text, and where photos are included, a photo containing the permit number shall be included, as well as a photo of the required signage that includes the 24-hour contact information and vacation rental identification. Advertising a vacation rental for a property without a vacation rental permit is a violation of this chapter and violators are subject to the penalties set forth in SCCC 19.01.

(K) 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.

(L) 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 SCCC 19.01, Enforcement of Land Use Regulations.

A violation of any of the requirements to obtain a vacation rental permit may be grounds for denial of a new vacation rental permit application. Further, violations of vacation rental regulations, or of any other provision of the Santa Cruz County Code, may be grounds for denial of a renewal application or revocation of an existing vacation rental permit after consideration at a Level V public hearing by the Zoning Administrator (or by the Planning Commission upon referral).

If more than two significant violations occur on a vacation rental property within a 12-month period, a permit shall be noticed for a Level V public hearing to consider permit revocation. "Significant violations" are: citations for violation of SCCC 8.30 (Noise); violation of any specific conditions of approval associated with the permit; mis-advertising the capacity and limitations applicable to the vacation rental; written warnings, or other documentation filed by law enforcement; violations of state or County health regulations; non-compliance with a public health order or emergency regulation issued by state or local authorities which may limit use and occupancy of vacation rentals; delinquency in payment of transient occupancy taxes, fines, or penalties; non-responsive property management, including failure by the local property manager to respond to calls within 60 minutes; and failure to maintain signage. In the event a permit is revoked, the person or entity from whom the permit was revoked shall be barred from applying for a vacation rental permit for the same parcel without prior consent of the Board of Supervisors.

(M) It is unlawful to make a false report to the Sheriff’s Office regarding activities associated with vacation rentals. [Ord. 5266 § 8, 2018; Ord. 5265 § 12, 2018; Ord. 5264 § 13, 2018; Ord. 5229 § 5, 2016; Ord. 5198 § 1, 2015; Ord. 5092 § 6, 2011].

**SECTION VI**

The adoption of this ordinance is not a “project” within the meaning of the California Environmental Quality Act (CEQA) because it involves organizational or administrative activities of the County that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines § 15378(b)(5)).

**SECTION VII**

The Board of Supervisors further finds and determines in its reasonable discretion on the basis of the entire record before it that the proposed amendments to SCCC 13.10 are consistent and compatible with and will not frustrate the objectives, policies, general land uses, and programs specified in the General Plan and Local Coastal Program.

**SECTION VIII**

Should any section, clause, or provision of this ordinance be declared by the courts to be invalid, the same shall not affect the validity of the ordinance as a whole, or parts thereof, other than the part so declared to be invalid.

**SECTION IX**

This ordinance shall take effect on the 31<sup>st</sup> day following adoption, or upon certification by the California Coastal Commission, whichever is later.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020 by the Board of Supervisors and the County of Santa Cruz by the following vote:

AYES: SUPERVISORS  
NOES: SUPERVISORS  
ABSENT: SUPERVISORS  
ABSTAIN: SUPERVISORS

\_\_\_\_\_  
CHAIRPERSON, BOARD OF SUPERVISORS

ATTEST: \_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM: \_\_\_\_\_ 8/5/2020 (AMS# 9316)  
Office of the County Counsel

Attachment: Ordinance SCCC 13.10.694 Vacation Rentals (9316 : Vacation Rental Ordinance and Related Actions)

ORDINANCE NO. \_\_\_\_\_

**ORDINANCE AMENDING SANTA CRUZ COUNTY CODE SECTIONS 13.10.694, VACATION RENTALS, AND 13.10.312, 13.10.322, 13.10.352, AND 13.10.372, USES CHARTS, TO IMPLEMENT AMENDMENTS TO 13.10.694**

The Board of Supervisors does ordain as follows:

**SECTION I**

Section (b) of Section 13.10.312 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	CA	A	AP
Vacation rentals, <u>new</u> , with 3 or fewer bedrooms <u>and all vacation rental renewals</u> (subject to SCCC 13.10.694)	<del>2P 4</del>	<del>2P 4</del>	<del>2P 4</del>
Vacation rentals, <u>new</u> , with 4 or more bedrooms (subject to SCCC 13.10.694)	5	5	5

**SECTION II**

Section (b) of Section 13.10.322 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	RA	RR	R-1	RB	RM
Vacation rentals, <u>new</u> , with 3 or fewer bedrooms <u>and all vacation rental renewals</u> (subject to SCCC 13.10.694)	<del>2P 4</del>	<del>2P 4</del>	<del>2P 4</del>	<del>2P 4</del>	<del>2P 4</del>
Vacation rentals, <u>new</u> , with 4 or more bedrooms (subject to SCCC 13.10.694)	5	5	5	5	5

**SECTION III**

Section (b) of Section 13.10.352 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	PR
Vacation rentals, <u>new</u> , with 3 or fewer bedrooms <u>and all vacation rental renewals</u> (subject to SCCC 13.10.694)	<del>2P 4</del>
Vacation rentals, <u>new</u> , with 4 or more bedrooms (subject to SCCC 13.10.694)	5

**SECTION IV**

Section (b) of Section 13.10.372 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

Attachment: Ordinance SCCC 13.10.694 (strikeout-underline) (9316 : Vacation Rental Ordinance and Related Actions)



USE	TP
Vacation Rentals, <u>new</u> , with 3 or fewer bedrooms <u>and all vacation rental renewals</u> (subject to SCCC 13.10.694)	<u>2P4</u>
Vacation rentals, <u>new</u> , with 4 or more bedrooms (subject to SCCC 13.10.694)	5

## SECTION V

The Santa Cruz County Code is hereby amended by amending 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.

(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, accessory dwelling units (“ADUs”) 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. Further, no new vacation rental permits or transfer of permits shall be granted on parcels containing ADUs after March 9, 2018.

(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~~local property manager/agent does not occupy the dwelling unit while it is rented, only the renter and guests thereof occupy the dwelling unit while it is rented, and the dwelling unit is rented for the purpose of overnight lodging for a period of not more than 30 days. Where there is more than one dwelling on a property as part of a dwelling group, the owner/operator/contact person/agent may live in a dwelling that is not used as a vacation rental. For the purposes of these regulations, the following are not considered to be vacation rentals: (a) ongoing month-to-month tenancy granted to the same renter for the same unit, (b) one less-than-30-day period per year, (c) a house exchange for which there is no payment, or (d) 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” or “LODA” 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/La Selva Designated Area” or “SALSDA” means that portion of the Aptos Planning Area bounded on the west by the Capitola city limit, on the north by Highway 1, and on the east and southeast by Bonita Drive, San Andreas Road, ~~and~~ the Urban Services Line from San Andreas Road to Monterey Bay, and the community of La Selva Beach, as depicted in Figure ~~SADA~~SALSDA, attached to the ordinance codified in this section.

(6) The “Davenport/Swanton Designated Area” or “DASDA” means that portion of the North Coast Planning Area bounded on the south by Riverside Ave and San Vincente Street 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-, as indicated on the official Block Map (adopted by the Board of Supervisors on August 18, 2020). In the DASDA, “blocks” shall apply only in the town of Davenport, extending to all the R-1 zoned parcels along San Vincente Street, in New Town on Cement Plant, Adeline, and 1st, 2nd, and 3rd Streets, and on Davenport Landing.

(D) Permit Requirements. A vacation rental permit and transient occupancy tax registration (or proof of registration with verified vacation rental platforms) are required for each residential vacation rental. Each vacation rental permit shall remain valid as long as the vacation rental operates for 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 the same month and day five years subsequent to the date of issuance of the original permit or as otherwise provided in subsection (D)(3) of this section. If the expiration date falls on a Saturday or a Sunday, the following Monday shall be considered to be the expiration date. ~~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.~~ 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: At the inception of the Vacation Rental program, the County established a low-barrier method for recognizing and permitting then-existing vacation rentals. The term is retained here as an historic reference but no longer has regulatory distinction, and all vacation rentals are now considered to be either new or renewal vacation rentals.~~

~~(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, prior to November 1, 2016, children under 12 not counted, on or after November 1, 2016, children under eight 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); address noise, illegal behavior and disturbances, including an explicit statement that fireworks are illegal in Santa Cruz County; 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. Prior to November 1, 2016, children under 12 are not counted toward the maximums; on or after November 1, 2016, children under eight not counted toward the maximum number of guests.~~

(2) New Vacation Rentals. For new applications for vacation rentals of three 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~~ through the ~~proposed-~~ Level IV administrative use permit process as provided ~~not less than 10 calendar days before issuance of the permit, pursuant to SCCC 18.10.222~~ in SCCC 18.10.131(B) and (C). Appeals of the ~~proposed-~~ action on the application may be made by ~~the applicant or~~ any member of the public. ~~Pursuant pursuant~~ to SCCC 18.10.124(B), 324, and the Planning Director may refer the application to the Zoning Administrator or Planning Commission for a public hearing, in accordance with SCCC 18.10.124(B). For new applications for vacation rentals consisting of four or more bedrooms, the application shall be considered at a public hearing in accordance with ~~the public hearing procedures in Chapter 18.10 SCCC.~~

~~(a) — Level V use permit public hearing procedures as provided in SCCC 18.10.131(C). Any new vacation rental permit issued for vacation rentals consisting of four or more bedrooms will be given a one-year provisional permit subject to review for compliance with vacation rental code requirements.~~

prior to granting the remainder of the standard 5-year term. 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, (a) Designated Area Caps. Within the LODA, no more than 220 vacation rental permits shall be issued, and no more than 18 hosted rental permits shall be issued, for a total of 238 vacation rentals and hosted rentals in the LODA. Within the SALSDA, no more than 241 vacation rental permits shall be issued, and no more than 45 hosted rental permits shall be issued, for a total of 286 vacation rentals and hosted rentals in the SALSDA. Within the DASDA, no more than 3 vacation rental permits shall be issued, and no more than 4 hosted rental permits shall be issued, for a total of 7 vacation rentals and hosted rentals in the DASDA.~~

(b) Designated Area Block Limits. In the LODA, SALSDA or DASDA (“Designated Areas”), no new vacation rental shall be approved if parcels with permitted vacation rentals or permitted hosted rentals on the same block total 20 percent or more of the total parcels on that block that allow residential use, excluding those. A Block Map adopted by resolution of the Board of Supervisors shall assign parcels to blocks to determine block capacity for future vacation rental permits. In the count of parcels that allow residential use in each of the Designated Areas, parcels in the Mobile Home Park Combining Zone District; except that in shall be excluded.

The count of parcels that allow residential use shall not include the following streets and areas the percentage of parcels that may have vacation rentals or hosted rentals is because numbers are not limited by caps or block limits in these locations: 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 and the Seacliff/Aptos Designated Area, and no more than 10 percent of all the parcels that allow residential use in the Davenport/Swanton Designated Area, excluding those parcels in the Mobile Home Park Combining Zone District, may contain vacation rentals or hosted rentals. Notwithstanding these maximums, each block in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area

Notwithstanding these block limits, each block in the LODA, SALSDA, or DASDA 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 or hosted rental if otherwise allowable under applicable Designated Area Caps for both vacation rentals and hosted rentals.

(i) Block Map Adjustment. Several areas throughout the County, especially in the LODA and SALSDA, are comprised of incongruous “blocks.” The Block Map is intended to clarify that parcels are permanently assigned to a block in the most organized fashion possible; however, adjustment of blocks may be warranted in certain circumstances. In conjunction with applying for a Vacation Rental Permit, an applicant may request a Block Map Adjustment.

(ii) The Planning Director or designee has the discretion to adjust the Block Map upon making the following finding:

Adjustment of the Block Map is warranted because the block in question is incongruous and such adjustment of the Block Map will not result in an overconcentration (20% or more) of parcels with vacation rentals on the assigned block.

(c) Applicants for a permit for a new vacation rental shall provide the following to the Planning Department:

(i) Completed application form.

(ii) Application fee deposit. The deposit will cover the estimated costs of processing the application for a new vacation rental permit. Upon notice by the Planning Department, applicants may need to deposit additional funds to cover further processing costs.

~~(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) CopyForm of a rental/lease agreement to be used, or house rules/requirements, which shall include, but not necessarily be limited to, the following: ~~number~~

A. Number of guests allowed ~~4, which shall not exceed two~~ per legal bedroom plus two additional guests, prior to November 1, 2016, children under 12 not counted, on or after November 1, 2016, (children under eight years old not counted); for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., and 10:00 p.m., the maximum number of people allowed is twice the maximum number of guests allowed); ~~number.~~

B. Number of vehicles a guest is allowed ~~(to park on-site and off-site (specific to the neighborhood), which shall not to exceed the number of existing, required, or permitted parking spaces. The on-site parking spaces, plus requirements for new vacation rental permits shall be a minimum of one on-site space for one and two- additional that bedroom units, and a minimum of two on-site spaces for three- or more bedroom units. The guest will be considered to allowed to park one additional vehicle off-site. The guest must use on-street parking for the off-site vehicle in the vicinity, of the vacation rental but will not have any exclusive or assigned use of onstreet parking); addressany available street parking. Should off-site parking occur within a parking district, the vacation rental permit holder will be required to purchase a parking permit at the business rate and will not be eligible for residential parking permit allocations. In situations where the required on-site parking cannot be provided, an on-site parking exception may be requested in conjunction with a Level V Vacation Rental Permit Application, for consideration by the Zoning Administrator at a public hearing, who shall make the following finding in conjunction with approval of the parking exception:~~

Existing traffic and parking on nearby streets and properties would not be adversely affected by granting of an on-site parking reduction, as off-site parking is typically available and not subject to significant levels of congestion.

