

# SUMMARY REPORT

## Agenda Date: 7/16/2024

To: Sonoma County Board of Supervisors Department or Agency Name(s): Permit Sonoma Staff Name and Phone Number: Tennis Wick (707) 565-1925 Vote Requirement: Majority Supervisorial District(s): First and Fourth

#### Title:

1:35 P.M. Adopt Ordinances to add the Vacation Rental Exclusion and Cap Combining Zones to certain parcels in the First and Fourth Districts (Permit Sonoma File Numbers ZCE24-0002 and ZCE24-0006)

#### Recommended Action:

Hold a public hearing, and 1.) adopt the ordinances found in Attachments 1 and 2, applying the Vacation Rental Exclusion (X) Combining District to certain parcels in the First District and applying the Vacation Rental 5% Cap (X5) Combining District to certain parcels in the Fourth District, and 2.) find the proposed ordinances categorically exempt from review under the California Environmental Quality Act under Section 15305 (Minor Alterations in Land Use Limitations) of the CEQA Guidelines, because the project does not result in any changes in land use or density.

(First and Fourth Districts)

#### **Executive Summary:**

In January 2024, Russ Irwin, a property owner in the vicinity of Madrona Knolls Road, filed an application with Permit Sonoma (Permit Sonoma File No. ZCE24-0002) to add the Vacation Rental 5% Cap Combining District to certain parcels within the Madrona Knolls neighborhood located in the Fourth District. On April 30, 2024, the Board of Supervisors heard an update on the status of Permit Sonoma's Vacation Rental Program and the Board provided support for the Madrona Knolls zone change application and directed staff to bring forward proposals to limit vacation rentals in two additional neighborhoods in the First District: the Carriger Road area in Sonoma and the Trinity Oaks subdivision in Glen Ellen (Permit Sonoma File No. ZCE24-0006). As a result, this item consolidates and presents for the Board's consideration, multiple similar proposed rezones; one of which was applied for by a resident and the remaining of which the Board of Supervisors initiated directly.

Permit Sonoma staff and the Planning Commission recommend that in the Madrona Knolls area, the Board rezone 20 parcels, totaling approximately 64 acres, along Westside Road and West Dry Creek Road in Healdsburg to add the Vacation Rental 5% Cap (X5) Combining District. In the Carriger Road and Trinity Oaks areas, staff and the Planning Commission recommend rezoning 388 parcels, totaling approximately 3,502 acres, including 332 parcels along streets accessed via Carriger Road, Grove Street, Sobre Vista Road, and other nearby roadways in Sonoma, and 56 parcels along streets accessed via Highway 12, Dunbar Road, and West Trinity Road in Glen Ellen to add the Vacation Rental Exclusion (X) Combining District.

## Discussion: <u>Backgro</u>und

Article 79 was created in 2016 by Ordinance No. 6145 to protect areas from the potential impacts of vacation rentals. It has since been amended to provide further options to limit vacation rentals and protect residential areas. The prior related Board actions are listed below and discussed in the Planning Commission staff reports (Attachments 4 and 5).

Article 79 of the Sonoma County Zoning Code provides criteria for application of the Vacation Rental Exclusion and Cap Combining Districts: X (Exclusion), X10 (10% Cap), and X5 (5% Cap). The purpose of the Vacation Rental Exclusion (X) and Cap (X10, X5) Combining Districts is to exclude or limit concentration of vacation rentals in the following areas where:

- a) There is inadequate road access or off-street parking;
- b) The prevalence of vacation rentals is detrimental to the residential character of neighborhoods;
- c) The housing stock should be protected from conversion to visitor-serving uses;
- d) There is a significant fire hazard due to topography, access or vegetation;
- e) The residential character is to be preserved or preferred; and
- f) Other areas where the Board of Supervisors determines that it is in the public interest to prohibit the establishment and operation of vacation rentals.

If one or more criteria is met, a Cap or Exclusion Combining District may be applied.

"Exclusion" is defined as a prohibition of any new Vacation Rentals within a specific area. "Cap" is defined as a limit on the percentage of parcels developed with a single-family home within a specified area that may be used for Vacation Rentals. For example, a 10% Cap (X10) would allow one Vacation Rental for every 10 residentially developed parcels, and a 5% Cap (X5) would allow one Vacation Rental for every 20 residentially developed parcels.

