



County of Santa Cruz

PLANNING DEPARTMENT

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CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) ENVIRONMENTAL REVIEW INITIAL STUDY

Date: December 17, 2010

Application Number: N/A

Staff Planner: Steve Guiney

I. OVERVIEW AND ENVIRONMENTAL DETERMINATION

APPLICANT: County of Santa Cruz

APN(s): N/A

OWNER: N/A

SUPERVISORAL DISTRICT: All

PROJECT LOCATION: The proposed ordinance (see Attachment 1) would apply to all residentially zoned parcels located within the unincorporated portion of Santa Cruz County.

SUMMARY PROJECT DESCRIPTION: The proposed project would add Section 13.10.694 to the County Code to regulate vacation rentals, which are currently not regulated. The proposed vacation rental ordinance would: 1) apply countywide; 2) require a permitting/registration process; 3) require payment of Transient Occupancy Tax (TOT); 4) require signage identifying a structure as a vacation rental and a local contact responsible for responding to complaints; 5) require a dispute resolution process; and 6) subject the property owner to the enforcement provisions found in County Code Chapter 19. In the "Live Oak Designated Area" only, limits on the total number of vacation units in the area and on any block would be established.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED: All of the following potential environmental impacts are evaluated in this Initial Study. Categories that are marked have been analyzed in greater detail based on project specific information.

- | | |
|---|---|
| <input type="checkbox"/> Geology/Soils | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Hydrology/Water Supply/Water Quality | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Greenhouse Gas Emissions |
| <input type="checkbox"/> Agriculture and Forestry Resources | <input type="checkbox"/> Public Services |
| <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Visual Resources & Aesthetics | <input type="checkbox"/> Utilities & Service Systems |
| <input type="checkbox"/> Cultural Resources | <input checked="" type="checkbox"/> Land Use and Planning |
| <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Population and Housing |

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ORDINANCE NO. _____

**ORDINANCE ADDING VACATION RENTALS AS A USE TO SECTION 13.10.322(b),
ADDING NEW SECTION 13.10.694, AND ADDING A DEFINITION TO SECTION
13.10.700-V OF THE SANTA CRUZ COUNTY CODE RELATING TO THE
REGULATION OF VACATION RENTALS**

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

SECTION I

Section (b) of Section 13.10.322 of the Santa Cruz County Code is hereby amended to add the use "Vacation rental" to the Visitor accommodations category of the residential use chart after the use "Bed and breakfast inns (subject to Section 13.10.691)", to read as follows:

USE	RA	RR	R-1	RB	RM
Vacation rentals (subject to Section 13.10.694)	<u>2P</u>	<u>2P</u>	<u>2P</u>	<u>2P</u>	<u>2P</u>

SECTION II

The Santa Cruz County Code is hereby amended by adding Section 13.10.694 to read as follows:

13.10.694 Vacation Rentals.

(a) The purpose of this section is to establish regulations applicable to dwellings on residentially zoned parcels that are rented as vacation rentals for periods of not more than thirty days at a time. These regulations are in addition to all other provisions of this Title.

(b) Vacation rentals are allowed only in residential zone districts.

(c) For the purposes of this section, the following terms have the stated meanings.

(1) Existing vacation rental means a dwelling unit that was used as a vacation rental prior to June 22, 2010.

(2) New vacation rental means a dwelling unit that was not used as a vacation rental prior to June 22, 2010.

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(3) The "Live Oak Designated Area" means the Yacht Harbor Special Community (as described in the General Plan – Local Coastal Program and depicted on the General Plan – Local Coastal Program map) and that portion of Live Oak that lies east and south of East Cliff Drive and Portola Drive from the intersection of 9th Avenue and East Cliff Drive to the intersection of Portola Drive and 41st Avenue, as depicted in Figure DA1.

(4) "Block" means the properties abutting both sides of a street extending from one intersecting street to another or to the terminus of the street.

(d) Permit requirements. A vacation rental permit and Transient Occupancy Tax registration are required for each residential vacation rental. Each vacation rental permit shall expire five years from the date of issuance unless an application for renewal has been submitted and is deemed complete prior to the expiration date. No application for renewal of a vacation rental permit shall be accepted more than 180 days before the expiration date. The Planning Director may approve extensions of permit expiration dates or application submittal dates based on demonstrated hardship to the applicant or for other good cause.

