

7. Consider recommendations of the Short-Term Rental Ad Hoc Subcommittee to consolidate and revise the hosted rental and vacation rental ordinances, and take related actions ()



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Board of Supervisors - First District and Third District

Subject: Consider Recommendations of the Short-Term Rental Ad Hoc Subcommittee to Consolidate and Revise the Hosted Rental and Vacation Rental Ordinances.

Meeting Date: March 11, 2025

Formal Title: Consider recommendations of the Short-Term Rental Ad Hoc Subcommittee to consolidate and revise the hosted rental and vacation rental ordinances, and take related actions

Recommended Actions

1. Receive report from Board subcommittee and consider proposed revisions to the Santa Cruz County Code regarding short term/vacation rentals; and
2. Refer the proposed revisions to the Coastal Commission for their review and comment; and
3. Direct CDI staff and County Counsel to process the proposed revisions and present them to the Planning Commission for their recommendation to the Board and return to the Board with the proposed ordinance no later than the first meeting in June; and
4. Direct CDI staff to send a letter to short-term rental owners that have been paying transient occupancy taxes but do not have a permit notifying them of their illegal status and encouraging them to apply for a permit; and
5. Direct the Board's Representative to Visit Santa Cruz County to solicit feedback on ways to support hotels.

Executive Summary

On September 24, 2024, the Board of Supervisors formed the Short-Term Rental Ad Hoc Subcommittee to collaborate with stakeholders and to develop proposed amendments to the County's Vacation & Hosted Rental ordinances. The requested amendments included the creation of a county-wide cap on vacation rentals and hosting platform responsibility to remove unpermitted listings. Additional amendments proposed by the Subcommittee would streamline the County's short-term rental regulations by consolidating and restructuring existing sections while introducing enhanced compliance and enforcement measures. These changes aim to balance the economic benefits of short-term rentals with the need for neighborhood stability, housing protections, and regulatory oversight.

Discussion

On September 24, 2024, the Board directed the Subcommittee to analyze the feasibility of a countywide cap on un-hosted short-term rentals and identify measures to increase platform responsibility for compliance.

Caps on Short-Term Rentals

Today there are three designated areas that have caps on non-hosted rentals: the Live Oak Designated Area (LODA), Sea Cliff/Aptos/La Selva Designated Area (SALSDA), and the Davenport/Swanton Designated Area (DASDA). Outside of these designated areas, there is no limit on the number of non-hosted vacation rentals. To address this gap, the Subcommittee recommends establishing a countywide cap on non-hosted vacation rentals equivalent to the current number of permitted rentals and pending applications.

To determine an appropriate cap, the Subcommittee analyzed data from the County's Vacation and Hosted Rental dashboard, available at <https://sccgis.maps.arcgis.com/apps/dashboards/8213708434d74b57b5f7069edeac2f7d>, which tracks existing STR permits and applications. As of March 1st, 2025, there were 263 permitted non-hosted rentals and 7 pending permit applications outside the designated areas, leading to the proposed cap of 270 non-hosted vacation rental permits.

Hosted Rental Cap - A non-substantive adjustment to the hosted rental cap is proposed as well. Currently County Code limits the number of hosted rentals countywide to 250. However, for consistency with the way that non-hosted rentals outside of the designated areas are defined, the cap for hosted rentals is defined as being outside of the designated areas as well. The 66 hosted rentals allowed within the designated areas was subtracted from the total number allowed countywide, 250 to yield 184 hosted rentals. A cap of 185 hosted rentals is recommended outside of the designated areas.

SALSDA Exception Zone Clarification and Cap Reduction - The cap on non-hosted rentals within the SALSDA is recommended for reduction along with a simultaneous clarification about the Exception Zone that includes Pot Belly Beach Road; Las Olas Drive; Rio Del Mar flats, Beach Dr. and other specified locations. This adjustment ensures consistency and better aligns the cap with the ordinance's original intent.

Currently 213 non-hosted vacation rentals are allowed within the SALSDA. Of these, 94 are located within the Exception Zone. Planning staff has interpreted the Exception Zone to mean that block caps do not apply. However non-hosted rentals in the Exception Zone are still counted towards the overall area cap. It is the Subcommittee's belief that the original intent of the ordinance was that short-term rentals in the Exception Zone should not be counted towards the area cap either. This is clarified in the proposed amendments. Instead of opening up 94 new permits in SALSDA, a reduction of 94 to 119 non-hosted rental permits is recommended to reduce the overall impacts of this clarification.

Hosting Platform Responsibilities and Legal Precedent

Under the proposed framework, hosting platforms such as Airbnb and VRBO must ensure that only permitted properties are listed on their sites. If the County notifies a platform of a non-compliant short term rental listing, the platform must remove the listing within 10 days. As it pertains to these code sections, a listing is considered non-compliant if it lacks a permit or if the associated permit is invalid, expired, or revoked. The recommended code additions would enable the County to prevent access to the market by all unpermitted listings rather than taking enforcement action one at a time.

Code Compliance staff report that approximately 70 listings have been paying Transient

Occupancy Tax but are not permitted. The Subcommittee recommends notifying these listings that they must obtain a permit or be removed.

The proposed code sections, SCCC 13.10.695 & 13.10.696, are modeled after Santa Monica's Home-Sharing & Vacation Rental Ordinance (§ 6.20), which was upheld by the U.S. Court of Appeals for the Ninth Circuit in 2019. This legal precedent reinforces the County's ability to enforce compliance and preserve local housing stock.

Consolidating Code

The proposed ordinance consolidates and reorganizes existing code Chapters 13.10.690 and 13.10.694 to create a clearer regulatory framework while introducing new provisions to address community concerns. Currently there are separate code chapters to deal with non-hosted rentals and hosted rentals, despite the fact that the majority of provisions are similar. Combining these chapters will make it easier to manage changes related to short-term rentals going forward.

Additional Subcommittee Recommendations

The Subcommittee incorporated a number of additional recommendations based on staff and community feedback. This is the first time that this code has been significantly updated since designated code compliance staff have worked to enforce it.

Key recommendations include:

- ***Stricter Permit Limitations***
 - Vehicle Parking - Exceptions: The Zoning Administrator shall not [issue a parking exception] if an encroachment into the public right-of-way exists which prevents parking along the frontage of the subject property. In these cases, the applicant for the short-term rental permit shall be required to remove the encroachment in order to provide parking along the frontage of the subject property - SCCC 13.10.694(D)(8)(k)(iv)(2).
 - Permit Cap Per Individual or Entity: No one person or entity shall be issued more than one short-term rental permit, either for a hosted rental or a non-hosted rental – SCCC 13.10.694(D)(4)(e).
 - This restriction is intended to prevent the consolidation of permits and promote a more equitable distribution of short-term rental opportunities.
- ***Enhanced Tenant Protections***
 - Tenant Displacement Protections: If a new short-term rental permit would require the eviction of an existing tenant, the applicant shall be liable to pay the lessee six months of the dwelling's actual rent at the time of the eviction - SCCC 13.10.694(D)(5)(c).
- ***Improved Reporting & Oversight***
 - STR Hotline: The County will utilize a centralized short-term rental

(STR) hotline applicable to all STR properties, including both hosted and non-hosted rentals [...] The STR hotline will serve as a centralized resource for receiving and addressing complaints or inquiries related to short-term rentals, ensuring timely responses to neighborhood concerns and regulatory compliance – SCCC 13.10.694(D)(3)(a).

- Signs: All non-hosted rentals shall have a sign identifying the structure as a permitted non-hosted rental [...] All signs shall prominently display the Short-Term Rental Hotline, with the hotline information being the largest and most visible text on the sign – SCCC 13.10.694(D)(8)(i).

