

Short Term Vacation Rental
Subcommittee Summary and Recommendations
March 7, 2017

Criteria		Recommendations	Comments
1	Problem Statement/Direction from City Council		
	Protect Neighborhood and Preserve Rental Housing Supply	Majority of members accepted the problem statement, but acknowledged that no definition exists about what constitutes preserving rental housing supply or how STVR's impact neighborhoods.	<p>Some members expressed concern that there is not enough evidence to support that STVR's impact long term rental housing (LTRH) supply in a significant way, citing lack of statistics about how many STVR's actually displace LTRH since no method of knowing how a house was used before the STVR. Also expressed concern with assumption that STVR's are harming neighborhoods any more than LTRH, citing lack of evidence from both Community Development Code Enforcement complaints and Police Dept. with no service calls relating to STVR's.</p> <p>Other members expressed concern that the increasing loss of LTRH as a result of conversion to STVR's is reason enough to impose limitations. Citing the original City-Wide Survey Monkey responses and other examples of investors directly purchasing rental properties for exclusive use as STVR business.</p>
2	Should STVR's be Defined and Regulated?		
		Consensus opinion was yes in some form.	Reasons for regulating varied but complete agreement to define what is meant by STVR.
3	Do STVR's add value to a Property?		
		Consensus opinion was yes.	All agreed that the ability to have a STVR adds to a property value. There was a split opinion on whether that was ultimately a positive or negative phenomenon.
4	Should there be a STVR permitting process?		
		Consensus opinion was yes in some form.	Reasons for regulating varied but complete agreement to define what is meant by STVR.
5	Hosted and Non-Hosted STVR's - Should rules be different?		
		No consensus opinion.	A slightly larger margin suggested that rules should be different, although comments noted the difficulty of differentiating between hosted and non-hosted. Most indicated a hosted vacation rental was less problematic. Suggestion to require proof of primary residency, such as homeowner exemption, with any registration process.

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6	Should residences used solely as vacation rentals be: Prohibited, Limited through a process, or Allowed by right?		
		Majority opinion: limited through a process with established standards.	Two participants stated STVR's should be prohibited citing the current housing crisis; two stated STVR's should be allowed by right, noting that vacation rentals have been a part of Santa Cruz for decades.
7	Limits on the number of STVR's – Percentage of housing stock? (currently 288 registered STVR of approx. 23,600 units)		
		No consensus; More data needed	Half of subcommittee indicated percentage is not an appropriate limiting factor as STVR's are more concentrated in neighborhoods near waterfront. Half agreed with 1% or 2%. Comments indicated more data (total # of STVR's) is needed; suggestion for amnesty program to get them all registered.
8	Neighborhood or block concentration limit of 2 STVR's per block face		
		No consensus; More data needed	Half of subcommittee agreed concentration limits could be considered with further evaluation. Half disagreed with this concentration limit as being too many, while others stated some neighborhoods already exceed that concentration limit.
9	Should On-Site Parking be required?		
		Consensus opinion was yes.	While there were comments that parking is not a critical factor, most agreed that on-site parking consistent with residential or B&B standards should apply.
10	Grandparenting existing STVR's		
		Consensus opinion was yes.	Most indicated that it was reasonable to allow a legally established vacation rental to continue, for an initial phase-in period with an opportunity to come into compliance.
11	Transferring STVR licenses		
		Consensus opinion was no.	Most agreed that STVR license should cease with sale of property.
12	Regulatory Enforcement		
		Consensus: Simple rules are easier to enforce	Most agreed that enforcement has proven difficult in many jurisdictions and recommended that any regulatory process should be simple and clear. A complicated process or too many variables, such as limits on rental days, occupants, or hosted/non-hosted is difficult to enforce.

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13	Revocability of STVR license or permit		
		Consensus opinion was yes.	Unanimous agreement that a (verifiable) history of complaints or non-compliance of established standards could result in revocation.
14	Zoning Districts for Hosted STVR's		
		Majority opinion: Residential, Tourist Residential, Commercial	Most agreed that Hosted vacation rentals have greater community acceptance and do not reduce housing stock as the unit is occupied by owner. Minority opinion was that Hosted vacation rentals should <u>only</u> be allowed in Commercial and Tourist Residential Zones.
15	Zoning Districts for Non-Hosted STVR's		
		Majority opinion: Tourist Residential, Commercial	Most agreed Non-Hosted vacation rentals should be allowed in Tourist Residential and Commercial districts. Half agreed that non-hosted STVR's should also be allowed in residential districts. Comments noted that STVR's have historically been used in residential areas and that all districts receive visitors. Another comment suggested that STVR's be limited to the Coastal Zone. Minority opinion expressed that STVR's should <u>only</u> be allowed in Commercial Districts.
16	Permit Review Levels – Hosted STVR's		
		Majority opinion: A review process	Slight majority (45%) recommended review process (staff level, ZA and PC), most favoring staff level (registration, compliance review, no public hearing). 36% favoring allowed by right. Minority opinion to prohibit.
17	Permit Review Level – Non-Hosted STVR's		
		Majority opinion: A review process	Majority (60%) for review process (staff level, ZA and PC), most favoring staff level (registration, compliance review no public hearing). Two minority opinions: 20% favoring allowed by right; 20% to prohibit.
18	Different level of review for units with 4 or more bedrooms?		
		Split opinion	Half of respondents indicated no difference; half noted potential differences/impacts in parking, number of guests, more similar to commercial/B&B use than residence.

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19	Limitation on number of guests in non-hosted STVR (2 persons/bedroom plus 2)?		
		Majority opinion: Yes	Comments identified difficulty in enforcing occupant limits. Minority opinion disagreed with the stated limit.
20	Should children, 8 years and above, count as occupants?		
		Majority opinion: Yes	Minority opinion disagreed with stated limit. One vote for “all children count” as occupants.