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W6b

Prepared June 23, 2011 (for July 13, 2011 hearing)

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To: Commissioners and Interested Persons

From: Dan Carl, Central Coast District Manager
Susan Craig, Coastal Planner

Subject: Santa Cruz County LCP Amendment Number 1-11 Part 3 (Vacation Rental Regulations). Proposed major amendment to the Santa Cruz County certified Local Coastal Program to be presented for public hearing and California Coastal Commission action at the Marin County Board of Supervisors Chambers, 3501 Civic Center Drive, Room 330, in San Rafael.

Summary

Santa Cruz County has submitted the above-referenced Local Coastal Program (LCP) amendment request which would define vacation rentals, allow them as principally permitted uses within residential units, and add Section 13.10.694 to the LCP's Implementation Plan (IP) to regulate such vacation rentals, which are currently not explicitly regulated by the LCP. The proposed vacation rental regulations would allow vacation rentals in all zoning districts that allow stand-alone residential uses and would require: 1) a permitting/registration process; 2) payment of Transient Occupancy Tax (TOT) to the County; 3) signage identifying a structure as a vacation rental, including the name and phone number of a local contact person responsible for responding to complaints; 4) a dispute resolution process, and; 5) that the property owner be subject to enforcement provisions. The proposed regulations also limit the number of guests allowed in a vacation rental unit at any one time, and the number of vehicles allowed per vacation rental unit. The regulations would not apply to the Pajaro Dunes area and would include additional requirements within the Live Oak Designated Area (LODA) (essentially the Live Oak beach area between the Santa Cruz Harbor and 41st Avenue) that would prohibit new vacation rentals if vacation rentals exceed 20% of the residential use of any particular block or if vacation rentals constitute more than 15% of residential stock in the LODA overall.

The presence of vacation rentals in certain parts of Santa Cruz County has raised issues for years, mostly in terms of resident concerns that such rentals at times have led to problems (excessive noise, cars, garbage, etc.) that negatively impact residents, particularly in the Live Oak coastal area where there have been many such rentals. At the same time, vacation rentals provide an important visitor function that allows groups and families another option for overnight accommodations near the beach and shoreline, including in areas without significant commercial overnight options and where residential communities flank the immediate shoreline. Because the LCP did not explicitly regulate vacation rentals, the County embarked on a long and inclusive planning process to develop rules that could effectively strike an appropriate balance to allow vacation rentals but limit their number in vacation-rental-saturated areas, and to provide needed rules for their operation.

The proposed amendment does not prohibit, or unduly restrict, the rental of residences to visitors in a



manner that will diminish the public’s ability to access and recreate on the coast by renting a coastal residence. Rather, the proposed amendment provides a means to appropriately regulate vacation rentals in a manner that continues to provide an important overnight visitor function at the same time as protecting coastal resources, including access and recreational opportunities and community character, consistent with the requirements of the LCP’s Land Use Plan (LUP), which is the standard of review. Under the proposed rules, vacation rentals would be expected to continue to effectively co-exist in coastal residential areas with better clarity on use parameters to ensure that they do not become problematic. Also, the proposed addition of vacation rentals as a principally permitted use in existing residences in certain zoning districts would not result in additional significant adverse impacts to coastal resources because the existing LCP would continue to govern the appropriateness of residential use in the County’s coastal zone, and vacation rentals would only be allowed in residential uses that are themselves consistent with the LCP.

Commission staff worked closely with County staff as the proposed ordinance made its way through the local review process, and believes that the County has ultimately succeeded in identifying appropriate vacation rental regulations that address potential visitor-resident conflicts and that satisfy the sometimes competing objectives associated with facilitating public recreational opportunities near and within residential areas of the shoreline. Staff recommends that the Commission find the proposed amendment consistent with and adequate to carry out the policies of the LUP, and that the Commission approve the IP amendment as submitted. The motion and resolution are found on page 3 below.

