



County of Santa Cruz

Planning Department

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 Kathleen Molloy Previsich, Planning Director

Meeting Date: August 16, 2016
Date: August 3, 2016
To: The Board of Supervisors
From: Kathy Previsich, Planning Director
Subject: Vacation Rental Ordinance

INTRODUCTION

On February 9, 2016, your Board directed staff to create a new Designated Area around the Village of Davenport and make other changes to the vacation rental regulations, and on May 25, 2016 the Planning Commission recommended that your Board approve the proposed amendments to the County Code. On June 14 your Board considered the proposed amendments and specified four modifications, triggering a requirement for review and report by the Planning Commission. On July 13, the Planning Commission held a duly noticed public hearing on the proposed amendments, which included the four modifications directed by your Board, along with two additional amendments recommended by Planning staff. At that meeting the Planning Commission recommended two further changes to the proposal. Attachments 4 and 5 describe the amendments and modifications).

This letter focuses on the proposed amendments to the vacation rental regulations that post-date the staff report from your Board's June 14 meeting, as follows.

Four modifications directed by your Board on June 14th:

- 1) Provide that vacation rental permits within the Designated Areas are non-transferable and therefore expire upon the transfer of a property to new owners;
- 2) Prohibit more than one vacation rental permit on a single parcel;
- 3) Modify the provision regarding expansion of vacation rental homes to require a new permit, rather than an amendment to an existing permit;
- 4) Correct a typographical error in section 13.10.694 (D)(1)(d) to refer to "on street" parking rather than "on site" parking.

Two amendments recommended by the Planning Commission on July 13th:

- 1) Transfers of vacation rental properties in the LODA, SADA, and DAVDA should not render a permit "expired", but rather non-renewable, allowing new owners to carry out the remaining life of the existing permit. Also, transfers between family members, transfers into family trusts, and transfers that result from a divorce should not make permits non-renewable.

- 2) Children between the ages of 6 and 12 should count toward the maximum occupancy as 0.5 persons.

Two additional changes are being proposed by staff to address inconsistencies in the code:

- 1) Vacation rental permit renewal applications in the Designated Areas (LODA, SADA and DAVDA) must show three, rather than two, years of significant rental use of the property in order to renew. This corrects an inconsistency with an earlier section of the ordinance that states that permits outside the Designated Areas are valid as long as the vacation rental operates three out of five years;
- 2) Include revisions to the zoning district uses charts in Chapter 13.10 to indicate that vacation rentals of greater than four bedrooms will be processed as a Level 5 public hearing use permit, in accordance with the text changes that were recommended by the Planning Commission and accepted by your Board.

The attached strikeout/underline and clean versions of the ordinance (Attachments 2 and 3) include the changes described above, as well as the original changes directed by your Board, such that the currently-proposed ordinance is now proposed to be adopted by your Board. The key amendments are further described in the section below.

PROPOSED AMENDMENTS TO VACATION RENTAL REGULATIONS

Vacation Rental Permits to Become Non-Renewable Upon Transfer of Property to New Owners

In response to comments from members of the public residing in the existing Designated Areas who would like to see more property owners have a possibility of obtaining a vacation rental permit, a provision was added to the ordinance stating that vacation rental permits expire when a property is sold or otherwise transferred to new owners. The Planning Commission supported the concept of expiration on transfer; however, responsive to public comment, the Commission directed staff to revise the provision to allow a new owner to carry out any remaining term on a permit, in order to maintain some consistency for visitors and neighborhoods. In this manner vacation rental permits in the Designated Areas would become non-renewable upon transfer.

The Planning Commission also directed that certain property transfers be exempted from this requirement, such that property could be placed into a trust, inherited by family, and transferred between spouses or ex-spouses without affecting the vacation rental permit. After consultation with County Counsel, staff is recommending that permits become non-renewable on transfer when the transfer triggers reassessment under California Proposition 13. The Revenue and Taxation Code excludes from reassessment transactions that do not transfer the present interest and beneficial use of the property, and certain other transfers (which may be subject to a requirement to file a claim or other requirements) between spouses, co-tenants, parents or grandparents and their children, and into trusts. The determination whether a permit is nonrenewable can be made by determining whether the property has been reassessed during the preceding 5 year period, so that Planning staff does not have to make an independent determination as to whether a transfer is exempted from the non-renewal provision.

