

**Discussion Paper**  
**KEY ISSUES AND POLICY OPTIONS**

**NEIGHBORHOOD COMPATIBILITY**

**BACKGROUND**

Information about the neighborhood impacts from vacation rentals have been collected from a number of sources, including code enforcement complaints, sheriff call-outs, public comments submitted through the vacation rentals website and by mail, and neighborhood testimony recorded during public workshops. The information collected has been mapped and analyzed by PRMD staff, and is summarized in this discussion paper and its attachments.

**KEY ISSUES**

Based on the public input received and the data collected from the Sheriff’s Department and Code Enforcement staff, it is clear that the majority of vacation rental problems occur within the urban residential (R1) and rural residential (RR) neighborhoods. Because lot sizes are smaller and vacation rental uses are closer together, opportunity for negative impacts on these neighborhoods is increased. Figure 1 below shows the distribution of Sheriff call-outs to vacation rentals, by zoning district.

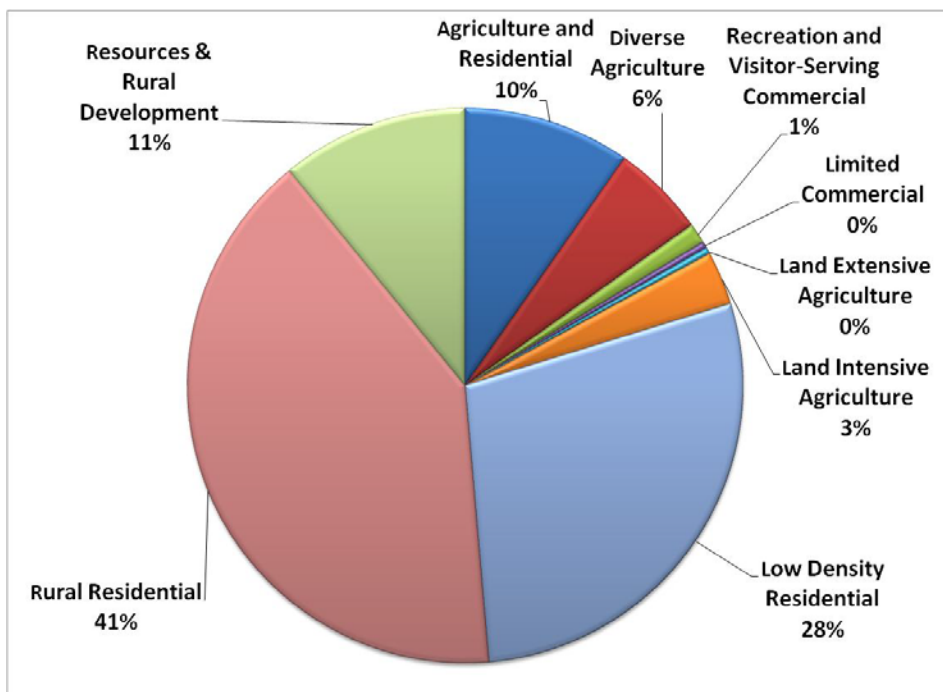


Figure 1: Sheriff Call-outs to Permitted Vacation Rentals, by Zoning District

The number one overall complaint about vacation rentals expressed by neighbors is the loss of community character, which is addressed in the Overconcentration - Commercialization of Neighborhood Discussion Paper. In terms of complaints about specific impacts expressed by neighbors, the most common are about noise, parties, and parking/too many vehicles. It is noteworthy that both the number and types of complaints are different within the 5<sup>th</sup> District, where vacation rentals tend to be located within traditional resort areas along the Russian River (see Figures 2 and 3, following).

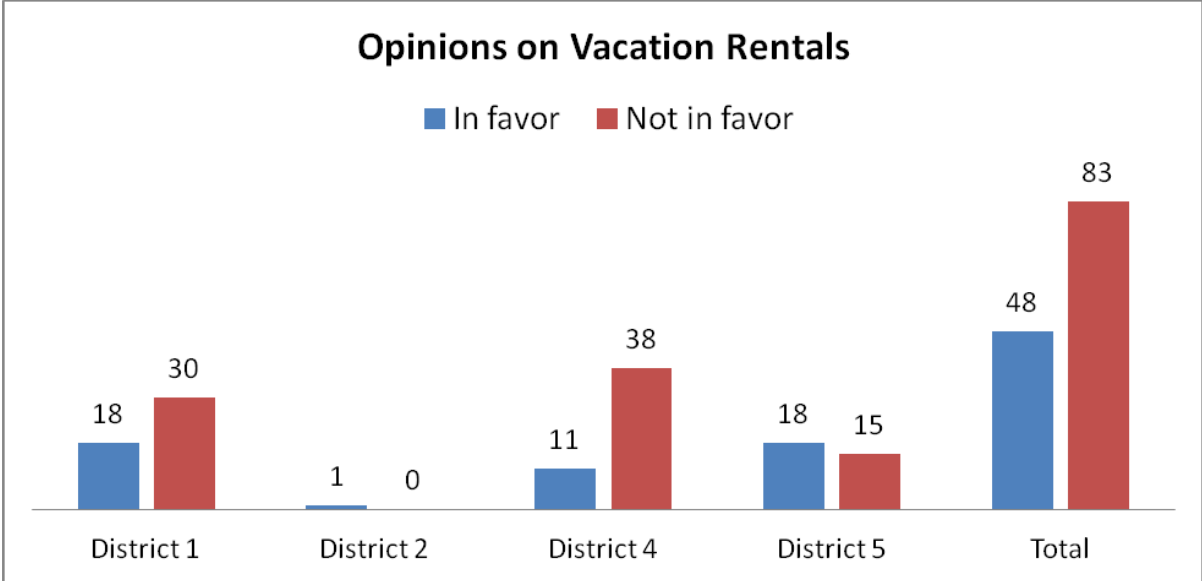


Figure 2: Opinions on Vacation Rentals, by Supervisorial District (data through April, 2015)