Staff Note: LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on June 7, 2011. The proposed amendment includes IP changes only, and the 60-day action deadline is August 6, 2011. Thus, unless the Commission extends the action deadline (it may be extended by up to one year), the Commission has until August 6, 2011 to take a final action on this LCP amendment.

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I. Staff Recommendation – Motion and Resolution

Staff recommends that the Commission, after public hearing, approve the proposed amendment as submitted. The Commission needs to make one motion in order to act on this recommendation.

Approval of Implementation Plan Amendment as Submitted

Staff recommends a **NO** vote on the motion below. Failure of the motion will result in certification of the implementation plan amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

Motion. I move that the Commission **reject** Major Amendment Number 1-11 Part 3 to the Santa Cruz County Local Coastal Program Implementation Plan as submitted by Santa Cruz County. I recommend a no vote.

Resolution to Certify the IP Amendment as Submitted. The Commission hereby certifies Major Amendment Number 1-11 Part 3 to the Santa Cruz County Local Coastal Program Implementation Plan as submitted by Santa Cruz County and adopts the findings set forth below on the grounds that the amendment is consistent with and adequate to carry out the certified Land Use Plan. Certification of the Implementation Plan amendment complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Implementation Plan Amendment may have on the environment.

II. Findings and Declarations

The Commission finds and declares as follows:

A. Proposed Amendment Background

Santa Cruz County is home to some of the most beautiful coastline in California, which is treasured by local residents and tourists alike. Over the years, vacation home rentals have proliferated in the County, especially in the Live Oak coastal area.¹ As these rentals have proliferated, the summer rentals of the past have evolved into what is now oftentimes a year-round business. This evolution has sometimes caused problems for coastal residential neighborhoods and has stirred discussion regarding impacts from

¹ The County estimates that there are 570 existing vacation rentals located throughout the County. Of these, 266 vacation rentals are located in the “Live Oak Designated Area” (see Exhibit B), essentially the Live Oak beach area between the Santa Cruz Harbor and 41st Avenue, which has a total of about 2,206 residential units (and thus vacation rentals make up about 12 percent of the residential stock in this area).



vacation rentals with respect to the preservation of neighborhood integrity, rental housing stock reduction, and public safety, including in terms of complaints about loud, late-night parties, increased traffic and parking difficulties, garbage accumulation, and other issues that have been associated with vacation rentals.

The County has a permitting process and related operational requirements for hotels, motels, and bed and breakfast operations, including requirements for the payment of Transient Occupancy Taxes (TOT). However, vacation rentals in Santa Cruz County are not explicitly regulated and there are no operational permits or standards applied to them. The County is proposing this amendment to establish a set of regulations for vacation rentals to protect the integrity of neighborhoods and to ensure the collection of TOT, while continuing to allow vacation rentals to help provide a range of visitor-serving overnight opportunities in the County's coastal areas. The proposed regulations would apply throughout the County's coastal zone, except for in the Pajaro Dunes area,² and would include more specific regulations within the "Live Oak Designated Area" (LODA) (see Exhibit B).

In recent years, the Commission has approved a number of LCP amendments regulating vacation rentals in the coastal zone, including in the City of Encinitas (LCPA 1-06), in Humboldt County (LCPA HUM-MAJ-1-98-C), and in San Luis Obispo County (LCPA 1-01 Part A).³ Similar to the proposed amendment, the primary intent of these past cases was not to prohibit vacation rentals or to significantly diminish their visitor serving utility, but rather to provide a means and a framework to appropriately regulate their establishment and operation.

