

Item available for public inspection in the Clerk's office during regular business hours (Monday - Friday, 9 AM - 5 PM)

June 18, 2024

Regular Meeting

Item #9a. - Presentation

Mono County Short-Term Rental Policy Amendments

Board of Supervisors Meeting – June 18, 2024



Introduction

*Wendy Sugimura,
Community Development Director – Mono County*



Background

- Feb 20 - Board Presentation and STR Study
- March – Outreach to RPCs
- Apr 3- Direction from Board



Photo credit: Mono County Tourism and Film Commission

Overview

*Shawna Brekke-Read,
Project Director– MIG, Inc.*



Overview

Background – Policy Direction

Mono County General Plan and County Code Amendments

Policy direction and associated amendments

Alternatives and Policy Direction

Policy Implications

Policy and Code Amendments

*Shawna Brekke-Read,
Project Director– MIG, Inc.*



Background - Policy Direction

- Compliance standards; violation fines
- Waiting periods
- STRs and property rights
- Consolidated permit process
- Permit Cap in June Lake
- Waitlist system
- “Owner-occupied” STR definition
- Exploratory policies



Amendments

Mono County General Plan Land Use Element (MCGP LUE)	Countywide and June Lake Issues/Opportunities/Constraints
	Land Use Designations
	Chapter 25 - Short-Term Rentals
	Chapter 26 - Vacation Home Rentals

Mono County
Code
Chapter 5.65
- Regulations
for Short-
Term

Countywide and June Lake Issues/Opportunities/Constraints

Countywide Issues/Opportunities/Constraints

- Updated facts
- Community outreach
- Community concerns

Countywide Land Use Policies

Planning Area Policies

Definitions



Compliance Standards

Board Direction:

Update compliance standards based on research on other jurisdictions, including inspection requirements.

Amended Code Sections:

- 5.65
- Ch. 26



Compliance Standards – 5.65, Ch. 26

Denial: outstanding violation or code enforcement case

- 5.65.080 - Review of applications and noticed public hearing

Inspections required (5.65.070 – Application process)

- County-approved inspection officer
- County inspection checklist

-VHR **permit number** must be **posted**

- 26.040 – Standards and Requirements

Violation Fines

Board Direction:

Research other jurisdictions' violation fines

Update fines if out of alignment

Amended Code Sections:

- None Proposed



Waiting Period

Board Direction:

- Require waiting period after
- Sale of residential unit
 - Potentially after an eviction

Research other jurisdictions

Amended Code Sections:

- 5.65



Waiting Periods – 5.65

5-year waiting period after STR or VHR permit **revoked**

- **Carryover** from VHR permit requirements
- 5.65.040 – Permits required

2-year waiting period after

- **Purchase/ acquisition** of new property (5.65.040)
- **New construction** of house (date of CofO; (5.65.040)
- **No-fault eviction** as defined by State Law (5.65.080 - Review of applications and noticed public hearing)

STRs and Land Rights

Board Direction:

STR Activity permits do not run with the land



Amended Code Sections:

- 5.65.060 – Limitations on short-term rental activity permits
 - A.Not a property right or vested interest or entitlement
 - B.Revocable license; require annual renewal
 - C.Does not run with the land

Permit Process

Board Direction:

Consolidate permit process with single set of terms, for all LUDs and for both multi- and single-family units

Amended Code Sections:

- 5.65
- Land Use Element
 - Ch. 25
 - Ch. 26
 - LUD Chapters: C, CL, MFR, MU, NHP, RU
 - Countywide Land Use Policies; Definitions



Permit Process- Ch. 5.65

- Expand **beyond residential** land use designations
- Update land use designations (where residential use allowed)
- **Remove** exemption for condominiums
- Prohibit STRs in **deed-restricted** or **affordable housing**
- Not allow new owner to use **existing use permit** to apply for STR activity permit

