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Planning Director
Kari Svanstrom

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City of Sebastopol Planning Commission Staff Report

Meeting Date: August 27, 2019
Agenda Item: 9A
To: Planning Commission
From: Kari Svanstrom, Planning Director *KS*
Subject: Vacation Rental Policy Discussion

Introduction:

This is a continuation of the August 13, 2019 Planning Commission discussion on non-hosted vacation rentals. Staff has summarized the direction of the Planning Commission on various items that were resolved, issues remaining, and items which require further research from staff and/or a consultant.

At its August 13, 2019, meeting, the Planning Commission began discussions for updates to the City's regulations for vacation rentals. The focus of the discussion was modifications to the existing regulations on non-hosted vacation rentals.

These uses would normally require a Conditional Use Permit (CUP) however, in light of the housing shortage, and the recent denial of a CUP for a non-hosted vacation rental due to inconsistencies with the Housing Element policies of preserving and protecting existing housing stock, staff is seeking recommendations from the Planning Commission on the items discussed in this report.

The initial moratorium will be in effect for 45 days, with the ability to extend it, which will likely be needed.

While staff does not have answers to these questions, we would like to begin discussion of the various items with the Planning Commission to get preliminary discussions on the various items raised by staff in its report to Council, and also identify any other concerns or issues the Planning Commission has on this topic as the process moves forward.

Discussion:

The following summarizes the general direction on various items from the Planning Commission's August 13, 2019 discussion:

- *How to handle currently registered non-hosted rentals over time*

There was discussion and agreement from some Commission members that these uses should be subject to new regulations upon change in property ownership, at a minimum.

- *What type of non -hosted vacation rentals would be "approvable" in the future.*

The Commission's discussion centered around the desire to provide some flexibility to local residents/property owners; discouraging conversion of permanent residential uses to transient uses; and, preventing corporate investors and/or out of town investors from being able to convert residential uses to transient use.

The general direction was to consider raising the number of days a non-hosted rental could be done with an administrative permit from 30 days/year, but to have the number of days be low enough such that full-time non-hosted rentals were discouraged or prevented. Staff will be researching and assessing other communities who have such policies to determine how effective such a regulation is in limiting conversion of long-term residences to short-term rentals, as well as how effective such a program is to administer/monitor.

There was also some discussion of potentially allowing a non-hosted rental greater than the 'number of day limit'

Lastly, there was some discussion regarding how to assess overconcentration of vacation rentals (both hosted and non-hosted) in neighborhoods, with a sense that commercial areas might have a higher threshold for such rentals than residential neighborhoods. However, there was not consensus on whether a numeric limit (cap) was needed at this time.

Staff will be researching the above elements and bring further information on best practices, implement-ability, and lessons learned from other communities back to the Commission at a future meeting.

- *How to regulate multi-unit properties and review of the definition of 'hosted' rentals*

The Commission recommended modifying the Definition of "Hosted" rentals (see below) to recognize a single-family residence with an accessory dwelling unit (ADU) as a single property, and classify these as 'hosted rentals' given the single ownership and inability to sell the units separately.

The Commission concurred that single family homes with ADUs should be considered 'hosted' rentals if the owner/agent lives in one of the units.

There was not support for extending this consideration to multi-family properties, as this could result in multiple tenants being displaced/units being lost to vacation rentals. Staff will develop language in the ordinance that clarifies the definition of a 'hosted' rental and distinguishes between these two types of properties.

17.08 Definitions:

"Vacation rental" means any transient occupancy use of 30 days or less of a dwelling unit or accessory dwelling unit for which the City has issued a vacation rental permit pursuant to this

section. The term “vacation rental” shall be used to include all hosted vacation rentals and all nonhosted vacation rentals.

1. **“Hosted vacation rental”** means a vacation rental business for which the owner or authorized agent resides at the vacation rental unit and stays overnight at the vacation rental unit while it is being rented, and no more than two bedrooms are rented for transient occupancy pursuant to this section.
2. **“Nonhosted vacation rental”** means a vacation rental business for which the owner or authorized agent is not required to reside at the vacation rental unit which is rented for transient occupancy pursuant to this section.

The Commission also discussed whether it would be appropriate to increase the number of bedrooms allowed for a hosted rental without a Use Permit from two bedrooms to three bedrooms, although there was not consensus on this given the potential neighborhood impacts. Currently, a hosted rental of more than two bedrooms is possible, but requires a Conditional Use Permit to ensure that these potential impacts (parking, noise from additional guests, etc.) are adequately addressed on the site. (Of note, a three bedroom hosted rental would require 4 parking spaces, one for each bedroom, plus one for the host).

- *How to regulate non -hosted vacation rentals in commercial zoning districts*

There was also consensus from the Commission to modify Hotels to require a Conditional Use Permit regardless of number of rooms. This will ensure the City has the ability to prevent conversion of permanent residential uses to hotel transient uses, as well as review such uses for community compatibility.

How to handle other properties within commercial zones was briefly discussed, with further information requested in relation to the character of different commercial areas. Additional discussion and direction to staff on this topic would be helpful.

Next Steps:

Following this discussion, staff will move forward with researching the various items requested by the Commission. Staff will either bring this to the Commission at the same time as a formal hearing on a draft ordinance, or as an additional discussion item if needed.

