



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Community Development and Infrastructure

Subject: Defer Public Hearing for Short-Term Rental Ordinance

Meeting Date: June 10, 2025

Formal Title: Defer to on or before August 5, 2025, the public hearing on amendments to the County Code regarding the short-term rental regulations

Recommended Actions

Defer to on or before August 5, 2025, a public hearing to consider amendments to the short-term rental regulations.

Executive Summary

The proposed amendments to Santa Cruz County Code (SCCC) Chapter 13.10 are the outcome of outreach and work done by the Short-Term Rental Ad-Hoc Subcommittee, which was formed by the Board of Supervisors on September 24, 2024. The proposed amendments aim to balance the economic benefits of short-term rentals with the need for neighborhood stability and housing protections. The proposed amendments include revisions to SCCC Use Charts 13.10.312, 13.10.322, 13.10.332, 13.10.352, 13.10.362, 13.10.372 and Sections 13.10.689, 13.10.690, 13.10.694, 13.10.700 to repeal the Hosted Rental and Vacation Rental Ordinances and implement the Short-Term Rental Ordinance. The deferral is requested to allow additional time for agency, legal, and Planning Commission review.

Discussion

To address the housing crisis and preserve neighborhood quality of life in Santa Cruz County, while balancing the economic benefits of short-term rentals, the Board of Supervisors formed the Short-Term Rental Ad-Hoc Subcommittee on September 24, 2025. Supervisors Cummings and Koenig were appointed to the Subcommittee which was tasked with meeting with stakeholders and drafting revisions to the County Code's short-term rental regulations to address issues including but not limited to: regulatory compliance, short-term rental noise violations, cooperation of hosting platforms, ordinance consolidation, saturation of non-hosted rentals (previously known as "vacation rentals"), tenant protections, and cost-recovery efforts.

On March 11, 2025, the Short-Term Rental Ad-Hoc Subcommittee presented their findings to the Board of Supervisors. The Subcommittee proposed amendments to the County's Hosted and Vacation Rental Ordinances which included repealing the two ordinances and adopting a Short-Term Rental Ordinance. The proposed Short-Term Rental Ordinance consolidated the Hosted Rental and Vacation Rental Ordinances (SCCC Sections 13.10.690 and 13.10.694) and included the following revisions to the County's existing regulations: implementation of a countywide limit on the number of non-hosted rental permits, implementation of short-term rental online hosting platforms responsibility to remove unpermitted listings, enhanced compliance and enforcement measures, and expansion of parcels eligible to be permitted as a hosted rental to include properties with accessory dwelling units and junior accessory dwelling units.

Acting on the Subcommittee's recommendation, the Board directed Community Development and Infrastructure staff to process the proposed amendments to the

County Code, present them to the Planning Commission for their recommendation to the Board, and return to the Board with a proposed ordinance to implement the amendments. Due to changes in the ordinance and to ensure regulatory consistency, this deferral will allow additional time for agency, legal, and Planning Commission review.

Financial Impact

The amendments to the Santa Cruz County Code modify existing regulations of vacation rentals and hosted rentals to clarify the regulations, set countywide caps and modify designated area caps on the number of rentals, implement a response hotline, and establish guidelines for online advertising platforms, among other revisions. The implementation of a response hotline is estimated to cost \$13,000 a year, which is expected to be offset by adjustments to the short-term rental permit fees.

Strategic Initiatives

Operational Plan - Attainable Housing

Submitted By:

Matt Machado, Deputy CEO / Director of Community Development and Infrastructure

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.