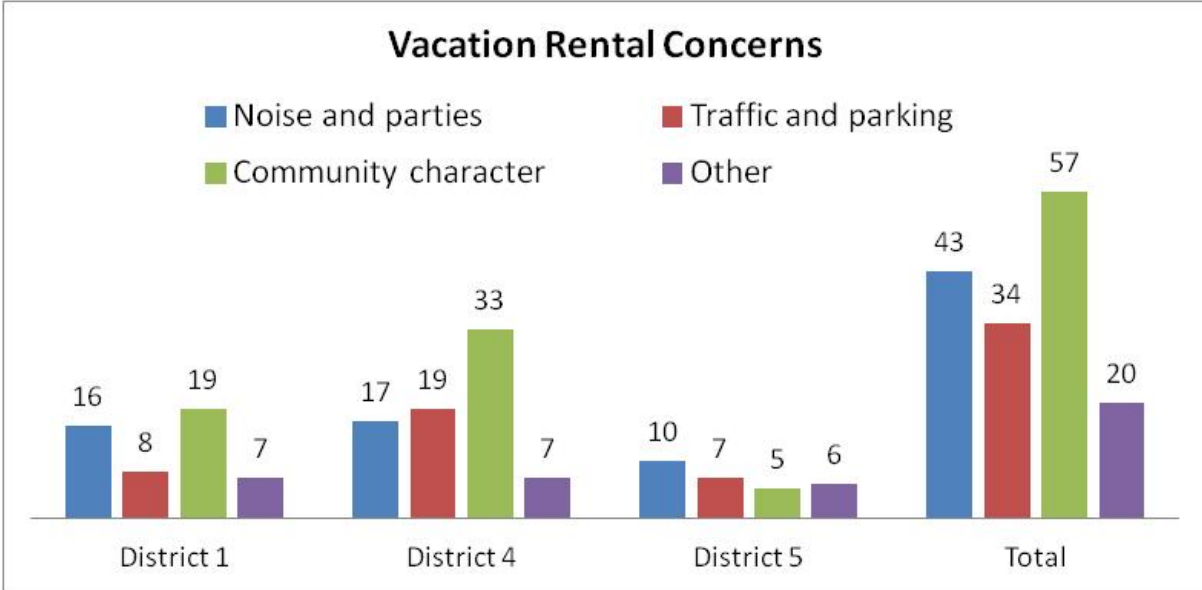


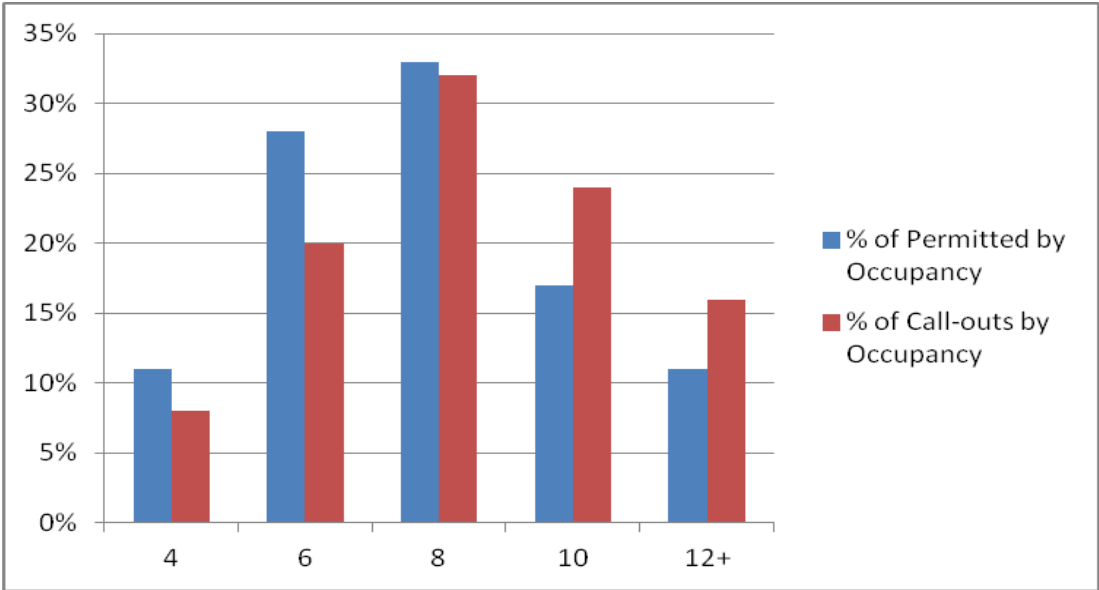
Figure 3: Concerns about Vacation Rentals, by Supervisorial District (data through April, 2015)

**ANALYSIS AND OPTIONS**

Based on the data collected and analyzed over the last 8 months and the public input that has been received to date, staff has drafted a number of issues and policy options for the Planning Commission’s consideration. The different policy options may address multiple issues; in turn, multiple policy options may be needed to address a single issue. The policy options are designed to be used as a “menu” of ideas that could be used in any combination to address the different issues identified below.

**I. Number of Guests:** The vacation rental code currently allows 2 guests for bedroom, plus 2 additional guests. The “plus 2 additional guests” provision is designed to allow use of a pull-out bed in a family room or den for the use of guests.

Data collected on call-outs to the Sheriff’s Department related to activities at vacation rental properties show that vacation rentals with higher permitted occupancies generate proportionately more Sheriff call-outs than do vacation rentals with lower permitted occupancies. As shown in *Figure 4* below, call-outs to the Sheriff increase as the number of vacation rental guests increases. The majority of complaints about vacation rentals received by the Sheriff’s Department are related to noise, music and parties. Providing better neighborhood compatibility appears to be directly related to reducing the number of guests associated with a vacation rental property.



*Figure 4: Vacation Rentals Permitted and Sheriff Call-Outs Recorded, by Allowed Overnight Occupancy*

The current code established an overnight occupancy limit of 2 persons per bedroom plus 2 additional guests, not counting children under three years of age. For a typical 3-bedroom vacation rental home, the overnight occupancy would be 8 persons, not

counting children under three. A 4-bedroom home would allow up to 10 people overnight, and a 5 bedroom home would allow up to 12 people overnight.

In addition to the overnight occupancy, the code currently allows an additional 6 guests during the day, not counting children under three. This provision for increased number of guest during the day has resulted in more noise, cars, and people at the rental property and more potential compatibility issues.

A third provision within the current code allows unlimited guests during 6 specified national holidays (Easter, Memorial Day, 4<sup>th</sup> of July, Labor Day, Thanksgiving, Christmas Day and Christmas). This provision was adopted in 2011 in response to testimony that vacation rental homes are often rented by visitors with family and friends in the area, and that flexibility was needed to allow those family and friends to gather at the vacation rental for a dinner or party. While it would seem that this provision would allow unregulated parties within residential neighborhoods during those holiday periods, in fact the Sheriff call-out data collected demonstrates that call-outs are not more likely to occur during holiday periods (see Memo dated 20 July 2015, attached).

Reducing the permitted number of guests allowed at a vacation rental would likely reduce noise, parties, and the number of cars, and would improve neighborhood compatibility. Multiple options exist for code changes that would reduce the number of guests associated with a vacation rental, as outlined below.

- A. Eliminate the +2 overnight guests. This would slightly reduce the overnight guests and may reduce the associated cars by one, but would also decrease the flexibility and availability of vacation rentals to guests with families.
- B. Eliminate the provision for 6 additional guests during the day. Eliminating this “plus 6” provision would likely reduce parties, parking problems, and noise associated with vacation rentals and increase neighborhood compatibility during the day and evening hours.
- C. Eliminate the provisions for unlimited guests during the six holidays.
- D. Eliminate the exception for children under three. While this provision would slightly reduce the overall number of persons staying in a vacation rental, it would decrease the attractiveness of vacation rentals to families with young children.

If all restrictions above were to be adopted, vacation rental occupancies would be limited to 2 persons per legal bedroom, with no additional persons allowed. This combined option would help to prevent most large parties and would reduce traffic, parking and noise issues, but would also severely limit the ability of many visiting

families to use vacation rentals. Residents who live near vacation rentals support eliminating the 6 daytime guests, while industry groups are mixed on their support for reducing the number of guests allowed.

**II. Number of Guest Rooms:** The Vacation Rental Code currently allows a vacation rental with up to 5 guest rooms with a Zoning Permit, and requires a Use Permit for 6 or more guest rooms.

- A. Change the Code to reduce the number of guest rooms allowed with a Zoning Permit to 3 or less, and to require a Use Permit for vacation rentals with 4 or more bedrooms. This would reduce issues related to parking, noise, traffic and large parties, but would not address the compatibility issues related to the use of smaller homes as vacation rentals.
- B. Do not change the permitting level in the Code based on the number of guest rooms. Restrict occupancy levels instead if necessary to increase neighborhood compatibility.

**III. Multiple Vehicles and Parking Problems:** One particular neighborhood compatibility issue that has been repeatedly expressed in areas with narrow roads and limited parking is that of too many cars associated with a vacation rental. Options to address this concern are outlined below.

- A. Change the Code to increase the number of off-street parking spaces that are required for vacation rental approval (currently 1 space for a 1 or 2 bedroom vacation rental, 2 spaces for a 3 or 4 bedroom vacation rentals, and 3 parking spaces for 5 or more bedrooms). This option might decrease the number of cars parked on the street in local neighborhoods, but it would not address the sheer number of vehicles or guests. Also, requiring a larger number of off-street spaces does not ensure that those spaces will be used by guests when an on-street space may be more convenient. The county does not currently have residential parking programs in place and so cannot limit legal parking on public streets.
- B. Require that rental agreements for vacation rentals limit the number of vehicles associated with a rental to two (2) vehicles, limiting parties and reducing parking and traffic problems. However, monitoring and enforcement would be difficult.
- C. Limit the number of vehicles associated with a vacation rental based on the number of bedrooms within the vacation rental and the number of off-street spaces that can be provided. This would continue to allow larger homes with adequate off-street parking to be used as vacation rentals with larger capacities, but could still prove difficult to monitor and enforce.