A.C. Restrictions on noise, illegal behavior, and disturbances, including an explicit statement that fireworks are illegal in Santa Cruz County; and directions for trash management (e.g., trash to be kept in covered containers only).

(v) Copy of ~~a~~ County of Santa Cruz transient occupancy registration ~~certificate, or proof of registry with a verified on-line platform,~~ 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 the ordinance amending the original vacation rental ordinance (Ordinance No. 5092, effective July 13, 2011), unless at the time of submission of the application, unless~~ the applicant provides a written agreement acceptable to the County and signed by ~~all the~~ record owner(s) of the adjoining dwelling unit(s) either at the time of application submittal or prior to approval of the vacation rental permit, 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).

(vii) ~~After the effective date of Ordinance No. 5229 amending the vacation rental ordinance, only~~ Only one vacation rental is permitted per parcel regardless of the number or configuration of dwellings on the parcel.

~~(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. Prior to November 1, 2016, children under 12 are not counted toward the maximums; on or after November 1, 2016, children under eight not counted toward the maximum number of guests.~~

~~(d) Residences that are subject to affordable housing covenants and/or are income-restricted for affordable housing purposes are not eligible for a vacation rental permit.~~

~~(e) Waiting List. The Planning Department shall maintain a waiting list in the event that a Designated Area is at or exceeds the established block or designated area maximum, which shall be comprised of property owners who wish to operate either a vacation rental or a hosted rental in the LODA, SALSDA or DASDA. Prospective applicants shall submit requests via a Waiting List Request Form. Applicants for the waiting list must be the current owner/s of the property. The waiting list request shall become void upon transfer of ownership in accordance with the criteria outlined in SCCC 13.10.694(D)(4).~~

(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, All~~ 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, starting on September 15, 2020, except~~ those in the LODA and SALSDA, where vacation rental permits ~~issued before that effective date for property in the Seacliff/Aptos Designated Area shall be limited to a term of~~ must be renewed every 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 the date of issuance. 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~~shall be submitted no sooner than 180 days before the expiration date of the existing permit, and no later than the date of expiration of that 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, except that only one vacation rental permit may be renewed on any one parcel. Determination that the application is~~Upon receipt of a complete shall stay application, the expiration of the existing permit ~~shall be stayed~~ 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~~vacation rental renewals shall be processed pursuant to the Level IV administrative use permit process as provided not less than 10 calendar days before issuance or denial of the permit, pursuant to SCCC 18.10.222 in SCCC 18.10.131 (B) and (C). Appeals of the proposed action on the renewal application may be made by the applicant or any member of the public pursuant to SCCC 18.10.324.

(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.

~~(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.~~

(ii) Application fee deposit. The deposit will cover the estimated costs of processing the application for renewal of a vacation rental permit. Upon notice by the Planning Department, applicants may need to deposit additional funds to cover further processing costs.

(iii) Proof of payment of transient occupancy tax, or proof of registry with a verified on-line platform, 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. For renewal applications processed prior to November 1, 2016, renewal applications must show significant rental use of the unit for two of the previous five years. For renewal applications processed on or after November 1, 2016, applications must show significant rental use for three out of the previous five years. ~~Determination of significant~~Significant rental use shall be ~~made~~interpreted to include no fewer than 10% of weekend nights in accordance with guidelines adopted by resolution a given year, or a minimum occupancy of the Board of Supervisors: 5 weekends or 10 nights per calendar year.

(iv) A photograph of the sign installed on the parcel as required by the existing permit, and clearly including all information required under subsection (F) of this section.



(c) ~~Although the Processing of renewal process applications~~ includes a ~~staff~~ review of ~~County records any issued or pending building permits or other permits~~ and ~~other review of all~~ pertinent information specific to complaints, if any, that have been received about the ~~particular subject~~ 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). Additionally, a County Code violation or violations related to the property, such as operating the vacation rental while under emergency orders from the state or County that prohibit such operation, mis-advertising the rental, citations for violation of SCCC 8.30 (Noise), and/or failure of the local property manager to timely respond to complaints are all grounds for denial.

(d) Renewals of "Existing Vacation Rentals," or permits issued pursuant to the first-adopted version of the County's vacation rental regulations in 2011, shall not be subject to block density, neighbor sign-off for condominium units with shared walls, on-site parking requirements, or the restriction on operating a vacation rental on a property which is also developed with an ADU. Additionally, the restriction not allowing vacation rentals in ADUs applies only to vacation rental permits originally issued after March 9, 2018.

(4) Transfer of Property with Vacation Rental Permit in the LODA, ~~SADA~~~~SALSDA~~, or DASDA. Within the Live Oak Designated Area, the Seacliff/Aptos/La Selva Designated Area, ~~(except within the La Selva Beach community)~~, and the Davenport/Swanton Designated Area, for properties transferred after September 13, 2016, when a property transfer triggers reassessment pursuant to the California Revenue and Taxation Code Section 60 et seq., as determined by the Assessor, the vacation rental permit(s) associated with the property shall expire and shall become nonrenewable at the time of property transfer. For properties located in all other areas of the County, and including the community of La Selva Beach, that are transferred after September 21, 2020, when a property transfer triggers reassessment pursuant to the California Revenue and Taxation Code Section 60 et seq., as determined by the Assessor, the vacation rental permit(s) associated with the property shall expire and shall become nonrenewable at the time of property transfer. Any future use as a vacation rental shall require approval of an application for a new vacation rental rather than a renewal vacation rental.

(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, a new vacation rental permit shall be required in accordance with subsection (D)(2) of this section.

(E) ~~Local Contact Person~~Local Property Manager. All vacation rentals shall designate a ~~contact person~~ local property manager, who is located within ~~a 30-mile radius~~ of the vacation rental. The ~~contact person~~ local property manager 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~~ themselves as the local property manager. Failure to respond within 60 minutes of being contacted, as verified by County Code Enforcement staff or the County Sheriff, shall constitute a significant violation and may lead to revocation of the permit in accordance with SCCC 18.10.136.

The applicant shall mail, deliver, or otherwise provide the name, address, telephone number(s) of the local ~~contact person~~ property manager, and the beginning and expiration dates of the vacation rental permit ~~shall be submitted~~, to the Planning Department, the local Sheriff Substation, the Auditor-Controller-Treasurer Tax Collector, 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 the 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~~Proof of mailing or delivery of the 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~~property manager shall be permanently posted in the rental unit in a prominent location(s). Any change in the local ~~contact person~~property manager'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 the~~ 24-hour local ~~contact-property manager~~ 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~~For all rentals, the sign must also display the beginning and end dates of the five-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 prior to November 1, 2016, children under 12 not counted, on or after November 1, 2016, children under eight 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);~~ address; restrictions on noise, illegal behavior, and disturbances, including an explicit statement that fireworks are illegal in Santa Cruz County; and directions for 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 SCCC 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 SCCC 4.24-SCCC,~~ including any required payment of transient occupancy tax for each residential vacation rental unit.

~~(J)~~ Advertising. All advertising for vacation rentals shall include the vacation rental permit number in the first two lines of the advertisement text, and where photos are included, a photo containing the permit number shall be included, as well as a photo of the required signage that includes the 24-hour contact information and vacation rental identification. Advertising a vacation rental for a property without a vacation rental permit is a violation of this chapter and violators are subject to the penalties set forth in SCCC 19.01.

(K) 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.

(KL) 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 SCCC 19.01-SCCC,~~ Enforcement of Land Use Regulations.

A violation of any of the requirements to obtain a vacation rental permit may be grounds for denial of a new vacation rental permit application. Further, violations of vacation rental regulations, or of any other provision of the Santa Cruz County Code, may be grounds for denial of a renewal application or revocation of an existing vacation rental permit after consideration at a Level V public hearing by the Zoning Administrator (or by the Planning Commission upon referral).

If more than two ~~documented~~, significant violations occur on a vacation rental property within any 12-month period, a permit ~~may~~shall be ~~reviewed~~noticed for ~~possible amendment or a Level V public hearing to consider permit~~ revocation. ~~Evidence of significant “Significant violations” includes, but is not limited to, copies of~~ are: citations; for violation of SCCC 8.30 (Noise); violation of any specific conditions of approval associated with the permit; mis-advertising the capacity and limitations applicable to the vacation rental; 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 ~~S~~state or County health regulations; non-compliance with a public health order or emergency regulation issued by state or local authorities which may limit use and occupancy of vacation rentals; evidence that a permit holder is delinquent delinquency in payment of transient occupancy taxes, fines, or penalties; ~~evidence of~~ non-responsive property management ~~or that appropriate, including failure by the local property manager to respond to calls within 60 minutes; and failure to maintain~~ signage ~~has not been maintained in compliance with this section; verified neighbor complaints of noise or other disturbances, particularly those involving the use of fireworks by occupants of the vacation rental; 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 barred from applying for a vacation rental permit ~~on for~~ the same parcel ~~within two years after the date of revocation,~~ without prior consent of the Board of Supervisors.

~~(LM)~~ It is unlawful to make a false report to the Sheriff’s Office regarding activities associated with vacation rentals. [Ord. 5266 § 8, 2018; Ord. 5265 § 12, 2018; Ord. 5264 § 13, 2018; Ord. 5229 § 5, 2016; Ord. 5198 § 1, 2015; Ord. 5092 § 6, 2011].

## SECTION VI

The adoption of this ordinance is not a “project” within the meaning of the California Environmental Quality Act (CEQA) because it involves organizational or administrative activities of the County that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines § 15378(b)(5)).

## SECTION VII

The Board of Supervisors further finds and determines in its reasonable discretion on the basis of the entire record before it that the proposed amendments to SCCC 13.10 are consistent and compatible with and will not frustrate the objectives, policies, general land uses, and programs specified in the General Plan and Local Coastal Program.

## SECTION VIII

Should any section, clause, or provision of this ordinance be declared by the courts to be invalid, the same shall not affect the validity of the ordinance as a whole, or parts thereof, other than the part so declared to be invalid.

## SECTION IX

This ordinance shall take effect on the 31<sup>st</sup> day following adoption, or upon certification by the California Coastal Commission, whichever is later.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020 by the Board of Supervisors and the County of Santa Cruz by the following vote:

AYES:	SUPERVISORS
NOES:	SUPERVISORS
ABSENT:	SUPERVISORS
ABSTAIN:	SUPERVISORS

\_\_\_\_\_  
CHAIRPERSON, BOARD OF SUPERVISORS

ATTEST: \_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM: \_\_\_\_\_  
County Counsel

Attachment: Ordinance SCCC 13.10.694 (strikeout-underline) (9316 : Vacation Rental Ordinance and Related Actions)

BEFORE THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CRUZ,  
STATE OF CALIFORNIA

RESOLUTION NO. \_\_\_\_\_

On the motion of Supervisor:  
duly seconded by Supervisor:  
the following Resolution is adopted:

**RESOLUTION APPROVING THE NOTICE OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, FINDING THE PROPOSED AMENDMENTS TO CHAPTER 13.10 OF THE SANTA CRUZ COUNTY CODE TO AMEND SECTIONS RELATED TO VACATION RENTALS ARE CONSISTENT WITH THE CALIFORNIA COASTAL ACT, AND DIRECTING SUBMITTAL OF THE PROPOSED LOCAL COASTAL PROGRAM AMENDMENTS TO THE CALIFORNIA COASTAL COMMISSION FOR CERTIFICATION**

WHEREAS, the Santa Cruz County Code (“SCCC”) provides for the regulation of vacation rentals in SCCC 13.10.694 and in various uses charts in SCCC 13.10.312, 13.10.322, 13.10.352, and 13.10.372; and

WHEREAS, the County of Santa Cruz (“County”) is in a housing crisis similar to other communities in the state of California and desires to preserve its housing stock; and

WHEREAS, at its meeting on January 14, 2020, the Board of Supervisors of the County of Santa Cruz directed staff to prepare amendments to its vacation rental regulations, including reducing the maximum number of vacation rentals permitted in the Live Oak Designated Area (“LODA”), the Sea Cliff/Aptos Designated Area (“SADA”), and the Davenport/Swanton Designated Area (“DASDA”); to establish a waiting list procedure, to change the permit process level for three or fewer bedroom units; to change the permit process level for vacation rental permit renewals, and to establish a minimum parking requirement for new rentals; and

WHEREAS, at its meeting on January 28, 2020, the Board of Supervisors further directed that the La Selva Beach community be included within the SADA, which was renamed “SALSDA”; and

WHEREAS, SCCC 13.10 is a Local Coastal Program implementing ordinance; and

WHEREAS, on May 27, 2020, the Planning Commission held a duly-noticed public hearing and adopted a resolution recommending adoption of the proposed amendments to SCCC 13.10, finding they were consistent and compatible with the General Plan, Local Coastal Program, and Coastal Act, and finding the proposed amendments were exempt from the requirements of the

California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5); and

WHEREAS, the Board of Supervisors held a duly-noticed public hearing on June 16, 2020, to consider the proposed amendments to SCCC 13.10, a Local Coastal Program implementing ordinance, and following clarifications to the proposed amendments the Board of Supervisors further considered the amendments at meetings on June 30, and August 18, 2020; and

WHEREAS, the Board of Supervisors adopted the proposed amendments to SCCC 13.10 at a duly-noticed public hearing on August 18, 2020, and now desires to submit the amendments to the California Coastal Commission for review and certification; and

WHEREAS, as a member of the Santa Cruz Mid-County Groundwater Agency (“MGA”), the County has duly considered the effect of the proposed amendments on MGA’s Groundwater Sustainability Plan, as well as other County groundwater management plans, and determined pursuant to state law, including the Sustainable Groundwater Management Act, that no update to these plans is required at this time; and

WHEREAS, the material which constitutes the record of proceedings upon which the Board of Supervisors’ decision is based shall be located in the offices of the Planning Department, located at 701 Ocean Street, Santa Cruz, California;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Santa Cruz hereby finds and determines that the foregoing recitals are adopted as findings as though set forth within the body of this resolution.