Permit Process- Ch. 25

- Apply to **all unit types**, not just single family
- Define unit using Ch. 2, **update** applicable LUDs
- Limit **one STR permit** per entity/person/owner (except CL)
- May **not impact** on long-term housing
- Acknowledge non-conforming uses in some areas
- Refer to **primary dwelling**

Permit Process- Ch. 26

- Create **single, unified system** to regulate short-term rentals
- **Discontinue** new Vacation Home Rental Permits
- Allow **current VHR permits to remain valid**
 - Invalidate upon revocation
- **Remove VHR permit process**
 - No new Vacation Home Rental Permits issued

Permit Process- LUD Chapters

- C, MU, and MFR-H LUD
 - **Require use permit**
 - Current: Director Review
- MFR-L, MFR-M LUD
 - **Prohibit STRs**
 - Existing STRs **valid until transfer of ownership**
- NHP, RU LUD
 - **Update term** to short-term rental
 - Same permitting requirement

Permit Process- LUD Chapters

- **CL-M and CL-H**

- **Permit one** short-term rental
- Require **use permit for more than one** short-term rental

Permit Process - Land Use Policies; Definitions

- **Objective 1.M; Policy 1.M.2**
 - STR polices apply to all land use designations
- **Definitions updated**
 - Short-term rental
 - Transient rental

Permit Cap + Waitlist System

Board Direction:

Limit STR permits in June Lake to 100

Create a waitlist system to process permits once the cap has been reached

Amended Code Sections:

- 5.65



Permit Cap + Waitlist System

5.65.050(B) – Limitations on the Number of Permits

- Maximum 100 permits in June Lake
 - Not renewed -> subject to the waitlist
- Applications processed in order received until cap reached
- First-come/first-served once cap reached
 - Waitlist maintained by County Staff
 - No fees until processing
- 30-day response time when STR permit available
 - Applicant must respond
 - Applicant must pay in full

Hosted Rentals

Board Direction:

Amend definition of “owner-occupied” rental to “hosted” rental

Amended Code Sections:

- Chapter 5.65
- Chapter 25
- Land Use Element – Countywide Land Use Policies; Definitions



Hosted Rentals – Definitions

- **Host** - property owner, a relative of the property owner, or an individual who is the **long-term resident of record** of the property or premises
- **Hosted rental** - Short-term rental located **on the same property as, or directly adjacent** to, the verified Host or primary residence of a Short-term rental property owner

Hosted Rentals - Definitions

- **Primary residence** - where an **individual resides or lives**, including staying and sleeping overnight, for more than one-half of the year and is claimed as such for property tax purposes.
- Host - **responsible for compliance**

Hosted Rentals - Requirements

- Allow **Hosted rentals** (from Type I)
 - Require Host to be **property manager**
 - Require **verification** of **permanent residency**
 - Long-term lease agreement if host is not the owner
 - Signed affidavit
 - Define **Host responsibilities**

Hosted Rentals – Ch. 25, Land Use Policies

- **Change** from Owner Occupied **to Hosted**
 - 25.020
 - 25.030
 - Countywide, June Lake, Paradise, Long Valley, Tri-Valley Land Use Policies
 - Change from Owner Occupied to **Hosted**
- **Hosted rental types** – 25.020
- Host **may not live in ADU/JADU**

Exploratory Policies

Board Direction:

Develop exploratory policies

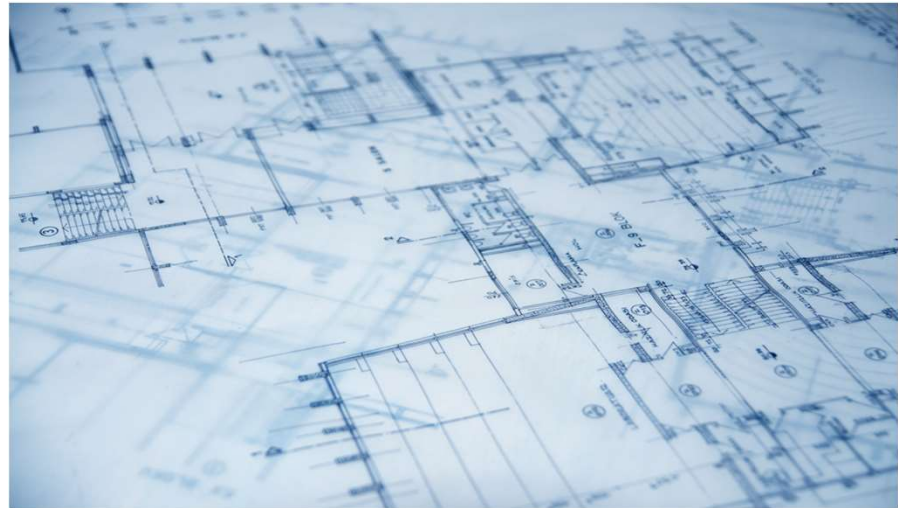
- Incentive program to develop affordable housing
- Fractional ownership
- Renter-owner matching programs
- Regional STR policy

Amended Code Sections:

- Land Use Element – Countywide Land Use Policies

Exploratory Policies – Land Use Element

Development Entitlements



- Policy 1.D.7. The County will **explore** the **potential** to partner with an existing program or organization or develop a staff position to **help housing development applicants** through the development review and permitting process.

Exploratory Policies – Land Use Element

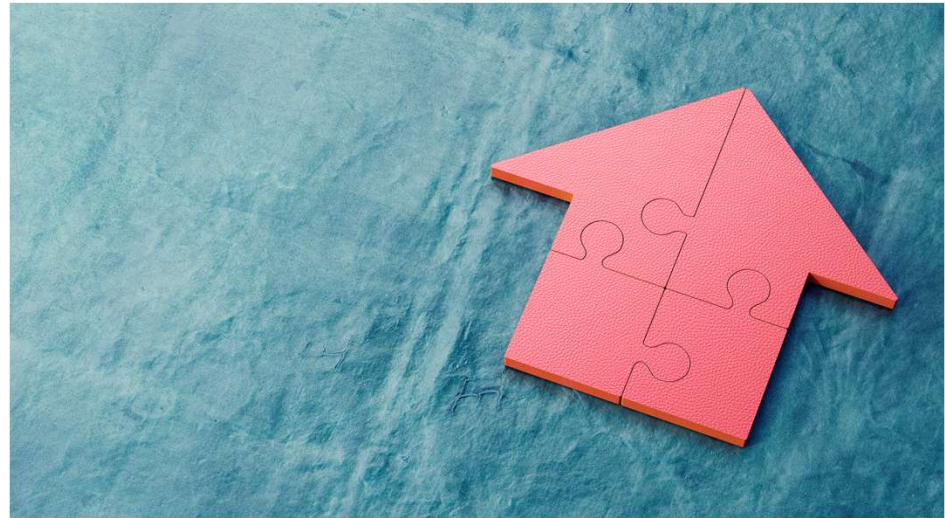
Owner – Renter Matching



- Policy 1.D.8. The County will **research opportunities** for an **owner-renter matching program** and **evaluate the success** of such programs in similar jurisdictions.

Exploratory Policies – Land Use Element

Fractional Ownership



- Action 1.M.6.b. **Consider amending the definition** of Short-Term Rentals to include residences that are fractionally owned by **several individuals or a business entity**, thereby requiring use permits and STR activity permits for these residences.