- D. Change the Code to eliminate the consideration of on-street parking. The current code contains a provision allowing one on-street parking space to be counted toward the vacation rental parking requirement. The elimination of this provision would likely reduce parking issues and parties in areas with scarce parking, but it would also eliminate the use of many homes as vacation rentals in the traditional resort areas along the Russian River. If the resort area combing zone were adopted, different parking requirements and allowances could be considered for these resort areas (see “Expanding Opportunities” discussion paper).

**IV. Parties and Events:** Parties, weddings, receptions, reunions and the like are not allowed to exceed the maximum occupancy of a vacation rental at any time (except during the national holidays noted above) unless a separate event permit has been issued and neighbors have been notified and given the opportunity to weigh in. These events are never allowed in conjunction with a vacation rental in the R1 or RR zone districts. Under the current Code, the maximum number of people who can be present at a vacation rental during the (non-holiday) day may not exceed 18 without getting a separate event permit approved (not allowed in the R1 or RR zones). Regardless of the option chosen, continued coordination with the Sheriff’s Department about the limits related to vacation rentals will be needed (see “Code Enforcement” discussion paper).

- A. Limit the maximum number of people associated with a vacation rental by limiting occupancy as outlined in Section I, above.
- B. Change the Code to require that the limits be included in all advertisements and listings. This option would help ensure that the limits are understood before a property is rented, and would discourage people who are just looking for a party house to rent.

**V. Noise:** Noise from music and parties are the primary complaints related to vacation rentals in residential neighborhoods, and the number one reason that the Sheriff is called out to vacation rentals (see *Figure 5*, below). Outdoor amplified sound is already prohibited at vacation rentals, and the current code also establishes quiet hours between 10 pm and 9 am. Better mechanisms to enforce these provisions are needed. Continued coordination with the Sheriff’s Department will also assist in enforcement efforts related to noise at vacation rentals (see “Code Enforcement” discussion paper).

- A. Amend the Code to clarify that outdoor activities are prohibited during quiet hours.
- B. Require that the quiet hours be included in all advertising and online listings, along with notice that all outdoor activities are prohibited during quiet hours.

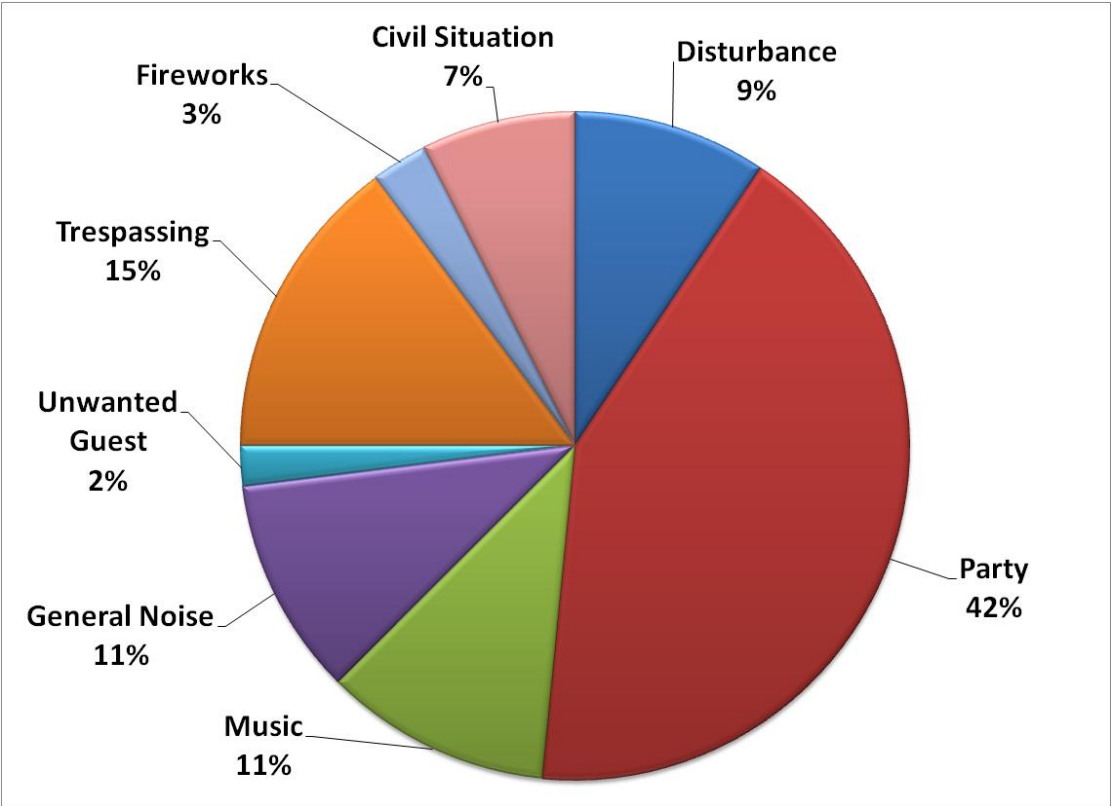


Figure 5: Sheriff call-outs to Vacation Rentals, 2011 – 2014, by Type

**VI. Fire Danger.** Staff has received a number of requests for changes to the Code to prohibit or regulate the use of outdoor fire areas given the drought and high wildfire conditions. Options to address this concern include the following:

- A. Change the code to prohibit outdoor fire areas at vacation rentals. This option would provide the highest measure of fire safety, but may limit the use of outdoor living areas that do not pose a fire hazard.
- B. Change the Code to allow outdoor fire areas only if they are no larger than 3’ in diameter, contained in a metal structure or pit, and screened. This option would limit the size of fires to the “warming fire” size in the Fire Code, and would require screening.
- C. Do not limit outdoor fires.

## **OPTIONS SUMMARY AND RECOMMENDATION**

- I. Reduce number of guests allowed by eliminating +6 daytime guests**
- II. Reduce the number of guest rooms allowed with zoning permit**
- III. Limit number of vehicles associated with a vacation rental**
- IV. Require occupancy limits in advertising to limit parties**
- V. Amend Code to prohibit outdoor activities during quiet hours, and require that the quiet hours be included in listings and advertisements**
- VI. Amend the Code to limit the size of outdoor fire areas, and require that they be screened.**

**Staff Recommendation: Options I, III, IV, V and VI.** As recommended by staff, the Vacation Rental Code would be amended to eliminate the “plus 6” provisions, thereby reducing the allowable occupancy to 2 persons bedroom plus 2. Provisions for additional guests during the specified national holidays would be retained. The number of vehicles associated with a vacation rental permit would be limited based on the number of bedrooms and off-street parking spaces provided, and the limitation would be required to be included in Rental Agreements and on website listings. Fire areas would be limited in size and screened. Advertisements would be required to list the maximum number of people allowed, the quiet hours and notice prohibiting outdoor activities during these hours, and the maximum number of vehicles allowed. Adoption of these changes, along with some of the changes outlined in the other Discussion Papers, will result in better neighborhood compatibility in the areas where vacation rentals are allowed.



**Discussion Paper**  
**KEY ISSUES AND POLICY OPTIONS**

**OVERCONCENTRATION AND COMMERCIALIZATION OF NEIGHBORHOODS**

**BACKGROUND**

Sonoma County residents who live with vacation rentals in their neighborhoods provided plentiful public input to inform the Vacation rental Code Update efforts. While specific concerns and issues varied by neighborhood and circumstance, by far the major concern expressed was commercialization of neighborhoods and a loss of residential character. Homes that are rented to different vacationers every week year-round do not retain a primarily residential character. When the fabric of a neighborhood is interrupted with many homes being used by non-residents on a transient basis, the remaining residents find that they are living among strangers rather than neighbors and have increased security concerns.

**KEY ISSUES**

There are multiple issues involved in the overconcentration of vacation rentals within residential neighborhoods resulting in the commercialization of those neighborhoods. Many residents also feel they have no say in the conversion of their neighborhoods to serve visitors, and would like to be able to weigh in on such requests and to prevent entire streets or blocks of homes from being converted to vacation rentals.

Another issue relates to the practice of renting out whole homes to vacationers year-round, rather than just when the owner is not using it. Some residential areas have private restrictions (such as CC&Rs) that prohibit vacation rentals or the commercial use of homes.

