

# Short-Term Rental Policy Update (Cont.)

MONO COUNTY PLANNING COMMISSION  
SEPTEMBER 30, 2025





# Presentation Outline

- I. ~~Introduction~~
- II. ~~Purpose~~
- III. ~~Public Involvement & Research~~
- IV. ~~Proposed Amendments~~
- V. ~~Environmental Impact~~
- VI. ~~Public Comment~~
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- VIII. Policy Alternatives**



# Purpose

- Prioritize personal residential use in residential units (for the owner or long-term renting)
- Continue to support a “sharing” model, not outright income generation
- Prevent the loss of residential housing to a business model
- Prevent the commodification of housing

**NOT** intended to generate or create new housing units or unilaterally solve the housing situation.

The County has a separate adopted Housing Strategy.



## Data & Basis

- County Survey – 94 responses
- Regional Planning Advisory Committee (RPAC) workshops on potential regulations and draft policies – 37 attendees (2024)
- Short-Term Rental Housing Study, including focus groups
- Policy option workshops with the Board
- SMR Development memorandum
- 18 public meetings total



# Policy Issues Addressed

1. Limit ~~or decrease~~ the number of existing short-term rentals.
2. Prevent neighborhood impacts and nuisances.
3. Discourage business investment in or commodification of housing.
4. Preserve and encourage workforce housing units.
5. Increase the available visitor bed base without affecting the availability of community housing.
6. Create an equitable permitting process

# **Policy Alternatives**





# Policy Alternatives

- Issue 1.**      **A.** Establish a numeric cap on STR permits in June Lake.
- Issue 3.**      **G.** Require a waiting period after the sale of a unit before any new property owner can apply for a STR permit.  
**H.** Require a waiting period after completion of new construction unit before the property owner can apply for a STR permit.
- Issue 4.**      **L.** Develop an incentive program that leverages STR permits in exchange for community housing.
- Issue 6.**      **O.** Consolidate all STR permits under one permitting system.



# 1.A. Cap in June Lake

*Issue 1. Limit the number of existing short-term rentals.*

*Issue 3. Discourage business investment in, and commodification of, housing.*

Issue	Survey - 94	RPAC - 37
Countywide Cap	59% in favor	82% in opposition
Cap in Certain Areas	65% in favor	100% in favor
Cap in June Lake	n/a	100% in favor
		Individuals opposed to more regulation, realtors opposed

## Cap limit:

- STR impacts are felt by locals (survey = 78%).
- Remain under saturation point where data can identify.
- Proposed in 2024 = 10% growth --> was 86 at the time, **cap = 95**





# Responses to Discussion

- **Number of bedrooms:** The rule of averages is likely to apply and the number of bedrooms will fluctuate slightly up or down based on the size of permitted units.
- The 2017 regulations did not address the current issues.
- A cap also addresses Issue #3 regarding commodification.
- **Unused STR permits:** Renewal application and fee required. A requirement could be added to demonstrate use.
- **Reduced/insufficient bed base:** The proposal does not reduce the number of STRs and provides for the opposite – a 10% growth.



## 1.A. Alternatives

1.A-1. Adopt as proposed: 95 total permits, five remain available.

**1.A-2. Eliminate cap:** Permits subject to approval process with no upper limit.

1.A-3. Set cap at another limit: 10% above current permits (90) = cap of 99.  
Round up to 100 for simplicity.



## 1.A. Commission Input

*Issue 1. Limit or decrease the number of existing short-term rentals.*

*Issue 3. Discourage business investment in, and commodification of, housing.*

- Some Commissioners were favorable, others were opposed.
- Options mentioned: separate cap for condos, a more generous cap, a cap based on location, accounting for the # of rooms, excluding condos.
- One Commissioner opposed if all permits are approved on a case-by-case basis.