BE IT FURTHER RESOLVED that based on the foregoing findings, the Board of Supervisors hereby directs County staff to submit for review and certification amendments to the Santa Cruz County Code and Local Coastal Program implementing ordinance related to regulation of vacation rentals to the California Coastal Commission as provided in SCCC 13.03 regarding Local Coastal Program Administration.

BE IT FURTHER RESOLVED that the Board of Supervisors hereby approves the CEQA Notice of Exemption presented on this date and finds that the amendments to the County’s vacation rental regulations provide further tightening of land use controls. The adoption of the amendments is not a “project” within the meaning of CEQA because it involves organizational or administrative activities of the County that will not result in direct or indirect physical changes in the environment under CEQA Guidelines section 15378(b)(5).

BE IT FURTHER RESOLVED that the Board of Supervisors hereby finds and determines on the basis of the entire record before it that the amendments to the Santa Cruz County Code and Local Coastal Program implementing ordinance are consistent and compatible with and will not frustrate the objectives, policies, general land uses, and programs specified in the General Plan and Local Coastal Program, as amended.



BE IT FURTHER RESOLVED that the Board of Supervisors hereby finds and determines on the basis of the entire record before it that the amendments to the Local Coastal Program implementing ordinance are consistent with the Coastal Act, its goals and policies, including the protection of the overall quality of the coastal zone environment and its natural and artificial resources, and the implementation of coordinated planning and development for mutually beneficial uses in the coastal zone.

BE IT FURTHER RESOLVED that the Local Coastal Program amendments shall be effective upon certification by the California Coastal Commission as provided in SCCC 13.03 regarding Local Coastal Program Administration.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this \_\_\_\_ day of \_\_\_\_\_ 2020, by the following vote:

- AYES: SUPERVISORS
- NOES: SUPERVISORS
- ABSENT: SUPERVISORS
- ABSTAIN: SUPERVISORS

\_\_\_\_\_  
Chair, Board of Supervisors

ATTEST: \_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

\_\_\_\_\_  
Office of the County Counsel 8/5/2020 (AMS# 9316)



# 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, PLANNING DIRECTOR

www.sccoplanning.com

## CALIFORNIA ENVIRONMENTAL QUALITY ACT 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.:** Countywide

**Project Applicant:** County of Santa Cruz

**Project Description:** Ordinance amendments to County Code Sections 13.10.694, Vacation Rentals, and 13.10.312, 13.10.322, 13.10.352, and 13.10.372 Use Charts, to implement amendments to 13.10.694. The amendments would cap the number of vacation rental and hosted rental permits in the designated areas (LODA, SALSDA and DASDA) to balance the need for vacation accommodations with the impacts on housing supply. Caps shall be established at 220 vacation rental permits and 18 hosted rental permits in the LODA, 241 vacation rental permits and 45 hosted rental permits in the SALSDA, and 3 vacation rental permits and 4 hosted rental permits in the DASDA; establish a Block Map; establish a waiting list procedure; add La Selva Beach to the SADA (to be renamed SALSDA); change the permit level from Level 2P to Level 4 for all new vacation rentals comprised of 3 or fewer bedrooms; change the vacation rental renewal permit level from Level 2P to Level 4; establish on-site parking requirements for new rentals; and require all vacation rental permits to be renewed every five years. Several minor administrative amendments are also included. The proposed amendments to County Code Chapter 13.10 are amendments to the Local Coastal Program implementing ordinances and require certification by the Coastal Commission.

### Agency

**Approving Project:** County of Santa Cruz

**County Contact:** Jocelyn Drake

Telephone No. (831) 454-3127

### Date Completed:

This is to advise that the County of Santa Cruz has reviewed the above described project on July 14, 2020 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 judgment.  
 **Statutory Exemption** other than a Ministerial Project (CEQA Guidelines Section 15260 to 15285).

Specify type:

**Categorical Exemption**

### 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.

Signature: 

Date: July 14, 2020

Title: Environmental Coordinator

Attachment: Notice of Exemption (NOE) from CEQA, Vacation Rental Ordinance (9316 : Vacation Rental Ordinance and Related Actions)

**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

**Resolution No.** \_\_\_\_\_

On the motion of Supervisor \_\_\_\_\_

Duly seconded by Supervisor \_\_\_\_\_

The following resolution is adopted:

**RESOLUTION ADOPTING A VACATION AND HOSTED RENTALS DESIGNATED  
AREA BLOCK MAP AND BLOCK MAP ASSIGNMENT AND ADJUSTMENT CRITERIA**

**WHEREAS**, at its meeting of January 14, 2020, the Board of Supervisors of the County of Santa Cruz directed Planning Department staff to prepare amendments to the Vacation Rental regulations in the Santa Cruz County Code (“SCCC” or “County Code”), including preparation of an official Block Map that incorporates the three Designated Areas located in unincorporated Santa Cruz County, including the Live Oak Designated Area, or LODA, the Davenport/Swanton Designated Area, or DASDA, and the newly renamed Seacliff/Aptos/La Selva Beach Designated Area, or SALSDA; and

**WHEREAS**, the methodology by which neighborhood blocks and corner lots are defined and assigned on the Block Map generally consists of assigning properties that abut on either side of a street between two intersecting or intercepting streets to be defined as a “Block,” and with corner parcels being assigned to a Block in a manner that favors assignment to the street with primary access; and

**WHEREAS**, the purpose of the Block Map is to bring consistency and transparency to Blocks where a 20% cap on vacation rentals and hosted rentals applies, especially as related to the assignment of corner properties; and

**WHEREAS**, the Vacation Rental regulations of SCCC 13.10.694 require the Block Map to be adopted by resolution of the Board of Supervisors; the Block Map will be available to the public on the County’s Geographic Information System (“GIS”) Land Use layers, titled “Designated Area Blocks”; and

**WHEREAS**, despite the intention to create Block assignments with neighborhood blocks and corner lots defined and assigned in an organized fashion, incongruous Blocks and atypical situations do exist; therefore, the County Code includes a provision by which a property owner may apply for a Block Map Adjustment in accordance with SCCC 13.10.694.D(2)(b)(i) and listed Block Map Adjustment criteria; and

**WHEREAS**, the Planning Commission considered the proposed amendments to the Vacation Rental ordinance, including the newly drafted provisions regarding inclusion of a Block Map, and considered public testimony and other evidence at a public hearing held at its regular meeting of May 27, 2020; and

**WHEREAS**, at its meeting of June 16, 2020, the Board of Supervisors considered the amendments to the Vacation Rental regulations, including the provision to adopt a Block Map related to the three Designated Areas, and continued the item for further amendments; and

**WHEREAS**, at its meeting of June 30, 2020, the Board of Supervisors again considered the amendments to the Vacation Rental regulations, including the provision to adopt a Block Map, and continued the item for further amendments; and

**WHEREAS**, the amendments to the Vacation Rental regulations, including the creation of an official Block Map, have been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”) and CEQA Guidelines (California Code of Regulations, Title 14, sections 15000 et seq.). Amendments to the Vacation Rental regulations and creation of a Block Map is not a project subject to CEQA because it involves organizational or administrative activities of the County that will not result in direct or indirect physical changes in the environment pursuant to CEQA Guidelines § 15378(b)(5);

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of the County of Santa Cruz hereby adopts an official Block Map pursuant to Santa Cruz County 13.10.694.

**BE IT FURTHER RESOLVED** that the Board of Supervisors hereby resolves and orders the County Planning Department to incorporate the Designated Areas of the LODA, the DASDA, and the SALSDA into the official Block Map as a Land Use layer titled “Designated Area Blocks” on the County’s Geographic Information System; and to administer Block Map Adjustment provisions of the regulations in substantial conformance with the criteria contained in Exhibit A attached hereto.

**PASSED AND ADOPTED** by the Board of Supervisors of the County of Santa Cruz, State of California, this \_\_\_ day of \_\_\_\_\_, 2020, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Chair, Board of Supervisors

ATTEST:

\_\_\_\_\_  
Clerk of the Board

Approved as to Form:

\_\_\_\_\_  
Office of the County Counsel

8/5/2020 (AMS# 9316)

Attachment: Resolution - Designated Area Block Maps [Revision 1] (9316 : Vacation Rental Ordinance and Related Actions)

**EXHIBIT A****VACATION AND HOSTED RENTALS  
DESIGNATED AREA BLOCK MAP ADJUSTMENT CRITERIA**

In accordance with SCCC 13.10.694.D(2)(b)(i), a property owner may request a Block Map Adjustment. A Block Map Adjustment may be granted administratively by the Planning Director if the parcel in question is located on an incongruous block, and adjustment of the Block Map will not result in an overconcentration (20% or more) of parcels with vacation rentals on the assigned block, and adjustment is warranted in accordance with the following criteria.

An “incongruous block” shall be defined as a block that cannot be defined as a typical rectangular block, bounded on four sides by a public street, or a block that includes a “remainder parcel,” which is a mid-block parcel that has been assigned to an adjacent, otherwise congruous block.

In making decisions about requests for Block Map Adjustments, the Planning Director will consider the following criteria:

Supports Assignment to an Associated Block:

- 1) Street Access is taken from the street associated with the Block to which re-assignment is being requested, and/or
- 2) The mailing address is associated with the Block to which re-assignment is being requested, and/or
- 3) The front door of the home is associated with the Block to which re-assignment is being requested, and/or
- 4) The parcel in question qualifies as a “remainder parcel”, and
- 5) The Block to which the Adjustment is requested is at less than 20% capacity.

Less Supportive of Adjustment (assignment to an alternate Block)

- 1) Street Access is not taken from the street associated with the Block to which re-assignment is being requested, or
- 2) The mailing address associated with the parcel is not associated with the Block to which re-assignment is being requested, or
- 3) The Block Map Adjustment would cross an intersecting street thereby making it inconsistent with the definition of “block” in SCCC 13.10.700-Definitions, or
- 4) The Block to which the re-assignment is being requested is near 20% capacity or the adjustment would result in a block that is over 20% capacity.



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

RESOLUTION NO. 2020-04

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 13.10.694, REGARDING VACATION  
RENTALS, AND USE CHARTS IN CODE SECTIONS 13.10.312,  
13.10.322, 13.10.352 AND 13.10.372 TO IMPLEMENT  
AMENDMENTS TO SECTION 13.10.694**

WHEREAS, at its meeting of January 14, 2020, the Board of Supervisors directed planning staff to prepare amendments to the Vacation Rental regulations, including the following: to reduce the maximum number of vacation rentals permitted in the Designated Areas (Live Oak Designated Area, or "LODA"; Sea Cliff/Aptos Designated Area, or "SADA"; Davenport/Swanton Designated Area, or "DASDA"); to establish a Waiting List procedure; to change the permit process level for three or fewer bedroom units; to change the permit process level for vacation rental permit renewals; and to establish a minimum parking requirement for new rentals; and at its subsequent meeting of January 28, 2020, the Board additionally directed that the La Selva Beach community be included within the SADA (to be renamed the "SALSDA"); and

WHEREAS, the Planning Commission has considered the proposed ordinance amendments and public testimony and other evidence at a public hearing held at its regular meeting of May 27, 2020; 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 are consistent with the 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, pursuant to the California Environmental Quality Act ("CEQA"), a Notice of Exemption has been prepared and will be filed with the County Clerk upon final Board action to adopt the amendments;

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 thereafter submitted to Coastal Commission for certification.