- *Stronger Location & Density Restrictions*

- Designated Area Block Density Limits within the Designated Areas: No new non-hosted short-term rental shall be approved if its approval would result in a block density greater than 20 percent, when counting parcels on the same block – SCCC 13.10.694(D)(4)(b).
- Limitation on Proximity of Non-Hosted Rentals: A non-hosted short-term rental permit will not be issued if it results in another parcel being adjacent to two or more parcels with non-hosted short-term rental permits – SCCC 13.10.694(D)(4)(d).

- *Higher Permit Application Standards*

- Applicants will be required to register with the CruzAware alert system, undergo Code Compliance reviews, and demonstrate significant prior use for permit renewals.
- Site Visit Requirement: All new hosted and non-hosted rental permit applications may require an on-site inspection of the property by County officials to verify compliance with applicable safety, habitability, and zoning requirements. Site inspections will also confirm adherence to permit application standards outlined in this section - SCCC 13.10.694(D)(5)(b).
- Renewal of All STR Permits - Nonrefundable Application Fee: The fee will cover the estimated costs of processing the application for a renewed short-term rental permit. Upon notice by the Community Development and Infrastructure Department, applicants may need to provide additional funds to cover further processing and enforcement costs. CDI staff may require a site visit as part of the renewal application process - SCCC 13.10.694(D)(6)(a)(ii).

- *Expanded Eligibility*

- Accessory Dwelling Units: Properties containing an Accessory Dwelling Unit (ADU), [...] or a Junior Accessory Dwelling Unit (JADU), [...] , may be issued a hosted rental permit under the following conditions: the property owner or an immediate family member resides in the ADU or JADU while renting the primary dwelling - SCCC 13.10.694 (B)(1)(a).

- *Rightsizing the Number of Permits Available*
 - Effective January 1, 2026, the total number of non-hosted permits in each area shall be reduced by 10 per year over a five-year period, if unused permits are available in designated areas or outside designated areas. No existing permit holder shall lose their permit or ability to renew it consistent with the provisions of Subsection (B)(3).

Stakeholder Outreach

The proposed ordinance is informed by extensive stakeholder engagement, including input from residents, STR management companies, and hosting platforms. Five meetings with stakeholders, including management companies, neighborhood residents, and hosting platforms, have been held.

Financial Impact

The recommended actions do not have any financial impact. However, the Subcommittee acknowledges that by limiting the growth of short-term rentals, the long-term impact of this policy could be significant on the County's tourism economy. Therefore, the Board should consider actions to promote new and expanded hotels to facilitate future tourism growth without reducing housing stock.

Strategic Initiatives

Operational Plan - Attainable Housing

Submitted By:

Manu Koenig, First District Supervisor and Justin Cummings, Third District Supervisor

Recommended By:

Carlos J. Palacios, County Administrative Officer

Artificial Intelligence Acknowledgment:

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

13.10.694 – Short-Term Rentals

(A) Purpose. The purpose of this section is to establish regulations applicable to the short-term rental of residential dwelling units or bedrooms in a residential dwelling unit for periods of not more than 30 days at a time. These regulations are in addition to all other provisions of this title. This section does not apply to Pajaro Dunes, where short-term rentals are governed by an existing development permit.

(B) Applicability. Short-term rentals are allowed in zone districts as specified in the Use Charts contained in SCCC 13.10.

(1) Habitable and non-habitable accessory structures, accessory dwelling units, legally restricted affordable housing units, balconies, porches, and sheds shall not be used for short-term rental. Recreational vehicles shall only be used for short-term commercial lodging on parcels appropriately zoned and permitted for such uses and are not allowable for short-term rental use.

(a) Properties containing an Accessory Dwelling Unit (ADU), as defined in California Government Code section 65852.2, or a Junior Accessory Dwelling Unit (JADU), as defined in California Government Code section 65852.22(i), may be issued a hosted rental permit under the following conditions: the property owner or an immediate family member resides in the ADU or JADU while renting the primary dwelling.

(2) Short-term rentals are prohibited within all multifamily dwellings of four units or more and urban lot splits, as regulated by SCCC 13.10.328.

(3) Notwithstanding other provisions of this section, an existing short-term rental permit shall not be revoked due to additional requirements contained in this section adopted after the ordinance implementing changes to this section takes effect, as long as ownership of the parcel does not change. This exception extends to renewal applications for permits existing at the time changes to this section take effect, except as provided in SCCC section 13.10.690(D)(4)(f).

(C) Definitions. For the purposes of this section, the following words and phrases shall be defined as set forth in this section. In the event of any conflict between the definitions in this section and definitions of the same or similar terms in SCCC 13.10.700, the definitions herein shall prevail.

(1) “Block” means the properties abutting both sides of a street extending from one intersecting street to another or to the terminus of the street, as indicated on the official Block Map (adopted by the Board of Supervisors on August 18, 2020). In the DASDA, “blocks” shall apply only in the town of Davenport, extending to all the R-1 zoned parcels along San Vincente Street, in New Town on Cement Plant Road, Adeline, and 1st, 2nd, and 3rd Streets, and on Davenport Landing.

- (2) “Davenport/Swanton Designated Area” or “DASDA” means that portion of the North Coast Planning Area bounded on the south by Riverside Avenue and San Vincente Street in the unincorporated town of Davenport, and extending north along Highway 1 to include the areas of New Town and Davenport Landing south of Highway 1, and bounded on the north by the intersection of Swanton Road and Highway 1, and including all parcels within one-quarter mile of Swanton Road, but excluding any parcels that abut Last Chance Road, as depicted in Figure DASDA, attached to the ordinance codified in this section.
- (3) “Hosted rental” means a legal dwelling unit with two or more bedrooms, where a long-term resident acting as host occupies one or more bedrooms in a dwelling unit while one or more legal bedrooms are rented for the purpose of overnight lodging for a period of no more than 30 days.

For the purposes of these regulations the following are not considered to be hosted rentals: (1) ongoing month-to-month tenancy granted to the same tenant for the same space, (2) permitted non-hosted rentals in which the entire home is rented while no host is present, and (3) short-term rentals within a home, which meet the requirements of bed and breakfast inns per SCCC [13.10.691](#) and are permitted as such.

- (4) “Hosting Platform” means a marketplace in whatever form or format facilitating short-term rental activity through advertising, matchmaking, or any other means, using any medium of facilitation, and from which the operator of the hosting platform derives revenues, directly or indirectly, including fees for booking transactions or advertising revenues from providing or maintaining the marketplace.
- (5) “Live Oak Designated Area” or “LODA” means the Yacht Harbor Special Community (as described in the General Plan—Local Coastal Program and depicted on the General Plan—Local Coastal Program map) and that portion of Live Oak that lies east and south of East Cliff Drive and Portola Drive from the intersection of 9th Avenue and East Cliff Drive to the intersection of Portola Drive and 41st Avenue, as depicted in Figure LODA, attached to the ordinance codified in this section.
- (6) “Non-hosted rental” means a legal dwelling unit where the owner/operator/local property manager/agent does not occupy the dwelling unit while it is rented, only the guests thereof occupy the dwelling unit while it is rented, and the dwelling unit is rented for the purpose of overnight lodging for a period of not more than 30 days.

Where there is more than one dwelling on a property as part of a legal dwelling group, the owner/operator/contact person/agent may live in a dwelling that is not used as a non-hosted rental. For the purposes of these regulations, the following

are not considered to be non-hosted rentals: (1) ongoing month-to-month tenancy granted to the same renter for the same unit, (2) a house exchange for which there is no payment, (3) renting of individual rooms in a dwelling unit while the primary occupant remains on site, or (4) permitted hosted rentals.

