

# Mono County Short-Term Rental Study

Regional Planning Advisory Committee Outreach 2024



# Background

- **May 3, 2022:** Emergency moratorium adopted on new short-term and transient rentals in all single-family residential units in any land use designation.
- Moratorium extended to **April 29, 2024.**
- Board directed staff to
  - 1) study the impacts of nightly rentals on housing availability, and
  - 2) return with a moratorium on nightly rentals in multi-family residential units for Board consideration.
- The Board disapproved a moratorium on multi-family residential units in October 2023.



Photo credit: Mono County Tourism and Film Commission

# Overview

- **Part 1:** Background
- **Part 2:** Literature Review
- **Part 3:** Policy Analysis
- **Part 4:** Economic Analysis
- **Part 5:** Stakeholder Engagement
- **Part 6:** Survey Results
- **Part 7:** Conclusions and Options



Photo credit: Mono County Tourism and Film Commission

Today's Purpose:  
Receive input from the community on potential Short-Term Rental housing options for the Board's consideration.

# Part 1: Background



# Background

- STR regulations dating back to 2012 and earlier
- Multiple revisions of the code, with community input
- Three moratoriums, latest in May 2022



Photo credit: Mono County Tourism and Film Commission

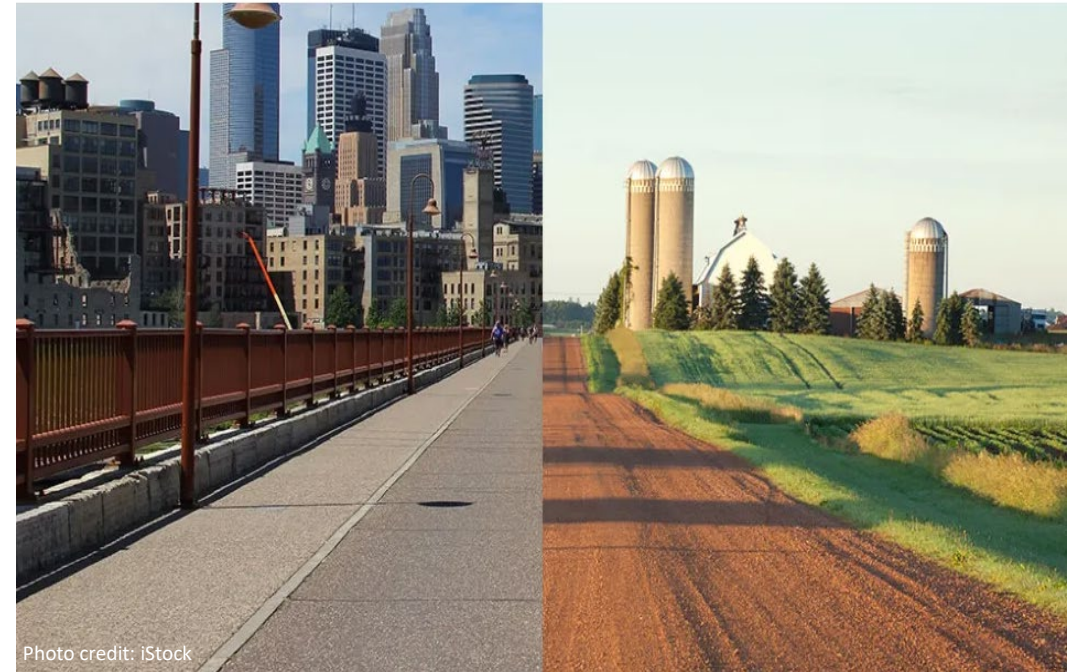
# Part 2: Literature Review





# Literature Review – Works Cited

- 50+ academic articles and industry publications
- Impact of STRs on Tourist Accommodations and Housing Markets
- Most research focused on urban markets - rural or less dense case studies were included



# Literature Review – STRs and Housing Market

- Impact varies
  - Stronger
    - Less owner-occupied housing, and
    - Smaller inventories of motel/hotel
  - Weaker
    - Smaller number of STRs compared to total housing stock
- “Hotelization” – revenue stream from housing



Photo credit: Jay Haeske





# Literature Review – STRs and Tourist Accommodations

- Likely impact on hotel/motel in same market
  - Occupancy
  - Price





# Part 3: Policy Analysis



# Policy Analysis - Overview

19 “mountain resort” communities identified:



# Policy Analysis - Summary

- Most have:
  - Permit/license requirements
  - Standard operational requirements
  - STR regulations based on land use, with more residential restrictions
- About half include workforce housing as policy rationale
- Majority do not have permit caps



Photo credit: Matthew Thayer



# Policy Analysis – Mono County Comparison

- Housing Mitigation Fee
- Stricter Process for STRs in residential land uses
  - Two permits
  - BOS approval
- Only Jurisdiction
  - Differentiates STR vs VHR permits
  - Limits one permit/individual
- More Stringent - “Occupied” or “Hosted” STRs



Photo credit: Mono County Tourism and Film Commission

# Part 4: Economic Analysis

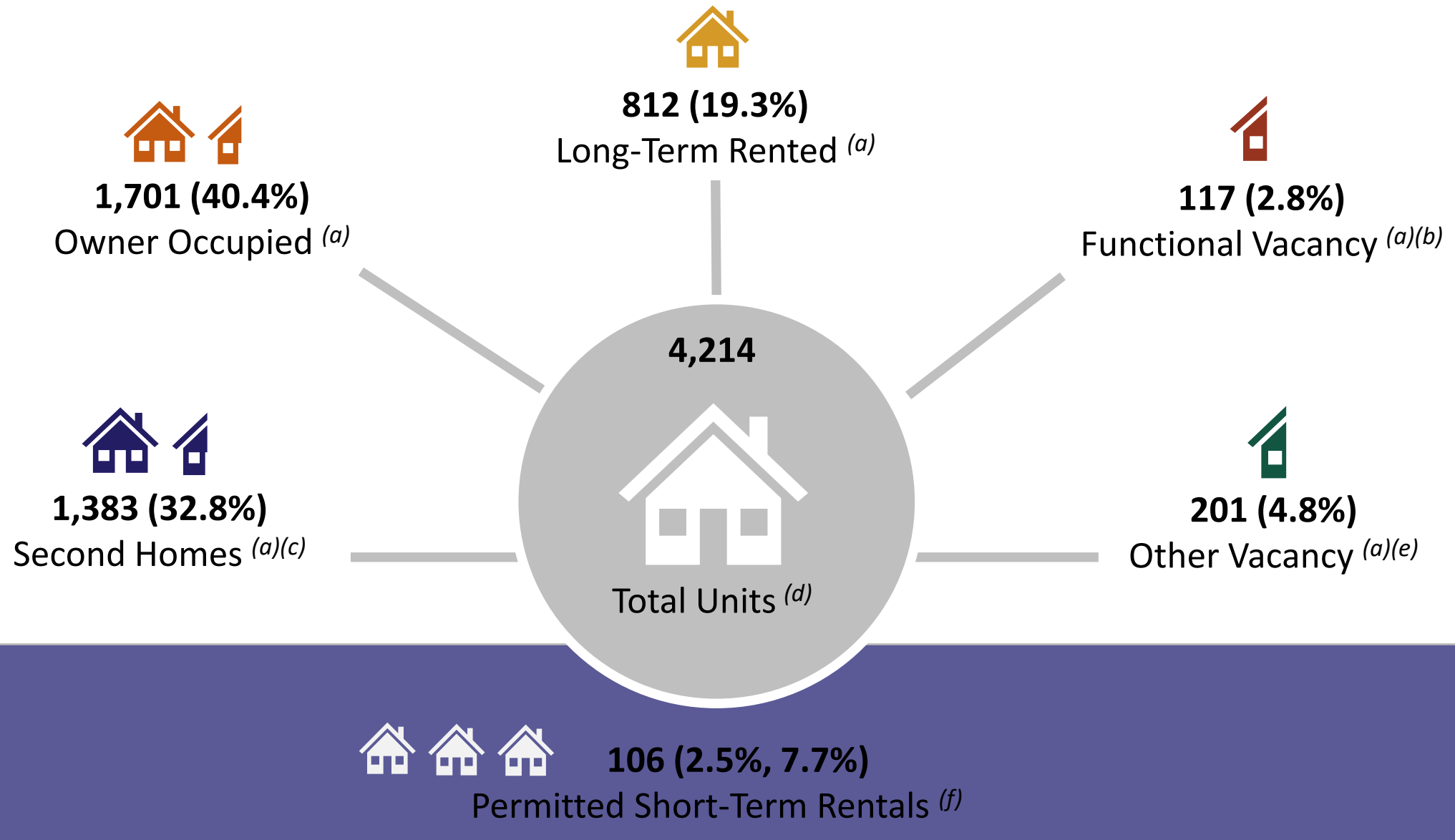


# Mono County Housing Stock

- 13,912 units countywide
- 4,214 unincorporated area
- ~60% full-time occupied
  - 2/3 owner-occupied
  - 1/3 rented
- ~40% “second homes”



Photo credit: Mono County Tourism and Film Commission



Housing Stock Utilization, 2023 est.