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 well as the corresponding use charts in County Code Chapter 13.10 as presented to the Commission on this date, be adopted by the Board of Supervisors.

PASSED AND ADOPTED by the Planning Commission of the County of Santa Cruz, State of California, this 27<sup>th</sup> day of May 2020 by the following vote:

AYES:	COMMISSIONERS:	Guth, Dann, Shepard, Lazenby, and
NOES:	COMMISSIONERS	Chair Shaffer-Freitas
ABSENT:	COMMISSIONERS	
ABSTAIN:	COMMISSIONERS	

Melanie Shaffer Freitas  
Chairperson

ATTEST: Joalyn Drake  
Secretary

APPROVED AS TO FORM:

Daniel Zund  
Office of the County Counsel

cc: County Counsel  
Planning Department

Attachment: Planning Commission Resolution (9316 : Vacation Rental Ordinance and Related Actions)



# 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

KATHLEEN MOLLOY, PLANNING DIRECTOR

May 15, 2020

Planning Commission  
 County of Santa Cruz  
 701 Ocean Street  
 Santa Cruz, CA 95060

AGENDA: May 27, 2020

Item #7

**SUBJECT:** Public hearing to review and provide recommendation to the Board of Supervisors on proposed amendments to County Code Section 13.10.694, Vacation Rentals, and 13.10.312, 13.10.322, 13.10.352, and 13.10.372, Uses Charts, to implement amendments to 13.10.694. The proposed amendments to County Code Chapter 13.10 are amendments to the Local Coastal Program implementing ordinances, and Coastal Commission certification is required after County adoption.

Members of the Planning Commission:

The purpose of this item is for the Planning Commission to conduct a public hearing and provide a recommendation to the Board of Supervisors related to proposed changes to the Vacation Rental regulations of Santa Cruz County Code Section 13.10.694, in addition to minor amendments to the Chapter 13.10 Use Charts to reflect amendments to vacation rental permit processing requirements.

### INTRODUCTION

On June 25, 2019, Planning staff provided its annual status report on the Vacation Rental Program to the Board of Supervisors, which includes up-to-date active permit numbers throughout the County. Following the staff presentation, the Board directed staff to return with a subsequent report with information and preliminary recommendations regarding the following: a) the status of expired permits, b) a model for additional restrictions on the number of vacation rentals allowed in the three Designated Areas (LODA, SADA and DASDA), and c) a process for administering a waiting list for the designated areas, which are subject to both area caps and block limits.

On January 14, 2020, staff returned to the Board, and in addition to addressing the three directives by the Board, staff also recommended a number of other administrative and "housekeeping" type amendments that would provide clarity for both applicants and staff.

At its January 14<sup>th</sup> hearing, the Board directed staff to move forward with drafting amendments to several subsections of the vacation rental ordinance (SCCC 13.10.694). The recommended amendments include the following: 1) reduce the existing percentage caps in each of the Designated Areas by "freezing" the existing percentages in their current state (as of January 14, 2019), 2) assign homes on corner blocks to specific blocks and create an official Block Map, 3) develop a waiting list procedure for the designated areas, 4) include a minimum on-site parking requirement for new vacation rentals, 5) change the permit processing level for three or fewer bedroom vacation rentals from Level II

P to Level IV, 6) require all vacation rental permits throughout the County to be renewed every five (5) years, 7) revise enforcement-related provisions to strengthen the bases for enforcement of permit requirements and for possible revocations of permits, and 8) clarify various procedural aspects of the regulations. At the subsequent Board meeting, the Board unanimously approved a recommendation by Supervisor Friend's office to include the community of La Selva Beach within the Seacliff/Aptos designated area to establish the cap and block limits in that community.

## PROPOSED AMENDMENTS TO VACATION RENTAL REGULATIONS

*Reduce the existing percentage caps in each of the Designated Areas (LODA, SADA, and DASDA) by "freezing" the existing percentages in their current state (as of January 14, 2020).*

The Vacation Rental Ordinance came into effect on July 13, 2011. Since its adoption, the number of vacation rentals has steadily increased, and Hosted Rental (HR) permits were also created which also count toward designated area limits (the overall limit of 250 hosted rental permits throughout the unincorporated area has already been met, and new HR permits will only be available through attrition). As of April 15, 2020, there were 848 active vacation rental permits and 250 hosted rental permits issued County-wide.

At its June 25, 2019 meeting, the Board expressed concern that the increasing number of vacation rentals is decreasing the housing stock available for long term residency. At the Board's January 14, 2020 meeting when it considered further information and options for program changes, the Board directed staff to address the concern through amendments to the vacation rental ordinance. Two potential approaches were presented, and the Board agreed with staff's recommendation to "freeze" current percentages in place. The proposed amendments (attached) reflect the Board's direction, as well as the direction to add La Selva Beach to the SADA. Due to the change in geography, staff is suggesting that the name and acronym for the area be changed to "Seacliff/Aptos/La Selva Designated Area", or "SALSDA".

As proposed to be amended, the current percentage "caps" in the Designated Areas would be 12% in the LODA, 5.5% in the SALSDA, and 3% in the DASDA. Because the amendments will not be adopted until this summer, at the soonest, the percentages in the Designated Areas will likely have somewhat exceeded these caps at the time the ordinance is adopted and in effect. As discussed at the January 14<sup>th</sup> Board hearing, consistency with the new percentage caps would therefore be accomplished over time, through attrition. As proposed, no new permits would be issued in any designated area until such time that number of vacation rentals falls below the applicable percentage cap. Any new vacation rental permit would need to comply with both the designated area cap and the block percentage cap applicable to the given parcel, in order for a permit to be approved.

*Assign homes on corner blocks to specific blocks and create an official Block Map.*

Vacation rentals in the LODA, SALSDA and DASDA are subject to both area-wide limits and block limits. As currently codified, the block limit established for each of the Designated Areas is 20%. Currently, corner homes can be permitted as "belonging" to either of the blocks associated with the two streets the home is adjacent to. Also, there are many areas within each Designated Area that do not have a traditional grid block pattern. These two factors have made it challenging for both staff and the public to determine compliance with block limits and availability of permits, as assignment of homes to blocks is not clear. By mapping the assignment of homes to blocks on an official Block Map, which would be included as a GIS layer on the County's GIS Map, a member of the public would be able to determine to which block their parcel is assigned, and whether or not the block is full, with one click of a button. This will not only bring transparency to how block density is calculated for any given block, it will streamline and standardize the block density review process.



Staff is currently in the process of creating the Block Map; therefore, it is not included in the Planning Commission packet. It will be included as an exhibit in the Board of Supervisor's packet. It will be adopted by resolution rather than by ordinance, so that it may be more easily refined as warranted in the future.

*Develop a waiting list procedure for the Designated Areas.*

In conjunction with its recommendation to lower the caps for numbers of vacation rental permits in the Designated Areas, the Board requested that staff develop a Waiting List program, to be administered fairly and impartially, for those property owners who wish to obtain a permit in one of the Designated Areas that are at capacity. Accordingly, staff proposes to develop a Waiting List program that would be activated on the date the ordinance becomes effective. Staff proposes to use a Waiting List Request Form, which will provide the waiting list rules and procedures, and applicants will be able to submit the Form on-line. Once submitted, the subject parcel would be included and then tracked on via a spreadsheet maintained by the Planning Department. The parcel would also be mapped on a GIS Vacation Rental Waiting List Map so that other potential applicants can be aware of how many other parcels are likely to participate in a lottery that would be held once a year if there are permits available.

On an annual basis, staff will calculate the Designated Area percentages. For those Areas that have capacity, a lottery will be held. The lottery would mirror the lottery process the Planning Department currently administers when Measure J homes become available. Once names are selected for each Designated Area with capacity, staff would then check applicable block limits to ensure there is available capacity on the subject block, and if so, the applicant would receive an invitation to submit a formal application (via certified mail). The applicant would be provided 45 days to apply for a permit. Upon expiration of the 45 days, the next lottery selectee would be invited to submit, and so on.

*Require a minimum on-site parking standard for new vacation rentals.*

Parking impacts associated with some vacation rentals, especially those located in certain sections of the LODA and SADA, have been a long-standing community concern. At its hearing in January, the Board of Supervisors directed staff to amend the ordinance to include an on-site parking requirement for new vacation rentals (existing vacation rentals and renewals of permits for those existing vacation rentals will not be subject to the on-site parking requirement). As directed by the Board, for new vacation rentals comprised of one or two bedrooms, a minimum of one on-site parking space would be required. For new vacation rentals of three or more bedrooms, a minimum of two on-site parking spaces would be required. For those properties that do not comply with the on-site parking requirement, the applicant may apply for a parking exception in conjunction with a Level V Vacation Permit application.

*Change the permit processing level for three or fewer bedroom vacation rentals, from the current Level IIP (with notice) to a standard Level IV process.*

Presently, all vacation rentals comprised of three or fewer bedrooms are processed as Level II permits, but with the added requirement of on-site noticing and mailed public noticing to neighbors. Vacation rentals with of four or more bedrooms are subject to a Level V process, which requires a public hearing by the Zoning Administrator, with on-site noticing and mailed notices to neighbors of the public hearing.

Over the years, the Board has considered a variety of tools to reduce impacts of vacation rentals and to increase accountability of vacation rental operators. One tool that has proven effective is in-depth evaluation of vacation rental applications, and in some cases tailoring of conditions of approval to address unique circumstances associated with a given property. A Level II "regulatory" permit allows for limited variation in the conditions of approval placed on a permit. To address this issue, the Board directed staff to amend the ordinance to include a revision to the permit process for all new vacation

rentals. More specifically, the Board directed staff to amend the ordinance to require all new vacation rentals comprised of three or fewer bedrooms to be considered through a Level IV discretionary permit process, which still requires on-site noticing and mailed notices to the neighbors, but also requires staff to prepare a staff report and conditions of approval applicable to the application at hand. For all other vacation rentals (four or more bedrooms), the permit process shall remain unchanged, with a Level V permit process required.

*Require all vacation rental permits throughout the County to be renewed every five (5) years.*

Currently, all vacation rental permits issued in the LODA, SADA or DASDA expire after five years (from the date of issuance). In all other parts of the County, vacation rental permits do not expire. The renewal permit allows staff to assess the status of a permit on a periodic basis, adjust conditions of approval as may be warranted, or even deny the renewal based upon non-compliance with permit requirements. When processing a vacation permit renewal application, staff evaluates the subject property for change of ownership, a history of complaints and violations, a change in the bedroom count, and proof of usership, among other things. At its January 2020 meeting, the Board expressed a desire to hold all vacation rentals to the same standard. Thus, the Board requested that staff include a provision in the ordinance to require all vacation rental permits to be renewed every five years, commencing in the areas not currently affected by the renewal requirement on September 21, 2020, reflecting the date of adoption of the amended ordinance.

*Revise the enforcement-related provisions to strengthen the bases for enforcement of permit requirements and for possible revocations of permits*

As part of staff's recommendation to the Board, the language contained in the Code enforcement section of the ordinance pertaining to advertisement of a vacation rental without the benefit of a permit was strengthened. Staff also recommended a change to the ordinance specifying that if the designated emergency contact person does not answer a call or return a call within 60 minutes of receiving a call, failure to do so could constitute a documented complaint and the owner could be cited. Upon review of these revisions, the Board directed staff to incorporate these revisions, but also to explore making further revisions to bolster staff's enforcement ability.

One additional provision has been identified in response to the COVID Order of the Health Officer. The amendments now also provide that a verified complaint or citation associated with unauthorized rental of a property during a shelter-in-place order shall also constitute a violation of the ordinance and could be considered as grounds for revocation, citation, or non-renewal of the permit.

Furthermore, staff is exploring methods that do not need to be codified, but that would increase complaint tracking capacity. The Planning Department could potentially include a separate complaint form to be used only for vacation rentals, and Service Requests could be identified with a code that would allow sorting and tracking of complaints by property to be done more easily in the future.

*Restrict New Vacation Rental Permits to Owner-Occupants with Homeowner's Property Tax Exemption*

At the January 2020 Board meeting, staff was asked to explore the possibility of including within the amendments a requirement that only owner-occupants who file a homeowner's property tax exemption form (ie. the vacation rental home is the owner's primary residence) would be eligible for a new vacation rental permit. Staff has researched regulations of other jurisdictions and been unable to find such a regulation that is currently in effect. San Diego did attempt to include such a restriction, however their ordinance was challenged and subsequently amended to remove the residency requirement. For this reason, staff has not incorporated a residency requirement into the proposed ordinance. The objective of curtailing the extent of "outside investor" purchases of homes for the purpose of conversion to vacation rentals would instead largely be addressed by the lowering of the



caps to current levels, which will significantly reduce opportunities for such “investor vacation rentals” in the future within the Designated Areas, which is where most of the “investor rentals” tend to occur.