Exploratory Policies – Land Use Element

Other Jurisdictions STR Policies



- Action 1.M.6.b. **Encourage** adjacent and nearby jurisdictions such as Mammoth Lakes, the City of Bishop, and Inyo County **to regulate short-term rentals.**

Alternatives and Policy Direction

*Shawna Brekke-Read,
Project Director – MIG, Inc.*

*Wendy Sugimura,
Community Development Director – Mono County*



Alternatives and Policy Direction

- Violation Fines
- Waiting Period
- Permit Cap
- Waitlist System
- Housing Development Incentive

Violation Fines

	Mono County	Truckee, Placer County, Sonoma County	Palm Springs (Operational Violations)	Palm Springs (Operating w/o a certificate)	Palm Springs (Advertising w/o certificate info)
1 st	\$1,500	\$1,500	\$500	\$5,000 + back taxes for TOT	\$2,500 and certificate is suspended for 6 mo.
2 nd	\$3,000	\$3,000	\$1,000 and a criminal misdemeanor	\$10,000 + back taxes for TOT	\$5,000 and certificate is revoked
3 rd	\$5,000	\$5,000			

Violation Fines

Recommendation:

No Change

Fines are on par with peer jurisdictions

Alternative:

- Consider increasing similar to Palm Springs

Violation Fines

Board Discussion and Direction

Waiting Period

Recommendation:

Use consistent waiting period

- Change in ownership
- Revocation of permit
- Following no-fault eviction
- New construction

- Current Mono County Code has 2 different waiting periods

Waiting Period

Jurisdiction	Type of Waiting Period	Length
Truckee	After purchase/ transfer of ownership of property	1 year
Nevada County	After purchase/ transfer of ownership of property	1 year
Sierra County	After purchase/transfer of ownership of property	2 years
Maui County	After purchase/ transfer of ownership AND/OR After construction of a residential unit	5 years
San Francisco	After a property has been subject to the Ellis Act, resulting in an eviction	STRs prohibited, even with new ownership

Waiting Period

Board Discussion and Direction

Permit Cap

Recommendation:

Use a numeric cap to limit the number of STR Permits (100)

Alternative: **Limit percentage** of current housing stock of June Lake (~ 12.2%)

- Use **Census** to update – **10 years**
- Use **Housing Element - 8 years** (Mount Shasta)
- Use **annual housing report** (Desert Hot Springs)



Permit Cap

Board Discussion and Direction

Waitlist System

Recommendation:

First-come, first-served waitlist system once the permit cap has been reached in June Lake

Alternative: **Lottery system**

- Annual deadline
- County staff conduct drawing
- Could use a weighted point system (San Diego)



Waitlist System

Board Discussion and Direction

Housing Development Incentive

Recommendation:

Allow for incentive program(s) that links affordable housing unit development to approval of STR permit in June Lake

Allow for pilot programs focusing on new workforce housing development

Allow for adjustments to reflect market conditions and community needs

Alternatives

- Create specific housing incentive program
- Add General Policy calling for exploration

Housing Development Incentive

Program options:

- One STR permit in June Lake per two (or more) new workforce housing units
- One STR permit allowed per two or more new long-term housing units
- No waiting period for STR permit per two new workforce housing units

Considerations:

- How many new units/STR permit?
- Deed-restrict for workforce, affordable, both
- Exempt STR permits from June Lake cap?



Housing Development Incentive

Board Discussion and Direction

Policy Implications

*Wendy Sugimura,
Community Development Director
Aaron Wascho, Planning Analyst
Mono County*



Policy Implications

ADUs/Junior ADUs/Hosted Rentals

Implications of Certain Proposed Amendments

ADUs/Junior ADUs/Hosted Rentals

Draft specifically **prohibits STRs** in

- ADUs/JADUs (updated)
- Single family units with ADU/JADU

Key considerations:

- **STR permit revoked** if construct **ADU/JADU**
- May
 - **Not incentivize** or encourage **new** ADU/JADU
 - **Not encourage new long-term housing** where an STR currently exists

Implications of Certain Proposed Amendments

- Short -Term Rentals prohibited entirely in MFR-L and MFR-M designations.
- Third-party inspections eliminates affidavit; does not address quality of unit.
- CL allows one STR outright.
- One STR per owner even in non-residential designations; does not affect traditional lodging types.

Questions and Discussion.