The addition of the 5% Cap (X5) Combining District in the Madrona Knolls project area would limit future vacation rentals, in that no new vacation rentals could be approved until the area falls below 5% concentration. The addition of the Exclusion (X) Combining District in the Carriger Road and Trinity Oaks project areas would prohibit future vacation rentals. Existing permitted Vacation Rentals may continue to operate within Vacation Rental Exclusion and Cap Combining Districts. However, Vacation Rental permits expire on sale of the property and new owners would be subject to current regulations in effect for a new Vacation Rental Permit and license. Hosted rentals are not impacted by the X, X10, or X5 Combining Districts. A hosted rental is a residential structure with one household or person in permanent residence with one bedroom rented for transient lodging, where meals may be provided.

#### <u>Analysis</u>

As illustrated in Table 1 and discussed below, the project considers application of different types of vacation rental limitations in the three neighborhoods located in two supervisory districts. This includes a proposal for a zone change establishing a 5% cap on rentals allowed for the Madrona Knolls neighborhood, and application of an exclusion zone disallowing new vacation rentals for the adjacent neighborhoods of Carriger Road and Trinity Oaks.

#### Madrona Knolls (Fourth District)

The Madrona Knolls project area is comprised of 20 parcels and meets several of the criteria in Article 79: inadequate road access due to substandard roads; significant fire hazard due to topography; poor access and location within the High Fire Hazard Severity Zone; and the presence of vacation rentals pose a risk to the preferred residential character. The current concentration of vacation rentals in the Madrona Knolls Project Area is 25%.

## Carriger Road and Trinity Oaks (First District)

The Carriger Road project area is comprised of 332 parcels, and the proposed exclusion zone is supported by several of the criteria listed in Article 79: inadequate road access; potential impacts to the preferred residential character; the need for protection of residential housing stock; and significant fire hazard due to poor access and location within the High to Very High Fire Hazard Severity Zones. Additionally, the Board of Supervisors determined that applying the X Combining District in this area would be in the public interest at their April 30, 2024 meeting. The project area is surrounded by existing exclusion and cap areas, as well as areas where vacation rentals are not allowed because of base zoning. The current concentration of vacation rentals in the Carriger Road project area is 10%.

The Trinity Oaks neighborhood project area is comprised of 56 parcels and meets several of the criteria in Article 79: there is significant fire hazard as it is located within the High Fire Hazard Severity Zone, and near a Very High Fire Hazard Severity Zone; there are potential impacts to the preferred residential character; and there is a need for protection of the area's residential housing stock, as the project area is surrounded by parcels zoned Land Intensive Agriculture (LIA), where vacation rentals are prohibited. The current concentration of vacation rentals in the Trinity Oaks Neighborhood project area is 13%.

Area	Planning Commission Recommendation	Total Parcels	with SFD	Existing Vacation Rental Permits	Concentration	Project Area Size (acres)
First District						
Carriger Road	Exclusion	332	270	27	10%	3,432
Trinity Oaks	Exclusion	56	55	7	13%	70
Fourth District						
Madrona Knolls Road	5% Cap	20	20	5	25%	62

## Table 1: Neighborhoods Proposed for Rezoning

#### Planning Commission Review

Madrona Knolls (Fourth District)

On May 16, 2024, the Sonoma County Planning Commission held a public meeting, considered the application of the

Vacation Rental 5% Cap (X5) Combining District to 20 parcels in the Madrona Knolls neighborhood in Healdsburg, and voted (5-0-0) to recommend that the Board of Supervisors apply the X5 Combining District to the subject parcels.

The Planning Commission considered alternative policy options, including modification of the boundary of the proposed zone change, and/or application of the Vacation Rental Exclusion (X) Combining District instead of a Cap.

## Carriger Road and Trinity Oaks (First District)

On June 6, 2024, the Sonoma County Planning Commission held a public meeting, considered the application of the Vacation Rental Exclusion (X) Combining District to the 388 total parcels in Glen Ellen and Sonoma, and voted (5-0-0) to recommend that the Board of Supervisors apply the X Combining District to all subject parcels.