**ANALYSIS AND OPTIONS**

Based on the data collected over the last 8 months and the public input that has been received to date, staff has drafted a number of policy options for the Planning Commission's consideration. The policy options may address more than one issue, and may be used alone or in conjunction with other options to address the different issues.

**I. Limited Number of Rental Days.** One way to address the commercialization of residential neighborhoods is to limit the number of days that a home can be rented on a

transient basis. This can help to maintain the residential character of a neighborhood by ensuring that commercial uses do not become predominant. However, in situations where the property owner is not a part-time resident and instead holds the vacation rental property only for rental to visitors, the imposition of a days-per-year limit may result in homes in a neighborhood remaining vacant for much of the year. Industry representatives have opined that such a limit would harm professionally managed rentals who comply with the rules, without curbing the impacts of poorly-managed or illegal rentals. On the other hand, some residents prefer that investors offer long-term rentals rather than transient use, which tends to also drive up rental rates. Without a strict reporting program and continual monitoring, enforcement of these limits could be problematic.

- A. Amend the Code to limit the use of a residence as a vacation rental to less than 180 days per year. This limit would help to maintain the residential character of neighborhoods during most days of the year, but would likely not reduce impacts during the busy summer months.
- B. Amend the Code to limit the use of a residence as a vacation rental to 90 days or less. This limit would also help to maintain the residential character of neighborhoods, and may better reduce impacts during the busy summer months.
- C. Amend the Code to restrict the number of days that a home in a residential area can be used as a whole-house vacation rental, but exempt hosted rentals from this limit. This option would allow whole-house rentals of existing homes in commercial and visitor-serving areas to continue without a maximum day limit, but would limit the number of vacation rental days in a residential neighborhood unless the vacation rental is operated as a hosted rental.
- D. Do not amend the Code to restrict the number of vacation rental days per year. Rely instead on the other policy recommendations to increase neighborhood compatibility and decrease the commercialization of residential neighborhoods.

**II. Separation Criteria:** The establishment of separation criteria is a familiar tool in land use regulation, and could be utilized to address the issue of overconcentration of vacation rentals within a neighborhood or area. It is a fairly easy criterion to understand, and an online tool could be developed to allow staff and property owners to check quickly to see if a specific property qualifies for a vacation rental permit at any one time. However, development and upkeep of this system would be labor-intensive, and would not account for illegal rentals or for previously permitted vacation rentals that are no longer being used as such.

One of the main reasons that separation criteria are not used more frequently by communities is the potential for abuse by property owners, who can simply pull a permit themselves in order to prevent others from doing so. Despite this potential downfall, the establishment of separation criteria should be considered if other recommended policy options (such as the use permit) are not adopted.

- A. Adopt minimum separation criteria of 100 feet between the boundaries of vacation rental properties. This would help to avoid cases of overconcentration in urban and rural residential neighborhoods by preventing issuance of a new vacation rental permit if there is another vacation rental operating next door or directly across the street or behind the subject property.
- B. Adopt minimum separation criteria of 500 feet from the boundaries of other vacation rental properties. This would help to avoid overconcentration in urban residential neighborhoods (R1) where homes are located closer together on smaller lots. A 500 foot buffer between properties used as vacation rentals within a typical urban residential neighborhood would preclude the issuance of a new vacation rental permit if there is already a vacation rental operating within the same block of 5-6 houses, or directly behind or in front of another vacation rental.
- C. Do not adopt minimum separation criteria. Rely on the other recommendations made in this report, including a use permit.

**III. Use Permits for Vacation Rentals:** Many residents feel like they have no input in the conversion of their neighborhoods into visitor-serving areas. Requiring a discretionary review prior to issuance of a new vacation rental permit would allow the neighbors to have input into the process while still allowing vacation rentals in areas where they are appropriate. However, it would result in a higher permitting cost to property owners as well as a potential need to increase staffing levels due to the increased number of permits going to hearing before the Board of Zoning Adjustments. As well, use permits typically “run with the land” and would allow vacation rental uses to continue beyond sale or transfer of the property unless a limited term is imposed at the time of approval.

- A. Change the Code to require that new vacation rentals in rural residential areas obtain a minor use permit. This would allow the neighborhood to weigh in prior to the permit being approved, and would also allow each permit to be individually conditioned to address specific neighborhood concerns. The use permit requirement could be made for both rural residential zones (AR and RR), or could be made only for the RR rural residential zone where data collected from the Sheriff’s Department shows a higher level of problems.

- B. Change the Code to require a minor use permit anytime the vacation rental is more than 3 bedrooms. Currently, a use permit is only required if a vacation rental is more than 5 bedrooms. This option would give the neighbors the ability to be involved in the permitting for larger vacation rentals, but would not address problems associated with vacation rentals with from 1 to 3 bedrooms.
- C. Change the Code to require a use permit anytime the vacation rental is on a parcel of less than 2 acres. Because vacation rentals in neighborhoods with smaller parcels tend to generate more complaints, it may make sense to require use permits for vacation rentals on smaller parcels. Parcel size is not, however, the only determinant of compatibility. It is possible to have 2 homes on 10 acre parcels with only 40 feet between the homes; in this case, impacts would be similar to those experienced in neighborhoods with smaller lots. only in the rural residential (RR) zone. This option is based on the data collected since 2011 that demonstrates that vacation rentals within the RR rural residential zone have the highest level of Sheriff call-outs and may therefore have the lowest level of neighborhood compatibility. The ability to condition a vacation rental permit within this RR rural residential zone could increase the level of compatibility as well as the mechanisms for enforcement.
- D. Do not change the Code to require use permits for vacation rentals. Rely on other options suggested in this report to reduce overconcentration and the commercialization of neighborhoods.

**IV. Vacation Rental Exclusion Zone:** There are a number of reasons where the County may want to prevent the use of certain areas or neighborhoods for vacation rentals. Some neighborhoods may have an abundance of workforce housing stock that should be protected. Others may already be overconcentrated with vacation rentals, and no more should be allowed. Areas where vacation rentals are prohibited by private Codes, Covenants and Restrictions (CC&Rs) could also be considered for possible exclusion. Any future requests for application of the new exclusion zone would require public notice and hearings before both the Planning Commission and the Board of Supervisors. Because not all property owners within an area or neighborhood may agree to the new limitation being applied to their properties, applications to apply the exclusion zone to specific properties or areas are likely to be controversial.

- A. Adopt a new tool into the zoning code by creating a vacation rental exclusion combining zone. Once adopted into the Code as a part of these updates, the new combining zone could be placed as a combining zone to areas where vacation rental uses are not desired.
- B. Do not adopt a new vacation rental exclusion zone. Rely instead on a minor use permit requirement to protect most neighborhoods with private CC&Rs.

## **OPTIONS SUMMARY AND RECOMMENDATION**

- I. Limit whole-house vacation rentals in residential areas to less than 180 days per calendar year**
- II. Establish separation criteria between vacation rentals**
- III. Require a minor use permit for vacation rentals in the RR rural residential zone, with limited terms where appropriate**
- IV. Adopt a combining zone to exclude vacation rentals**

**Staff Recommendation: Options I, III and IV.** Limiting the number of days that a residential property can be offered for use as a vacation rental to less than half the year would help address the commercialization of residential neighborhoods, and would discourage the purchase and use of the County's residential properties for commercial investment purposes. A Use Permit should be required for the establishment and operation of any new whole-house vacation rental in RR rural residential neighborhoods, providing existing residents with the ability to have input on the changes to their neighborhoods. A vacation rental exclusion zone should be adopted into the Zoning Code for future application on properties and neighborhoods where vacation rentals are not desired.

**Discussion Paper**  
**KEY ISSUES AND POLICY OPTIONS**

**PRESERVATION OF HOUSING STOCK**

**BACKGROUND**

Since January 1, 2011, the County has processed applications to allow over 1100 residences to be used as vacation rentals. Estimates from first-year permits issued and TOT records provide that about 350 of those vacation rentals were already established and operating, with 750 being requests for the establishment of new vacation rentals. During that same time period, only 495 new units of housing have been built. The County is converting its housing stock to visitor-serving uses faster than it is building new housing. This has reduced the housing stock available to the resident workforce, resulting in increased rents and longer commutes.