# Home Sales and Prices – Unincorporated County

## Single-Family Residences

- Majority of Sales 2019-2023
- Most in Long Valley, Bridgeport, June Lake, and Antelope Valley Planning Areas

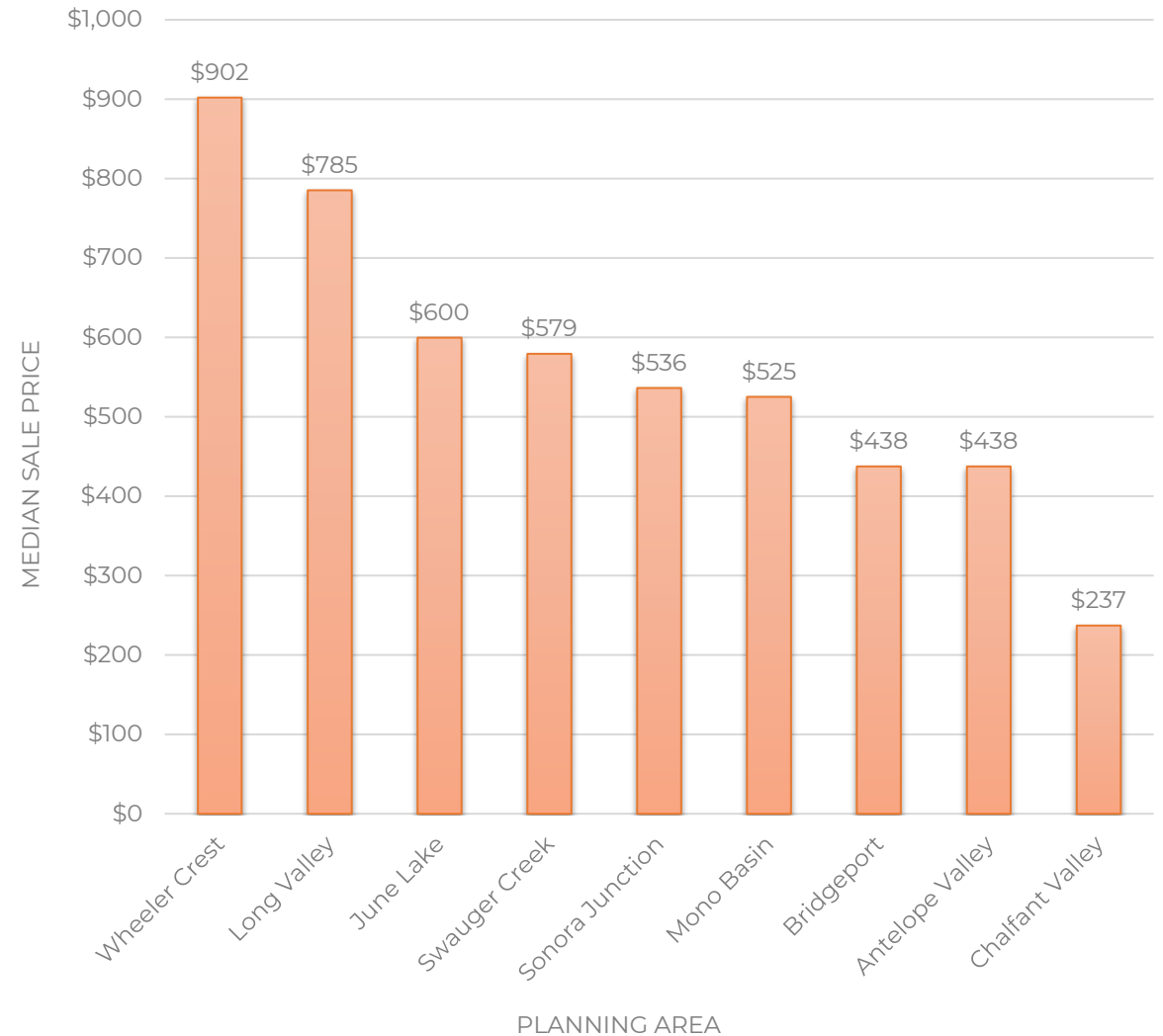
## Condominiums Had Higher Average Sales Price