² Pajaro Dunes is a gated coastal community, which has permanent residences and vacation rentals, and is located adjacent to the Pajaro River at the County's southern border. Vacation rentals in Pajaro Dunes are already governed by existing Covenants, Conditions and Restrictions (CC&Rs). Any issues related to vacation rentals at Pajaro Dunes are addressed through the Pajaro Dunes Homeowners' Association and the associated management company and private security. Because Pajaro Dunes is a large development with its own management company, homeowners' association, and private security, and because it is isolated from any other residential development, the County did not feel it was necessary to apply the vacation rental regulations at Pajaro Dunes, i.e. unlike other areas that may be part of a larger neighborhood, Pajaro Dunes is self-contained and any issues regarding noise, etc., from vacation rentals there can be quickly and effectively dealt with by the management company and the private security.

³ In LCPA 1-06, the Commission's approval allows for vacation rentals in the City of Encinitas on the west side of Highway 101 only; in HUM-MAJ-1-98-C, the Commission's approval allows for vacation rentals in the Shelter Cove area of Humboldt County only. In LCPA 1-01 Part A, the Commission's approval allows for vacation rentals in residential and agricultural properties throughout San Luis Obispo County's coastal zone, with additional regulations for the Cambria and Cayucos areas of the County due to residents' concerns about the impacts of vacation rentals in these communities (similar to the proposed amendment's additional restrictions for the LODA).



B. Proposed LCP Amendment

The proposed amendment establishes regulations applicable to certain residential dwellings⁴ that are allowed to be rented as vacation rentals for periods of not more than 30 days at a time. The proposed amendment would allow vacation rentals in all zoning districts that allow “stand-alone” residential uses, i.e. residential uses that are not subordinate to another type of use.⁵ Vacation rentals would be allowed as a principally permitted use subject to a level 2 approval (administrative, plans required)⁶ in all zoning districts that allow stand-alone residential use, including the Residential, Agricultural, Parks and Recreation, and Timber Production zoning districts.⁷ Also, the proposed amendment would allow vacation rentals in the Special Use zoning district if the underlying LUP designation allows stand-alone residential use.

The proposed amendment would regulate vacation rentals in the coastal zone countywide (other than in Pajaro Dunes) and would require: 1) a permitting/registration process; 2) payment of TOT to the County; 3) exterior signage identifying a structure as a vacation rental, including the name and phone number of a local contact person responsible for responding to complaints; 4) limitations on the maximum number of users and vehicles; 5) a dispute resolution process with neighbors; and 6) posting of all associated rules and regulations within the rental itself.

The proposed amendment includes a separate permitting process for existing vacation rentals and for new vacation rentals.⁸ Each vacation rental permit would constitute a CDP that would run with the land in perpetuity, except that each vacation rental permit issued for a vacation rental located in the LODA would have an expiration date of five years from the date of issuance, at which time the owner of such a property may apply for renewal of the permit (see page 6 of Exhibit A for the LODA permit renewal process). Also, the proposed amendment would prohibit *new* vacation rentals in the LODA if parcels with existing vacation rentals on the same block equal 20 percent or more of the total residential parcels on that block, or if vacation rentals constitute more than 15 percent of all the residential parcels in the

⁴ Per the proposed amendment, a vacation rental may be located in a single-family dwelling unit, a duplex or triplex (including condominium and townhouse units), but may not be located in apartments or manufactured homes in a mobile home park.

⁵ Examples of zoning districts in Santa Cruz County where stand-alone residential use is not allowed include the commercial zoning districts, which allow residential use only as part of a mixed commercial-residential use with limits on the percentage of residential use allowed in the project.

⁶ The LCP is structured with approval levels from 1 to 7, with 1 being the lowest level of review and 7 being the highest (requiring Board of Supervisors approval).

⁷ The zoning districts that do not allow stand-alone residential use are the Commercial, Industrial, and Public and Community Facilities districts. Under the proposed amendment, vacation rentals would not be permitted in these zoning districts unless an existing dwelling in one of these zoning districts was used as a vacation rental prior to April 5, 2011 and the owner of such a property submits an application to the Planning Department (along with documentation that includes evidence that there has been prior vacation rental use of the unit, among other requirements) within 90 days of certification of this LCP amendment by the Commission.