- (7) “Sea Cliff/Aptos/La Selva Designated Area” or “SALSDA” means that portion of the Aptos Planning Area bounded on the west by the Capitola city limit, on the north by Highway 1, and on the east and southeast by Bonita Drive, San Andreas Road, the Urban Services Line from San Andreas Road to Monterey Bay, and the community of La Selva Beach, as depicted in Figure SALSDA, attached to the ordinance codified in this section.

The following areas and streets shall be excluded from the “SALSDA” and short-term rentals in this area will not be limited by, or count towards, caps or block density limits: Pot Belly Beach Road; Las Olas Drive; those residentially zoned parcels in the Rio Del Mar flats consisting of parcels fronting on Stephen Road, Marina Avenue, and Venetian Road between its intersection with the Esplanade and Aptos Beach Drive to its intersection with Lake Court and Stephen Road; those parcels fronting on or gaining access from Cliff Court or fronting on or gaining access from Rio Del Mar Boulevard between its intersection with Aptos Beach Drive and Beach Drive to its intersection with Kingsbury Drive, Cliff Drive, and Beach Villa Lane; Beach Drive; and Via Gaviota.

- (8) “Short-Term Rental” includes a hosted rental or a non-hosted rental, or both.

- (9) “STR” means short-term rental.

(D) Short-Term Rental Program Operation.

(1) Short-Term Rental Permits.

- (a) Every short-term rental property shall hold both a valid short-term rental permit and a Transient Occupancy Tax registration certificate. Both must remain valid for the duration of the operation of the short-term rental.
- (b) Short-term rental permits shall remain valid for a period of five years at a time, beginning on the effective date of issuance of the permit.
- (c) Approval of a short-term rental permit does not legalize any non-permitted use or structure.
- (d) Short-term rental permits are issued to property owners for a specific property and are not transferable between owners or properties.
- (e) Transfer of Property with current Short-Term Rental Permit. When a property transfer triggers reassessment pursuant to the California Revenue and Taxation Code Section [60](#) et seq., as determined by the Assessor, the short-term rental permit associated with the property shall expire and shall become nonrenewable at the time of property transfer.

Any future use as a short-term rental shall require approval of an application for a new short-term rental rather than a renewal application.

- (f) Short-term rental permits are subject to revocation as provided for in SCCC [18.10.136](#), and subject to the violation provisions of subsection (J) of this section.
- (2) Short-Term Rental Registry. The Community Development and Infrastructure Department shall keep a current registry of all valid short-term rental permits.
- (3) STR Hotline. The County will utilize a short-term rental (STR) hotline applicable to all STR properties, including both hosted and non-hosted rentals:
 - (a) Purpose of Hotline: The STR hotline will serve as a centralized resource for receiving and addressing complaints or inquiries related to short-term rentals, ensuring timely responses to neighborhood concerns and regulatory compliance.
 - (b) Hotline Signage: Each STR property must display a sign that includes the County's STR hotline number. The sign shall be placed in a prominent location visible from the property's main entrance or driveway and must conform to County-established specifications for size, format, and placement.
 - (c) Cost Allocation: Costs associated with the creation, operation, and maintenance of the STR hotline shall be distributed among permit holders as part of the STR permit fees. These fees will be periodically reviewed and adjusted as necessary by the Board of Supervisors to reflect actual operational expenses.
- (4) Short-Term Rentals - Concentrations, Caps, and Waiting Lists.
 - (a) Designated Area Caps. In the Live Oak Designated Area ("LODA"), the Seacliff/Aptos/La Selva Designated Area ("SALSDA"), or the Davenport/Swanton Designated Area ("DASDA"), as defined in SCCC 13.10.690(B), a maximum number of short-term rental permits may be issued as established herein, excluding those parcels in the Mobile Home Park Combining District.

Within the LODA, no more than 262 non-hosted rental permits shall be issued, and no more than 18 hosted rental permits shall be issued, for a total of 280 non-hosted rentals and hosted rentals in the LODA. Within the SALSDA, no more than 119 non-hosted rental permits shall be issued, and no more than 45 hosted rental permits shall be issued, for a total of 164 short-term rentals in the SALSDA. Within the DASDA, no more than three non-hosted rental permits shall be issued, and no more than four hosted rental permits shall be issued, for a total of seven short-term rentals in the DASDA.

Effective January 1, 2026 the total number of non-hosted rental permits in each Designated Area shall be reduced by 10 per year over a five year period, if unused permits are available in designated areas or outside designated areas. No existing permit holder shall lose their permit or ability to renew it consistent with the provisions of Subsection (B)(3).

(b) Designated Area Block Density Limits. In the Live Oak Designated Area (“LODA”), the Seacliff/Aptos/La Selva Designated Area (“SALSDA”), or the Davenport/Swanton Designated Area (“DASDA”), as defined in SCCC 13.10.690(C), no new non-hosted short-term rental shall be approved if its approval would result in a block density greater than 20 percent, when counting parcels on the same block with non-hosted short-term rentals of the total parcels on that block that allow residential use. In these cases, the applicant will be placed on the waiting list until such time that their application for a non-hosted short-term rental will not cause the block density to exceed 20 percent. Regardless of the block density limit, short-term rental permit renewals for existing non-hosted rentals may still be granted.

(i) A Block Map adopted by resolution of the Board of Supervisors shall assign parcels to blocks to determine block capacity for future non-hosted rental permits. In the count of parcels that allow residential use in each of the Designated Areas, parcels in the Mobile Home Park Combining Zone District shall be excluded.

(ii) Block Map Adjustment. Several areas throughout the County, especially in the LODA and SALSDA, are comprised of incongruous, or atypically shaped, “blocks.” The Block Map is intended to clarify that parcels are permanently assigned to a block in the most organized fashion possible; however, adjustment of blocks may be warranted in certain circumstances. In conjunction with applying for a short-term rental permit, an applicant may request a Block Map Adjustment, for an additional permit fee as established by the County Uniform Fee Schedule.

(iii) The Community Development and Infrastructure Director or designee has the discretion to adjust the Block Map upon making the following finding:

Adjustment of the Block Map is warranted because the block in question is incongruous and such adjustment of the Block Map will not result in an overconcentration (20 percent or more) of parcels with short-term rentals on the assigned block.

Notwithstanding the 20 percent block maximums, each block in the LODA, the SALSDA, or the DASDA, excluding parcels in the Mobile Home Park Combining District, may have at least one parcel with a short-term rental, if

the applicable short-term rental regulations otherwise allow for issuance of a short-term rental permit (i.e., the overall Designated Area limits on numbers of short-term rentals are not exceeded).

(c) Short-Term Rental Caps Outside of Designated Areas.

(i) Non-Hosted Rental Caps Outside the Designated Areas. No more than 270 non-hosted rental permits shall be issued outside of the areas within the designated caps. If permits issued to existing non-hosted rentals equals or exceeds 270, no permits shall be issued to new non-hosted rentals until the total number of active non-hosted rental permits outside the designated areas falls below 270 through attrition.

(ii) Hosted Rental Caps Outside the Designated Areas. No more than 185 hosted rental permits shall be issued outside of the designated areas.

(d) Limitation on Proximity of Non-Hosted Rentals. A permit for a non-hosted short-term rental permit will not be issued if it results in an additional parcel being adjacent to two or more parcels with non-hosted short-term rental permits. For the purposes of this provision, adjacent shall mean a shared parcel line or two parcels that would share a parcel line if the road or alley between them were removed. In these cases, the applicant will be placed on the waiting list until such time that their application for a non-hosted short-term rental will not result in such a configuration. An existing non-hosted rental which is in good standing with the County as of the effective date of this ordinance shall not be denied renewal of their short-term rental permit solely on this basis.