Additionally, the Planning Commission recommended a pipeline provision in which applications for vacation rental land use permits, deemed complete prior to the effective date of the proposed ordinance, could continue to be processed and reviewed under the regulations in effect at the time the application was deemed complete.

The Planning Commission considered alternative policy options, including modification of boundary of the proposed zone change, and/or application of the Vacation Rental 10% (X10) or 5% (X5) Cap Combining District.

#### Neighborhood/Public Comment

#### Madrona Knolls Project Area

Property owners in support of the project have identified concerns regarding inadequate road access, neighborhood compatibility, and safety as the project area is in a high fire hazard severity zone.

Property owners in opposition of the project expressed concern that the application covers the entire neighborhood and was submitted without the consent of all property owners. Sonoma County Counsel has confirmed that a zone change is a legislative action that does not require consent from all property owners involved. As of June 14, 2024, property owners of seven parcels (35% of the parcels in the subject area) have expressed opposition to the zone change and have requested their parcel be removed from the project.

#### Carriger Road and Trinity Oaks Project Areas

Property owners in support of the project have identified concerns regarding both existing and potential risks associated with high concentrations of vacation rentals in the Carriger Road project area, such as wildfire risk, depletion of groundwater, and preservation of the preferred residential character.

Property owners in opposition of the project have stated that the current concentration of vacation rentals in the neighborhood has little impact on neighborhood function. As of June 16, 2024, property owners of five parcels have requested that their parcels be excluded from the project (1.3% of the parcels in the subject area).

#### **Environmental Review**

The proposed ordinances are categorically exempt from review under the California Environmental Quality Act under Section 15305 (Minor Alterations in Land Use Limitations) of the CEQA Guidelines, because the project does not result in any changes in land use or density. The ordinances limit or maintain the current number of vacation rentals in defined areas and thus decrease the potential for impacts from future vacation rentals, specifically those related to noise, transportation, and other environmental impacts.

#### Strategic Plan:

Not Applicable.

#### **Racial Equity:**

Not Applicable.

#### Prior Board Actions:

1. Ordinance No. 6145 (March 15, 2016). The Board of Supervisors adopted Article 79, the Vacation Rental Exclusion (X) Combining District Ordinance.

2. Ordinance No. 6221 (May 8, 2018). The Board of Supervisors approved the addition of 64 parcels in Glen Ellen to the X Combining District.

3. Ordinance No. 6386 (August 2, 2022). The Board of Supervisors adopted amendments to Article 79 enabling a cap option to limit vacation rentals.

4. Ordinance No. 6423 (April 24, 2023). The Board of Supervisors added Vacation Rental Exclusion and Cap Combining Districts to certain parcels in the First, Fourth, and Fifth Districts.

#### **FISCAL SUMMARY**

#### Narrative Explanation of Fiscal Impacts:

Restriction of new Vacation Rental Permits will not require additional resources or staffing.

#### Narrative Explanation of Staffing Impacts (If Required):

Restricting Vacation Rental Permits will not result in increased demand for services associated with permit processing, issuance, and enforcement.

#### Attachments:

- Attachment 1: ZCE24-0002 Ordinance for Madrona Knolls
- Attachment 1a: ZCE24-0002 Ordinance Exhibit A for Madrona Knolls
- Attachment 2: ZCE24-0006 Ordinance for Carriger Road and Trinity Oaks
- Attachment 2a: ZCE24-0006 Ordinance Exhibit A for Carriger Road
- Attachment 2b: ZCE24-0006 Ordinance Exhibit B for Trinity Oaks
- Attachment 3: ZCE24-0002 and ZCE24-0006 Planning Commission Resolutions
- Attachment 4: ZCE24-0002 Planning Commission Staff Report
- Attachment 5: ZCE24-0006 Planning Commission Staff Report

- Attachment 6: ZCE24-0002 Public Comments
- Attachment 7: ZCE24-0006 Public Comments
- Attachment 8: ZCE24-0006 Staff Presentation

## **Related Items "On File" with the Clerk of the Board:** None