⁸ The proposed amendment defines an *existing* vacation rental as a dwelling unit that was used as a vacation rental prior to April 5, 2011; a *new* vacation rental is defined as a dwelling unit that was not used as a vacation rental prior to April 5, 2011 (see page 2 of Exhibit A).



entire LODA (see pages 4-5 of Exhibit A). Notwithstanding these maximums, each block in the LODA that allows residential use may have at least one vacation rental.

The amendment does not identify specific required findings for vacation rentals, and is more aptly described as a procedural tool for regulating such rentals. All other applicable LCP policies would continue to apply to vacation rental permit decisions. All vacation rental permits would be subject to revocation as provided for in LCP section 18.10.136.

See Exhibit A for the proposed IP amendment language and Exhibit B for the location of the “Live Oak Designated Area.”

C. Consistency Analysis

1. Standard of Review

The proposed amendment affects the IP component of the Santa Cruz County LCP. The standard of review for IP amendments is that they must be consistent with and adequate to carry out the policies of the certified LUP.

2. IP Amendment Consistency Analysis

A. Applicable Policies

The Santa Cruz LUP contains objectives and policies that provide for visitor-serving uses with the intent of maximizing coastal access and providing appropriate upland support facilities, such as vacation rentals, directed towards coastal zone visitors, including:

***LUP Objective 2.16** – To provide for a variety of temporary residential uses in both urban and rural areas which provide for visitor needs while preserving the unique environmental settings that attract visitors to the County and protecting residential communities in the County.*

***LUP Policy 2.22.1** – Priority of Uses within the Coastal Zone. Maintain a hierarchy of land use priorities within the Coastal Zone:*

First Priority: Agriculture and coastal-dependent industry

Second Priority: Recreation, including public parks; visitor serving commercial uses; and coastal recreation facilities.

Third Priority: Private residential, general industrial, and general commercial uses.

***LUP Objective 7.7a Coastal Recreation.** To maximize public use and enjoyment of coastal recreation resources for all people, including those with disabilities, while protecting those resources from the adverse impacts of overuse.*



B. Analysis

The LUP is clearly premised on protecting, providing, and enhancing coastal access and recreation opportunities for the general public, including by prioritizing visitor-serving commercial facilities, including lower cost visitor-serving facilities, and maximizing public use and enjoyment of coastal recreation resources for all people, while preserving the unique environment that attracts visitors to the County and protecting residential communities in the County.

The opportunity to rent residences within California's coastal communities represents one way in which California residents and visitors enjoy the coast. In some instances, residential vacation rentals may provide a lower cost alternative to renting hotel or motel rooms for large families or groups of individuals. In all cases, vacation rentals increase the range of options available to coastal visitors, oftentimes in residential areas along the immediate shoreline where there are not other significant commercial overnight opportunities. In this context, proposals to regulate vacation rentals have the potential to conflict with the LUP's objectives to protect access and recreational opportunities, and to conflict with the LUP's prioritization of visitor-serving commercial facilities.

The proposed amendment is primarily a means to provide a regulatory structure to a category of use and development that is not currently explicitly regulated by the LCP. The proposed rules are not a prohibition or a ban and are not structured to reduce the utility of vacation rentals for lower cost users (e.g., the rules do not include a required length of stay). Rather, establishing vacation rentals as an allowed use in all zoning districts where stand-alone residential use is allowed protects coastal access and recreation opportunities and is consistent with the LUP's prioritization of visitor-serving commercial facilities. The proposed amendment does not prohibit or unduly restrict the rental of residences to visitors in a manner that will diminish the public's ability to access and recreate on the coast. Instead, the proposed amendment provides an opportunity to regulate vacation rentals in a manner that protects coastal resources and access and recreational opportunities, as well as residential communities and community character, consistent with the requirements of the LUP. For example, the proposed amendment limits the number of vehicles allowed at a vacation rental, which will minimize the impact of vacation rentals on other beach users with regard to parking. The proposed amendment also limits the number of guests allowed at each vacation rental, which will help protect the adjacent residential community from overuse (and concomitant noise and other problems) of oversubscribed vacation rentals.