(e) Limitation on Multiple Short-Term Rental Permits per Person. No one person or entity shall be issued more than one short-term rental permit, either for a hosted rental or a non-hosted rental.

(f) Limitation on Multiple Short-Term Rental Permits per Parcel. A single parcel may be issued only one short-term rental permit, either for a hosted rental or a non-hosted rental. When a short-term rental permit is renewed on a property with more than one rental, the applicant shall choose one short-term rental to renew, and the remaining rental permit(s) shall be revoked and operation as a short-term rental ceased.

(g) Short-Term Rental Permit Waiting List. The Community Development and Infrastructure Department shall maintain a waiting list if the number of short-term rental permits is at or exceeds the limits and caps established under this section. Prospective applicants shall submit requests via a Waiting List Request Form. Applicants for the waiting list must be the current owner(s) of the property. The

waiting list request shall become void upon transfer of ownership in accordance with the criteria outlined in subsection (D)(1)(e)) of this section.

(i) Non-refundable Wait List fee. The Community Development and Infrastructure Director may charge a wait list fee, as stated in the Unified Fee Schedule, for the administrative cost of maintaining a Short-Term Rental Permit Waiting List.

(5) New Short-Term Rental Permits.

(a) Application Requirements. Permits will be made available to new short-term rentals based upon waiting list procedures, on a first come, first served basis, at such time that availability occurs (see SCCC section 13.10.690(D)(4)(g)). Applicants for a permit for a new short-term rental shall provide all application materials required by the Community Development and Infrastructure Department, including, but not limited to, the following:

- (i) Completed application form.
- (ii) Nonrefundable application fee as established by the Board of Supervisors. The fee will cover the estimated costs of processing the application for a new short-term rental permit. Upon notice by the Community Development and Infrastructure Department, applicants may need to provide additional funds to cover further processing and enforcement costs.
- (iii) Copy of County of Santa Cruz Transient Occupancy Tax certificate number, for the purpose of the operation of a short-term rental.
- (iv) Plans, which do not need to be drawn by a professional, drawn to scale including the following:
 - a. Plot plan showing location of all property lines, location of all existing buildings, and location of dimensioned on-site parking spaces.
 - b. Floor plan showing all rooms with each room labeled as to room type.
- (v) Proof of registration with the County Emergency Alert and Warning platform, CruzAware.
- (vi) List containing the names of all online platforms or any other mediums in which the proposed short-term rental will be advertised.
- (vii) Copy of listing to be used on online platforms or any other mediums to advertise the proposed short-term rental.

(b) Site Visit Requirement. New hosted and non-hosted rental permit applications may require an on-site inspection of the property by County staff to verify compliance with applicable safety, habitability, and zoning requirements. Site inspections will also confirm adherence to permit application standards outlined in this section.

(c) Tenant Displacement Protection. If a new short-term rental permit would require the eviction of an existing tenant, the applicant shall be liable to pay the lessee six months of the dwelling's actual rent at the time of the eviction. The applicant for a short-term rental is responsible for providing evidence, under penalty of perjury, regarding the occupancy status of the unit.

(6) Renewal of Short-Term Rental Permit. Short-term rental permits must be renewed every five years. Short-term rental permits expire on the first business day on or after the date five years after the effective date of the initial permit unless an application for renewal has been received by the Community Development and Infrastructure Department. An application to renew a permit for a short-term rental shall be made no sooner than 180 days before the expiration date of the existing permit, and no later than the date of expiration of that permit. Determination that the application is complete shall stay the expiration of the existing permit until final action is taken on the renewal application. Except as provided in [SCCC 18.10.124\(B\)](#), no public hearing shall be required and administrative action on permit renewal applications shall be by the Community Development and Infrastructure Director or designee, with no public notice of the proposed action required.

(a) Renewal Application Requirements. Applicants for renewal of a permit for a short-term rental shall provide the following to the Community Development and Infrastructure Department:

(i) Completed application form.

(ii) Nonrefundable application fee as established by the Board of Supervisors. The fee will cover the estimated costs of processing the application for a renewed short-term rental permit. Upon notice by the Community Development and Infrastructure Department, applicants may need to provide additional funds to cover further processing and enforcement costs. CDI staff may require a site visit as part of the renewal application process.

(iii) Proof of payment of transient occupancy tax (or proof of registry with a verified online platform) for the use of the dwelling as a short-term rental and a summary of the dates the unit was used as a short-term rental between the time of issuance of the existing permit and the date of application for the renewal.

(iv) Proof of Significant Use. Renewal applications must show significant rental use for three out of the previous five years. Significant rental use shall be interpreted to include no fewer than 10 percent of weekend nights in a given year, or a minimum occupancy of five weekends or 10 nights per calendar year.

- (v) Any additional requirements for hosted and non-hosted rental permits pursuant to Subsections(D)(7) and (D)(8), respectively.
- (b) Approval for renewal of a short-term rental renewal permit shall be based on affirmative findings as set forth in SCCC [18.10.230\(A\)](#), and with consideration of factors identified in the applicable short-term rental violations provisions below. Denial of an application for renewal shall be based on one or more of the required findings not being able to be made, as set forth in SCCC [18.10.230\(A\)](#), and with consideration to factors that would support non-renewal of the short-term rental permit.

(7) Hosted Rentals.

- (a) The purpose of this section is to establish regulations specifically applicable to bedrooms in a dwelling unit that are rented as hosted rentals for periods of less than 30 days at a time. These regulations are in addition to all other provisions of this title.
- (b) Hosted rental permits shall require a Minor Use Permit as defined in SCCC 18.10.
- (c) Hosted rentals are allowed in any legal dwelling unit with two or more bedrooms in any zone district where a residential use is allowed unless otherwise specified in the Use Charts contained in SCCC 13.10.
 - (i) Hosted rentals are allowed in the primary dwelling on properties with a permitted Accessory Dwelling Unit (ADU) and in the JADU or primary dwelling on properties with a JADU..
- (d) Hosted Rental Permit Requirements.
 - (i) Applications for new hosted rental permits shall meet the requirements provided in Subsection (D)(5)(a), and in addition, applicants for a permit for a new hosted rental shall provide the following to the Community Development and Infrastructure Department:
 - (1) Affidavit verifying the legality, safety and habitability of the guest room or rooms including the presence of an egress door or window in the sleeping area, access to facilities for sanitation, and the proper number and location of working carbon monoxide detectors and smoke detectors in the residence.
 - (2) All permitted hosted rentals shall comply with the following performance standards in addition to the standards in Subsection (E) for their operations:
 - (I) Except as required by SCCC section 13.10.690(D)(3)(b), on-site advertising. On-site advertising signs or other displays indicating that the residence is being utilized as a short-term rental are prohibited.

(II) Food. No cooking shall be allowed in any guest room or in any bathroom. Food service, if provided, shall be limited to breakfast served to guests only, and shall be subject to applicable regulations of the Environmental Health Division of the Santa Cruz County Health Services Agency.

(III) Habitability. The hosted rental shall provide facilities for sleeping, bathing, and bathroom access inside of a permanent dwelling that is suitable for human occupancy. Rental of sleeping space in or on balconies, porches, tents, sheds, vehicles, RVs, or outdoor areas is prohibited as part of a hosted rental.

(IV) Parking. Neighborhood parking impact shall be mitigated by limiting guests of hosted rentals to bringing only one car per hosted bedroom to the hosted rental property. These cars may be parked on site or in legal street parking close to the host property.