## 3. G. & H. Waiting Period

*Issue 3. Discourage business investment in, and commodification of, housing.*

Survey – 94	RPAC – 37
57% in favor / 43% opposed (correction)	83% in favor
	100% in favor in June Lake (4 of 4)
	Generally supported, comments to consider
	Realtors oppose

**Clarification:** The proposed waiting period applies countywide.

**Public comments** (primarily from real estate community):

- Economics of building long-term rentals doesn't work
- Deters purchase of units
- Don't apply to units historically used as STRs



## 3. G. & H. Alternatives

**3.G & H-1. Adopt as proposed.** Two-year waiting period after sale or construction.

**3.G & H-2. Eliminate waiting period.**

**3.G & H-3. Modify the waiting period** (to longer or shorter).

**3.G & H-4. Develop criteria to waive** for future consideration/adoption.



## 3.G. & H. Commission Input

### *Issue 3. Discourage business investment in, and commodification of, housing.*

- Some were supportive, others were opposed.
- There is no data and it's untested / There is plenty of data.
- The waiting period may be too long.
- STRs in condos may be preferable.
- Criteria to waive may be needed.
- Outreach data indicates public concern over STR impacts.
- Renters and long-term residency down, no solutions offered except building more units, not only government responsibility.
- Waiting periods are the single most effective thing that can be done to prevent the commodification of housing.



## 4.L. Incentive Program

*Issue 4: Preserve and encourage workforce housing units.*

### **Data & Feedback:**

- New development needed for housing = all 6 focus groups.
- STR owners: If no STR, would use unit for intermittent personal use (60%).
- STR owners: Not enticed by any incentives to rent long term (60%).
  - Financial incentives most compelling (23%).
- Incentives for workforce housing supported by public and STR owners (95% and 80%, respectively).
  - Financial incentives most popular – tax (50%), grants (39%), loans for new construction and refurbishing (36%)



## 4.L. Incentive Program

- **SMR Development consulted:**
  - STR permits are not necessarily a valued incentive tool.
  - Financial tools more effective, examples cited.
  - Outside scope of this policy package – send to County Housing Committee.
- **3:1 Incentive ➡** 3 units for 1 STR approval
  - 2024 RPAC feedback: 80% (8) in favor , 2 opposed
  - Fully mitigates STR impact and provides an additional community benefit
  - Optional for applicant, not required
  - Options: deed restrictions, guaranteed approval, cap, streamlining





## 4.L. Alternatives

**4.L-1. Adopt as proposed** and develop a future program for adoption.

**4.L-2. Adopt new policy** with desired modifications:

- *Policy 1.D.10. Favor a project proposal providing three housing units that are deed-restricted for long-term rental or ownership at less than 120% AMI (area median income) for every STR unit, provided the STR cap has not been met, development standards are satisfied, and the STR is otherwise deemed to be unlikely to cause public nuisance issues.*
- Potential modifications: a) deed restrictions, b) guarantee STR approval, c) allow cap to be exceeded, d) streamlined approval.

**4.L-3. Adopt both** with any desired modifications.

**Commission Feedback:** Generally supportive



# 6.0. Consolidated Permitting

## *Issue 6: Create an Equitable Permitting Process.*

### **Background:**

- Currently, multiple permitting pathways.
- 100% of 2024 RPAC feedback in favor of single permit system and annual renewals.
- Residential LUDs not affected – same process.
- Primarily affects condo complexes in June Lake, several have been used as STRs for decades.



## 6.0. Consolidated Permitting

### Currently – Residential Units Only:

- **Residential LUDs:** Requires use permit and STR activity permit
- **CL-H:** Outright – one unit under single ownership
- **MFR:** Outright – existing nonconforming use if historical use is demonstrated, otherwise prohibited
- **Other Non-Residential LUDs:** Require discretionary approvals (DR or UP)

### Proposed – Residential Units Only:

- **Any LUD:** Requires a use permit and STR activity permit.
- **CL-H:** Requires use permit and STR activity permit **(NEW)**
- **MFR-H:** Follow LUD – Requires use permit and STR activity permit **(NEW)**
- **MFR-L and -M:** Prohibited in future ➡ Interlaken