*Additional administrative amendments to clarify a variety of provisions*

In addition to the above more substantive proposed amendments to the vacation rental ordinance, several more minor and administrative amendments are also proposed, as listed below:

- 1) Clarify that no new vacation rental permits *or transfer of permits* shall be granted on parcels containing Accessory Dwelling Units (ADUs) after March 9, 2018. ADUs are not allowed to be used as vacation rentals or hosted rentals.
- 2) Add the community of La Selva Beach to the SADA Special District (proposed to be known as the “SALSADA” to reflect the changed geographic area).
- 3) Reference the newly created Block Map in the definition of “Block”.
- 4) Include another means of proving TOT registration, proof of registration with a verified on-line vacation rental platform, which pays TOT taxes on a property owner’s behalf.
- 5) Removes all references to the five-year permit expiration / renewal requirements as applying only in the LODA, SADA and DASDA, as the ordinance amendments include a requirement for all permits to be renewed every five years.
- 6) Removes the reference to applications referred (by the Planning Director) to the Zoning Administrator or Planning Commission for review as needing to be converted into an “at cost” project, because all applications will now be “at-cost” projects, including renewals.
- 7) Clarifies that residences subject to affordable housing covenants and/or that are income-restricted are not eligible for a vacation rental permit.
- 8) Removes language that references the permit renewal requirement for permits issued in the SADA (May 14, 2015) because the renewal date (May 14, 2020) has now passed.
- 9) Clarifies that the term “significant rental use” shall be interpreted to mean no fewer than 10% of weekend nights in a given year, or a minimum occupancy of 5 weekends or 10 nights per calendar year; with such level of use occurring in at least 3 of 5 consecutive years.
- 10) Clarifies the criteria by which a vacation rental renewal application will be evaluated.
- 11) Provides guidance on the effective dates of transfer-of-ownership or re-assessment trigger for permit expirations and nonrenewals.

The attached clean and strikeout and underline versions of the proposed ordinance (Exhibits C and D, respectively) include the changes described above.

## COASTAL ACT CONSISTENCY

The proposed amendments will not result in any loss of coastal access or coastal visitor accommodations, nor will they result in any negative impacts to public viewsheds within the Coastal Zone. The proposed amendments reflect the need to balance vacation rental accommodation with impacts of vacation rentals on housing supply and neighborhood character. Further, the data indicate the County does not currently have a shortage of visitor accommodations, nor is a shortage expected in the foreseeable future. The amendments therefore meet the requirements of, and are consistent with, the County’s certified Local Coastal Program (LCP) and the California Coastal Act. However, as an amendment to the County Code Chapter 13.10, the implementation of the Vacation Rental Ordinance and Use Chart amendments is considered a “Coastal Implementing ordinance” and will therefore require review and certification by the Coastal Commission as an LCP Amendment subsequent to approval by the Board of Supervisors.

## ENVIRONMENTAL REVIEW

Staff has determined that the proposed ordinance amendments are exempt from CEQA, as they have no potential to impact 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

Following the public hearing and recommendation to the Board of Supervisors by the Planning Commission, the proposed ordinance amendment vacation rental provisions will be returned to the Board of Supervisors, and after Board adoption the proposed amendments will be submitted to the Coastal Commission for certification. The ordinance will go into effect countywide following approval by the Coastal Commission.

## RECOMMENDATION

It is therefore RECOMMENDED that your Commission:

1. Hold a public hearing on the proposed amendments;
2. Consider proposed amendments to County Code Section 13.10.694, Vacation Rentals, and 13.10.312, 13.10322, 13.10.352, and 13.10 372, Uses Charts;
3. Adopt the attached resolution recommending that the Board of Supervisors confirm the CEQA exemption, adopt the proposed ordinance, and direct submittal of the amendments to the Coastal Commission for certification.

### Exhibits:

- A. Planning Commission Resolution
- B. Proposed CEQA Notice of Exemption
- C. Vacation Rental Amendments, Strikeout/Underline
- D. Proposed Vacation Rental Ordinance, Clean
- E. Board of Supervisors Minutes 1/14/20
- F. Designated Area Maps

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

RESOLUTION NO. \_\_\_\_\_

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  
13.10.694 REGARDING VACATION RENTALS AND CODE SECTIONS  
13.10.312, 13.10.322, 13.10.352 AND 13.10.372, USE CHARTS, TO IMPLEMENT  
AMENDMENTS TO SECTION 13.10.694.**

WHEREAS, at its meeting of January 14, 2020 the Board of Supervisors directed planning staff to prepare amendments to the Vacation Rental regulations, including the following: to reduce the maximum number of vacation rentals permitted in the Designated Areas (LODA, SADA and DASDA); to establish a Waiting List procedure; to change the permit process level for three or fewer bedroom units; to change the permit process level for vacation rental permit renewals; and to establish a minimum parking requirement for new rentals; and at its subsequent meeting of January 28, 2020 the Board additionally directed that the La Selva Beach community be included within the SADA; and

WHEREAS, the Planning Commission has considered the proposed ordinance and public testimony and other evidence at a public hearing held at its regular meeting of May 27, 2020; 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 are consistent with the 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 a Notice of Exemption has been prepared and will be filed with the County Clerk upon final Board action to adopt the amendments; and

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission recommends that the Board of Supervisors, and thereafter submitted to Coastal Commission for certification, 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 well as the corresponding use charts in County Code Chapter 13.10 as presented to the Commission on this date, be adopted by the Board of Supervisors.

PASSED AND ADOPTED by the Planning Commission of the County of Santa Cruz, State of California, this 27<sup>th</sup> day of May 2020 by the following vote:

AYES: COMMISSIONERS:  
NOES: COMMISSIONERS  
ABSENT: COMMISSIONERS  
ABSTAIN: COMMISSIONERS

\_\_\_\_\_  
Chairperson

ATTEST: \_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
COUNTY COUNSEL

cc: County Counsel  
Planning Department



# 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, PLANNING DIRECTOR  
 www.sccoplanning.com

## CALIFORNIA ENVIRONMENTAL QUALITY ACT 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 Sections 13.10.694, Vacation Rentals, and 13.10.312, 13.10.322, 13.10.353, and 13.10.372 Use Charts, to implement amendments to 13.10.694. The amendments would cap the allowed number of vacation rental permits in LODA, SALSDA and DASDA at 12% in the LODA, 5.5% in the SALSDA and 3% in the DASDA to balance the need for vacation accommodations with the impacts on housing supply; establish a Block Map; establish a waiting list procedure; add La Selva Beach to the SADA (to be renamed SALSDA); change the permit level from Level 2P to Level 4 for all new vacation rentals comprised of 3 or fewer bedrooms; change the vacation rental renewal permit level from Level 2P to Level 4; establish on-site parking requirements for new rentals; and require all vacation rental permits to be renewed every five years. Several minor administrative amendments are also included. The proposed amendments to County Code Chapter 13.10 are amendments to the Local Coastal Program implementing ordinances and require certification by the Coastal Commission.

### Agency

**Approving Project:** County of Santa Cruz

**County Contact:** Jocelyn Drake Telephone No. (831) 454-3127

### Date Completed:

This is to advise that the County of Santa Cruz has reviewed the above described project on May 15, 2020 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 judgment.  
 **Statutory Exemption** other than a Ministerial Project (CEQA Guidelines Section 15260 to 15285).  
 Specify type:  
 **Categorical Exemption**

### 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.

Signature: \_\_\_\_\_ Date: May 15, 2020 Title: Environmental Coordinator

Attachment: Planning Commission Staff Report and attachments May 27, 2020 (9316 : Vacation Rental Ordinance and Related Actions)



**ORDINANCE AMENDING COUNTY CODE SECTIONS 13.10.694, Vacation Rentals, and 13.10.312, 13.10322, 13.10.352, and 13.10 372, Uses Charts, to implement amendments to 13.10.694.**

**The Board of Supervisors does ordain as follows:**

**SECTION I**

Section (b) of Section 13.10.312 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	CA	A	AP
Vacation rentals, <u>new</u> , with 3 or fewer bedrooms <u>and all vacation rental renewals</u> (subject to SCCC 13.10.694)	<del>2P 4</del>	<del>2P 4</del>	<del>2P 4</del>
Vacation rentals, <u>new</u> , with 4 or more bedrooms (subject to SCCC 13.10.694)	5	5	5

**SECTION II**

Section (b) of Section 13.10.322 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	RA	RR	R-1	RB	RM
Vacation rentals, <u>new</u> , with 3 or fewer bedrooms <u>and all vacation rental renewals</u> (subject to SCCC 13.10.694)	<del>2P 4</del>	<del>2P 4</del>	<del>2P 4</del>	<del>2P 4</del>	<del>2P 4</del>
Vacation rentals, <u>new</u> , with 4 or more bedrooms (subject to SCCC 13.10.694)	5	5	5	5	5

**SECTION III**

Section (b) of Section 13.10.352 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	PR
Vacation rentals, <u>new</u> , with 3 or fewer bedrooms <u>and all vacation rental renewals</u> (subject to SCCC 13.10.694)	<del>2P 4</del>
Vacation rentals, <u>new</u> , with 4 or more bedrooms (subject to SCCC 13.10.694)	5

**SECTION IV**

Section (b) of Section 13.10.372 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	TP
Vacation Rentals, <u>new</u> , with 3 or fewer bedrooms <u>and all vacation rental renewals</u> (subject to SCCC 13.10.694)	<del>2P 4</del>
Vacation rentals, <u>new</u> , with 4 or more bedrooms (subject to SCCC 13.10.694)	5

Attachment: Planning Commission Staff Report and attachments May 27, 2020 (9316 : Vacation Rental Ordinance and Related Actions)

## SECTION V

The Santa Cruz County Code is hereby amended by amending 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.
- (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, accessory dwelling units (“ADUs”) 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. Further, no new vacation rental permits or transfer of permits shall be granted on parcels containing ADUs after March 9, 2018.
- (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 occupy the dwelling unit while it is rented, only the renter and guests thereof occupy the dwelling unit while it is rented, and the dwelling unit is rented for the purpose of overnight lodging for a period of not more than 30 days. Where there is more than one dwelling on a property as part of a dwelling group, the owner/operator/contact person/agent may live in a dwelling that is not used as a vacation rental. For the purposes of these regulations, the following are not considered to be vacation rentals: (a) ongoing month-to-month tenancy granted to the same renter for the same unit, (b) one less-than-30-day period per year, (c) a house exchange for which there is no payment, or (d) 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” or “LODA” 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/La Selva Designated Area” or “SALSDA” means that portion of the Aptos Planning Area bounded on the west by the Capitola city limit, on the north by Highway 1, and on the east and southeast by Bonita Drive, San Andreas Road, ~~and~~ the Urban Services Line from San

Andreas Road to Monterey Bay, and the community of La Selva Beach, as depicted in Figure SADASALSDA, attached to the ordinance codified in this section.

(6) The “Davenport/Swanton Designated Area” or “DASDA” means that portion of the North Coast Planning Area bounded on the south by Riverside Ave and San Vincente Street 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, as indicated on the official Block Map (adopted by the Board of Supervisors on August 4, 2020). In the DASDA, “blocks” shall apply only in the town of Davenport, extending to all the R-1 zoned parcels along San Vincente Street, in New Town on Cement Plant, Adeline, and 1st, 2nd, and 3rd Streets, and on Davenport Landing.

(D) Permit Requirements. A vacation rental permit and transient occupancy tax registration (or proof of registration with verified vacation rental platforms) are required for each residential vacation rental. Each vacation rental permit shall remain valid as long as the vacation rental operates for 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 the same month and day five years subsequent to the date of issuance of the original permit or as otherwise provided in subsection (D)(3) of this section. If the expiration date falls on a Saturday or a Sunday, the following Monday shall be considered to be the expiration date. ~~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.~~ 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: At the inception of the Vacation Rental program, the County established a low-barrier method for recognizing and permitting then-existing vacation rentals. The term is retained here as an historic reference, but no longer has regulatory distinction and all vacation rentals are now considered to be either new or renewal vacation rentals.~~

(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, prior to November 1, 2016, children under 12 not counted, on or after November 1, 2016, children under eight 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); address noise, illegal behavior and disturbances, including an explicit statement that fireworks are illegal in Santa Cruz County; 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. Prior to November 1, 2016, children under 12 are not counted toward the maximums; on or after November 1, 2016, children under eight not counted toward the maximum number of guests.~~

(2) New Vacation Rentals. For new applications for vacation rentals of three 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 through the proposed action~~ Level IV administrative use permit process as provided not less than 10 calendar days before issuance of the permit, pursuant to SCCC 18.10.222 in SCCC 18.10.131 (B) and (C). Appeals of the proposed action on the application may be made by ~~the applicant or~~ any member of the public. ~~Pursuant pursuant to SCCC 18.10.124(B), 324 and~~ the Planning Director may refer the application to the Zoning Administrator or Planning Commission for a public hearing. ~~in accordance with SCCC 18.10.124.(B).~~ For new applications for vacation rentals consisting of four or more bedrooms, the application shall be considered at a public hearing in accordance with the Level V use permit public hearing procedures in Chapter 18.10 SCCC.

