

Discussion of Potential Regulation of Short-Term Rentals

***Contra Costa County
Board of Supervisors
September 25, 2018***

Recommendations

- A. ACCEPT report on potential regulation of short-term rental of private dwellings within unincorporated areas of the County.

- B. PROVIDE general direction to staff from the Department of Conservation and Development on preparation of an ordinance regulating short-term rental uses.

Background

In response to concerns raised that new, state-mandated easing of restrictions on constructing accessory dwelling units could lead to an increase in short-term rentals rather than more permanent housing, the Board of Supervisors has directed the Department of Conservation and Development staff to evaluate preparing an ordinance which would regulate short-term rental of dwellings.

The Board has also separately been exploring a potential agreement with AirBnB to facilitate collection of Transient Occupancy Tax (TOT).

Existing County Regulation

The County currently does not issue permits for short-term rentals nor does it grant requests for business licenses for such activities.

Nonetheless, a review of short-term rental websites indicates that such rentals are being offered. Some examples include entire homes, entire apartments or condos and rooms in houses or condos.

REVIEW OF PREVIOUS BOARD MEETINGS

- September 19, 2017 – Staff presented ordinance examples from other jurisdictions and a wide range of regulatory options available to the County. After accepting the options, the Board framed its regulatory preferences and directed staff to gather community feedback.
- February 27, 2018 – Staff presented the results of community feedback on the regulatory elements that the Board expressed interest in. The results are summarized in the following table:

Summary Results of Public Input on Short Term Rental Regulatory Options

Percent Support

		Municipal Advisory Councils	Individual Respondents
1.	Ministerial permit and business license required to operate short-term rentals.	50% (33% were split)	78%
2.	Inclusion of performance standards and revocation language.	86%	100%
3.	Permitting of non-hosted rentals.	25% (37% were split)	8%
4.	Prohibit short-term rental of Accessory Dwelling Units.	37% (12% were split)	92%
5.	90-day limit on short-term rental activity per property.	43% (28% were split)	42%
6.	Notification to neighbors of an approved short-term rental activity.	75% (12% were split)	92%
7.	A minimum of one additional off-street parking space will be required per short-term rental property.	86% (14% were split)	54%
8.	Guest limits per rental property.	100%	100%
9.	Special events prohibited.	87% (12% were split)	91%
10.	Short-term rental of one structure/dwelling per lot.		
11.	Require a Land Use Permit for exceptions.	25% (25% were split)	92%
12.	Collection of TOT tax.	62% (25% were split)	92%

KEY POTENTIAL PROVISIONS

(9-25-18)

1. Ministerial permit and business license required to operate short-term rentals.

Each operator of a short-term rental activity shall be required to obtain a ministerial short-term rental permit (permit) and business license to operate. Each permit shall be renewed annually.

2. Inclusion of performance standards and revocation language.

Sample performance standards include: 1) rental structure shall meet all building codes, 2) observation of maximum allowed number of guests, 3) observation of maximum number of allowed vehicles,

4) occupants shall not create a public nuisance, 5) quiet time between 10:00pm to 7:00am, 6) no on-site advertising, 7) payment of Transient Occupancy Tax.

3. Permitting of non-hosted rentals.

Non-hosted rentals may be permitted, however, a designated responsible party must be available by phone and within a 30-minute drive during non-hosted short-term rental activities.

4. Prohibit short-term rental of Accessory Dwelling Units.

Short-term rental of accessory dwelling units (ADU's) will not be permitted ministerially, however, rental of ADU's can occur with the issuance of a land use permit.

5. 90-day limit on short-term rental activity per property.

Short term rental activity up to 90 days a year may be permitted ministerially, rental activity in excess of 90 days a year will require issuance of a land use permit.

6. Notification to neighbors of an approved short-term rental activity.

Upon permit issuance of a short-term rental permit, all property owners within 300 feet will receive a notice that includes: 1) location of short-term rental, 2) contact for responsible party, 3) code enforcement contact information, 4) approved site plan, 5) list of performance standards and conditions of approval, 6) link to Short-Term Rental ordinance, and 7) permit expiration date.