With respect to the LODA, the proposed block and area limits for new vacation rentals are appropriately designed to ensure that entire blocks – and indeed the entire LODA area – do not convert into vacation rentals.⁹ Over time, vacation rentals have become a prominent component of many Live Oak beach areas and, according to the County, a significant bulk of the complaints received regarding vacation rentals are focused in the LODA (excessive noise, cars, garbage, etc.). Accordingly, the proposed limits for new vacation rentals in the LODA seem reasonable, especially because there are already numerous

⁹ Similar in some ways to the manner in which vacation rentals in the Cambria and Cayucos areas of San Luis Obispo County are addressed differently than other coastal zone areas in the San Luis Obispo County LCP (see LCPA 1-01 Part A).



vacation rentals there that allow for access and recreational opportunities and such existing uses will not be reduced through this IP amendment.

Finally, the addition of vacation rentals as a principally permitted use in existing residences located in the zoning districts described above would not result in significant adverse impacts to coastal resources, including because the existing LCP would continue to govern the appropriateness of residential development in the County's coastal zone, and vacation rentals could only be permitted in residences that are themselves consistent with the LCP. In other words, vacation rentals would not be added independently as a principally permitted use. Rather, vacation rentals could only be sited in residential structures that meet all other applicable provisions of the LCP. This is particularly important with respect to the County's rural properties, where specific siting and design criteria limit residential development as a conditional use to protect rural agricultural lands. If the vacation rental use were intended to be permitted on its own as a separate principally permitted use, rather than solely in conjunction with existing or proposed residential uses, in these types of more sensitive areas, this would indeed be problematic under the LUP because it could lead to inappropriate residential development couched as vacation rentals where such development was principally permitted. This could also result in inappropriate intensification of use and development under the auspices of vacation rental homes because an applicant might propose a vacation rental that would later be used solely as a residence in the long run, sans the vacation rental use. Adding vacation rentals as a use contingent on residential development already consistent with the LCP eliminates this concern, and would be expected to have negligible resource impacts past the residential impacts themselves. Thus, because the vacation rental would be required to meet the same standards as any other residential use, the proposed IP amendment can be found consistent with the LUP.

If a *new* residential development to include a vacation rental use were proposed in any of the above zoning districts, development of the new residential structure would have to conform to all applicable LCP requirements regarding coastal resource protection (including protection of agriculture, environmentally sensitive habitat, visual resources, the priority use requirements of the zoning district, etc.). For example, if a person or persons proposed to construct a new residence on agricultural land that would include a vacation rental use, the proposed residential development would be required to comply with the LCP's certified agricultural policies and zoning code requirements, which recognize agriculture as a priority land use, require the preservation of agricultural uses on agricultural lands, and limit residential development accordingly (e.g., LUP Chapter 5 Agriculture policies and IP Sections pertaining to development on agricultural land, including but not limited to Sections 13.10.313 and 13.10.510, et seq., and IP Chapter 16.50). As is currently the case, any such residential development on agricultural land use would also be a conditional use, thus making any decision on such a residential project appealable to the Coastal Commission.

In summary, the County has succeeded in identifying appropriate vacation rental regulations that address potential visitor-resident conflicts and that satisfy the sometimes competing objectives associated with facilitating public recreational opportunities near and within residential areas of the shoreline. Under the proposed rules, vacation rentals would be expected to continue to effectively co-



exist in coastal residential areas with better clarity on use parameters to ensure that they do not become problematic. For all the reasons discussed above, the proposed IP amendment can be found consistent with and adequate to carry out the certified LUP.