Prohibition on Multiple Vacation Rentals on a Single Parcel

The ordinance is currently silent regarding dwelling groups or other configurations of structures that result in more than one single family home on a lot, and therefore allows the possibility of more than one vacation rental on a single lot. The Board identified the problem that properties with more than one vacation rental on the property are attractive to very large groups and

therefore the vacation rentals can have a disproportionate neighborhood impact. To address this concern the Board directed staff to add language to limit vacation rental permits to one permit and one vacation rental per parcel.

Expansion of Vacation Rental Homes

The Code currently requires an amendment to the vacation rental permit for additions of over 50% of the square footage or any increase in the number of bedrooms, 13.10.694(D)5. Your Board modified this provision to require a new permit, rather than amendment in these circumstances.

Limits on Unrelated Children

On June 14 your Board accepted the initial staff recommendation that the age at which children are not counted toward maximum occupancies be lowered from the existing standard of 12 years to the proposed standard of 6 years. After hearing public testimony regarding the effect this change could have on family-focused vacation rental businesses, the Planning Commission directed staff to amend the proposal to adjust the counting of children between the ages of 6 and 12 to count as less than an adult, but more than a child under 6 (who is not counted). The proposed ratio is that 6 to 12 year olds would be counted as 0.5 of an adult occupant.

This change in calculating means that a 3-bedroom home, which under the current code could accommodate a party of up to 8 adults or teenagers and unlimited children under 12, could now accommodate 6 adults or teens, 4 6-12 year olds, and unlimited children under age 6. The Planning Commission felt this met the need to place limits on the use of vacation rentals by sports teams or other very large groups of young children, but still allowed for large family groups to visit the area and use a vacation rental property.

Revision to Use Charts that Indicate Processing Requirements for Vacation Rental Permits in Various Zone Districts

County Code sections 13.10.312(B), 13.10.322(B), 13.10.352(B) and 13.10.372(B) are the zoning district "uses charts" that indicate the processing requirements for permits in the Agricultural, Residential, Parks, Recreation and Open Space, and Timber Production zone districts, respectively. Because the Vacation Rental ordinance is being amended to require a public hearing for units with four or more bedrooms, and vacation rentals are entries on these uses charts, those zoning district charts must be updated to reflect that change.

Renewal Requirement to Show Rental Activity in Three of the Last Five Years

When the vacation rental program was initiated, standards were created that could be used to "grandfather in" many of the existing vacation rentals operating in the County. In order to claim existing status as vacation rental, applicants were required to provide evidence of rental use during three of the prior five years (13.10.694(D)). This standard was modeled on the non-conforming regulations, which require a use to be in effect for three out of five years to be considered a continuing use. However, in the renewal section of the vacation rental ordinance (13.10.694(D)(3)(b)(iii)), which applies to permits in the LODA, SADA and DASDA which must be renewed every five years, the current standard for showing significant activity is two out of five years.

Staff believes that this discrepancy is an error, and that the intention was to have a consistent "three out of five year" standard in the ordinance. Staff therefore recommends this section be revised for future renewal cycles. Staff recommends that the revised standard go into effect not for the upcoming first set of renewals, but for the next renewal cycle, in order to provide time for property owners to engage in a third year of commercial activity before the requirement goes into effect. See the revised code section 13.10.694(D)(3)(b)(iii) in Exhibit C for specific proposed language.

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 your Board, a Notice of Exemption will be filed with the Clerk of the Board (Attachment 1).

NEXT STEPS

Following adoption by your Board, the ordinance will be returned on a future agenda for a second reading and will subsequently be submitted to the Coastal Commission. The ordinance will go into effect countywide following certification by the Coastal Commission.

RECOMMENDATION

It is therefore RECOMMENDED that your Board:

1. Hold a public hearing on the proposed amendments;
2. Confirm the CEQA Notice of Exemption included as Attachment 1;
3. Adopt the amended ordinance, Attachment 3, in concept;
4. Direct the Clerk to place the ordinance for second reading on the next available agenda;
5. Direct staff to submit the adopted ordinance to the California Coastal Commission following Board adoption at the second reading.