- \$626,800 average sale price
- Typical HOA Dues - \$400 - \$650/month



# SFR Housing Sales

- Highest median single-family home prices in 2023 (January-November):
  - Wheeler Crest,
  - Long Valley (only owner-occupied STRs allowed),
  - June Lake (depends on location), and
  - Swauger Creek
- Lowest median sales prices:
  - Antelope Valley (STRs allowed)
  - Chalfant Valley



# Rental Rates Summary

- Limited Number of Rentals
- Relatively Affordable Rents
- Rentals Likely Go to Higher-Income Households



# Labor Force Trends

- 8,162 employed persons (avg)
  - **87% live in Mono County**
  - 13% commute from other counties
- 8,095 employed residents (avg)
  - **88% work in Mono County**
  - 12% commute to other counties



Photo credit: Bodie.com

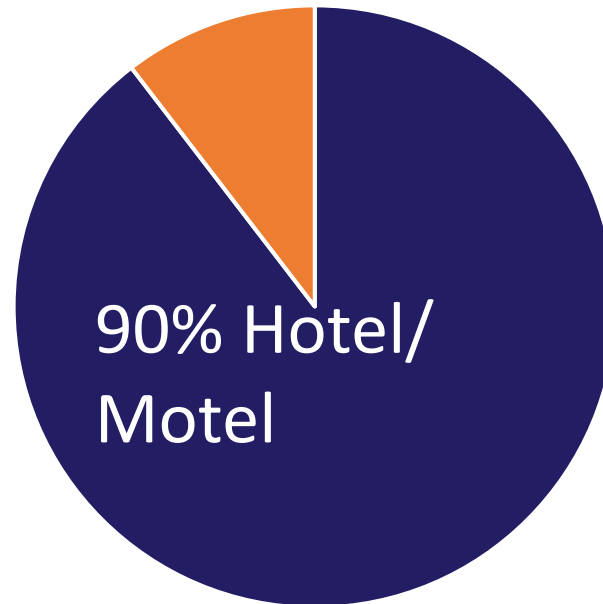
# Labor Force Trends

	<b>Mono County</b>	<b>Town of Mammoth Lakes</b>
2015-2019	Stable Work Force	Downward Trend in Unemployment
2018-2019		Stabilized unemployment at .05%
April 2020	28.5%- unemployment high	
Early-mid 2021	3-4% unemployment – <i>similar to pre-pandemic trends</i>	~0% unemployment

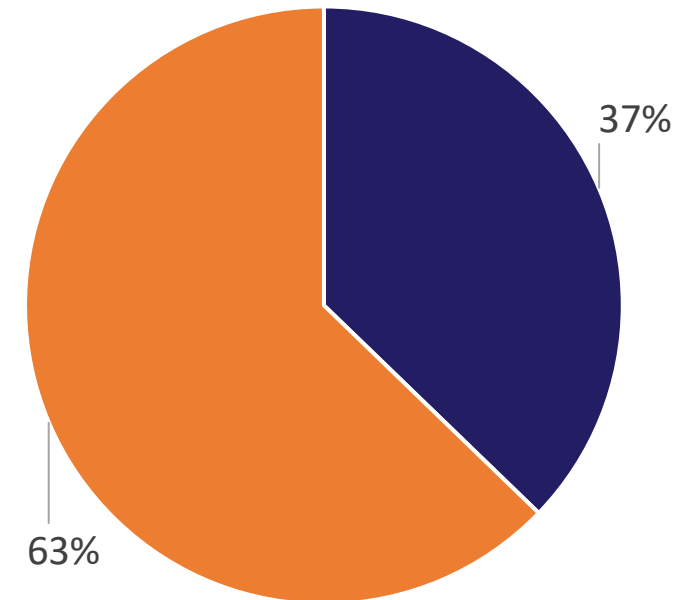
# Tourism Accommodation Industry Trends

- Tourism is primary economic driver
- 911 tourist accommodation units (TAUs)
- Short-term rentals (STRs) - ~10% of all TAUs -