**KEY ISSUES**

**General Plan Consistency:** The Sonoma County General Plan contains policies within its Housing Element that specifically address the loss of residential housing stock and housing sites to visitor-serving uses, including the following:

**Objective HE-1.5:** Limit the loss of existing housing stock to visitor-serving uses.

**Policy HE-1j:** Avoid the loss of residential land in urban land-use designations for vacation or time-share uses.

**Policy HE-1k:** Continue to regulate the use of existing residences on residential lands for vacation rentals.

**Policy HE-1l.** Prohibit the use of Second Dwelling Units for vacation rentals.

**Housing Element Program 6:                      Review Vacation Rental Ordinance**

**Program Description:** The County will review and consider revisions to the vacation rental ordinance to limit conversion of permanent housing stock and make vacation rental uses more compatible, and to facilitate enforcement when necessary.

State law requires that the Zoning Code be consistent with the General Plan. An important objective of the current review of the vacation rental program includes looking at ways to limit conversion of the county's permanent housing stock.

**Loss of Housing Stock:** A July 7, 2015 report by Economic and Planning Systems, Inc. (EPS) entitled "The Impact of Vacation Rentals on Affordable and Workforce Housing in Sonoma County" was prepared for the Community Development Commission as part of their larger efforts to address homelessness, the inadequate supply of rental housing, and rising rental housing costs. The Report (attached) concludes that Sonoma County is losing its housing stock to vacation rental uses at a rate that exceeds its construction of new units. This practice is reducing the supply of housing available to the resident workforce, and is driving rental prices upward. The Report recommends strict limits on the use of the existing housing stock for visitor-serving uses.

## **ANALYSIS AND OPTIONS**

Staff has identified a number of issues and options related to the loss of housing stock. Several of the issue outlined below also reference other discussion papers:

- I. **Visitor-Serving Uses in Urban Residential Areas:** The policies and objectives of the Sonoma County General Plan specify the need to limit the loss of residential housing stock to visitor-serving uses, and direct the county to avoid using urban residential land for vacation uses. Vacation Rentals are already prohibited in two of the County's three urban residential zones (R2 and R3). Extending this prohibition to the county's other urban residential zone (R1) would help to prevent the further loss of housing stock, and would directly implement the General Plan policy to preserve urban residential lands for residential uses (Policy HE-1j). It would also serve to reduce overconcentration and neighborhood impacts; see other discussion papers.
  - A. Change the Code to prohibit new vacation rentals within the R1 zone. Existing vacation rentals that are operating without problems could continue to operate, but their permits would expire upon sale or transfer of the property. Hosted rentals would be allowed within the R1, with a one-bedroom rental requiring a zoning permit and more than 1 bedroom requiring a use permit. The resort area combining zone could be used to designate resort areas within the county where vacation rentals could continue to be allowed, even within the R1 urban residential zone (see Increasing Opportunities discussion paper).
  - B. Do not change the Code to prohibit new vacation rentals within the R1 urban residential. Instead, require a use permit so that any impacts to housing stock can be assessed on a case-by-case basis.

**II. Rental Vacancy Rate & Increasing Prices:** There has been much discussion in the last three or four years about the County's historically low vacancy rates and all-time high rental costs. The Press Democrat has recently reported rental vacancy rates of less than 2%. The Turley-Cassidy Apartment Market Report for the North Bay for 3<sup>rd</sup> Quarter 2013 reported that Sonoma County had the tightest rental market in the region at a mere 2.4% vacancy rate, and "reflects an extreme housing shortage in the region, particularly when it comes to affordable housing." The 2013 and 2014 Cassidy-Turley Reports cite average rental price increases of over 10% between 2012 and 2013, and an increase of 12.5% between 2013 and 2014.

The most recent US Census (American Community Survey) figures reveal that over half of the unoccupied units in the county are not available for rent or sale because they are in seasonal use or are used as second homes. The EPS Report referenced above found that over the last 15 years, unoccupied units have been increasing at more than 5 times the rate of growth in the total housing supply in Sonoma County. Continuing this trend would have devastating effects on the ability of the County's workforce to live within the county.

- A. Directly address the loss of rental housing to vacation rental uses by changing the Code to not allow any new vacation rental permits to be issued until the rental vacancy rate exceeds 5%, similar to the county's condominium conversion program. Existing permitted vacation rental uses could continue, but no new vacation rental permits would be allowed countywide until the rental vacancy rate improves. With the current low vacancy rates, this action would effectively place an immediate bad on new vacation rental uses, and could serve to encourage illegal operators.
- B. Change the Code to allow hosted rentals only (resident remains in the home and hosts visitors in one or more bedrooms) during the tight rental market and prohibit only whole-house vacation rentals until the rental vacancy rate exceeds 5%.

**III. Capping the Number of Vacation Rentals:** One method for controlling the loss of housing stock that has sometimes been employed in other jurisdictions is a "cap" on the total number of vacation rental permits issued. The City of Napa, for example, has a hard cap of 43 whole-house vacation rental permits, and allows an additional number of hosted rentals where the owner remains in residence and makes one or more rooms available to visitors.

- A. Change the Code to cap the total number of vacation rentals allowed, either county-wide, by Supervisorial District, or by Zone District. While it is an approach seen in other, smaller communities, it may be of limited applicability in a large jurisdiction such as Sonoma County. It would effectively limit conversion



of housing stock, but would be difficult to administer and the adoption of an artificial cap would not allow tailoring of solutions for the county's widely diverse areas and neighborhoods.

- B. Do not adopt a cap. Rely instead on the other recommendations in this report to preserve the housing stock.

#### **OPTIONS SUMMARY AND RECOMMENDATION**

- I. Prohibit new vacation rentals in the R1 urban residential zone**
- II. No new vacation rentals until rental vacancy rate is over 5%**
- III. Cap the total number of vacation rental permits allowed**

**Recommendation: Option I.** New (whole-house) vacation rentals would be prohibited within the R1 Zone District unless the resort area combining zone has been applied to the parcel or area. Existing, permitted vacation rentals could remain until the property is sold or transferred. The Code is also recommended to be changed to allow new hosted rentals within the R1 zone so long as the owner or permanent resident remains on site, and to allow guest houses to be used as a hosted vacation rental (see Increasing Opportunities discussion paper).

**Discussion Paper**  
**KEY ISSUES AND POLICY OPTIONS**

**INCREASING OPPORTUNITIES**

**BACKGROUND**

When the Vacation Rental ordinance was adopted in 2010, the “sharing economy” had not yet overtaken the vacation rental market in Sonoma County. One-bedroom Bed & Breakfast rooms (also known as hosted rentals) where a host shares a room in their home with a traveler were not yet prevalent, and consideration was not given to allowances for these hosted rentals when the ordinance was first adopted. Provisions for vacation rentals in commercial areas were also not considered necessary because most of these zones already allow transient occupancy uses (motels, lodges, bed & breakfast inns). This has created a hardship in cases where a commercially zoned property contains a legally established residence that is suitable for vacation rental use.

**KEY ISSUES**

The key issues identified are the lack of opportunities for hosted rentals; the inability to permit vacation rentals within existing, legally established residences with commercial zoning; and the need to consider different regulations for those areas within the county that have traditionally been resort areas.

**ANALYSIS AND OPTIONS**

**I. Vacation Rentals in Commercial Zones.** A number of applications have been received for vacation rentals located within existing, legally-established residential structures in commercially-zoned areas. These structures are known as “legal non-conforming” residences, and the zoning code strictly limits their expansion. Because residences are not specifically allowed within commercial zones, vacation rentals are currently prohibited. Since these units are located within commercial areas, they would not cause neighborhood compatibility issues and would not result in overconcentration.

- A. Allow vacation rentals within existing, legally-established residences in commercial zone districts, subject to the vacation rental standards. This option would expand opportunities for vacation rentals without impacting residential neighborhoods. Because it would limit vacation rentals to existing, legally

established residences in these zones, it would not result in a loss of land available for commercial uses.