(1) Existing vacation rental. An initial permit shall be obtained. The applicant shall demonstrate that a dwelling unit was being used as a vacation rental prior to June 22, 2010. No public hearing shall be required and no notice of an application for a permit for an existing vacation rental shall be given. For an existing vacation rental to be considered a legal use the applicant shall provide the following to the Planning Department within 90 days after the certification of this ordinance by the California Coastal Commission:

(A) Completed application form

(B) Plans drawn to scale including the following:

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

(ii). Floor plan showing all rooms with each room labeled as to room type

(C) Non-refundable application fee as established by the Board of Supervisors, but no greater than necessary to defray the cost incurred by the County in administering the provisions of this Chapter

(D) Copy of a rental/lease agreement, which shall include, but not necessarily be limited to, the following: number of guests allowed

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(2/bedroom + 2, children under 12 not counted; maximum number of people at an event not to exceed twice the number of guests allowed); number of vehicles allowed (not to exceed the number of existing on-site parking spaces, plus two additional on-street); noise, illegal behavior and disturbances, trash management (e.g., trash to be kept in covered containers only), etc.

(E) Proof that a dwelling unit was being used as a vacation rental prior to June 22, 2010. Such proof may consist of, among other things, the following items:

(i) Documentation that t he owner paid County of Santa Cruz Transient Occupancy Tax for the use of the vacation rental; or

(ii) Documentation that the owner allowed transient guests to occupy the subject property in exchange for compensation and the applicant furnishes reliable information, including but not limited to, records of occupancy and tax documents, guest reservation lists, and receipts, showing payment and dates of stay.

(F) Retroactive payment of Transient Occupancy Tax. For those applicants who provide adequate documentation that a dwelling unit was used as a vacation rental prior to June 22, 2010, but where the owner has not registered and paid Transient Occupancy Tax, proof of retroactive payment of the Transient Occupancy Tax amount due to the County to the extent allowed by law for the time during which a dwelling unit was being used as a vacation rental shall be submitted.

(G) Number of people allowed. The maximum number of guests allowed in an existing individual residential vacation rental shall not exceed two people per bedroom plus two additional people, except for celebrations and gatherings not exceeding 12 hours in duration, during which time the total number of people allowed is twice the allowed number of guests . Children under 12 are not counted toward the maximums.

(2) New vacation rental. Except as provided in County Code Section 18.10.124(b), no public hearing shall be required and action on these applications shall be by the Planning Director or designee, with notice of the proposed action provided not less than 10 calendar days before issuance of the permit, pursuant to County Code Section 18.10.222(c) and (d). Appeals of the proposed action on the application may be made by the applicant or any member of the public. Pursuant to County Code Section 18.10.124(b), the Planning Director may refer the application to the Zoning Administrator or Planning Commission for a public hearing.

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(A) When a public hearing is required, notice of such a public hearing shall be provided not less than 10 calendar days before the public hearing, pursuant to County Code Section 18.10.223.

(B) In the Live Oak Designated Area, no new vacation rental shall be approved if parcels with existing vacation rentals on the same block total 20 percent or more of the total residential parcels on that block, excluding those parcels in the Mobile Home Park Combining Zone District. In addition, no more than 15 percent of all of the residential parcels in the Live Oak Designated Area, excluding those parcels in the Mobile Home Park Combining Zone District, may contain vacation rentals. Notwithstanding these maximums, each block in the Live Oak Designated Area that has residential parcels, excluding those parcels in the Mobile Home Park Combining Zone District, may have at least one vacation rental.

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

(i) Completed application form

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

(iii) Plans drawn to scale including the following:

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

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

(iv) Copy of a rental/lease agreement, which shall include, but not necessarily be limited to, the following: number of guests allowed (2/bedroom + 2, children under 12 not counted; maximum number of people at an event not to exceed twice the number of guests allowed); number of vehicles allowed (not to exceed the number of

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existing on-site parking spaces, plus two additional on-street); noise, illegal behavior and disturbances, trash management (e.g., trash to be kept in covered containers only), etc.

(v) Copy of a County of Santa Cruz Transient Occupancy Registration Certificate for the purpose of the operation of a vacation rental.

(D) Number of people allowed. The maximum number of guests allowed in a new residential vacation rental shall not exceed two people per bedroom plus two additional people, except for celebrations and gatherings not exceeding 12 hours in duration, during which time the total number of people allowed is twice the allowed number of guests. Children under 12 are not counted toward the maximums.