(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, LODA, SALSDA or DASDA (“Designated Areas”)~~ no new vacation rental shall be approved if parcels with permitted vacation rentals or permitted

hosted rentals on the same block total 20 percent or more of the total parcels on that block that allow residential use, ~~excluding those. A Block Map adopted by resolution of the Board of Supervisors shall assign parcels to blocks for the purpose of determinations of block capacity for additional new vacation rental permits to be issued. In the count of parcels that allow residential use in each of the Designated Areas, parcels in the Mobile Home Park Combining Zone District, except that in shall be excluded.~~

~~As well, the count of parcels that allow residential use shall not include the following streets and areas the percentage of parcels that may have vacation rentals or hosted rentals is because numbers are not limited by caps or block limits in these locations:~~ 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~~12 percent of ~~all of the parcels that allow residential use in the above-described count for the Live Oak Designated Area and the Seacliff/Aptos Designated Area, and LODA,~~ no more than ~~105.5%~~ 5.5% of the above-described count for the SALSDA, and no more than 3% percent of ~~all the parcels that allow residential use in the Davenport/Swanton Designated Area, excluding those parcels in above-described count for the Mobile Home Park Combining Zone District, DASDA~~ may contain vacation rentals or hosted rentals. Notwithstanding these maximums, each block in the ~~Live Oak Designated Area, the Seacliff/Aptos Designated Area, LODA, SALSDA, or the Davenport/Swanton Designated Area~~ DASDA 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 or hosted rental.

~~(i) Block Map Adjustment. Several areas throughout the County, especially in the LODA and SALSDA, are comprised of incongruous "blocks". The Block Map is intended to provide clarity, in that parcels are permanently assigned to a block in the most organized fashion possible; however, adjustment of blocks may be warranted in certain circumstances. In conjunction with filing of a Vacation Rental Permit, and owner may request a Map Block Adjustment.~~

~~(ii) The Planning Director or designee has the discretion to adjust the Block Map upon making the following finding:~~

~~Adjustment of the Block Map is warranted because the block in question is incongruous and such adjustment of the Map will not result in an overconcentration (20% or more) of parcels with vacation rentals on the newly assigned block.~~

(c) Applicants for a permit for a new vacation rental shall provide the following to the Planning Department:

~~(i) Completed application form.~~

~~(ii) Application fee deposit. The deposit will cover the estimated costs of processing the application for a new vacation rental permit. Upon notice by the Planning Department, applicants may need to deposit additional funds to cover further processing costs.~~

~~(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) ~~CopyForm~~ of a rental/lease agreement to be used, or house rules/requirements, which shall include, but not necessarily be limited to, the following: ~~number~~

A. Number of guests allowed (two per legal bedroom plus two, prior to November 1, 2016, children under 12 not counted, on or after November 1, 2016, children under eight not counted; for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., and 10:00 p.m., the maximum number of people allowed is twice the maximum number of guests allowed); number).

B. Number of vehicles the guest is allowed (not to park on-site or in the neighborhood, which shall not exceed the number of existing or required on-site parking spaces (whichever is greater); the on-site parking requirements for new vacation rental permits shall be a minimum of one on-site space for one and two-bedroom units, and a minimum of two on-site spaces for three or more bedroom units, plus two one additional that vehicle that guests may travel in to the site. Such “off-site” vehicle will be considered to use on-street parking in the vicinity, but will not have any exclusive or assigned use of onstreet parking); address any available on street parking. In situations where the required on-site parking cannot be provided, an on-site parking exception may be requested in conjunction with a Level V Vacation Rental Permit Application, for consideration by the Zoning Administrator at a public hearing, who shall make the following finding in conjunction with approval of the parking exception:

Existing traffic and parking on nearby streets and properties would not be adversely affected by granting of an on-site parking reduction, as on-street parking is typically available and not subject to significant levels of congestion.

A.C. Restrictions on noise, illegal behavior and disturbances including an explicit statement that fireworks are illegal in Santa Cruz County; and trash management (e.g., trash to be kept in covered containers only).

(v) Copy of a County of Santa Cruz transient occupancy registration ~~certificate, or proof of registry with a verified on-line platform~~, 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 the ordinance amending the original vacation rental ordinance (Ordinance No. 5092, effective July 13, 2011), unless at the time of submission of the application, unless~~ the applicant provides a written agreement acceptable to the County and signed by all record owner(s) of the



adjoining dwelling unit(s) either at the time of application submittal or prior approval to approval of the vacation rental permit 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).

(vii) ~~After the effective date of Ordinance No. 5229 amending the vacation rental ordinance, only~~Only one vacation rental is permitted per parcel regardless of the number or configuration of dwellings on the parcel.

~~(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. Prior to November 1, 2016, children under 12 are not counted toward the maximums; on or after November 1, 2016, children under eight not counted toward the maximum number of guests.~~

~~(d) Residences subject to affordable housing covenants and/or are income-restricted for affordable housing purposes are not eligible for a vacation rental permit.~~

~~(e) Waiting List. The Planning Department shall maintain a waiting list in the event that a Designated Area is at or exceeds the established block or designated area maximum, which shall be comprised of property owners who wish to operate either a vacation rental or a hosted rental in the LODA, SALSDA or DASDA. Prospective applicants shall submit requests via a Waiting List Request Form, and a lottery will be held by the Planning Department on an annual basis if permits are available.~~

(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, All 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 starting on September 15, 2020, except that in the LODA and SALSDA, where the vacation rental permit permits must be made in accordance with renewed every five years from the provisions date of this section issuance. 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 shall be submitted no sooner than 180 days before the expiration date of the existing permit, and no later than the date of expiration of that 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, except that only one vacation rental permit may be renewed on any one parcel. Determination that the application is Upon receipt of a complete shall stay application, the expiration of the existing permit shall be stayed 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 vacation rental renewals shall be processed pursuant to the Level IV administrative use permit process as provided in SCCC 18.10.131 (B) and (C). Appeals of the proposed action on the renewal application may be made by the applicant or any member of the public pursuant to SCCC 18.10.324.~~

(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.

~~(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.~~

(ii) Application fee deposit. The deposit will cover the estimated costs of processing the application for a new vacation rental permit. Upon notice by the Planning Department, applicants may need to deposit additional funds to cover further processing costs.

(iii) Proof of payment of transient occupancy tax, or proof of registry with a verified on-line platform, 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. For renewal applications processed prior to November 1, 2016, renewal applications must show significant rental use of the unit for two of the previous five years. For renewal applications processed on or after November 1, 2016, applications must show significant rental use for three out of the previous five years. Determination of significant rental use shall be interpreted to include no fewer than 10% of weekend nights in accordance with guidelines adopted by resolution a given year, or a minimum occupancy of the Board of Supervisors: 5 weekends or 10 nights per calendar year.

~~(iv) A photograph of the sign installed on the parcel as required by the existing permit, and clearly including all information required under subsection (F) of this section.~~

(c) ~~(e) Although the Processing of renewal process applications includes a staff review of County records any issued or pending building or other permits and other a including building permits and a review of all 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). Additionally, a pattern of verified complaints, evidence of operating the vacation rental while under emergency order that prohibit such operation, evidence that the rental was mis-advertised, and/or evidence that the local contact person of record was non-responsive on one or more occasion are all grounds for denial.

(d) Renewals of "existing vacation rentals" issued permits pursuant to the first-adopted version of the county's vacation rental regulations in 2011 shall not be subject to block density, neighbor sign-off for condominium units with shared walls, on-site parking requirements, or the restriction on operating a vacation rental on a property which is also



developed with an ADU. Additionally, the restriction not allowing vacation rentals in ADUs applied only to vacation rental permits originally issued after March 9, 2018.

(4) Transfer of Property with Vacation Rental Permit in the LODA, ~~SADA, SALSDA,~~ or DASDA. Within the Live Oak Designated Area, the Seacliff/Aptos/La Selva Designated Area, (except within the La Selva Beach community), and the Davenport/Swanton Designated Area, for properties transferred after September 13, 2016, when a property transfer triggers reassessment pursuant to the California Revenue and Taxation Code Section 60 et seq., as determined by the Assessor, the vacation rental permit(s) associated with the property shall expire and shall become nonrenewable at the time of property transfer. For properties located in all other areas of the County, and including the community of La Selva Beach, that are transferred after September 21, 2020, when a property transfer triggers reassessment pursuant to the California Revenue and Taxation Code Section 60 et seq., as determined by the Assessor, the vacation rental permit(s) associated with the property shall expire and shall become nonrenewable at the time of property transfer. Any future use as a vacation rental shall require approval of an application for a new vacation rental rather than a renewal vacation rental.

(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, a new vacation rental permit shall be required in accordance with subsection (D)(2) of this section.

(E) Local Contact Person. All vacation rentals shall designate a contact person who lives within a 30-mile radius off from 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 ~~themselves as the local contact person.~~ Failure to respond within 60 minutes of being contacted, as verified by County Code Enforcement staff or the County Sheriff, shall constitute a significant violation and may lead to amendment or revocation of the permit in accordance with SCCC Section 18.10.136.

~~The~~ The applicant shall mail, deliver, or otherwise provide the name, address, telephone number(s) of the local contact person, and the beginning and expiration dates of the vacation rental permit shall be submitted, to the Planning Department, the local Sheriff ~~Substation Office, the Auditor-Controller-Treasurer Tax Collector,~~ 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 the 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~~ Proof of mailing or delivery of the 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~~ For all rentals, the sign must also display the beginning and end dates of the five-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 prior to November 1, 2016, children under 12 not counted, on or after November 1, 2016, children under eight 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~~); address; restrictions on noise, illegal behavior, and disturbances including an explicit statement that fireworks are illegal in Santa Cruz County; and 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) Advertising. All advertising for vacation rentals shall include the vacation rental permit number in the first two lines of the advertisement text, and where photos are included, a photo containing the permit number shall be included, as well as a photo of the required signage that includes the 24-hour contact information and vacation rental identification.

(K) 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. Violation of the requirements to obtain a vacation rental permit may be grounds for denial of an application. 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; proof of advertisement of a property as a vacation rental without a valid vacation rental permit, or of mis-advertising the capacity and limitations applicable to the vacation rental in ads including print media or online advertising; 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; non-compliance with order of the County Health Officer which may limit use and occupancy of vacation rentals; evidence that a permit holder is delinquent in payment of transient occupancy taxes, fines, or penalties; evidence of non-responsive management ~~or, including failure by the responsible property manager/emergency contact person to respond to calls within 60 minutes;~~ verification that appropriate signage has not been maintained in compliance with this section; verified neighbor complaints of noise or other disturbances, particularly those involving the use of fireworks by occupants of the vacation rental; 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.



(LM) It is unlawful to make a false report to the Sheriff's Office regarding activities associated with vacation rentals. [Ord. 5266 § 8, 2018; Ord. 5265 § 12, 2018; Ord. 5264 § 13, 2018; Ord. 5229 § 5, 2016; Ord. 5198 § 1, 2015; Ord. 5092 § 6, 2011].