- B. Continue to prohibit vacation rentals in commercial zones. Under this option, a property owner with a residence in a commercial zone would not be able to use it as a vacation rental.

**II. Allowances for Hosted Rentals.** Visitors could be better integrated into residential neighborhoods through hosted vacation rentals, where the permanent resident remains on site while “hosting” visitors. The Sonoma County Code currently defines and allows vacation rentals as whole-house rentals, where the entire house is made available to a single party on a transient basis. The Code currently does not define “hosted rentals” (where the host remains on site and rents out a room), but does allow this use as a one-bedroom bed and breakfast establishment. In most residential and agricultural zones, a 1-room Bed and breakfast is allowed with a Zoning Permit and the rental of more than one room requires a Use Permit. In the urban residential (R1) zone, hosted rentals are not currently allowed because bed and breakfast uses are not currently allowed.

- A. Revise the Code to allow bed and breakfast uses in the R1 urban residential zone, subject to a zoning permit for the rental of a single room and a use permit for the rental of more than one room, similar to other residential zones. The option would allow vacation rentals in the R1 only if they are hosted; that is, if the property owner or lease holder remains on-site.
- B. Do not revise the code; continue to prohibit hosted rentals in the R1 urban residential zone. If other proposed changes to prohibit the establishment of new whole-house vacation rentals in the R1 zone are adopted, prohibiting hosted rentals would prohibit all visitor-serving rentals and could pose a hardship to owners who count on an income from occasional rentals to help make mortgage payments.

**III. Guest Houses.** Currently, the vacation rental rules allow for a guest house to be used for vacation rental purposes only if it is used as part of a whole-house rental. A guest house has a maximum size of 640 square feet and has a full bathroom but no kitchen. Rental of a guest house alone is currently prohibited by the Code because guest houses may not be rented or leased separately from the main home.

- A. Allow legally-established guest houses to be rented separately as a hosted rental while the owner remains in residence in the main house. This change would apply to guest houses only; second dwelling units may not be used vacation rentals because they are considered part of the county’s affordable housing stock under both county and state laws. Guest houses could not

function as a separate vacation rental from the main home, but could continue to function as a part of the main home rental so long as both are rented to the same party (not two separate rentals).

- B. Continue to prohibit separate rental of a guest house as a hosted vacation rental. As noted above, prohibiting hosted rentals could pose a hardship to property owners who count on an income from occasional rentals to help make mortgage payments.

IV. **Neighborhoods in Traditional Resort Areas:** Certain areas within the County have historically served visitors as recreation and resort areas. Specifically, the Sonoma Coast and the communities along the Russian River have been used as second residences since the late 19<sup>th</sup> century. Public input collected during early 2015 indicated that residents are more likely to be accepting of visitors in their midst in these areas. It may be helpful to consider different regulations within these areas in order to be more responsive to specific community needs. If code amendments are made to prohibit vacation rental uses within the R1 urban residential zone district, exceptions could be carved out to exempt these traditional resort communities from the prohibition.

- A. Adopt a resort area combining zone which would be used to designate the resort communities where the exception is desired. While such a combining zone would allow transient rentals to continue in areas where they have historically been allowed, it should be recognized that it would not address the continued loss of housing stock in these resort areas.
- B. Do not adopt a resort area combining zone. Treating all areas of the county in the same manner would simplify implementation of vacation rental rules and would best protect against the loss of housing stock, but would not acknowledge the unique needs and visitor-serving history of resort communities.

#### **POLICY OPTIONS SUMMARY**

- I. **Allow vacation rentals in legally-established dwellings in commercial zones**
- II. **Extend provisions for hosted rentals into the R1 urban residential zone**
- III. **Allow legally-established guest houses as hosted rentals**
- IV. **Adopt combining zone for resort areas**

**Recommendation: All of the above.** The combination of all of these options would expand opportunities for whole-house vacation rentals in areas with less compatibility issues, and for hosted rentals within existing neighborhoods. Adoption of a combining zone for resort areas would allow different regulations to be applied in these traditionally visitor-serving areas.

# Discussion Paper

## KEY ISSUES AND POLICY OPTIONS

### LEVELING THE PLAYING FIELD

#### BACKGROUND

One of the most frequent comments received since the county's early efforts to regulate vacation rentals has been that the playing field is not level. Vacation rental owners that play by the rules of the Vacation Rental Ordinance, and pay their Transient Occupancy Tax (TOT), feel negatively impacted by those who do not.

The PRMD and Auditor's office have coordinated efforts and databases, and are now embarking on a proactive effort to identify illegal operators and bring them into compliance. Continued coordination and enforcement efforts are needed.

#### KEY ISSUES

In addition to the TOT issue outlined above, staff has identified additional issues related to the location and qualifications of property managers. Unqualified managers who do not understand the requirements of the vacation rental code lead to a lack of responsiveness and ongoing neighborhood problems.

Well-managed vacation rentals with carefully screened tenants pose far less problems than vacation rentals that are not properly managed. While the vast majority of verified complaints received by the Code Enforcement Division relate to vacation rentals operating without permits, permitted rentals that are not properly managed also generate complaints. Sheriff call-out data collected from permitted vacation rentals over the last four years indicate that about 1/3 of vacation rental call-outs were to professionally managed properties, while 2/3 were to owner-managed properties.

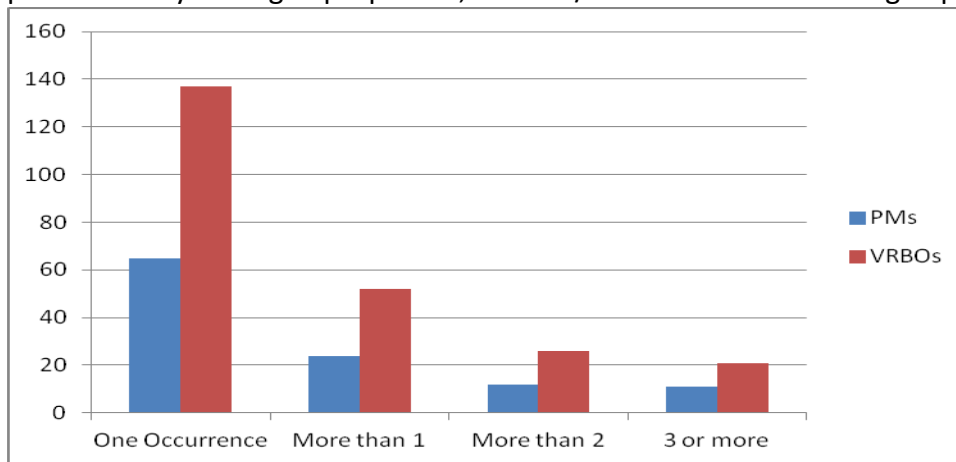


Figure 1: Sheriff call-outs to managed properties vs. owner-managed properties, by number of occurrences.

Other key issues that have been identified through the public input process include a notification area that is too small, the lack of response to complaints made to the 24-hour contact, non-compliance with the requirement to provide the 24-hour contact information to surrounding neighbors, and owner/property managers not being available to respond to the vacation rental site within an hour, as required by the Vacation Rental Ordinance.

## **ANALYSIS AND OPTIONS**

**I. Providing 24-hour contact information to neighbors.** The Vacation Rental Ordinance currently requires that all neighbors within 100 feet of the boundaries of a vacation rental property be provided with the name and 24/7 contact information for the property manager responsible party. Currently, this responsibility lies with the applicant; staff generate a list of situs addresses within 110 feet of the property boundaries, and the owner or property manager is required to deliver a copy of the approved permit with limitations and 24/7 contact information to each address on that list. A large number of vacation rental owners do not properly complete this step themselves, and the staff time required to follow up with the property owners and managers exceeds the staff time that it would take for the County to take over this responsibility and provide neighbors with the information.

