



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 8/18/2020

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: 4/5th
Supervisorial District(s): Countywide

Title:

2:00 PM - Urgency Ordinance-Temporary Vacation Rental Cap

Recommended Action:

Conduct a public hearing and adopt an urgency ordinance temporarily capping the number of vacation rentals at the number existing as of June 23, 2020.

Executive Summary:

The proposed urgency ordinance would temporarily cap the number of vacation rental permits countywide at the number as of June 23, 2020 (1,904 permits). The cap would affect whole-house vacation rentals only; hosted rentals and bed and breakfast facilities would not be affected. Three additional vacation rental permit applications that were submitted and were complete for processing on or before June 23, 2020, the date that the Board of Supervisors directed this action, have been approved because all ordinance requirements were met. Under this recommended action, applications received after June 23 may be processed and placed on a waiting list but cannot be issued until the total number of active permits within the unincorporated county declines below the June 23, 2020 maximum of 1,904 permits. The urgency ordinance would also authorize the Director of Permit Sonoma to create and administer a waiting list program for applications received during the time that the temporary cap is in place. This urgency ordinance requires a 4/5 Board vote to adopt. The ordinance will have an initial life of 45 days in compliance with state law, but at that time may be extended by a 4/5 vote of your Board for up to 22 months and 15 days.

Discussion:

On June 23, 2020, the Board provided direction to staff on a number of items related to stabilizing housing during the COVID-19 pandemic. One of the items considered was the rapid increase in the number of vacation rentals countywide, outside of the coastal zone, from 1,335 in February 2018 to 1,904 by June 2020 - an almost 43% increase in 2.5 years. The Board requested that permits be capped at the June 23 level so that housing stock could be protected while staff analyzed additional data on the impacts of conversion of homes to vacation rentals on the housing stock, including on the ability of residents to safely shelter in place during the pandemic. On a 5-0 vote, the Board found: 1) this issue was of critical importance; 2) it is important to analyze data before making decisions about limiting vacation rentals; 3) a cap would prevent worsening of the problem while staff conduct their work; and 4) staff should return to the Board with options as soon as possible.

Sonomans are still suffering from the effects of repeated disasters over the last three years: the 2017 Sonoma

Complex Fire; the 2019 Russian River Flood; the 2019 Kincade Fire; and a series of PG&E power shutoffs. In 2020, the COVID-19 pandemic deepened the housing crisis. Since 2017, the Board has adopted several urgency ordinances to address immediate needs following these disasters. In response to the 2017 Sonoma Complex Fires, the Board added Chapter 40 to address urgent housing and economic needs and also adopted a temporary moratorium on the issuance of additional vacation rental permits countywide. The moratorium was allowed to expire in early February of 2018. Since that time there has been an almost 43% increase in vacation rental permits, from 1,335 in February of 2018 to 1,904 in June of 2020. Following is a breakdown of the number of permits by supervisorial district as of June 23, 2020:

District	Vacation Rentals
1st	846
2nd	38
3rd	2
4th	263
<u>5th</u>	<u>755</u>
Total	1904

Policy Options-Pipeline Applications

Staff drafted the proposed Urgency Ordinance to reflect the Board’s June 23, 2020 direction to freeze the number of vacation rental permits in place at that time. Because vacation rental permits are ministerial, meaning that staff has no discretion in determining whether they should be approved, an additional three permits already complete for processing as of June 23 have also been issued, bringing the current total number of vacation rental permits to 1,907.

Under the proposed urgency ordinance, no additional permits - submitted or pending - would be approved until the number of approved permits falls below the cap set by the Board. Because vacation rental permits expire whenever a property changes hands, staff expects up to 6 permit allocations to become available each month. As allocations become available, permits would be issued in the order that they were received and determined to be complete for processing. A waiting list is maintained by staff and updated as applications are received and complete for processing.

Option 1. Establish the cap at 1,904 permits - the amount issued as of June 23, 2020. Three additional permits were complete for processing on June 23rd have also been approved, so if this option is chosen the current number of vacation rental permits is 3 above the cap. No additional vacation rental permits would be issued until the total number falls below the 1,904 cap; a waiting list has been established based on the date that applications are received and determined complete for processing. There are currently (as of August 5th) 21 applications that are complete for processing on the waiting list; an additional 21 applications have been received but are incomplete and additional materials must be submitted before they can be added to the waiting list.

Option 2. Establish the cap at the number of permits issued plus those that have been submitted and are complete for processing as of August 18, 2020, the date of the Board’s adoption of the temporary cap. If the Board chooses this option, there would be another 21 (as of August 5th) added to the cap, resulting in an overall cap of at least 1,928 and potentially 1,950 or more (the final number will be available on the hearing date).

In accordance with state law, this initial term of this urgency interim ordinance is a maximum of 45 days. If your Board desires, it may on a 4/5 vote subsequently extend the ordinance for 22 months and 15 days. If the

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Board adopts the urgency ordinance today, staff will return on September 22 for the Board to consider an extension.

Prior Board Actions:

Ratification of Emergency Declaration

Urgency Ordinance--Chapter 40B Sonoma County COVID-19 Recovery

June 23, 2020 direction to staff to cap vacation rental permits at existing levels

FISCAL SUMMARY

Narrative Explanation of Fiscal Impacts:

Not applicable

Narrative Explanation of Staffing Impacts (If Required):

Not applicable

Attachments:

Attachment 1: Urgency Ordinance Adopting Temporary Cap on Vacation Rentals

Related Items "On File" with the Clerk of the Board:

N/A