

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

248



FROM: County Counsel

SUBMITTAL DATE:
June 7, 2012

SUBJECT: Report on Potential Vacation Home Rental Ordinance

RECOMMENDED MOTION: That the Board of Supervisors receive and file the attached report regarding a potential vacation home rental ordinance prepared by the Office of County Counsel pursuant to the Board of Supervisors' direction on May 8, 2012.

BACKGROUND: On May 8, 2012, the Board of Supervisors directed the Office of County Counsel, in consultation with the Planning Department and Code Enforcement, to prepare a report regarding a potential vacation home rental ordinance. The attached report compares ordinances enacted by other jurisdictions, describes existing issues and discusses ordinance implementation.

Departmental Concurrence

Michelle Clack

Michelle Clack, Deputy County Counsel for
Pamela J. Walls, County Counsel

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *Denise C. Fawcett*
Denise C. Fawcett

County Executive Office Signature

- Consent
- Policy
- Consent
- Policy

Department Recommendation.:
Per Executive Office:

Prev. Agn. Ref.: 5/8/12, Item 3.26 | **District:** ALL | **Agenda Number:**

3.9



MEMORANDUM

RIVERSIDE COUNTY COUNSEL

DATE: June 7, 2012

TO: Board of Supervisors
County of Riverside

FROM: Shellie Clack
Deputy County Counsel

RE: Potential Vacation Home Rental Ordinance

This memorandum is prepared pursuant to the Board of Supervisors' direction on May 8, 2012, for the Office of County Counsel to prepare a report regarding a potential amendment to the County's Land Use Ordinance, Ordinance No. 348, related to vacation home rentals.

I. Short Answer

Ordinance No. 348 may be amended to add a section regulating vacation home rentals throughout the County. Attached as Exhibit "A" is a chart comparing the vacation home ordinances enacted by the Counties of Sonoma and San Bernardino and the Cities of Palm Springs and Laguna Beach. These ordinances were included because they represent varying environmental settings including the desert, mountain area, winery region and the beach community.

II. Current Zoning Provisions and Issues

Ordinance No. 348 does not include provisions that allow the use of single family dwellings as vacation rentals. Currently, visitor serving uses are classified separately from residential uses such as boarding, rooming and lodging houses, bed and breakfast inns, motels and hotels. These visitor serving uses generally require a plot plan to ensure compatibility with surrounding properties.

Over the past year the County has seen an increase in single family dwellings being used as vacation home rentals. This practice has been seen within District 1 and in particular within the communities of De Luz and La Cresta. There is a concern that other regions within the County will also begin to experience single family dwellings being used as vacation home rentals. It is likely that such practice will take place within the County's desert area and in Wine Country located in Southwestern Riverside.

The growing practice of using single family dwellings as vacation home rentals potentially creates adverse impacts to surrounding neighbors and properties. These potential impacts

include excessive noise, disorderly conduct, traffic congestion, illegal vehicle parking and accumulation of refuse. These adverse impacts increase the demand for County services including sheriff, fire, code enforcement and environmental health.

With the current language of Ordinance No. 348, it is difficult for Code Enforcement to issue citations for violations. This difficulty results from the ordinance being silent on vacation home rentals and because the County generally does not become aware of the problem until after the use has occurred on the property. After the guests have left and the use has stopped, it is difficult to obtain the necessary evidence to demonstrate a violation of Ordinance No. 348.

A regulatory program for vacation home rentals would provide a procedure to preserve tourist opportunities while also protecting the public's health, safety and welfare. Additionally, short term vacation home rentals expand the opportunities for visitors and have the potential to generate transient occupancy taxes for the County.

III. Ordinance Implementation

As Exhibit "A" demonstrates, there are a number of jurisdictions that have vacation home rental ordinances. These ordinances contain requirements related to land use permitting, occupancy, parking, sewage, property contact information and transient occupancy tax.