SECTION VI

This Ordinance shall take effect on the 31<sup>st</sup> day following adoption, or upon certification by the California Coastal Commission, whichever is later.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020 by the Board of Supervisors and the County of Santa Cruz by the following vote:

AYES: SUPERVISORS  
NOES: SUPERVISORS  
ABSENT: SUPERVISORS  
ABSTAIN: SUPERVISORS

\_\_\_\_\_  
CHAIRPERSON, BOARD OF SUPERVISORS

ATTEST: \_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM: \_\_\_\_\_  
County Counsel

Attachment: Planning Commission Staff Report and attachments May 27, 2020 (9316 : Vacation Rental Ordinance and Related Actions)





**ORDINANCE AMENDING COUNTY CODE SECTIONS 13.10.694, Vacation Rentals, and 13.10.312, 13.10322, 13.10.352, and 13.10 372, Uses Charts, to implement amendments to 13.10.694.**

The Board of Supervisors does ordain as follows:

**SECTION I**

Section (b) of Section 13.10.312 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	CA	A	AP
Vacation rentals, new, with 3 or fewer bedrooms and all vacation rental renewals (subject to SCCC 13.10.694)	4	4	4
Vacation rentals, new, with 4 or more bedrooms (subject to SCCC 13.10.694)	5	5	5

**SECTION II**

Section (b) of Section 13.10.322 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	RA	RR	R-1	RB	RM
Vacation rentals, new, with 3 or fewer bedrooms and all vacation rental renewals (subject to SCCC 13.10.694)	4	4	4	4	4
Vacation rentals, new, with 4 or more bedrooms (subject to SCCC 13.10.694)	5	5	5	5	5

**SECTION III**

Section (b) of Section 13.10.352 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	PR
Vacation rentals, new, with 3 or fewer bedrooms and all vacation rental renewals (subject to SCCC 13.10.694)	4
Vacation rentals, new, with 4 or more bedrooms (subject to SCCC 13.10.694)	5

**SECTION IV**

Section (b) of Section 13.10.372 of the Santa Cruz County Code is hereby amended to change the permit level for new vacation rentals comprised of three or fewer bedrooms, from 2P to 4, and to require all vacation rental renewals to be processed as Level 4 permits as follows:

USE	PERMIT REQUIRED
Vacation rentals, new, with 3 or fewer bedrooms and all vacation rental renewals (subject to SCCC 13.10.694)	4
Vacation rentals, new, with 4 or more bedrooms (subject to SCCC 13.10.694)	5

Attachment: Planning Commission Staff Report and attachments May 27, 2020 (9316 : Vacation Rental Ordinance and Related Actions)

## SECTION V

The Santa Cruz County Code is hereby amended by amending 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.
- (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, accessory dwelling units (“ADUs”) 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. Further, no new vacation rental permits or transfer of permits shall be granted on parcels containing ADUs after March 9, 2018.
- (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 occupy the dwelling unit while it is rented, only the renter and guests thereof occupy the dwelling unit while it is rented, and the dwelling unit is rented for the purpose of overnight lodging for a period of not more than 30 days. Where there is more than one dwelling on a property as part of a dwelling group, the owner/operator/contact person/agent may live in a dwelling that is not used as a vacation rental. For the purposes of these regulations, the following are not considered to be vacation rentals: (a) ongoing month-to-month tenancy granted to the same renter for the same unit, (b) one less-than-30-day period per year, (c) a house exchange for which there is no payment, or (d) 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” or “LODA” 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/La Selva Designated Area” or “SALSDA” means that portion of the Aptos Planning Area bounded on the west by the Capitola city limit, on the north by Highway 1, and on the east and southeast by Bonita Drive, San Andreas Road, the Urban Services Line from San Andreas Road to Monterey Bay, and the community of La Selva Beach, as depicted in Figure SALSDA, attached to the ordinance codified in this section.

(6) The “Davenport/Swanton Designated Area” or “DASDA” means that portion of the North Coast Planning Area bounded on the south by Riverside Ave and San Vincente Street 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, as indicated on the official Block Map (adopted by the Board of Supervisors on August 4, 2020). In the DASDA, “blocks” shall apply only in the town of Davenport, extending to all the R-1 zoned parcels along San Vincente Street, in New Town on Cement Plant, Adeline, and 1st, 2nd, and 3rd Streets, and on Davenport Landing.

(D) Permit Requirements. A vacation rental permit and transient occupancy tax registration (or proof of registration with verified vacation rental platforms) are required for each residential vacation rental. Each vacation rental permit shall remain valid as long as the vacation rental operates for at least three out of any consecutive five years, except that each vacation rental permit issued for a vacation rental shall expire the same month and day five years subsequent to the date of issuance of the original permit or as otherwise provided in subsection (D)(3) of this section. If the expiration date falls on a Saturday or a Sunday, the following Monday shall be considered to be the expiration date. 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. At the inception of the Vacation Rental program, the County established a low-barrier method for recognizing and permitting then-existing vacation rentals. The term is retained here as an historic reference, but no longer has regulatory distinction and all vacation rentals are now considered to be either new or renewal vacation rentals.

(2) New Vacation Rentals. For new applications for vacation rentals of three 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 through the Level IV administrative use permit process as provided in SCCC 18.10.131(B). Appeals of the proposed action on the application may be made by any member of the public pursuant to SCCC 18.10.324 and the Planning Director may refer the application to the Zoning Administrator or Planning Commission for a public hearing in accordance with SCCC 18.10.124.(B). For new applications for vacation rentals consisting of four or more bedrooms, the application shall be considered at a public hearing in accordance with the Level V use permit public hearing procedures in Chapter 18.10 SCCC.

(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 LODA, SALSDA or DASDA (“Designated Areas”) no new vacation rental shall be approved if parcels with permitted vacation rentals or permitted hosted rentals on the same block total 20 percent or more of the total parcels on that block that allow residential use. A Block Map adopted by resolution of the Board of Supervisors shall assign parcels to blocks for the purpose of determinations of block capacity for additional new vacation rental permits to be issued. In the count of parcels that allow residential use in each of the Designated Areas, parcels in the Mobile Home Park Combining Zone District shall be excluded.

As well, the count of parcels that allow residential use shall not include the following streets and areas because numbers are not limited by caps or block limits in these locations: 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 12 percent of the above-described count for the LODA, no more than 5.5% of the above-described count for the SALSDA, and no more than 3% percent of the above-described count for the DASDA may contain vacation rentals or hosted rentals. Notwithstanding these maximums, each block in the LODA, SALSDA, or DASDA 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 or hosted rental.

(i) **Block Map Adjustment.** Several areas throughout the County, especially in the LODA and SALSDA, are comprised of incongruous “blocks”. The Block Map is intended to provide clarity, in that parcels are permanently assigned to a block in the most organized fashion possible; however, adjustment of blocks may be warranted in certain circumstances. In conjunction with filing of a Vacation Rental Permit, and owner may request a Map Block Adjustment.

(ii) The Planning Director or designee has the discretion to adjust the Block Map upon making the following finding:

Adjustment of the Block Map is warranted because the block in question is incongruous and such adjustment of the Map will not result in an overconcentration (20% or more) of parcels with vacation rentals on the newly assigned block.

(c) Applicants for a permit for a new vacation rental shall provide the following to the Planning Department:

(i) Completed application form.

(ii) Application fee deposit. The deposit will cover the estimated costs of processing the application for a new vacation rental permit. Upon notice by the Planning Department, applicants may need to deposit additional funds to cover further processing costs.

(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) Form of a rental/lease agreement to be used, or house rules/requirements, which shall include, but not necessarily be limited to, the following:

A. Number of guests allowed (two per legal bedroom plus two, children under eight 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).

B. Number of vehicles the guest is allowed to park on-site or in the neighborhood, which shall not exceed the number of existing or required on-site parking spaces (whichever is greater); the on-site parking requirements for new vacation rental permits shall be a minimum of one on-site space for one and two-bedroom units, and a minimum of two on-site spaces for three or more bedroom units, plus one

additional vehicle that guests may travel in to the site. Such “off-site” vehicle will be considered to use on-street parking in the vicinity, but will not have any exclusive or assigned use of any available on street parking. In situations where the required on-site parking cannot be provided, an on-site parking exception may be requested in conjunction with a Level V Vacation Rental Permit Application, for consideration by the Zoning Administrator at a public hearing, who shall make the following finding in conjunction with approval of the parking exception:

Existing traffic and parking on nearby streets and properties would not be adversely affected by granting of an on-site parking reduction, as on-street parking is typically available and not subject to significant levels of congestion.

- C. Restrictions on noise, illegal behavior and disturbances including an explicit statement that fireworks are illegal in Santa Cruz County; and trash management (e.g., trash to be kept in covered containers only).
- (v) Copy of County of Santa Cruz transient occupancy registration, or proof of registry with a verified on-line platform, 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, unless the applicant provides a written agreement acceptable to the County and signed by all record owner(s) of the adjoining dwelling unit(s) either at the time of application submittal or prior approval to approval of the vacation rental permit 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).
- (vii) Only one vacation rental is permitted per parcel regardless of the number or configuration of dwellings on the parcel.
- (d) Residences subject to affordable housing covenants and/or are income-restricted for affordable housing purposes are not eligible for a vacation rental permit.
- (e) Waiting List. The Planning Department shall maintain a waiting list in the event that a Designated Area is at or exceeds the established block or designated area maximum, which shall be comprised of property owners who wish to operate either a vacation rental or a hosted rental in the LODA, SALSDA or DASDA. Prospective applicants shall submit requests via a Waiting List Request Form, and a lottery will be held by the Planning Department on an annual basis if permits are available.
- (3) Renewal of Vacation Rental Permits. All vacation rental permits must be renewed every five years starting on September 15, 2020, except that in the LODA and SALSDA, where the vacation rental permits must be renewed every five years from the date of issuance. An application to renew a permit for a vacation rental shall be submitted no sooner than 180 days before the expiration date of the existing permit, and no later than the date of expiration of that permit. Upon receipt of a complete application, the expiration of the existing permit shall be stayed until final action is taken on the renewal application. Except as provided in SCCC 18.10.124(B), vacation rental renewals shall be processed pursuant to the Level IV administrative use permit process as provided in SCCC 18.10.131(B). Appeals of the proposed action on the renewal application may be made by the applicant or any member of the public pursuant to SCCC 18.10.324.



- (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 shall provide the following to the Planning Department:
- (i) Completed application form.
  - (ii) Application fee deposit. The deposit will cover the estimated costs of processing the application for a new vacation rental permit. Upon notice by the Planning Department, applicants may need to deposit additional funds to cover further processing costs.
  - (iii) Proof of payment of transient occupancy tax, or proof of registry with a verified on-line platform, 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. For renewal applications processed prior to November 1, 2016, renewal applications must show significant rental use of the unit for two of the previous five years. For renewal applications processed on or after November 1, 2016, applications must show significant rental use for three out 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 calendar year.
  - (iv) A photograph of the sign installed on the parcel as required by the existing permit, and clearly including all information required under subsection (F) of this section.
- (c) Processing of renewal applications includes a review of any issued or pending building or other permits and a including building permits and a review of all pertinent information specific to complaints, if any, that have been received about the particular vacation rental. Approval of a vacation rental renewal permit shall be based on affirmative findings as set forth in SCCC 18.10.230. 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). Additionally, a pattern of verified complaints, evidence of operating the vacation rental while under emergency order that prohibit such operation, evidence that the rental was mis-advertised, and/or evidence that the local contact person of record was non-responsive on one or more occasion are all grounds for denial.
- (d) Renewals of "existing vacation rentals" issued permits pursuant to the first-adopted version of the county's vacation rental regulations in 2011 shall not be subject to block density, neighbor sign-off for condominium units with shared walls, on-site parking requirements, or the restriction on operating a vacation rental on a property which is also developed with an ADU. Additionally, the restriction not allowing vacation rentals in ADUs applied only to vacation rental permits originally issued after March 9, 2018.
- (4) Transfer of Property with Vacation Rental Permit in the LODA , SALSDA, or DASDA. Within the Live Oak Designated Area, the Seacliff/Aptos/La Selva Designated Area (except within the La Selva Beach community), and the Davenport/Swanton Designated Area, for properties transferred after September 13, 2016, when a property transfer triggers reassessment pursuant to the California Revenue and Taxation Code Section 60 et seq., as determined by the Assessor, the vacation rental permit(s) associated with the property shall expire and shall become nonrenewable at the time of property transfer. For properties located in all other areas of the County, and including the community of La Selva Beach, that are transferred after September 21, 2020, when a property transfer triggers reassessment pursuant to the California Revenue and Taxation Code Section 60 et seq., as determined by the Assessor, the vacation rental permit(s) associated with the property shall

expire and shall become nonrenewable at the time of property transfer. Any future use as a vacation rental shall require approval of an application for a new vacation rental rather than a renewal vacation rental.

(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, a new vacation rental permit shall be required in accordance with subsection (D)(2) of this section.

(E) **Local Contact Person.** All vacation rentals shall designate a contact person who lives within a 30-mile radius from 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 themselves as the local contact person. Failure to respond within 60 minutes of being contacted, as verified by County Code Enforcement staff or the County Sheriff, shall constitute a significant violation and may lead to amendment or revocation of the permit in accordance with SCCC Section 18.10.136.

The applicant shall mail, deliver, or otherwise provide the name, address, telephone number(s) of the local contact person, and the beginning and expiration dates of the vacation rental permit, to the Planning Department, the local Sheriff Office, the Auditor-Controller-Treasurer Tax Collector, the main County Sheriff's Office, and the local fire agency, and 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. Proof of mailing or delivery of the 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. 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. For all rentals, the sign must also display the beginning and end dates of the five-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; number of vehicles allowed; restrictions on noise, illegal behavior, and disturbances including an explicit statement that fireworks are illegal in Santa Cruz County; and 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) **Advertising.** All advertising for vacation rentals shall include the vacation rental permit number in the first two lines of the advertisement text, and where photos are included, a photo containing the

permit number shall be included, as well as a photo of the required signage that includes the 24-hour contact information and vacation rental identification.

(K) 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.

(L) 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. Violation of the requirements to obtain a vacation rental permit may be grounds for denial of an application. 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; proof of advertisement of a property as a vacation rental without a valid vacation rental permit, or of mis-advertising the capacity and limitations applicable to the vacation rental in ads including print media or online advertising; 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; non-compliance with order of the County Health Officer which may limit use and occupancy of vacation rentals; evidence that a permit holder is delinquent in payment of transient occupancy taxes, fines, or penalties; evidence of non-responsive management, including failure by the responsible property manager/emergency contact person to respond to calls within 60 minutes; verification that appropriate signage has not been maintained in compliance with this section; verified neighbor complaints of noise or other disturbances, particularly those involving the use of fireworks by occupants of the vacation rental; 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.