(3) For applications for new hosted rentals, no public hearing shall be required and action on these applications shall be by the Community Development and Infrastructure Director or designee with no notice provided.

(8) Non-Hosted Rentals.

- (a) The purpose of this section is to establish regulations specifically applicable to dwellings that are rented as non-hosted rentals for periods of not more than 30 days at a time. These regulations are in addition to all other provisions of this title.
- (a) Non-hosted rental permits shall require a short-term rental permit as defined in the Use Charts pursuant to SCCC Chapter 13.10.
- (b) Non-hosted rentals are allowed in all zone districts that allow residential use with no requirement for any other use, unless otherwise specified in the Use Charts contained in SCCC 13.10. Habitable accessory structures, non-habitable accessory structures, accessory dwelling units (“ADUs”) constructed under the provisions of SCCC [13.10.681](#), [13.20.107](#), or [13.20.108](#), and legally restricted affordable housing units shall not be used as non-hosted rentals.
- (c) Applications for new non-hosted rental permits shall meet the requirements provided in subsection (D)(5)(a) of this section, and in

addition, the following shall apply to applications for a permit for a new non-hosted rental:

- (i) For new applications for non-hosted rentals of three bedrooms or fewer, except as provided in SCCC [18.10.124](#)(B), no public hearing shall be required and action on these applications shall be by the Community Development and Infrastructure Director or designee through the Administrative Use permit process as provided in SCCC [18.10.131](#)(B). Appeals of the action on the application may be made by any member of the public pursuant to SCCC [18.10.324](#), and the Community Development and Infrastructure Director may refer the application to the Zoning Administrator or Planning Commission for a public hearing in accordance with SCCC [18.10.124](#)(B).
- (ii) For new applications for non-hosted rentals consisting of four or more bedrooms, the application shall be considered at a public hearing in accordance with Conditional Use permit public hearing procedures as provided in SCCC [18.10.131](#)(C). Any new non-hosted rental permit issued for non-hosted rentals consisting of four or more bedrooms will be given a one-year provisional permit subject to review for compliance with non-hosted rental code requirements prior to granting the remainder of the standard five-year term. When a public hearing is required, notice of such a public hearing shall be provided not less than 10 calendar days before the public hearing, pursuant to SCCC [18.10.117](#) through [18.10.119](#).
- (iii) Applicants for a permit for a new non-hosted rental shall also provide the following to the Community Development and Infrastructure Department a copy of the sign to be posted identifying the dwelling unit as a permitted non-hosted rental pursuant to the requirements of Subsection (F).

(e) Shared-Wall Affidavit Requirement. No new non-hosted rental use may be permitted in a dwelling unit having a common wall or walls with another dwelling unit, unless the applicant provides a written agreement acceptable to the County and signed by the record owner(s) of the adjoining dwelling unit(s) either at the time of application submittal or prior to approval of the non-hosted rental permit, stating that they are aware of the proposed non-hosted rental use and have no objection to issuance of a permit for such use. The agreement shall be binding on the parties thereto and their successors in interest for so long as the short-term rental permit for which the agreement was submitted, if issued, remains valid, and each party shall be responsible to inform its own successor(s) in interest in the unit of the agreement as part of the sale or transfer of the unit to such successor(s).

(f) Affordable Housing Restriction. Residences that are subject to affordable housing covenants and/or are income-restricted for affordable housing purposes are not eligible for a non-hosted rental permit.

(g) New Permit Required Following Expansion of Permitted Non-Hosted Rental. In addition to any other permits required for a proposal to expand the square footage of a permitted short-term rental structure by an amount equal to or more than 50 percent or to increase the existing number of bedrooms by demolition or remodeling, a new non-hosted rental permit shall be required for an existing non-hosted rental.

(h) Local Property Manager Requirement. All non-hosted rentals shall designate a local property manager who is located within 30 miles of the vacation rental. The local property manager shall be available 24 hours a day to respond to tenant and neighborhood questions or concerns. A property owner who lives within 30 miles of the vacation rental may designate themselves as the local property manager. Failure to respond within 60 minutes of being contacted, as verified by County Code Enforcement staff or the County Sheriff, shall constitute a significant violation and may lead to revocation of the permit in accordance with SCCC [18.10.136](#).

(i) Local Property managers must be registered for the County Emergency Alert and Warning platform, CruzAware, for all locations that they manage to ensure that if there is an emergency or pending emergency, they can notify non-hosted rental occupants in a timely manner.

(ii) The applicant shall mail, deliver, or otherwise provide the name, address, email contact, telephone number(s) of the local property manager, and the beginning and expiration dates of the non-hosted rental permit, to the Community Development and Infrastructure Department, the Auditor-Controller-Treasurer-Tax Collector, the County Sheriff's Office, and the local fire agency, and to the property owners of all properties located within a 300-foot radius of the boundaries of the parcel on which the vacation rental is located. Proof of mailing or delivery of the contact information to all of the above shall be submitted to the Community Development and Infrastructure Department within 30 days of permit approval, amendment, or renewal. The name, address, email and telephone number(s) of the local property manager shall be permanently posted in the rental unit in a prominent location. Any change in the local property manager's address or telephone number shall be promptly furnished to the agencies and neighboring property owners as specified in this subsection. Property manager contact information shall be furnished to the Community Development and Infrastructure department annually to ensure current,

comprehensive information is available to notify property managers or occupants of emergency or hazardous conditions. This provision is applicable to all active non-hosted permit holders, including those holding permits at the time this provision is enacted.

(i) Signs. All non-hosted rentals shall have a sign identifying the structure as a permitted non-hosted rental, which shall be placed no more than 20 feet back from the nearest street. The sign must display the beginning and end dates of the five-year term of the non-hosted rental permit. Additionally, all signs shall prominently display the Short-term Rental Hotline, with the hotline information being the largest and most visible text on the sign. This information shall be updated upon any renewal of the permit. The sign may be of any shape but may not exceed 216 square inches. There is no minimum sign size, provided that all required information is legible from the nearest street. A sign required by this subsection shall be continuously maintained while the dwelling is rented.

(j) Number of Guests Allowed. The number of guests allowed in a non-hosted rental shall not exceed two per legal bedroom plus two additional guests (children under eight years old not counted). For celebrations and gatherings between 8:00 a.m. and 10:00 p.m., the maximum number of people allowed is twice the maximum number of guests allowed.

(k) Vehicle Parking.

(i) The number of vehicles a non-hosted rental guest is allowed to park on site and off site (specific to the neighborhood) shall not exceed the number of existing, required, or permitted parking spaces.

(ii) The on-site parking requirements for new non-hosted rental permits shall be a minimum of one on-site space for one- and two-bedroom units, and a minimum of two on-site spaces for three- or more bedroom units.

(iii) The guest will be allowed to park one additional vehicle off site, except on roads which do not allow for street parking. Where street parking is allowed, the guest must use street parking for the off-site vehicle in the vicinity of the non-hosted rental but will not have any exclusive or assigned use of any available street parking. Should off-site parking occur within a parking district, the non-hosted rental permit holder will be required to purchase a parking permit at the business rate and will not be eligible for residential parking permit allocations.

(iv) In situations where the required on-site parking cannot be provided, an on-site parking exception may be requested in conjunction with a Conditional Use Permit application for a non-

hosted rental permit, for consideration by the Zoning Administrator at a public hearing,

- a. (1) The Zoning Administrator shall make the following finding in conjunction with approval of the parking exception:
Existing traffic and parking on nearby streets and properties would not be adversely affected by granting of an on-site parking reduction, as off-site parking is typically available and not subject to significant levels of congestion.
(2) The Zoning Administrator shall not make the above finding if an encroachment into the public right-of-way exists which prevents parking along the frontage of the subject property. In these cases, the applicant for the short-term rental permit shall be required to remove the encroachment in order to provide parking along the frontage of the subject property.