D. California Environmental Quality Act (CEQA)

The Coastal Commission's review and development process for LCPs and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA. Therefore, local governments are not required to undertake environmental analysis of proposed LCP amendments, although the Commission can and does use any environmental information that the local government has developed. CEQA requires that alternatives to the proposed action be reviewed and considered for their potential impact on the environment and that the least damaging feasible alternative be chosen as the alternative to undertake.

The County, acting as lead CEQA agency, adopted a Negative Declaration for the proposed IP amendment and in doing so found that the amendment would not have significant adverse environmental impacts. This staff report has discussed the relevant coastal resource issues with the proposal. All public comments received to date have been addressed in the findings above. All above findings are incorporated herein in their entirety by reference.

As such, there are no additional feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse environmental effects which approval of the amendment would have on the environment within the meaning of CEQA. Thus, the proposed amendment will not result in any significant environmental effects for which feasible mitigation measures have not been employed consistent with CEQA Section 21080.5(d)(2)(A).



ORDINANCE NO. 5092

0579

**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 13.10.312 of the Santa Cruz County Code is hereby amended to add the use "Vacation rental" to the agricultural uses chart after the use "Stands for the display and sale of agricultural commodities produced on site**", to read as follows:

USE	CA	A	A-P
Vacation rentals (subject to Section 13.10.694)	2P	2P	2P

SECTION II

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)	2P	2P	2P	2P	2P

SECTION III

Section (b) of Section 13.10.352 of the Santa Cruz County Code is hereby amended to add the use "Vacation rental" to the Visitor accommodations category of the PR uses chart after the use "Type B, pursuant to Section 13.10.353(b), such as group quarters, tent camping, recreational vehicle camping", to read as follows:

USE	PR
Vacation rentals (subject to Section 13.10.694)	2P

CCC Exhibit A
(page 1 of 9 pages)

SECTION IV

Section (b) of Section 13.10.372(b) of the Santa Cruz County Code is hereby amended to add the use "Vacation rental" to the Visitor accommodations category of the TP uses chart after

the use "Small-scale, in the Coastal Zone, upon conversion of an existing structure (subject to Chapter 13.20 and VA District regulations Section 13.10.330 et seq.", to read as follows:

USE	TP
Vacation rentals (subject to Section 13.10.694)	2P

SECTION V

The Santa Cruz County Code is hereby amended by adding paragraph 4 to Subsection (a) of Section 13.10.382, "Uses in the Special Use 'SU' District", to read as follows:

4. Vacation rentals are allowed in the Special Use "SU" District where the underlying General Plan land use designation allows residential uses with no requirement to have any other use. The applicable General Plan land use designations that allow residential uses with no requirement to have any other use are the Agricultural (AG) land use designation, the Existing Park, Recreation and Open Space (O-R) land use designation, the Urban Open Space Lands (O-U) land use designation, and all residential land use designations (R-M, R-R, R-S, R-UVL, R-UL, R-UM, and R-UH).

SECTION VI

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 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. This section does not apply to Pajaro Dunes where vacation rentals are governed by an existing development permit.

(b) Vacation rentals are allowed in all zone districts that allow residential use with no requirement for any other use, except that any vacation rental meeting the requirements of (c)1 and (d)1, below, may be permitted in any zone district.

(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 April 5, 2011.

(2) New vacation rental means a dwelling unit that was not used as a vacation rental prior to April 5, 2011.

(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 LODA, attached hereto.

(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 run with the land in perpetuity, except that each vacation rental permit issued for a vacation rental located in the Live Oak Designated Area shall expire five years from the date of issuance of the original permit. If an application for renewal has been submitted and is deemed complete prior to the expiration date, the expiration of the permit will be stayed until final action on the renewal application. 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. Approval of a vacation rental permit does not legalize any non-permitted use or structure. Vacation rental permits are subject to revocation as provided for in County Code Section 18.0.136.

(1) Existing vacation rental. An initial permit shall be obtained. 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, which do not need to be drawn by a professional, 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 (2/bedroom + 2, children under 12 not counted; for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., the maximum number of people allowed is twice the maximum 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).