Submitted by:


Kathy Previsich, Planning Director 8/3/2016

Recommended:

Susan A. Mauriello, County Administrative Officer

Attachments:

- a CEQA Notice of Exemption
- b Vacation Rental Amendments Strikeout/underline
- c Vacation Rental Ordinance (clean copy)
- d Planning Commission Staff Report with Minutes, 7/13/2016
- e Staff Report 6/14/16 BOS, Item 75

ORDINANCE NO. 5229**ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 13.10 OF THE SANTA CRUZ COUNTY CODE RELATING TO VACATION RENTAL PERMITS**

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

SECTION I

The Santa Cruz County Code is hereby amended by changing Section 13.10. 312 Uses in agricultural districts to include the following:

(B) Allowed Uses**AGRICULTURAL USES CHART**

USE	CA	A	AP
Vacation rentals with 3 or fewer bedrooms (subject to SCCC 13.10.694)	2P	2P	2P
Vacation rentals with 4 or more bedrooms (subject to SCCC 13.10.694)	5	5	5

SECTION II

The Santa Cruz County Code is hereby amended by changing Section 13.10. 322 Residential uses to include the following:

(B) Allowed Uses.**RESIDENTIAL USES CHART**

USE	RA	RR	R-1	RB	RM
Vacation rentals with 3 or fewer bedrooms (subject to SCCC 13.10.694)	2P	2P	2P	2P	2P
Vacation rentals with 4 or more bedrooms (subject to SCCC 13.10.694)	5	5	5	5	5

SECTION III

The Santa Cruz County Code is hereby amended by changing Section 13.10. 352 Parks, recreation, and open space uses to include the following:

(B) Allowed Uses.**PR USES CHART**

USE	PR
Vacation rentals with 3 or fewer bedrooms (subject to SCCC 13.10.694)	2P
Vacation rentals with 4 or more bedrooms (subject to SCCC 13.10.694)	5

SECTION IV

The Santa Cruz County Code is hereby amended by changing Section 13.10. 372 Uses in the Timber Production TP District to include the following:

(B) Allowed Uses.

TP USES CHART

USE	PERMIT REQUIRED
Vacation rentals with 3 or fewer bedrooms (subject to SCCC 13.10.694)	2P
Vacation rentals with 4 or more bedrooms (subject to SCCC 13.10.694)	5

SECTION V

The Santa Cruz County Code is hereby amended such that Section 13.10. 694 Vacation Rentals shall 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, second units constructed under the provisions of SCCC 13.10.681, 13.20.107, or 13.20.108, and legally restricted affordable housing units shall not be used as vacation rentals.

(C) For the purposes of this section, the following terms have the stated meanings:

(1) "Vacation rental" means a single-family dwelling unit, duplex, or triplex (including condominium and townhouse units, but not including apartments or manufactured homes in a mobile home park), where the owner/operator/contact person/agent does not 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, 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: (1) ongoing month-to-month tenancy granted to the same renter for the same unit, (2) one less-than-30-day period per year, (3) a house exchange for which there is no payment, or (4) renting of individual rooms in a dwelling unit while the primary occupant remains on-site.

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

Designated Area shall expire 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:

- (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 8 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 8 not counted toward the maximum number of guests.

(2) New Vacation Rentals. For new applications for Vacation Rentals of 3 Bedrooms or fewer, except as provided in SCCC 18.10.124(B), no public hearing shall be required and action on these applications shall be by the Planning Director or designee, with notice of the proposed action provided not less than 10 calendar days before issuance of the permit, pursuant to SCCC 18.10.222(B) and (C). Appeals of the proposed action on the application may be made by the applicant or any member of the public. Pursuant to SCCC 18.10.124(B), the Planning Director may refer the application to the Zoning Administrator or Planning Commission for a public hearing. For new applications for Vacation Rentals consisting of 4 or more bedrooms, the application shall be considered at a public hearing in accordance with the public hearing procedures in Chapter 18.10.(a) When a public hearing is required, notice of such a public

hearing shall be provided not less than 10 calendar days before the public hearing, pursuant to SCCC 18.10.223.