Uninc. Mono County



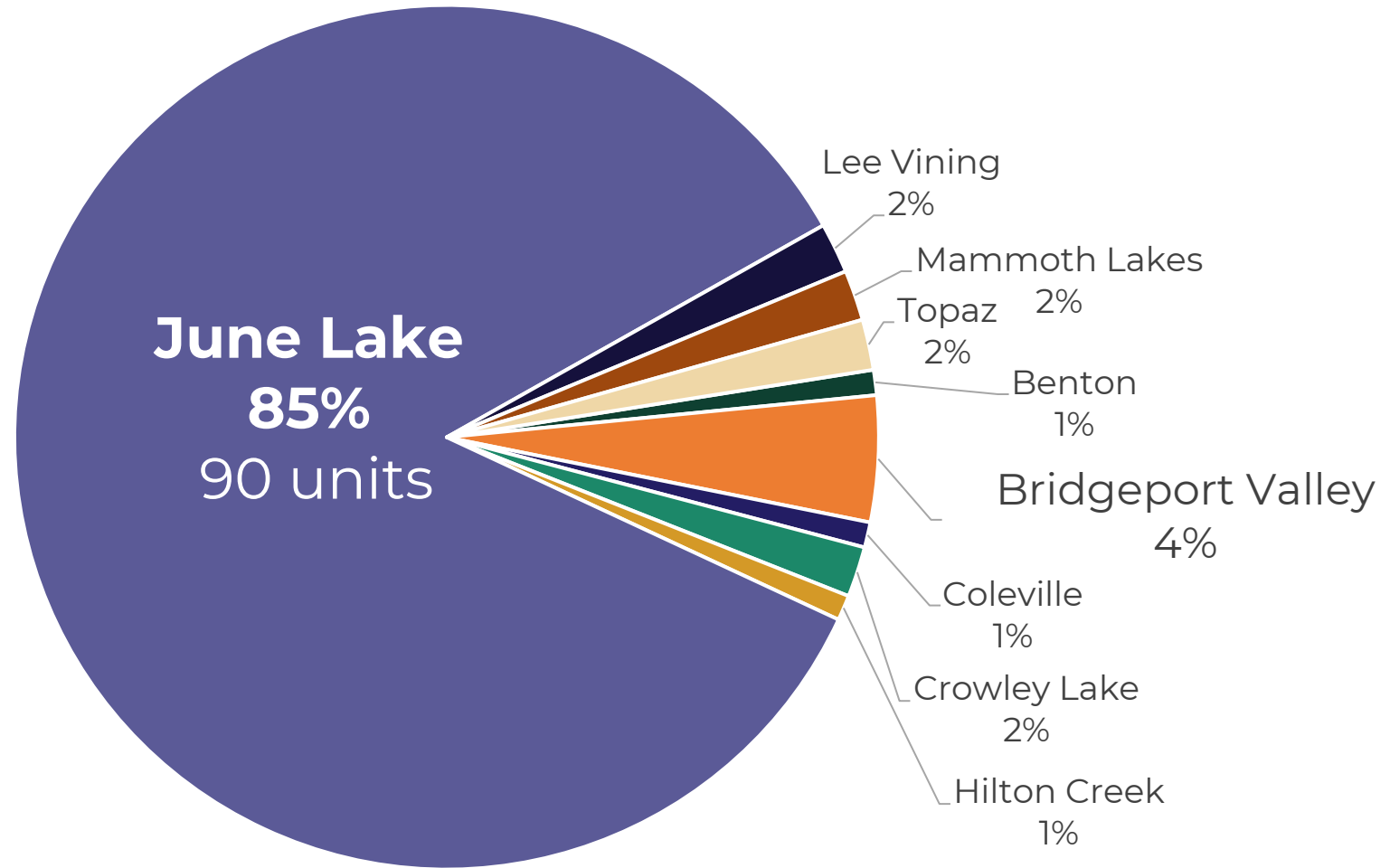
Mammoth Lakes



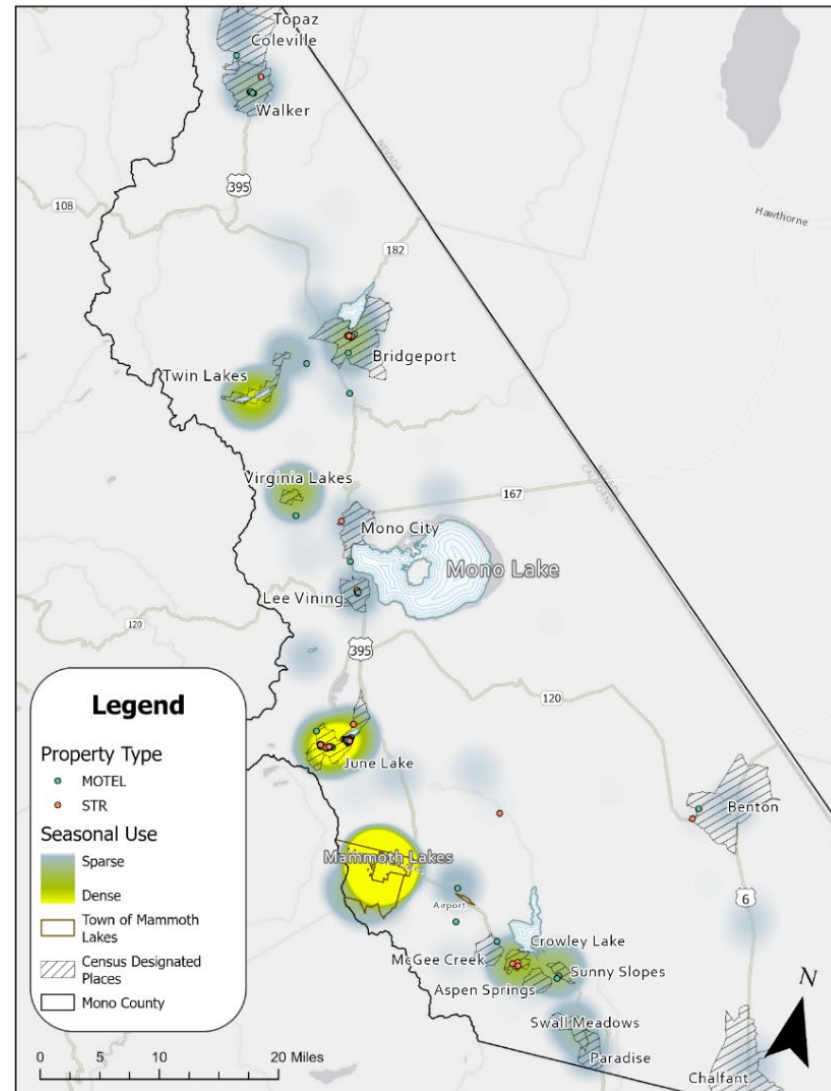
■ Hotel/Motel ■ STR

# STRs by Location

**106 Units**



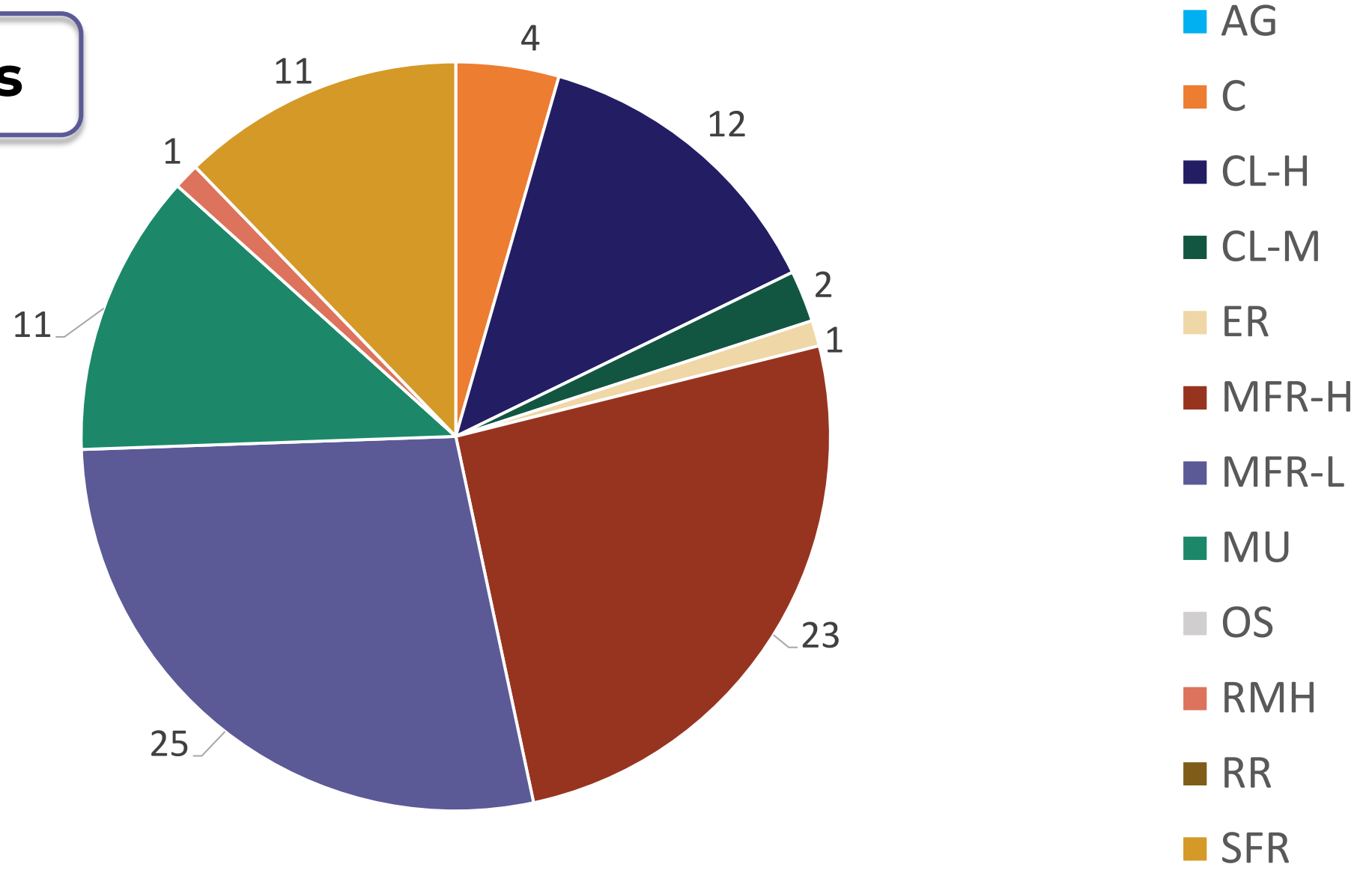
# Seasonal Vacancy





# June Lake STRs by Land Use Designation

**90 Units**





# Occupancy and Revenue Generation

Area	Average Occupancy Rates	Average Daily Rates
Coleville-Walker	39%	\$105
Benton	91%	\$340
<b>June Lake</b>	<b>60%</b>	<b>\$414</b>
Bridgeport	69%	\$138

# Induced Workforce Housing Demand

- Most (75%) Destination-Related Jobs in the County - hotel, motel, vacation rental overnight visitors
- Short-Term Rentals in Mono County Supports Jobs
- Each New Short-Term Rental in Mono County Requires Workforce Housing



# Induced Workforce Housing Demand

- \$580.6 million in yearly out-of-town visitor spending
- 5,990 destination-related jobs
  - =\$96,928 in visitor spending per supported job