(M) It is unlawful to make a false report to the Sheriff's Office regarding activities associated with vacation rentals. [Ord. 5266 § 8, 2018; Ord. 5265 § 12, 2018; Ord. 5264 § 13, 2018; Ord. 5229 § 5, 2016; Ord. 5198 § 1, 2015; Ord. 5092 § 6, 2011].

SECTION VI

This Ordinance shall take effect on the 31<sup>st</sup> day following adoption, or upon certification by the California Coastal Commission, whichever is later.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020 by the Board of Supervisors and the County of Santa Cruz by the following vote:

AYES: SUPERVISORS  
NOES: SUPERVISORS  
ABSENT: SUPERVISORS  
ABSTAIN: SUPERVISORS

\_\_\_\_\_  
CHAIRPERSON, BOARD OF SUPERVISORS

ATTEST: \_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM: \_\_\_\_\_  
County Counsel

Attachment: Planning Commission Staff Report and attachments May 27, 2020 (9316 : Vacation Rental Ordinance and Related Actions)



Minutes - January 14, 2020

8. Consider report on recently enacted state laws related to housing, including information about compliance with permit streamlining options and necessary code amendments, and take related actions, as outlined in the memorandum of the Planning Director

- 1) ACCEPTED AND FILED informational report on the Planning Department's implementation of recently enacted state housing laws; and
- 2) DIRECTED Planning Department staff to prepare ordinances updating the Santa Cruz County Code to meet new state requirements for Accessory Dwelling Units, Density Bonuses, and large family daycare homes, as required by state law

<b>RESULT:</b>	<b>DIRECTED [UNANIMOUS]</b>
<b>MOVER:</b>	Zach Friend, Second District Supervisor
<b>SECONDER:</b>	John Leopold, First District Supervisor
<b>AYES:</b>	Leopold, Friend, Coonerty, Caput, McPherson

9. Consider report on the Vacation Rentals program, including options for additional restrictions on the number of vacation rentals in the Live Oak (LODA), Seacliff/Aptos (SADA) and Davenport/Swanton (DASDA) Designated Areas, consider staff recommendations for establishment of a vacation rental waiting list program, and provide direction for amendment of ordinances or other actions, as outlined in the memorandum of the Planning Director

- 1) APPROVED initiating amendments to Vacation Rental provisions of the County Code, to:
  - a) Reduce existing percentage caps in each of the Designated Areas to maintain current numbers of vacation rentals,
  - b) Assign homes on corner lots to specific blocks,
  - c) Establish a waiting list program,
  - d) Require some on-site parking for new vacation rentals,
  - e) Clarify various procedural aspects of the regulations;
- 2) DIRECTED staff to prepare amendments for Planning Commission consideration, including the following additional directions:
  - staff correction to Board memo (packet page 90), first bullet point, code citation 13.10.694(D)(3)(c)(4)
  - Five-year renewal required on all permits;
  - All three bedroom or below level 4 review;
  - Conduct research on a residency requirement;
  - Freeze current levels [per staff recommendation];
  - Add on parking with more restrictive requirements;
  - Waiting list as presented by staff;
  - History of non-compliance/violations may result in denial of application; and
 Staff to return to schedule a public hearing once the Planning Commission completes its recommendation

<b>RESULT:</b>	<b>APPROVED WITH ADDITIONAL DIRECTION [UNANIMOUS]</b>
<b>MOVER:</b>	Zach Friend, Second District Supervisor
<b>SECONDER:</b>	John Leopold, First District Supervisor
<b>AYES:</b>	Leopold, Friend, Coonerty, Caput, McPherson

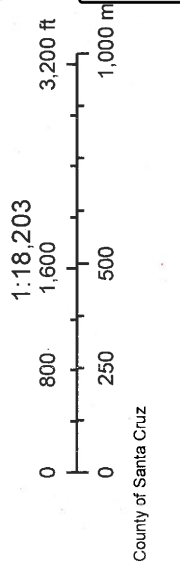
Attachment: Planning Commission Staff Report and attachments May 27, 2020 (9316 : Vacation Rental Ordinance and Related Actions)

# LODA



May 19, 2020

- Major Roads
- Designated Areas (Vacation Rentals)
- DASDA
- LODA
- SADA 20% Block Density
- SADA No Limit Block Density



Attachment: Planning Commission Staff Report and attachments May 27, 2020 (9316 : Vacation Rental Ordinance and Related Actions)



# DASDA



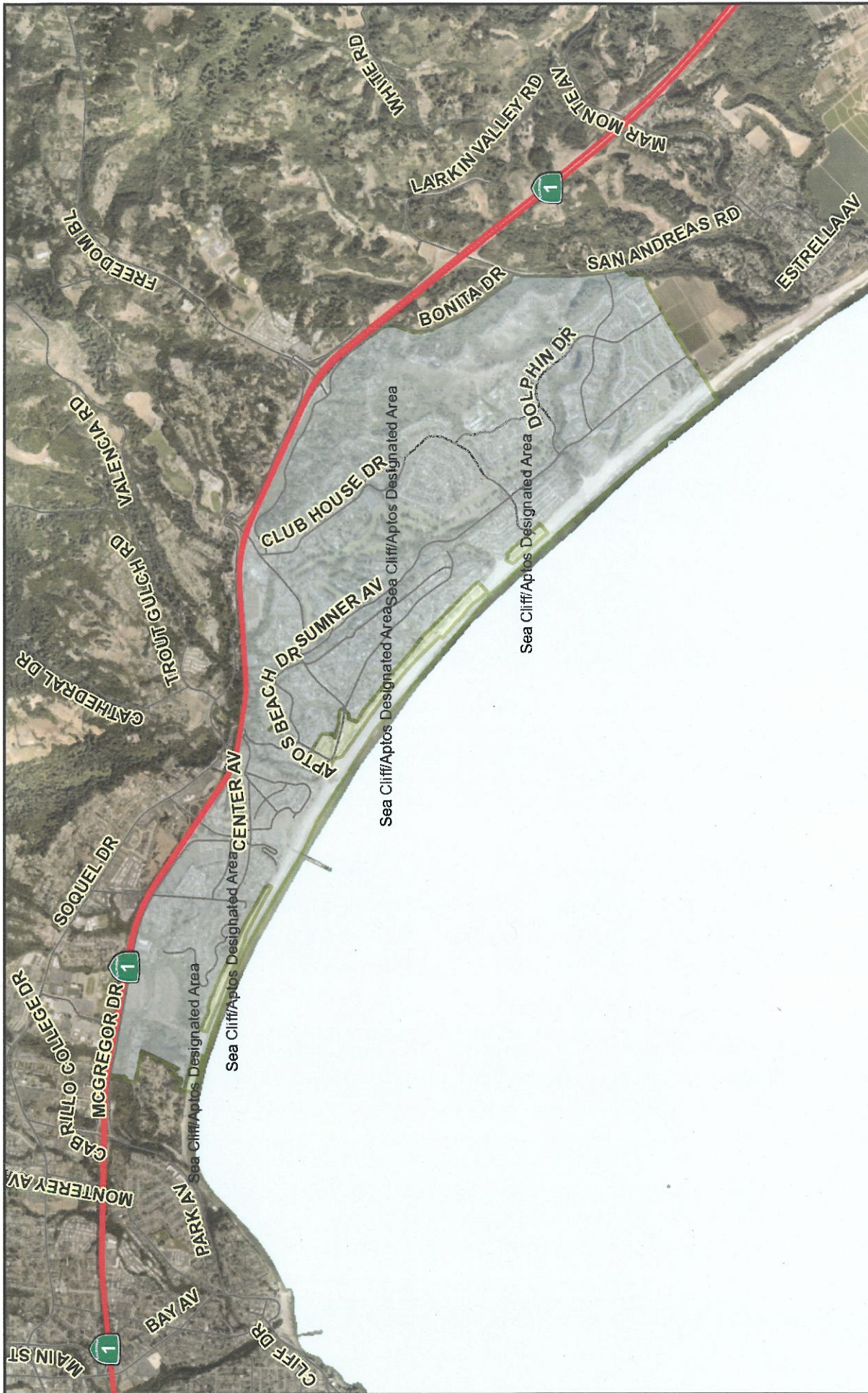
May 19, 2020

- State Highways
- Major Roads
- Designated Areas (Vacation Rentals)
- SADA 20% Block Density
- SADA No Limit Block Density
- DASDA
- LODA





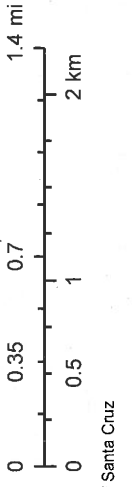
# SADA



May 19, 2020

- State Highways
- Major Roads
- Designated Areas (Vacation Rentals)
- DASDA
- LODA
- SADA 20% Block Density
- SADA No Limit Block Density

1:40,956



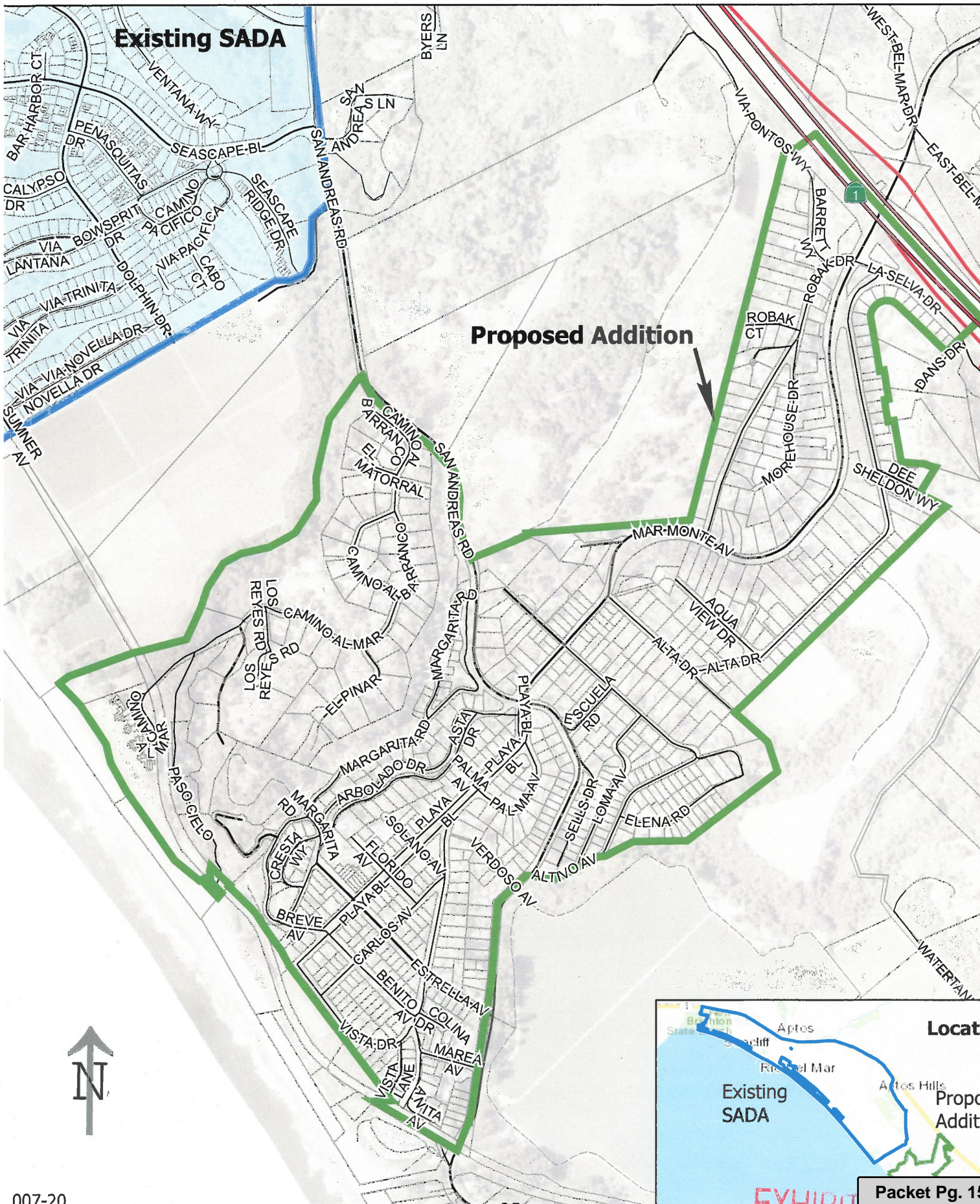
County of Santa Cruz

9.h

**Attachment: Planning Commission Staff Report and attachments May 27, 2020 (9316 : Vacation Rental Ordinance and Related Actions)**



# Proposed Addition to SADA



Attachment: Planning Commission Staff Report and attachments May 27, 2020 (9316 : Vacation Rental Ordinance and Related Actions)