(E) Operation Standards for Short-term Rentals. All permitted short-term rentals shall comply with the following performance standards for their operations:

- (1) Short-term rentals shall be operated, maintained, advertised, booked, and facilitated in a manner that complies with the County Code, and all other applicable state and federal laws and regulations.
- (2) Short-term rentals must not adversely affect the residential character of the neighborhood by causing nuisance activities, including, but not limited to, illegal parking, disturbances of the peace, excessive noise, vibration, glare, light, odors, littering, or create other impacts that unreasonably interfere with a community, neighborhood, or any person's reasonable enjoyment of their residence.
- (3) Posting of House Rules. Short-term rental house rules shall be included in the rental agreement, if applicable, and posted inside the short-term rental in a location readily visible to all guests. The house rules shall include, but not necessarily be limited to, the following: number of guests allowed, number of vehicles, noise limits, rules for pets, prohibition on events and outdoor parties, prohibition on illegal behavior or disturbances including an explicit statement that fireworks are illegal in Santa Cruz County, directions for trash management (e.g., trash to be kept in covered containers only), and emergency evacuation instructions.
- (4) County Emergency Alert and Warning platform registration. CruzAware registration information shall be posted in a prominent location inside the short-term rental to ensure access to emergency alerts is available to occupants during their stay.
- (5) Noise. All hosted and non-hosted rentals shall comply with the noise standards set forth in [SCCC 8.30](#), and a copy of that chapter shall be posted inside the rental in a location readily visible to all guests. No use of equipment requiring more than standard household electrical current at 110 volts or activities that produce noise, dust, odor, or vibration detrimental to occupants of adjoining dwellings is allowed within the short-term rental.

- (6) Pets. Pets, if allowed by the owner, shall be secured on the property at all times. Continual nuisance barking by unattended pets is prohibited.
- (7) Events Prohibited. No weddings, outdoor parties, or similar activities are authorized under a short-term rental permit.
- (8) Management. The short-term rental permit holder is responsible for ensuring that the property does not become a nuisance due to short-term rental activity.
- (9) Transient Occupancy Tax. Each short-term rental shall meet the regulations and standards set forth in SCCC [4.24](#), and as administered by the County Tax Collector including any required payment of Transient Occupancy Tax.
- (10) Advertising. All advertising for short-term rentals shall include the short-term rental permit number in a prominent location. Where photos with numbers are allowed, a photo containing the permit number shall be included where the permit number is visible and legible. Additionally, for un-hosted rentals, a photo of the required signage, if applicable, that includes the 24-hour contact information and non-hosted rental identification is required. Advertising shall also include the number of overnight guests allowed, maximum number of people allowed for celebrations, number and location of on-site parking spots, approximate location of off-site parking spot, restrictions on noise, permit number, and language on road conditions if the property is located in a mountainous area. Advertising a short-term rental for a property without a short-term rental permit and out of compliance with the requirements listed under this subsection is a violation of this chapter and violators are subject to the penalties set forth in SCCC [19.01](#). Hosting platforms shall cooperate by listing only permitted properties.
- (11) Dispute Resolution. By accepting a short-term rental permit, short-term rental owners agree to engage in dispute resolution and act in good faith to resolve disputes with neighbors arising from the use of a dwelling as a short-term rental. Unless an alternative dispute resolution entity is agreed to by all parties involved, dispute resolution shall be conducted through the Conflict Resolution Center of Santa Cruz County.
- (12) Violation. It is unlawful for any person to use or allow the use of property in violation of the provisions of this section or any conditions of approval contained in a short-term rental permit. The penalties for violation of this Section are set forth in SCCC [19.01](#), Enforcement of Land Use Regulations.
 - (a) A violation of any of the requirements to obtain a short-term rental permit may be grounds for denial of a new short-term rental permit application. Further, violations of short-term rental regulations, or of any other provisions of the Santa Cruz County Code, may be grounds for denial of a renewal application or revocation of an existing short-term rental permit after consideration at a public hearing by the Zoning Administrator (or by the Planning Commission upon referral).
 - (b) If more than two significant violations occur on a short-term rental property within a 12-month period, a permit shall be noticed for a public hearing to consider permit revocation pursuant to SCCC 18.10.117.

“Significant violations” are: citations for violation of SCCC 8.30 (Noise); violation of any specific conditions of approval associated with the permit; mis-advertising the capacity and limitations applicable to the short-term rental; written warnings, or other documentation filed by law enforcement; violations of State or County health regulations; non-compliance with a public health order or emergency regulation issued by State or local authorities which may limit use and occupancy of short-term rentals; delinquency in payment of transient occupancy taxes, fines, or penalties; non-responsive property management, including failure by the host or local property manager to respond to calls within 60 minutes; and failure to maintain signage in compliance with this section. In the event a permit is revoked, the person or entity from whom the permit was revoked shall be barred from applying for a short-term rental permit for the same parcel without prior consent of the Board of Supervisors.

- (c) It is unlawful to make a false report to the Sheriff’s Office regarding activities associated with short-term rentals.

- (F) Annual Reports. The Community Development and Infrastructure Department shall provide information annually to the Board of Supervisors on permit and enforcement activity pursuant to this chapter.

13.19.695 Hosting Platform Responsibilities.

- (A) Subject to applicable laws and as requested, hosting platforms shall disclose to the County the URL and permit number for each short-term rental listing located in the County.
- (B) All Hosting Platforms that display short-term rental listings for properties located in Santa Cruz County shall require all owners using the platform to include a permit number in any new listing for a short-term rental on the platform, at the time the hosting platform receives a fee for the booking transaction.
- (C) A Hosting Platform shall remove any listing for a short-term rental from the platform after notification by County that the short-term rental listing lacks a permit number or the permit number is invalid, expired, or has been revoked. The notification must identify the listing(s) to be removed by its URL and state the reason for removal. The platform shall remove the listing within 10 business days of notification.
- (D) A Hosting Platform that collects money on behalf of the short-term property owner must collect and remit to the County of Santa Cruz all transit occupancy taxes payable pursuant to SCCC 4.24.
- (E) Safe Harbor. A hosting platform operating exclusively on the internet, which operates in compliance with subsections (A), (B), (C), and (D) above, shall be presumed to be in compliance with this Chapter, except that the hosting platform remains responsible for compliance with the administrative subpoena provisions of this Chapter.

(F) The provisions of this Section shall be interpreted in accordance with otherwise applicable State and Federal law(s) and will not apply if determined by the County to be in violation of, or preempted by, any such law(s).

13.10.696 Enforcement – Hosting Platforms.

(A) In addition to any other remedy provided by law, any hosting platform that violates its obligations under SCCC 13.10.694 shall be subject to an administrative penalty of up to one thousand dollars (\$1,000) per violation per day, notwithstanding any contrary limitations set forth in SCCC 1.13. Such penalties may be issued and processed per any procedure authorized under State or local law.

(B) Any interested person may seek an injunction or other relief to prevent or remedy violations of this Chapter. The prevailing party in such an action shall be entitled to recover reasonable costs and attorney's fees.

(C) The County may issue and serve administrative subpoenas as necessary to obtain specific information regarding home-sharing and short-term rental listings located in the County, including, but not limited to, the names of the persons responsible for each such listing, the address of each such listing, the length of stay for each such listing and the price paid for each stay, to determine whether the home-sharing and short-term rental listings comply with this Chapter. Any subpoena issued pursuant to this section shall not require the production of information sooner than thirty days from the date of service. A person that has been served with an administrative subpoena may seek judicial review during that thirty-day period.