In speaking with the County of Sonoma, it was experiencing issues regarding excessive noise, illegal parking, traffic congestion and difficulties in enforcement. Sonoma's ordinance has successfully reduced adverse impacts for the community while still maintaining an economic opportunity for vacation home rental operators. One of the critical components of the ordinance for Sonoma was the contact information for the rental's owner or designated representative. Providing this information to the surrounding neighbors gave them a direct person and number to call in the event there was excessive noise or other issues taking place at the property.

Based on meetings with the Planning Department, Code Enforcement, the Fire Department and the ordinances enacted by other jurisdictions, listed below are recommendations for the Board's consideration regarding certain provisions to be included in an ordinance amendment if such an amendment is initiated by the Board:

Definition of Vacation Home Rental

The definition of a vacation home rental is a critical component. Along with one family dwellings being used as rentals, it is also possible that guest quarters and second unit permits may be used as vacation home rentals. Therefore, the definition language should reference these habitable buildings. The definition should also include a specific rental period. Occupancy for a period of thirty (30) consecutive calendar days or less is consistent with the definition of transient in County Ordinance No. 495, which is the Uniform Transient Occupancy Tax Ordinance.

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Permit Processing

It would be appropriate to add a new section to Ordinance No. 348 related to vacation home rentals and have an application for a plot plan submitted in accordance with section 18.30 of Ordinance No. 348. The application would be transmitted to other County agencies for review and notice would be provided to surrounding property owners. A public hearing would be required if requested by a notified property owner. The Board may also want to consider allowing vacation home rentals only in specific zoning classifications such as residential and agricultural zones.

Occupancy Standard

In order to facilitate enforcement of the ordinance provisions, it is recommended to have occupancy based on bedrooms and to include a maximum number of persons. The City of Palm Springs' ordinance includes the following language for overnight occupancy: two (2) persons plus an amount not to exceed two (2) persons per bedroom. For daytime occupancy, the City allows the overnight occupancy plus 50% of that amount. The proposed ordinance language may also include an exception for children under a certain age. For example, children under three (3) would not be include in the occupancy count. It would also be appropriate to include language that the occupancy be limited to the design and capacity of the septic system.

Parking Standard

Parking concerns are predominantly focused on illegal off-site parking when special events take place at the vacation home rental. If a vacation home rental is not used in conjunction with a special event, the current parking requirements of two (2) on-site parking spaces for a single family dwelling is adequate.

Generally, off-site parking will be needed when the vacation home rental is being used for special events such as weddings, conferences and large gatherings. There are a number of options to consider regarding off-site parking. One option is to require a separate minor event permit which would include approval of a parking plan for the event. Another option is to consider each project on a case by case basis and apply conditions of approval requiring parking based on the proposed events. The plot plan application will need to require that the applicant include information on events that may take place at the vacation home rental.

Special Events

Special events at vacation home rentals may produce excessive noise, traffic congestion, parking issues and sewer concerns. As with parking, there are options to consider if the Board determines special events may take place at the rentals. As stated above, one option is to require a separate minor event permit which would include plans for traffic, fire, parking, noise mitigation and emergency services. The other option is to impose conditions of approval on the plot plan which would address these issues and concerns on a case by case basis.

Contact and Notification Requirements

One of the potential adverse impacts to surrounding neighbors created by vacation home rentals is excessive noise. In order for vacation home rentals to be good neighbors it is recommended to include as part of the approval requirements a contact number and designated person who is reachable 24 hours a day. The City of Palms Springs includes a requirement that the contact person needs to be able to respond within 45 minutes. Additionally, it is recommended that property owners within a specific feet radius be notified that the single family dwelling is a

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vacation home rental. This notification could be in the form of a letter containing the contact information and sent by the vacation home rental operator to the surrounding neighbors. Requiring a letter to be sent annually would ensure that the neighbors have the correct information for the vacation home rental.

Transient Occupancy Tax

The proposed ordinance may also include a provision requiring compliance with Ordinance No. 495, which is the Uniform Transient Occupancy Tax Ordinance. Pursuant to Ordinance No. 495, a transit, as defined in such ordinance, shall pay a tax in the amount of 10% of the rent charged by the operator. The operator is also required to register with the Tax Collector and obtain a Transient Occupancy Registration Certificate.