7. A minimum of one additional off-street parking space will be required.

One additional off-street parking space will be required for every property issued a short-term rental permit. Additional parking

may be permitted within the required setbacks and driveways. Two off-street parking spaces will be required for short-term rental dwellings with four or more bedrooms. The number of required off-street parking spaces may be modified with the issuance of a land use permit.

8. Guest limits per rental property.

The number of guests permitted at a short-term rental property will be 2 persons per bedroom, plus 2 total guests, except with the issuance of a land use permit. Short-term rentals shall be limited to one group at a time, except with the issuance of a land use permit.

9. Special events prohibited.

No special events may be permitted (conferences, weddings, parties, etc.) as part of a short-term rental, except with the issuance of a land use permit.

10. Short-term rental of one structure/dwelling per lot.

Only one structure or building may be permitted to be rented on a short-term basis per property, except with the issuance of a land use permit.

11. Require a Land Use Permit for exceptions.

Land Use Permits may be reviewed and approved for exceptions to those chosen regulatory elements based on unique property circumstances.

12. Collection of Transient Occupancy Tax..

Each operator of a short-term rental will be required to pay Transient Occupancy Taxes.

NEXT STEPS

1. Upon the Board's acceptance of the specified regulatory approach, staff will begin preparation of a Draft Short-Term Rental ordinance.
2. The Draft Short-Term Rental Ordinance will be presented to the County Planning Commission for review and recommendation to the Board of Supervisors.
3. Board considers Draft Short-Term Rental Ordinance, Voluntary Collection Agreement and any update to TOT Ordinance.

Draft Short-Term Rental Regulatory Framework (9-25-18)

KEY ELEMENT	POTENTIAL REQUIREMENTS
1. Ministerial permit and business license required to operate short-term rentals.	Each operator of a short-term rental activity shall be required to obtain a ministerial short-term rental permit (permit) and business license to operate. Each permit shall be renewed annually.
2. Inclusion of performance standards and revocation language.	Sample performance standards include: 1) rental structure shall meet all building codes, 2) observation of maximum allowed number of guests, 3) observation of maximum number of allowed vehicles, 4) occupants shall not create a public nuisance, 5) quiet time between 10:00pm to 7:00am, 6) no on-site advertising, 7) payment of Transient Occupancy Tax.
3. Permitting of non-hosted rentals.	Non-hosted rentals may be permitted, however, a designated responsible party must be available by phone and within a 30-minute drive during non-hosted short-term rental activities.
4. Prohibit short-term rental of Accessory Dwelling Units.	Short-term rental of accessory dwelling units (ADU's) will not be permitted ministerially, however, rental of ADU's can occur with the issuance of a land use permit.
5. 90-day limit on short-term rental activity per property.	Short term rental activity up to 90 days a year may be permitted ministerially, rental activity in excess of 90 days a year will require issuance of a land use permit.
6. Notification to neighbors of an approved short-term rental activity.	Upon permit issuance of a short-term rental permit, all property owners within 300 feet will receive a notice that includes: 1) location of short-term rental, 2) contact for responsible party, 3) code enforcement contact information, 4) approved site plan, 5) list of performance standards and conditions of approval, 6) link to Short-Term Rental ordinance, and 7) permit expiration date.
7. A minimum of one additional off-street parking space will be required per short-term rental property.	One additional off-street parking space will be required for every property issued a short-term rental permit. Additional parking may be permitted within the required setbacks and driveways. Two off-street parking spaces will be required for short-term rental dwellings with four or more bedrooms. The number of required off-street parking spaces may be modified with the issuance of a land use permit.
8. Guest limits per rental property.	The number of guests permitted at a short-term rental property will be 2 persons per bedroom, plus 2 total guests, except with the issuance of a land use permit. Short-term rentals shall be limited to one group at a time, except with the issuance of a land use permit.
9. Special events prohibited.	No special events may be permitted (conferences, weddings, parties, etc.) as part of a short-term rental, except with the issuance of a land use permit.
10. Short-term rental of one structure/dwelling per lot.	Only one structure or building may permitted to be rented on a short-term basis per property, except with the issuance of a land use permit.
11. Require a Land Use Permit for exceptions.	Land Use Permits may be reviewed and approved for exceptions to those chosen elements based on unique property circumstances.
12. Collection of TOT Tax.	Each operator of a short-term rental will be required to pay Transient Occupancy Taxes.