**Other Condo Issues:** Permits do not transfer with sale, numeric cap and two-year waiting periods apply.



## 6.0. Consolidated Permitting

Table 5: Affected Condo Complexes in June Lake

Complex	Land Use Designation	Number of Units	Number (%) of Units Permitted
Interlaken Condos	MFR-L	38	25 (66%)
Sierra Suns	MFR-H	12	8 (67%)
Edgewater Condos	MFR-H	20	14 (70%)
Hideaway Down Canyon	CL-H	10	5 (50%)
Aspen Meadows	CL-H	11	4 (36%)
Birch Creek Condos	CL-M	8	3 (38%)
Total		99	59 (60%)



# 6.0. Alternatives

## 6.0-1. Adopt as proposed.

## 6.0-2. Allow STRs at Interlaken.

1. Initiate changing LUD to C\* or CL-M\*, or amend MFR-L\* to allow STRs
2. Recommend existing nonconforming uses for Interlaken in the interim. Decide if the numeric cap and waiting periods apply.

**6.0-3. Provide carve-outs for specific LUDs:** cap, waiting periods, modify permitting process, carve-out specific complexes based on certain criteria

**6.0-4. Do not apply proposed policies to MFR and CL,** including the cap, waiting periods, two-step permitting process, and non-transfer of permits upon sale.

\* Corrections



# Responses to Public Comment

## Unacknowledged Facts:

- The cap was not set arbitrarily. It was based on reasoning and logic to remain under the impact saturation point identifiable by data.
- The proposed policies will not reduce the number of STRs, or visitation, or cause the corresponding economic impacts. The proposed cap supports the **opposite** – it allows for growth.
- Does not create housing units or “solve” the “workforce housing crisis.” The proposed policies primarily impact the commodification of housing which, if reduced, lowers sale and rent prices to be more affordable to local residents.



# Responses to Public Comment

## Inaccurate Statements:

- **Property Rights:** STRs are not a property right or entitlement.
- **Interlaken is designed only for vacation or short-term rentals:** Interlaken was permitted as a multi-family residential project and built to MFR residential building codes. Fully appropriate for long-term rentals and residential use.
- **Prohibiting STRs in Interlaken is unfair and unequitable:** STRs are prohibited in all other MFR-L properties in the county. Interlaken was the exception. Other condos in June Lake are in different LUDs and cannot be compared.
- **HMO Fees:** Only a few units have paid the HMO fee.



# Responses to Public Comment

- **Existing operators** retain their STR until they sell.
- **County TOT and Property Taxes:** STRs are ~10% of the countywide visitor accommodation units and will grow under the proposed policies. No reduction in TOT or property taxes would result.
- **Compliance:** Will push rentals underground, reduce tax compliance.
- **Reduce community vitality:** STR owners are not the ones volunteering and making a real community; full-time residents are. Regardless, no reduction in visitor accommodations is occurring.
- **TOT:** Already a burden, haven't seen use (check the County budget)
- **South Lake Tahoe comparison:** Not applicable





# Responses to MLBOR

- **Cap:** The cap is not arbitrary. The number of STRs is not being reduced and therefore will not negatively impact the economy. The cap allows growth.
- **Waiting Period**
  - "...tells prospective buyers and investors they cannot use the property they are purchasing for a period of two years." **FALSE.** The property can be used in any manner suitable for a residential unit in a residential neighborhood, just not for STRs.
  - Deters development: Only deters residential development intended for visitor use. Visitor accommodations (hotels, cabins, etc.) are not affected. Residential units for residential uses other than STRs are not affected.



# Responses to MLBOR

- **Incentives:** Policy 1.D.10. would be optional for an applicant, not a requirement. It requires full mitigation of STR impacts, plus a community benefit. If STRs don't fully mitigate their own impacts, the burden is passed on to the community, County, and general taxpayers.
- **One Permit System**
  - The **true intent** is to “create a simplified, equitable process for all permit holders and improve universal tracking and code enforcement” which MLBOR supports.
  - The **policies protect existing uses** – those with approvals can continue to operate. Only future new owners are subject to the new regulations.
  - **Certainty:** Provides certainty that an STR should not be relied upon for income. Characterizing STRs as “non-nuisance-creating uses” is misleading and disingenuous.