(D) The remedies provided in this Section are not exclusive, and nothing in this Section shall preclude the use or application of any other remedies, penalties or procedures established by law.

From: [Board Of Supervisors](#)
To: [Agenda Management Support](#)
Subject: #7 comment_Bieber, E
Date: Monday, March 10, 2025 4:57:44 PM

From: Emily Bieber <emily.bieber@gmail.com>
Sent: Saturday, March 8, 2025 3:48 PM
To: Board Of Supervisors <boardofsupervisors@santacruzcountycalifornia.gov>
Subject: Hosted Rentals & Airbnbs in Santa Cruz County

******CAUTION:**This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.****

Board of Supervisors,

I am a Santa Cruz county resident and property owner in the unincorporated area of the county. We have a hosted-rental that we advertise through Airbnb. It is permitted through the county and has been permitted in good standing for many years (we just renewed last year). This permit and the airbnb platform has enabled us to use a bedroom in our home for hosted short term rentals. I set this up when we bought our home to enable us to pay for the property taxes each year. It has also enabled us to pay local high school kids and others to clean/turn over the airbnb when we are not able to do it ourselves. I am also able to block it when family plans to visit and to host friends visiting from afar. It's a great set up and one we hope to continue. Neighbors have also enjoyed having a local small room to rental for visiting family when their home cannot accommodate all of their visitors from out of state. It has literally helped us make ends meet over the years and I know it has done the same for other young families/property owners, especially those like us (purchasing our first house) and those who are empty nesters who also benefit from being able to bring in a small amount of income from an bedroom in their primary residence when they are on a fixed income during retirement.

I am entirely supportive of the county regulating such rentals. Our airbnb has always followed the rules and paid TOT. We live in a beautiful part of the state and i think it would be lost opportunity to overly restrict airbnb rentals generally. We should find a balance, prioritizing long term sustainable infrastructure, more available housing (greater cooperation between the county and property owners to build more affordable housing in the form of ADUs and other alternative housing options) tourism, tax revenue and regulation that still supports local businesses/property owner's entrepreneurial

engagement with the free market. I am supportive of caps on the number of permits and ensuring any rentals pay their fair share of TOT taxes. I was also happy to see greater enforcement of the permitting process for hosted rentals, especially for those of us who have been following the rules and paying TOT all along.

Thank you for your consideration,

Emily Bieber
Los Gatos, CA
413.218.0885

From: [Board Of Supervisors](#)
To: [Agenda Management Support](#)
Subject: #7 comment_Guinn, V
Date: Monday, March 10, 2025 4:53:11 PM

From: Vicki Guinn <vickiguinn01@hotmail.com>
Sent: Monday, March 10, 2025 1:13 PM
To: Board Of Supervisors <boardofsupervisors@santacruzcountyca.gov>
Subject: Agenda Item 7 Recommendations of the Short-Term Rental Ad Hoc Subcommittee

******CAUTION:**This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.********

Dear Board of Supervisors,

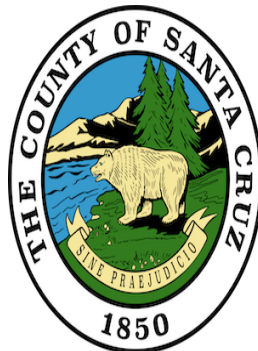
Thank you for taking the time to read this correspondence. I observe that the short-term residential rental industry has not only devastated the Long-term rental housing supply, but it has also damaged the Commercial Lodging Industry here. Short-term rental income is a Commercial enterprise and why it was allowed in Residential Zoning to begin with disturbs me. Yes TOT revenue is attractive, but a full and robust Commercial Lodging system in this town provided this legitimately.

Capitola's strict Transient Occupancy Zone is a model that should be adopted throughout the County. It protects the residents while compromising with the interests of existing Hotels. Residential Zoning is for Residents. Thank you, Vicki Guinn, SC Renter

Proposed Changes to Santa Cruz County Code Ch 13.10 – Short-term rental & Vacation rental Laws

Short-Term Rental (STR) Adhoc Subcommittee Report

March 11, 2025



Agenda

1. Background
2. Problems
3. Timeline
4. Overview of Proposed Changes
 - a. Caps
 - b. Density Restrictions
 - c. Hosting Platform Accountability
 - d. Consolidation of Code
 - e. Application Standards, Limitations
 - f. 24/7 Hotline
 - g. Reducing Impacts on Housing
5. Community Feedback
6. Fiscal Impacts
7. Next Steps



Background

Ordinance History:

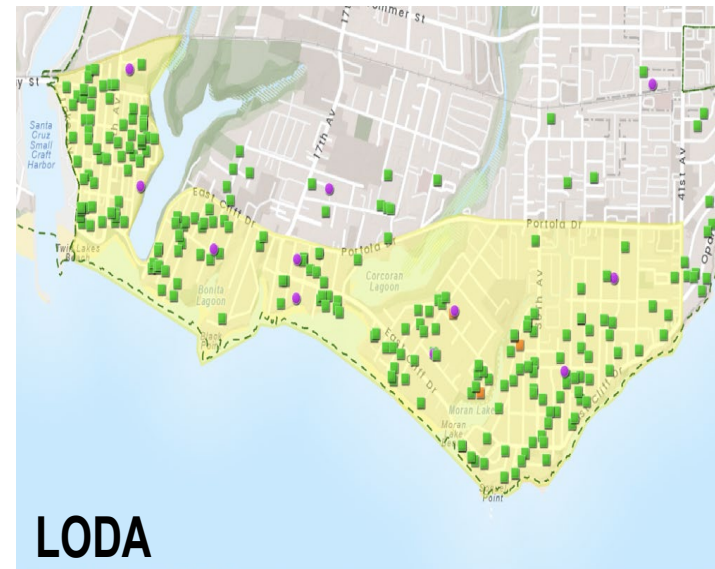
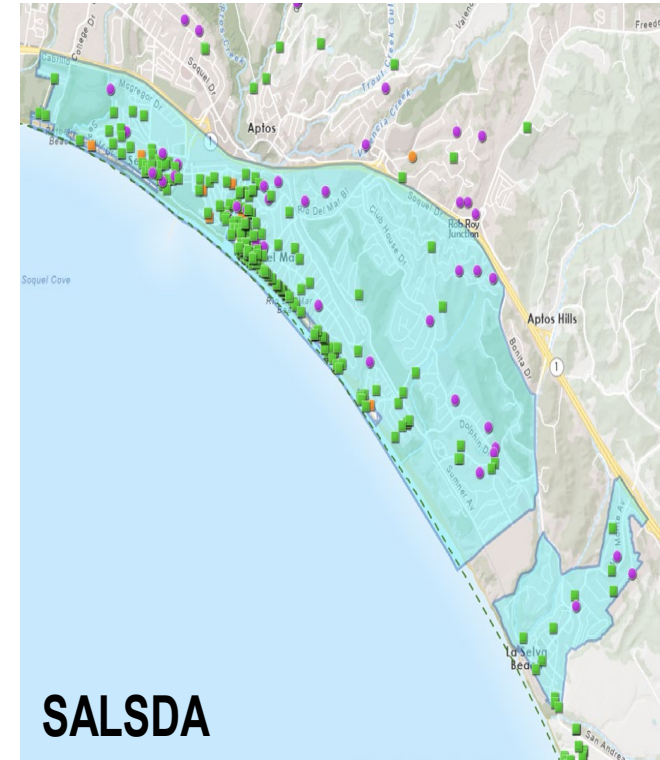
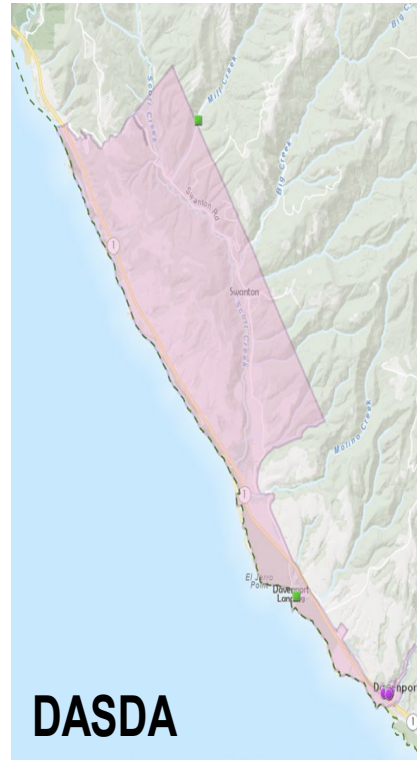
- Initial ordinance established: 2011
- Last update: 2020
- Dedicated Code Compliance Officer Funded: 2022