- A. Increase notification area to 300 feet and turn this responsibility over to the County. This Option would ensure that all surrounding neighbors and property owners who may be impacted by a vacation rental receive notice of approved guest limits and of who to call if an issue arises. Any change in property management or 24-hour contact would require that an additional mailing be done by the County, which would require an additional fee from the vacation rental owner.
- B. Do not increase the notification radius, but change to the Code to ensure that the County is responsible for the notification step. This option would turn the responsibility over to the County, but would not increase the notification area beyond the existing 100 feet from property boundaries.
- C. Make no changes. This option would leave the existing notification requirements in place, but could result in increased application costs for all vacation rentals in order to offset the staff time to follow up on noticing that is not properly completed by owners or 24-hour contacts.

**II. Location of Responsible Party.** The existing Vacation Rental ordinance requires that the property manager or 24/7 responsible party live within “a one-hour drive” of the vacation rental property. This vague provision has resulted in difficulty with

enforcement and the inability to determine travel times in a consistent manner, as well as numerous circumstances where the responsible party cannot respond to the site within the one hour required by the Code.

- A. Change the Code to require that the responsible party be located within a 30 mile radius of the vacation rental property. This provision would be easier to enforce and understand than the 60 minute drive-time provisions, and would eliminate San Francisco-based owners of multiple Sonoma County properties from operating “by-owner” without a local base.
- B. Do not change the Code 60-minute drive-time provision in the Code. Instead, establish an administrative process using the shortest available time using an internet mapping program. Selection of this option would continue the enforcement problems, but would allow vacation rental in the Sonoma Valley to continue to be managed by some San Francisco-based owners.

**III. Unqualified Property Managers.** It is clear from the data collected, and from public comment, that well-managed properties cause far less neighborhood problems than do poorly-managed properties. But as mentioned above, it is not all owner-managed properties that generate complaints; some professionally managed properties have also generated complaints. The County could establish a set of qualification criteria that must be met for a person or a firm to be designated as the 24/7 responsible party.

- A. Require that an owner or designated responsible party meet certain criteria, to include a required minimum number of hours of training in the requirements and responsibilities of the county’s vacation rental ordinance, advertising and internet listing requirements, tenant selection and reporting requirements. The responsible party would be required to sign that they have met all of the training and qualification criteria and that they understand their responsibilities under the Code before a vacation rental permit can be issued. The training would not be provided by the county, but the county would establish the required content. A fee would be charged by the training entity.
- B. Require that an owner or responsible party be certified by the County as meeting the qualification criteria, including passing a test to confirm knowledge of the county’s vacation rental ordinance, advertising and internet listing requirements, tenant selection and reporting requirements before a vacation permit can be issued. The County would maintain a list of certified property management companies and individuals, and owners who wish to manage their own properties would need to pass the test to be allowed to maintain their own properties as vacation rentals.



- C. Do not change the Code to require that property managers and 24-hour responsible parties be or certified.

**IV. Lack of Response to Complaints.** Because the Vacation Rental Code requires that the 24/7 contact be the first point of contact when a problem with a permitted vacation rental occurs, PRMD staff are unable to track complaints made to property managers, and their responses, unless the property managers contact the County to report the interaction. Some property managers do contact the County when they have had a complaint in order to report their response and avoid a code enforcement investigation; however, there is currently no process in place to receive and track this important data.

- A. Change the Code to require that property managers and 24/7 responsible parties to report all calls and complaints, as well as their responses to them, within 8 hours of the occurrence. Reporting would be done through an automated website and/or 24/7 phone line. This would provide the PRMD with better tracking of problems and responses, and would shift the reporting burden from the surrounding neighbors to the property manager or 24/7 responsible party. This option, if adopted, could lead to decertification of a property manager that has not been responding to or reporting complaints. It could also increase staffing requirement within PRMD to document and follow up on the reporting.
- B. Do not change the Code to require reporting of complaints.

**V. Property Safety Inspections or Reports.** Many communities that permit vacation rentals require home inspection reports in some form. Some are limited to a self-certified safety report for swimming pools and hot tubs, while others require more detailed home inspections. In order to address recent concerns about public safety related to decks, public comment requesting restrictions on outdoor fires at vacation rentals given the dry conditions, and water quality issues related to aging septic systems along the middle reach of the Russian River, an options to require some level of reporting for health and safety concerns should be considered.

- A. Change the Code to require that a property safety report checklist be completed and submitted prior to issuance of a vacation rental permit. The inspection report in this option would be a checklist that must be completed and signed by a home inspector or licensed contractor, verifying that the home to be used for a vacation rental meets certain safety requirements including habitability, bedroom count and legal egress, functioning septic, availability of adequate off-street parking, deck safety, pool fencing, hot tub covers, outdoor “warming fire” size limit & cover, and smoke & carbon monoxide monitors. The completed checklist would be retained in the County’s files, but the report itself would not.

- B. Change the Code to require that a home inspection be conducted by a home inspector or licensed contractor, with the inspection report being submitted to the County and considered in the issuance of any vacation rental permit. Industry professionals have indicated that not only is this sort of an inspection expensive for the property owner, but that it would likely encourage owners of older homes to not even apply for the required vacation rental permits. They also question what the County would do with this information, and the implications of any subsequent requests for this information from the public.
- C. Change to Code to require that the County inspect any property proposed for a vacation rental, in order to ensure that public safety standards are met. This option, if selected, would require significant new staffing levels to perform inspections. Industry professionals have opined that such a requirement would almost certainly drive vacation rentals underground in many areas for fear that county inspectors would discover other violations that may not affect public safety.

**VI. Better Awareness of Vacation Rental Rules and Limits.** Public outreach meetings that were attended by both neighbors and property managers provided excellent opportunity for professionals to hear neighborhood concerns, and for staff and neighbors to hear of some innovative ideas to ensure that vacation renters know what the expectations of the neighborhood and the rental contract are when they are considering a place to rent. One frequent suggestion was that property managers and vacation rental owners should include and discuss all applicable limits in their website listings in order to discourage renters who are just looking for a party house.

- A. Change the Code to require that all internet listings for vacation rentals include (in addition to the TOT Certificate Number already required) the permitted occupancy limits, the maximum number of vehicles allowed, quiet hours and a prohibition on outdoor activities during those hours (see also the Code Enforcement discussion paper).
- B. Do not change the Code to mandate what is included in internet listings and advertisements; leave these decisions up to the individual property owners.

#### **OPTIONS SUMMARY AND RECOMMENDATION**

- I. Increase the neighbors notified to a 300 foot radius, and have this function performed by the county**
- II. Require the 24/7 responsible party to be located w/in 30 miles of the vacation rental property**

- III. **Require the responsible party to be certified and to pass a test of knowledge and best practices in tenant selection**
- IV. **Require reporting by property manager or 24-hour responsible party of all complaints and responses within 8 hours**
- V. **Require a property safety report checklist prior to permit issuance**
- VI. **Require rules and limits to be included in all advertisements and listings**

**Recommendation: All of the above.** This combination of options would provide a level playing field by making all rules known up front; by requiring all property owners, managers and 24/7 responsible parties to be operating under the same set of rules that are known and understood; and by requiring that permitted vacation rentals are safe for visitors and neighbors alike without imposing an inspection requirement. The increased level of ongoing monitoring for compliance and certification would require dedicated staffing, the cost for which could be recovered under the existing Code provision at 26-88-120 (g) (2) allowing an annual fee to be collected to pay for the monitoring of vacation rentals.

**Discussion Paper**  
**KEY ISSUES AND POLICY OPTIONS**

**CODE ENFORCEMENT**

**BACKGROUND**

Much of the public input submitted by vacation rental owners and by property managers focused on the need for better enforcement of the rules. Vacation Rental Industry representatives believe that the vast majority of problems related to vacation rentals could be solved with better enforcement of the County's existing ordinance. Neighbors also frequently complain about the county's current code enforcement policies related to vacation rentals. Code enforcement staff is not available in the middle of the night and on weekends to take calls and address problems in vacation rentals, and the Sheriff's Department is unable to take actions unless a citizen's arrest has been signed. Residents are often left feeling that they have no options and no one to call.