(b) In the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area, no new vacation rental shall be approved if parcels with permitted vacation rentals on the same block total 20 percent or more of the total parcels on that block that allow residential use, excluding those parcels in the Mobile Home Park Combining Zone District; except that in the following areas the percentage of parcels that may have vacation rentals is not limited: Pot Belly Beach Road; Las Olas Drive; those residentially zoned parcels in the Rio Del Mar flats consisting of parcels fronting on Stephen Road, Marina Avenue, and Venetian Road between its intersection with the Esplanade and Aptos Beach Drive to its intersection with Lake Court and Stephen Road; those parcels fronting on or gaining access from Cliff Court or fronting on or gaining access from Rio Del Mar Boulevard between its intersection with Aptos Beach Drive and Beach Drive to its intersection with 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% 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. Notwithstanding these maximums, each block in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area that has parcels that allow residential use, excluding those parcels in the Mobile Home Park Combining Zone District, may have at least one vacation rental.

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

- (i) Completed application form.
- (ii) Nonrefundable application fee as established by the Board of Supervisors, but no greater than necessary to defray the cost incurred by the County in administering the provisions of this chapter, except that if the application requires a public hearing due to referral of the application to the Zoning Administrator or Planning Commission, then the application will be converted to an "at cost" application and the applicant will be billed for staff time associated with processing the application.

(iii) Plans, which do not need to be drawn by a professional, drawn to scale including the following:

A. Plot plan showing location of all property lines, location of all existing buildings, and location of dimensioned on-site parking spaces.

B. Floor plan showing all rooms with each room labeled as to room type.

(iv) Copy of a rental/lease agreement, which shall include, but not necessarily be limited to, the following: number of guests allowed (two/bedroom plus two, prior to November 1, 2016, children under 12 not counted, on or after November 1, 2016, children under 8 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).

(v) Copy of a County of Santa Cruz transient occupancy registration certificate for the purpose of the operation of a vacation rental.

(vi) No new vacation rental use may be permitted in a dwelling unit having a common wall or walls with another dwelling unit or units after the effective date of this ordinance amending the original vacation rental ordinance (Ordinance No. 5092, effective July 13, 2011), unless at the time of submission of the application the applicant provides a written agreement acceptable to the County and signed by all record owner(s) of the adjoining dwelling unit(s) stating that they are aware of the proposed vacation rental use and have no objection to issuance of a permit for such use. The agreement shall be binding on the parties thereto and their successors in interest for so long as the vacation rental permit for which the agreement was submitted, if issued, remains valid, and each party shall be responsible to inform its own successor(s) in interest in the unit of the agreement as part of the sale or transfer of the unit to such successor(s).

(vii) After the effective date of Ordinance ____ amending the vacation rental ordinance, 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 8 not counted toward the maximum number of guests.

(3) Renewal of Vacation Rental Permits in the LODA, SADA, and DASDA. In the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area only, vacation rental permits must be renewed every five years. Beginning on May 14, 2015, the effective date of the establishment of the Seacliff/Aptos Designated Area, those vacation rental permits issued before that effective date for property in the Seacliff/Aptos Designated Area shall be limited to a term of five years from May 14, 2015 and application to renew the vacation rental permit must be made in accordance with the provisions of this section. An application to renew a permit for a vacation rental in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area shall be made no sooner than 180 days before 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 complete shall stay the expiration of the existing permit until final action is taken on the renewal application. Except as provided in SCCC 18.10.124(B), no public hearing shall be required and action on permit renewal applications shall be by the Planning Director or designee, with notice of the proposed action provided not less than 10 calendar days before issuance or denial of the permit, pursuant to SCCC 18.10.222(B) and (C). Appeals of the proposed action on the renewal application may be made by the applicant or any member of the public.

(a) If a public hearing is required, the Planning Director shall schedule the public hearing before either the Zoning Administrator or the Planning Commission, at the Planning Director's discretion. Notice of such a public hearing shall be provided not less than 10 calendar days before the public hearing, pursuant to SCCC 18.10.223.