(E) Proof that a dwelling unit was being used as a vacation rental prior to April 5, 2011. Such proof may consist of, among other things, the following items:

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

(ii) Documentation that there has been vacation rental use of the unit. This could include the following: 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 April 5, 2011, 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 between 8:00 a.m. and 10:00 p.m., when the maximum number of people allowed is twice the maximum number of guests allowed. 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.

(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 parcels on that block that allow residential use, excluding those parcels in the Mobile Home Park Combining Zone District. In

CCC Exhibit A

addition, no more than 15 percent of all of the parcels that allow residential use 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 parcels that allow residential use, 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, which do not need to be drawn by a professional, 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.

(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; for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., the maximum number of people allowed is twice the maximum 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).

(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 between 8:00 a.m. and 10:00 p.m., when the maximum number of people allowed is twice the maximum number of guests allowed. Children under 12 are not counted toward the maximums.

(3) Renewal of vacation rental permits in the Live Oak Designated Area. In the Live Oak Designated Area only, vacation rental permits must be renewed every five years. An application to renew a permit for a vacation rental in the Live Oak Designated Area shall be made no sooner than 180 days before expiration of the existing permit. Determination that the application is complete 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 permit for a vacation rental in the Live Oak Designated Area 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) 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. Renewal applications must show significant rental use of the unit for two of the previous five years.

(C) The renewal process shall include a staff review of County records and other pertinent information specific to complaints, if any, that have been received about the particular vacation rental. Approval of a vacation rental renewal permit shall be based on affirmative findings as set forth in County Code Section 18.10.230(a). Denial of an application for renewal shall be based on one or more of the required findings not being able to be made, as set forth in County Code Section 18.10.230(a).

(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

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day to respond to tenant and neighborhood questions or concerns. A property owner⁰⁵⁸⁵ 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 no more than 20 feet back from the nearest 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 from the nearest street.

(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; for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., the maximum number of people allowed is twice the maximum 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).

(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. Evidence of significant violations includes, but is 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, or other documents which substantiate allegations of significant violations.

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

SECTION VII

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

SECTION VIII

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 3rd day of May, 2011, by the following vote:

AYES: SUPERVISORS Leopold, Pirie, Coonerty, Stone
NOES: SUPERVISORS Caput
ABSENT: SUPERVISORS none
ABSTAIN: SUPERVISORS

MARK W. STONE

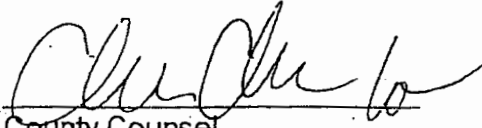
CHAIRPERSON, BOARD OF SUPERVISORS

ATTEST: TESS FITZGERALD
Clerk of the Board

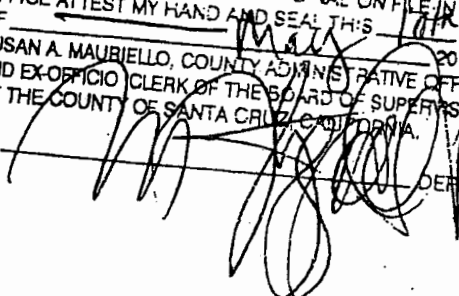
CCC Exhibit A
(page 8 of 9 pages)