# Decommodification Quotes from Public Comments

## Cost is not affordable

- We rely on the rental revenue to cover the costs associated with our unit. x6
- ...if you took away our ability to [short-term rent], it would have a significant financial impact on us. x6
- We rely heavily on short term rental income to pay for property improvement expenses. Without STR income we would be unable to make property improvements and pay our mortgage.

*Current owners not impacted – they retain rental rights.*

*Future owners will have to buy without an income stream from the unit, which should be reflected in the sales price.*

# Decommodification Quotes from Public Comments

## Resale Value

- ...a rule that impacts future owners' ability to rent the unit will also impact on the value of our property (sic). x6
- Resale values will decrease dramatically.
- We will not be able to sell our property in the future as no one will buy it if they cannot rent it out.
- Eliminating [short-term rentals] for future owners effectively devalues our properties and removes a crucial part of the investment return we relied upon when purchasing.
- If short-term rentals are prohibited... property values will drop...

*Decommodification separates the value of STRs from the property and may reduce demand, both of which elicit a market response of reduced pricing. Someone, maybe a local, will buy at the right price...*



# Public Comment – Agreement

- Interlaken is not workforce housing.
- The proposed policies should avoid reducing the visitor bed base due to negative economic impacts.
- Existing rental rights should be retained.
- A simplified, equitable process for all permit holders and improve universal tracking and code enforcement is beneficial.
- The County should continue pursuing community housing programs.



# 6.0. Alternatives

## 6.0-1. Adopt as proposed.

## 6.0-2. Allow STRs at Interlaken.

1. Initiate changing LUD to C\* or CL-M\*, or amend MFR-L\* to allow STRs
2. Recommend existing nonconforming uses for Interlaken in the interim. Decide if the numeric cap and waiting periods apply.

**6.0-3. Provide carve-outs for specific LUDs:** cap, waiting periods, modify permitting process, carve-out specific complexes based on certain criteria

**6.0-4. Do not apply proposed policies to MFR and CL,** including the cap, waiting periods, two-step permitting process, and non-transfer of permits upon sale.

\* Corrections



## 6.0. Alternatives – Interlaken

1. Should **new** STRs be permitted at Interlaken in some form?
2. If no, stop. If yes, how?
  - A. Change the parcel LUD to either C or CL-M.
  - B. Amend the MFR-L LUD to allow STRs – affects MFR-L properties countywide.
  - C. Make and apply existing nonconforming findings to Interlaken and do not change the LUD.
3. If the LUD is changed, should STRs be permitted in the meantime as existing nonconforming uses?
  - A. No – stop.
  - B. Yes – recommend the Board make the findings and permit STRs i) outright, ii) subject to a use permit only, iii) subject to an STR activity permit only, iv) subject to both, or v) subject to any regulatory carve outs.



## 6.0. Alternatives – Interlaken

**If permitting new STRs at Interlaken is desired, the recommendation is:**

1. Change the parcel to CL-M via a General Plan Amendment (GPA).
2. Recommend the Board make existing nonconforming findings and permit new STRs at Interlaken subject to an STR activity permit.
  - The STR activity permit will not transfer with the property and will be subject to any decision about the cap and waiting periods.





## 6.0. Alternatives for Condos

### **6.0-1. Adopt as proposed.**

- STR does not transfer with sale of the property.
- Subject to cap and waiting periods.

### ~~6.0-2. Interlaken~~

### **6.0-3. Provide specific carve-outs for:**

- Allowing STR approvals to transfer with the sale of condos
- Cap: do not apply, or apply a different cap
- Waiting periods: do not apply, or apply a different waiting period
- Modify process by condo complex or LUD: require only a use permit or STR activity permit.
- Carve-outs by LUD are applied countywide.

### **6.0-4. Do not apply proposed policies to MFR and CL,** including the cap, waiting periods, two-step permitting process, and non-transfer of permits upon sale.

# Questions?

**MONO COUNTY PLANNING COMMISSION**  
**SEPTEMBER 30, 2025**