(b) Applicants for renewal of a permit for a vacation rental in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area shall provide the following to the Planning Department:

- (i) Completed application form.
 - (ii) Nonrefundable application fee as established by the Board of Supervisors, but no greater than necessary to defray the cost incurred by the County in administering the provisions of this chapter, except that if the application requires a public hearing due to referral of the application to the Zoning Administrator or Planning Commission, then the application will be converted to an "at cost" application and the applicant will be billed for staff time associated with processing the application.
 - (iii) Proof of payment of transient occupancy tax for the use of the dwelling as a vacation rental and a summary of the dates the unit was used as a vacation rental between the time of issuance of the existing permit and the date of application for the renewal. 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 made in accordance with guidelines adopted by resolution of the Board of Supervisors.
 - (iv) A photograph of the sign installed on the parcel as required by the existing permit, and clearly including all information required under section 13.10.694(F).
- (c) Although the renewal process includes a staff review of County records and other pertinent information specific to complaints, if any, that have been received about the particular vacation rental, it is the intention of the County of Santa Cruz that there is a presumption that an application for renewal of a vacation rental permit will be approved. Approval of a vacation rental renewal permit shall be based on affirmative findings as set forth in SCCC 18.10.230(A). Denial of an application for renewal shall be based on one or more of the required findings not being able to be made, as set forth in SCCC 18.10.230(A).
- (4) Transfer of Property with Vacation Rental Permit in the LODA, SADA, or DASDA. Within the Live Oak Designated Area, the Seacliff/Aptos Designated Area, and the Davenport/Swanton Designated Area, 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.

(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 SCCC 13.10.694 (D)2.

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

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

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

(G) Posting of Rules. Vacation rental rules shall be posted inside the vacation rental in a location readily visible to all guests. The rules shall include, but not necessarily be limited to, the following: number of guests allowed (two/bedroom plus two prior to November 1, 2016 children under 12 not counted, on or after November 1, 2016, children under 8 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).

(H) Noise. All residential vacation rentals shall comply with the standards of Chapter 8.30 SCCC, Noise, and a copy of that chapter shall be posted inside the vacation rental in a location readily visible to all guests. No use of equipment requiring more than standard household electrical current at 110 or 220 volts or activities that produce noise, dust, odor, or vibration detrimental to occupants of adjoining dwellings is allowed.

(I) Transient Occupancy Tax. Each residential vacation rental owner shall meet the regulations and standards set forth in Chapter 4.24 SCCC, including any required payment of transient occupancy tax for each residential vacation rental unit.

(J) Dispute Resolution. By accepting a vacation rental permit, vacation rental owners agree to engage in dispute resolution and act in good faith to resolve disputes with neighbors arising from the use of a dwelling as a vacation rental. Unless an alternative dispute resolution entity is agreed to by all parties involved, dispute resolution shall be conducted through the Conflict Resolution Center of Santa Cruz County.

(K) Violation. It is unlawful for any person to use or allow the use of property in violation of the provisions of this section. The penalties for violation of this section are set forth in Chapter 19.01 SCCC, Enforcement of Land Use Regulations. If more than two documented, significant violations occur within any 12-month period a permit may be reviewed for possible amendment or revocation. Evidence of significant violations includes, but is not limited to, copies of citations, written warnings, or other documentation filed by law enforcement; copies of homeowner association warnings, reprimands, or other association actions; a permit holder providing false or misleading information on an application or renewal application; evidence of violations of State or County health regulations; evidence that a permit holder is delinquent in payment of transient occupancy taxes, fines, or penalties; evidence of non-responsive management or that appropriate signage has not been maintained in compliance with this section; verified neighbor complaints of noise or other disturbances, 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.

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

SECTION VI

This ordinance shall take effect Countywide upon certification by the Coastal Commission.

PASSED AND ADOPTED this 13th day of September, 2016, by the Board of Supervisors of the County of Santa Cruz by the following vote:

AYES:	SUPERVISORS	Leopold, Coonerty, Friend, Caput, McPherson
NOES:	SUPERVISORS	None
ABSENT:	SUPERVISORS	None
ABSTAIN:	SUPERVISORS	None




Chairperson of the
Board of Supervisors

Attest:

Clerk of the Board

Approved as to form:



County Counsel