IV. Department Resources

The preparation of an amendment to Ordinance No. 348 would involve various County departments including the Planning Department, Code Enforcement, Fire Department, Transportation, Environmental Health, County Counsel and Building and Safety. These departments would be involved in the amendment's research, working group review, environmental review, drafting of the ordinance language, attendance at the public hearings and preparation of the final documents. It is estimated that this preliminary effort would cost approximately \$65,000.

V. Next Step - Order to Initiate

Developing a vacation home rental ordinance would establish requirements and standards that would protect the public's health, safety and welfare, ensure neighborhood compatibility, lessen the demand on County services and enhance local tourism and economic growth within the County of Riverside. If the Board of Supervisors determines that a vacation home rental ordinance is appropriate, in accordance with Board Policy A-67, the Board would need to initiate an amendment to Ordinance No. 348 adding regulations for vacation home rentals through a separate Form 11. This Form 11 should include a detailed scope of services, department budgets and a request for funds to be allocated for the amendment.

Exhibit A

Ordinance Provision	County of Sonoma	County of San Bernardino	City of Palm Springs	City of Laguna Beach
Vacation rental defined	Property with dwelling unit or guest house that is occupied by any person other than primary owner for a period of 30 consecutive calendar days or less	Rental of private homes for less than 30 days	residential dwelling rented for occupancy for a period of twenty-eight consecutive days or less	Leasing or occupancy of a lodging unit for a period of 30 consecutive days or less
Permit required	Vacation rentals with up to 5 guest rooms require a less intense permit while larger rentals require a use permit that would be the equivalent to a conditional use permit in the County of Riverside.	Special Use Permit renewed on biennial basis	Vacation Rental Registration Certificate	Administrative Use Permit. Public hearing required if requested by property owners within 300 feet. Conditional use permit is required for one zoning classification. Valid Business license is also required
Maximum number of guestrooms	Maximum of 5 guestrooms. More than 5 is allowed only if adequate sewage disposal capacity exists and compatible with neighborhood.	Maximum occupancy is one person for each 100 square feet of building area and shall not exceed the number of raised sleeping beds		Limited to a specific number of occupants and shall not exceed that permitted by Building and Fire Codes
Use allowed in specific zones	Vacation rentals are allowed in most agricultural and residential zones	Applied in the Mountain Region		Allowed in specified zones
Limit overnight guests	Limit 2 guests per guest room plus 2 additional guest per property, up to 12 maximum		2 persons plus an amount not to exceed 2 persons per bedroom	
Limit daytime guests	Overnight guest plus 6. Children are not included in count		Overnight occupancy plus 50% of the overnight occupancy	
Parking requirements	At least 2 on site spaces for vacation rental with 3 or 4 guest rooms. Larger rentals must show adequate parking with minimum of 3 spaces	On site parking at a ratio of not less than one space for each bedroom. May include garage, carport, driveway and tandem parking.		Conditions of approval may be imposed to ensure public health, safety and welfare including on street parking restrictions
Sewage	Overnight guests will be limited to the design load for the septic system			
Quiet hours	10pm to 9 am			
Code requirements	Rental must comply with Building, Plumbing, Mechanical and Fire Code	Must comply with Fire, Building, and Health and Safety Codes	Use prudent business practices to ensure compliance with fire, building, health and safety codes	
Contact information	Must have 24 hour contact number for property owner or designated representative	Owner or representative shall be available 24 hours to respond to calls.	Owner or designated person available 24 hours and be able to respond within 45 minutes	
Special events	Special events over maximum daytime occupancy may be permitted with Special Event Permit up to 4 times per year			
TOT	Owner shall maintain a Transient Occupancy Tax license and remain current on all reports and payments			Owner must have a valid Transient Occupancy Registration Certificate
Enforcement	Initial complaints to contact person then Code Enforcement			
Notification requirements	Contact number must be provided to all neighbors 100 feet radius of the property boundaries	Notification that dwelling is a short term rental is provided to all contiguous property owners	Vacation Rental Registration shall be mailed to property owners with 300 feet of the rental unit annually or within 14 days of any change in registration	