- \$424.8 million in visitor spending associated with hotel, motel and vacation rental overnight visitors
  - This accounts for ~4,383 jobs, or 73% of all destination visitor-supported jobs in Mono County (or ~55% of all jobs in Mono County)
- 662,159 yearly occupied room nights in Mono County
  - =151 room nights per supported job

# Part 5: Stakeholder Engagement



# Interviews - Overview

- Six interviews
  - Five in-person
  - One virtual
- 45-minutes; four questions
- Housing
- Local Business
- Hotel and Motel
- STR Owners and Managers
- Housing Ad Hoc



# Interviews – Key Takeaways

- **Data Needed**
- Time and Resources – **Current Short-Term Rental Regulations vs. Immediacy of Housing Issues**
- The Issue of Scale – **More Development vs. Incremental Change**



# Interviews – Key Takeaways

- Equity Lens vs. Property Owner Rights – **County’s Role**
- **Location-Specific Solutions**
- **Longstanding Issue – Housing Availability**







# Part 6: Survey Results



# STR Survey – Overview of Data Collected

- 272 total responses; 129 retained.
- 35 STR owners/managers from throughout the county
- 94 who did not own or manage STRs, all reside in unincorporated county



# STR Survey – Key Takeaways

- 49% of STRs purchased in the past five years
- 31% of STR owners/managers report they previously rented the property long-term
- 46% of STR owners/managers report they rent other properties on a long-term basis
- 60% of STR owners/managers do not rent their property long term because they would lose the ability to use the property intermittently on their schedule.
  - Only 11% state profitability as their reason
  - Only 3% cite California's tenant-friendly housing laws



# STR Survey – Key Takeaways

- 4 of 35 owners reported the STR's prior use was long-term rental.
- 80% of STR owners/managers state they would use their STR as a personal second home or sell if they could no longer rent on a short-term basis.
  - Only 5 of 35, or 14%, report that they would rent long term.