Public Comment:

Comments received as of this staff report and since the August 13, 2019 Planning Commission meeting are included as Attachment 1.

Attachments:

1. Public Comments



Sonoma County Coalition of Hosts

Dear Mayor Neysa Hinton and Sebastopol Town Council Members:

I am a local Windsor resident, vacation rental owner, and member of the Sonoma County Coalition of Hosts. I urge you to support home sharing as another way to encourage and sustain economic growth in the city of Sebastopol.

My children and family live a great distance from Windsor. I have them visit as much as time permits. They specifically recommended to me to share my home when they aren't able to be here. They also encouraged the option of supplemental income to keep my home in good repair so they are able to visit when opportunities arise. This is a good balanced use of my home for myself, my neighborhood and the county through paid TOT tax and all the businesses we support throughout Sonoma County communities

Simple, easy to understand rules, not convoluted or impossible to follow restrictions, will allow hosts and their guests to enjoy choosing Sebastopol as their center for activities while here in Sonoma County.

Convoluted, hard to understand, or impossible to follow rules may lead hosts to go "underground" and electing, by your recommendations, "not to comply". I ask you to establish clear, simple rules and educate new hosts and residents about the "current" laws that exist. Use Transient Occupancy Tax revenues to hire increased enforcement.

My rental contract states "quiet times" and "parking rules". Airbnb provides me with reviews of potential guests. I accept only positively reviewed guests. My surrounding neighbors wish our other neighbors nearby would be as quiet and polite as my guests and family.

My guests return often and use my home to visit Windsor's shops, restaurants, breweries, wineries and many diverse service providers including cleaning services and local tradesmen. You have a group of potential visitors to Sebastopol who wish to live like locals, and support local businesses. Airbnb states these guests spend more time in town than hotel guests, spend more money locally and can be a source for building future residency in Sebastopol.

Please encourage responsible home sharing.

My rental house offered shelter to local displaced residents after our firestorms in October of 2017. Becoming creative in these housing times of need should be our goal. Not closing doors.

I contacted Airbnb and asked that they list my rental as a home to which displaced Sonoma County residents could find a “turnkey” shelter. All vacation rentals are furnished and equipped to house anyone immediately, be it current residents, displaced residents, first responders or service providers.

My vacation rental took in a burned out couple from Mark West Springs Rd. and their 2 children. The following week the rental provided shelter for Service Pro employees from Portland, Oregon. The next week a retired couple from Mark West Springs who lost their home became full time renters living in the vacation rental for 6 months. They called me “their angel”. This flexibility is an asset to our community and should be supported.

If Sebastopol denies short term vacation rentals it would be an economic loss to its businesses and potential employees that we as rental owners employ. Sebastopol would merely give up the potential Transient Occupancy Tax it could collect and transfer those gains to other cities and county municipalities that encourage home sharing. An economic loss to the community of Sebastopol.

If Sebastopol wishes to provide more housing there needs to be an emergency plan to attract building single family homes. The small numbers of individuals renting out their homes would not be realistic in providing the housing needed in today market.

Please encourage responsible home sharing.

Thank you.

Sincerely Submitted,

Michael Robison

Windsor, CA

Sonoma County Coalition of Hosts

Kari Svanstrom

From: Kate Russell <katin76@yahoo.com>
Sent: Tuesday, August 13, 2019 12:22 PM
To: Michael Carnacchi; Neysa Hinton; Sarah Gurney; Patrick; Una Glass; Mary Gourley; Kari Svanstrom
Subject: unhosted vacation rentals in Seb

Dear Members of the Council and Planning Director Svanstrom,

Thank you very much for engaging with the conflict of vacation rentals and the rental housing shortage in our part of West County. I support an ongoing moratorium on unhosted vacation rentals. I would like to also see a condition in the ordinance that states that the homeowner can only rent the house out for 30 days a year if they are the ones living in it the rest of the time...i.e., that they do not rent it out to tenants for 11 months and boot them out for 30 days of vacation rental/ year. I would also like to see consideration on concentration of ADU's and rooms being rented to short term visitors when issuing new permits.

Upon arriving to live in Sebastopol almost 12 years ago, our family rented 3 different single family homes in town over about 6 years. In 2 of the rentals, we were asked to move out after about 1.5- 2 years so that the owner could sell the property (in the other, it was because the landlady wanted to move in). We were lucky to find another house in town to rent each time...and each time we needed it, there was only one rental available that had 2 or 3 bedrooms. The last rental we lived in became a 3 bd/ 2 ba vacation rental. Luckily, we had help from my in-laws and could purchase a house here in town before the selling prices became out of reach for us. They would be now. We have many friends that have been stressed by the rental market here and in the surrounding area....some have moved away, not finding adequate housing within their middle class price range. It has made me feel sad to lose friends and feel like we are among the few to "luck out." I don't want to live in an exclusive town....which is why I felt so pleased and proud to tell my 15 year old son about your deliberations and decision to engage with the vacation rental issue in Sebastopol the way that you have.

Thank you. I support you and will try to attend tonight's meeting, as well.

Respectfully,
Kate Thompson
7821 Anthony St.