(3) Renewal of vacation rental permits. An application to renew a vacation rental permit shall be made no sooner than 180 days before expiration of the permit existing permit. Determination of the completeness of the application shall stay the expiration of the existing permit until final action is taken on the renewal application. Except as provided in County Code Section 18.10.124(b), no public hearing shall be required and action on permit renewal applications shall be by the Planning Director or designee, with notice of the proposed action provided not less than 10 calendar days before issuance or denial of the permit, pursuant to County Code Section 18.10.222(c) and (d). Appeals of the proposed action on the renewal application may be made by the applicant or any member of the public.

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

(B) Applicants for renewal of a vacation rental permit shall provide the following to the Planning Department:

(i) Completed application form

(ii) Non-refundable application fee as established by the Board of Supervisors, but no greater than necessary to defray the cost incurred by the County in administering the provisions of this Chapter, except that if the application requires a public hearing due to referral of the application to the Zoning Administrator or Planning

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Commission, then the application will be converted to an "at cost" application and the applicant will be billed for staff time associated with processing the application.

(iii) For those properties located in the Live Oak Designated Area, proof of payment of Transient Occupancy Tax for the use of the dwelling as a vacation rental and a summary of the dates the unit was used as a vacation rental between the time of issuance of the existing permit and the date of application for the renewal. Lack of a significant level of rental activity may result in denial of a renewal application.

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

The name, address and telephone number(s) of the local contact person shall be submitted to the Planning Department, the local Sheriff Substation, the main county Sheriff's Office, the local fire agency, and supplied to the property owners of all properties located within a 300 foot radius of the boundaries of the parcel on which the vacation rental is located. The name, address and telephone number(s) of the local contact person shall be permanently posted in the rental unit in a prominent location(s). Any change in the local contact person's address or telephone number shall be promptly furnished to the agencies and neighboring property owners as specified in this subsection.

(f) Signs. All vacation rentals shall have a sign identifying the structure as a permitted vacation rental and listing a 24-hour local contact responsible for responding to complaints and providing general information, which shall be placed in a front or other window facing a public street or may be affixed to the exterior of the front of the structure facing a public street. The sign may be of any shape, but may not exceed 216 square inches. There is no minimum sign size so long as the information on the sign is legible.

(g) Posting of rules. Vacation rental rules shall be posted inside the vacation rental in a location readily visible to all guests. The rules shall include, but not necessarily be limited to, the following: number of guests allowed (2/bedroom + 2, children under 12 not counted; maximum number of people at an event not to exceed twice the number of guests allowed), number of vehicles allowed (not to exceed the number of existing on-site parking spaces, plus two additional on-street), noise, illegal behavior and disturbances, trash management (e.g., trash to be kept in covered containers only), etc.

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

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

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

(k) Violation. It is unlawful for any person to use or allow the use of property in violation of the provisions of this section. The penalties for violation of this section are set forth in Chapter 19.01 of this Title (Enforcement). If more than two documented, significant violations occur within any 12-month period a permit may be reviewed for possible amendment or revocation. Documented, significant violations include, but are not limited to, copies of citations, written warnings, or other documentation filed by law enforcement; and copies of Homeowner Association warnings, reprimands, or other Association actions.

(l) It is unlawful to make a false report to the Sheriff's Office regarding activities associated with vacation rentals.

SECTION III

Section 13.10.700-V of the Santa Cruz County Code is hereby amended by adding a definition for "Vacation rental" following the definition of "VA" to read as follows:

Vacation Rental. A single-family dwelling unit, duplex, or triplex (including condominium and townhouse units, but not including apartments or manufactured homes in a mobile home park), rented for the purpose of overnight lodging for a period of not more than thirty (30) days other than (a) ongoing month-to-month tenancy granted to the same renter for the same unit, (b) one less-than-thirty day period per year, or (c) a house exchange for which there is no payment. Habitable accessory structures, non-habitable accessory structures, second units constructed under the

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provisions of County Code Section 13.10.681, and legally restricted affordable housing units shall not be used as vacation rentals.

SECTION IV

This ordinance shall take effect on the 31st day after the date of Final Passage, or upon certification by the California Coastal Commission, whichever date is later.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz this _____ day of _____, 2011, by the following vote:

AYES: SUPERVISORS
NOES: SUPERVISORS
ABSENT: SUPERVISORS
ABSTAIN: SUPERVISORS

CHAIRPERSON, BOARD OF SUPERVISORS

ATTEST: _____
Clerk of the Board

APPROVED AS TO FORM:

County Counsel

Copies to: Planning
County Counsel
Coastal Commission



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ATTACHMENT 2 - LIVE OAK DESIGNATED AREA MAP