**KEY ISSUES**

The key issues involved with enforcement of the rules for vacation rentals are the difficulties in documenting non-compliance with the vacation rental rules; the difficulty and length of time involved with abating vacation rentals that frequently violate the rules; the inability of agents of the county to cite offenders, and the resulting reliance on neighbors to document problems; and non-permitted vacation rentals.

**ANALYSIS AND OPTIONS**

Currently, the vacation rental code requires that the first point of contact be to the 24/7 designated representative, who is supposed to be able to respond to the site and resolve the problem within an hour. When the neighbors have been properly notified of the designated representative, and when that representative is available and responsive to calls, this process is effective. There are a number of circumstances when this process is not effective, such as when the vacation rental is not permitted, or when the neighbors have not been notified of the designated representative, or if the representative does not answer or is not responsive. Policy options for increasing the responsiveness of the designated representatives are outlined in the "Leveling the Playing Field" discussion paper. Policy Options for addressing unpermitted vacation rentals and the current inability of county staff to respond quickly to violators are outlined below.

**I. Lack of Citation Authority and Burden on Neighbors.** Under the current Vacation Rental Code, the burden is on the neighbors to prove that the performance standards of the vacation rental code are being violated: because the current process to get a judgment against a vacation rental property owner involves collecting adequate evidence in the form of photos, videos, and testimony, much of the responsibility is on the neighbors. The process is also very long and time-consuming, making it difficult to eliminate a bad vacation rental from the neighborhood within a reasonable period of time.

The Sheriff's Department also has a difficult task in responding to calls about parties and other problems at vacation rentals, as neighbors are currently required to sign a citizen's arrest before the Sheriff is authorized to take an action (see below).

Until the last year, the PRMD and the Sheriff's Department did not coordinate efforts under the vacation rental program. The Sheriff's Department has now expressed an increased interest in working with the PRMD on these issues, and has provided call-out data for addresses with vacation rental permits since the inception of the ordinance in 2011 through 2014. This data, along with the ongoing cooperation of the Sheriff's Department, have been invaluable in determining what and where the impacts are, and in designing an effective enforcement program going forward.

As noted above, because the Zoning Code specifies that violations of its provisions are misdemeanors, the Sheriff's role is set forth in the California Penal Code and requires that a complaining neighbor sign a "citizen's arrest" before the Sheriff can take any action. The Zoning Code and the Enforcement provisions of the county code could be amended to address this issue.

- A. Amend the County Code to specify that violations of the vacation rental performance standards are an infraction, rather than a misdemeanor. With this option, the Sheriff will no longer need to rely on the California Penal Code rules and would be able to issue a citation to violators without need for the neighbors to sign a citizen's arrest. The citations would be issued to the responsible party who has rented the vacation home when violations are occurring. The Sheriff has indicated that in a typical scenario, their initial call-out to a vacation rental under a citation program would be a request to remedy the situation by turning the music down or breaking up the party, etc. Citations would typically be issued only if the behavior is dangerous or egregious, or if the requested response (break up the party, turn the music down) is not followed. Complaints made by neighbors for behaviors that are simply annoying (children playing outside during the day, washing machine running at night) would not be cited. Citation amounts are currently \$100 per offense, and are appealable through the Sonoma County Courts.

- B. Do not amend the Code to make violations for the performance standards a citable infraction. Rather, adopt the 2-year limited permit provisions so that any problem properties are phased out over 2 years when their permits are not renewed.

**II. Automatic “3 Strikes” Revocation.** As noted above, there is currently not an established administrative mechanism for revocation of a vacation rental permit. In order to revoke a permit for non-compliance with the performance standards, in most cases a hearing must be held. Hearing calendars are often full for many months out and preparation for each hearing requires hours of staff time. A faster and more certain process would be helpful to eliminate problem vacation rentals.

- A. Establish an automatic revocation process whereby a vacation rental property that receives three verified violations or citations within a 2-year period would have its permit automatically revoked without need for hearing, and would be unable to re-apply for two years. If the property continues to be operated as a vacation rental even after the permit is revoked, an automatic daily penalty would accrue equal to 3 times the maximum daily rental rate of the property, in addition to any other penalty that may be imposed by the Code Enforcement division.
- B. Do not establish an automatic revocation process. Continue to schedule any violation for hearing using the existing process, but making use of the new citation process to verify to the hearing officer that problems exist.

**III. Increased Penalties for Unpermitted Vacation Rentals.** Estimates of the number of unpermitted vacation rentals that are operating within the County vary widely, from a few hundred to a thousand. PRMD Planning and Code Enforcement staff members are currently working through a list of 1,600 rental properties that was provided by the Sonoma County Lodging Association to identify any that do not have permits. The original list of 1,600 properties was narrowed down to 885 properties that are vacation rentals located within the unincorporated county but outside of the coastal zone. Of those 885 properties, 149 have been investigated as of 6 August 2015. Of those 149, staff has found that 111 were fully permitted and 38 were not. Of the 38, most had obtained TOT certificates but had failed to obtain the necessary vacation rental permit. Investigation continues on the remaining 734 properties.

Staff is aware that some of the unpermitted vacation rentals do not have permits because they are not currently allowed to be permitted. Examples include vacation rentals operating in commercial areas, as well as hosted rentals being operated in the R1 Zone. Options to remedy these situations are set forth in the “Expanding Opportunities” discussion paper.

- A. Change the Code to provide a larger automatic penalty in order to incentivize full permitting. Property owners with unpermitted vacation rentals are currently provided with a Notice giving them 30 days to come in and get a vacation rental permit; the penalty available in the Code is between 3x – 10x the vacation rental permit cost. An owner who responds with an application within 30 days after receiving a violation notice is typically subject to the minimum (3x) penalty, as set forth in the Code. Providing that an automatic penalty of 10x the application cost (currently about \$600) will incur if the owner does not respond by ceasing the activity and submitting a complete application within the first 30 days after receiving the Notice of Violation would provide an incentive to bring unpermitted properties into compliance more quickly. This penalty would accrue to the property owner and would be in addition to any other applicable penalties imposed for failure to collect and pay the transient occupancy tax. Owner would retain all rights of appeal.
- B. Do not change the Code to provide for a larger automatic penalty; continue to give Code Enforcement staff the discretion to impose penalties of between 3 and 10 times the permit cost as they see fit.

**IV. Limited Term for Vacation Rental Permits.** One option for better ensuring that vacation rentals operate within the rules of the Code is to set all vacation rental permits for a limited term. The permits would be automatically extended so long as no violations have been verified on that property.

- A. Change the Code to provide that all vacation rental permits, existing and new, will have a limited term of two (2) years beginning with the next approval anniversary. Permits would be automatically renewed upon verification that all information (including 24-hour contact) remains the same and there are no unresolved verified violations. Properties that have three (3) or more verified violations of performance conditions would not be renewed and would be unable to re-apply for two additional years. This option would eliminate problem properties over a 2-year period, but could also be difficult to administer and would increase staff costs. If this limited term option is adopted, then the option for automatic revocation upon 3 verified violations or violations in a 2 year period may not be needed.
- B. Do not change the Code to limited all vacation rental permits to a 2-year term. Instead, adopted the automatic “3 strikes” provisions so that vacation rentals with 3 or more verified violations or citations within a 2 year period would be automatically revoked and unable to re-apply for two years.

## **OPTIONS SUMMARY AND RECOMMENDATION**

- I. Change code to allow issuance of citations for violations of the vacation rental performance standards.**
- II. Change Code to allow for an automatic administrative “3 Strikes” revocation of a vacation rental permits is three verified violations or citations have been issued within a 2-year period.**
- III: Provide for an increased automatic penalty of 10x the permit cost for operating without a permit, unless full application is made within 30 days.**
- IV: Change Code to require 2-year renewal of all vacation rental permits.**

**Recommendation: Options I, II, and III.** This combination of Options would direct the county’s enforcement efforts at both the renters violating the performance standards, and at owners who do not properly screen tenants and provide adequate management for their properties. It would provide increased penalties for unpermitted vacation rentals, while still allowing the minimum penalty to be imposed if the owner comes into compliance immediately. It would also relieve the neighbors of much of the responsibility for reporting and documenting problem vacation rentals.