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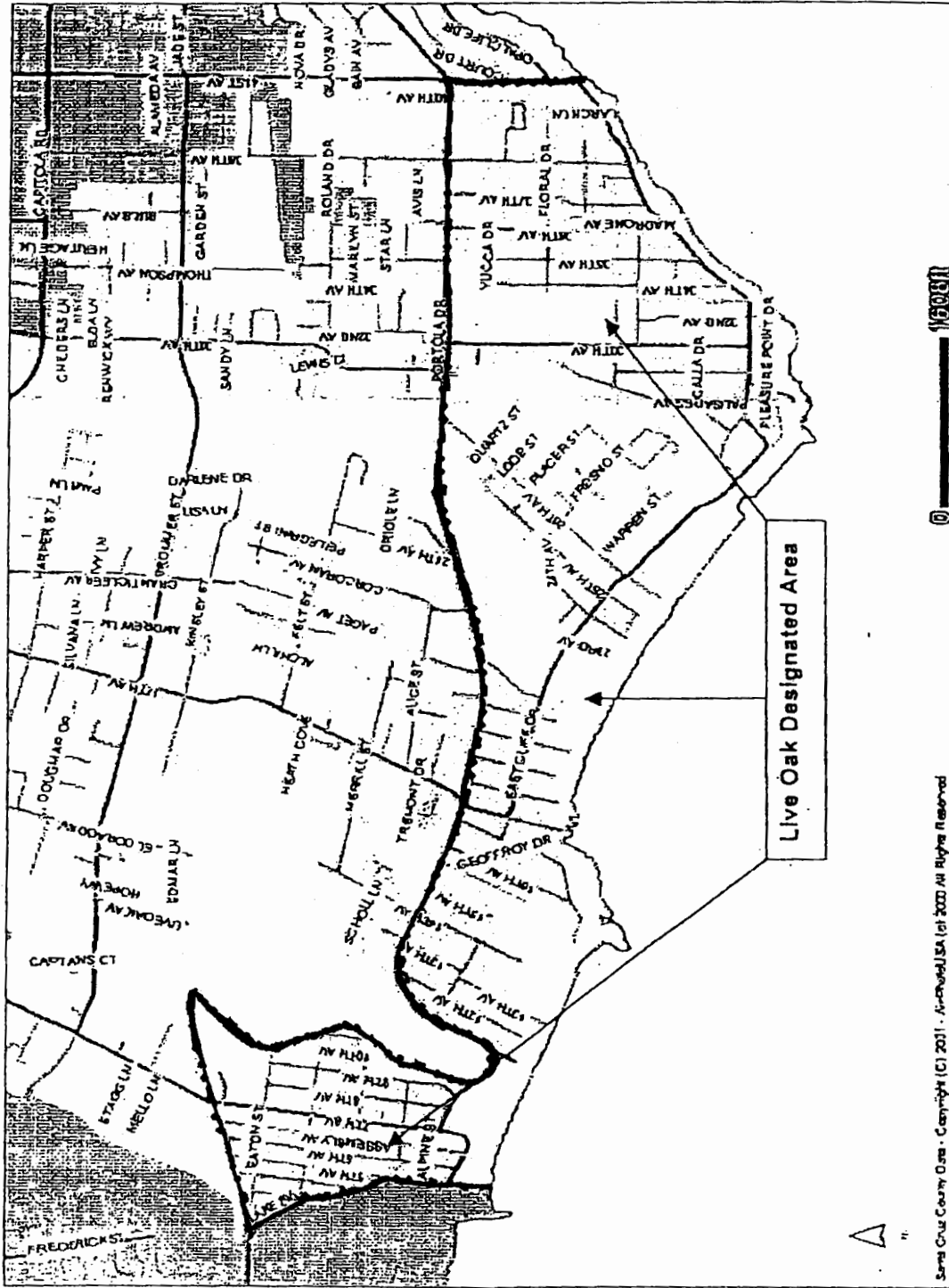
APPROVED AS TO FORM:


County Counsel

Copies to: Planning
County Counsel
Coastal Commission

I HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT
IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THE
OFFICE ATTEST MY HAND AND SEAL THIS 14th DAY
OF May 2011
SUSAN A. MAUBIELLO, COUNTY ADMINISTRATIVE OFFICER
AND EX-OFFICIO CLERK OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, CALIFORNIA.
BY  DEPUTY

CCC Exhibit A
(page 9 of 9 pages)



ATTACHMENT 2 - LIVE OAK DESIGNATED AREA MAP

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