# STR Survey – Key Takeaways

- Very few incentives would entice STR owners to rent long-term.
  - 21 of 35, or 60%, stated none of the options would entice them to rent long term.
  - The most popular incentive, at 23% or 8 of 35, is financial incentives.
- Vast majorities of both STR owners/managers (80%) and those who do not manage or own STRs (95%) would support programs or incentives that support the creation or preservation of housing for local workforce. The following programs were the most popular:
  - A grant program that incentivizes owners to rent to local workforce
  - A loan program that incentivizes property owners to build ADUs for long-term rental
  - A loan program that incentivizes property owners to repair/update properties for use as long-term rentals
  - A tax fund directed towards the development of affordable workforce housing



# Part 7: Conclusion and Options



# Conclusion

- No obvious correlation between STRs and housing, county-wide
- June Lake area may have stronger correlation
- Possible influence from Mammoth Lakes
  - Mammoth Lakes STRs pushing workforce into the County for housing
  - ~0.85 new jobs/STR - need workforce to support





# Options - Policy Objectives

1. Limit or decrease the number of existing STRs.
2. Prevent neighborhood impacts and nuisances.
3. Discourage business investment in or commodification of housing.
4. Preserve and encourage workforce housing units.
5. Increase available bed base without affecting long-term rental availability.
6. Encourage development of new workforce housing units.
7. Adjust to the market and STR trends.
8. Create an equitable permitting process.
9. Engage with regional partners.





# 1. Policy Objective:

Limit or decrease the number of existing STRs.

Set a numeric cap on STR permits countywide.

Set a numeric cap on STR permits in a specified geographic location.

---

June Lake

---

Other

Change the General Plan and Zoning Code and prohibit STRs in some or all residential areas.

## **2. Policy Objective:**

Prevent neighborhood impacts and nuisances.

Retain existing permitting requirements..

Increase violation fees..

Increase compliance staffing..

Increase compliance standards..



### **3. Policy Objective:** Discourage business investment in or commodification of housing.

Implement a waiting period before any new property owner can apply for an STR permit.

Prohibit STR permits for a specified period where an eviction has occurred on properties in the previous two years.

Amend language in the code regarding property rights to state STR permits do not run with the land.

Amend definition of short-term rentals of residential properties to include fractional ownership and/or time shares.

Prohibit new STRs.



**4. Policy Objective:** Preserve and encourage availability of workforce housing units.

Require the same approval process for MFR units as SFR units.

Require a minimum STR size (floor area) for new STR permits.

Partner with an organization to create a renter-owner matching program (non-profit, partnership).



**5. Policy Objective:** Increase available bed base without affecting long-term rental availability.

Allow “hosted” STRs and change county definitions and regulations for “occupied” STRs.

Exempt hosted rentals from a permit cap (if adopted) or allow in zones that don’t otherwise allow STRs.

Allow a long-term renter to occupy an ADU on a property while allowing short-term rentals in the main home.

Allow an ADU to be an STR if the main unit is occupied by the owner or a long-term renter.

**6. Policy Objective:** Encourage development of new workforce housing units.

Publicize the County's pre-approved Accessory Dwelling Unit (ADU) plans.

Highlight State housing laws that ministerially allow 100% affordable housing developments.

Offer loans and/or grants for building or rehabilitating or preserving long-term housing.

Allow one new STR to be permitted for three new workforce housing units, based on the job generation rate.

Partner with Sierra Business Council or create a new position to help housing development applicants through development review and permitting process.

## **7. Policy Objective:**

Adjust to the market and STR trends.

Consolidate STR permitting and tracking and create a universal tracking system.

Collect code compliance data.

Track and report on STR Transient Occupancy Tax revenue.

Track and report on STR permit activity and trends in the County's annual report.



## 8. Policy Objective:

Create an equitable permitting process.

Consolidate the permitting process into a single unified procedure with a single set of terms and requirements for all permits, regardless of land use designation.

Continue to require annual renewals for all STR Permits.





## **9. Policy Objective:**

Engage with regional partners.

Encourage the Town of Mammoth Lakes to regulate STRs.

## Other Options

If a second homeowner rents long-term, pay for their lodging when they visit the area.

Thank you.