Current Caps:

- DASDA - 3 un-hosted, 4 hosted
- SALSDA - 241 un-hosted, 45 hosted
- LODA - 262 un-hosted, 18 hosted
- Countywide - *Unlimited un-hosted*, 250 hosted

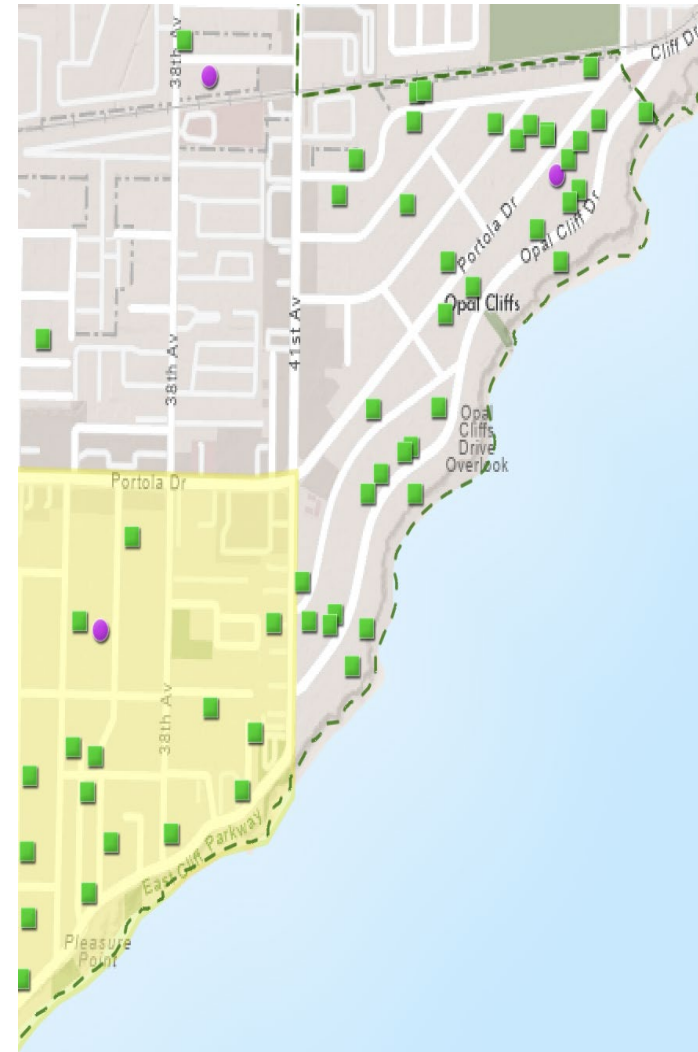
Board Actions:

- On September 24, 2024, the Board voted to establish an Ad Hoc Subcommittee to assess issues and recommend regulatory changes.
- **Key Objectives:**
 - Establish county-wide cap
 - Require hosting platforms only work with permitted rentals



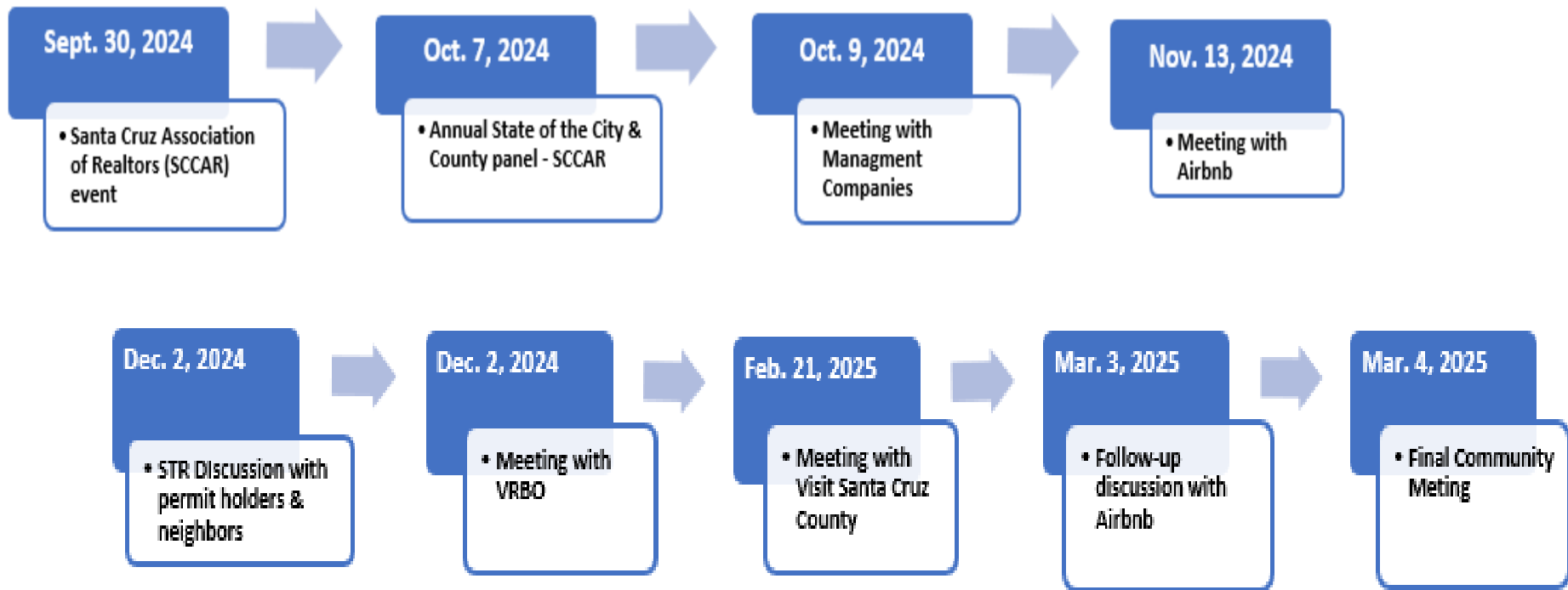
Problems

- *Housing Impacts*
 - Unregulated growth can displace long-term residents and lead to a strain on local infrastructure.
- *Community Disruptions*
 - Parking issues, noise complaints, and neighborhood conflicts.
- *Regulatory Gaps*
 - Existing code does not provide sufficient tools for enforcement or compliance.



Subcommittee Process & Public Engagement

Subcommittee Meetings & Outreach:



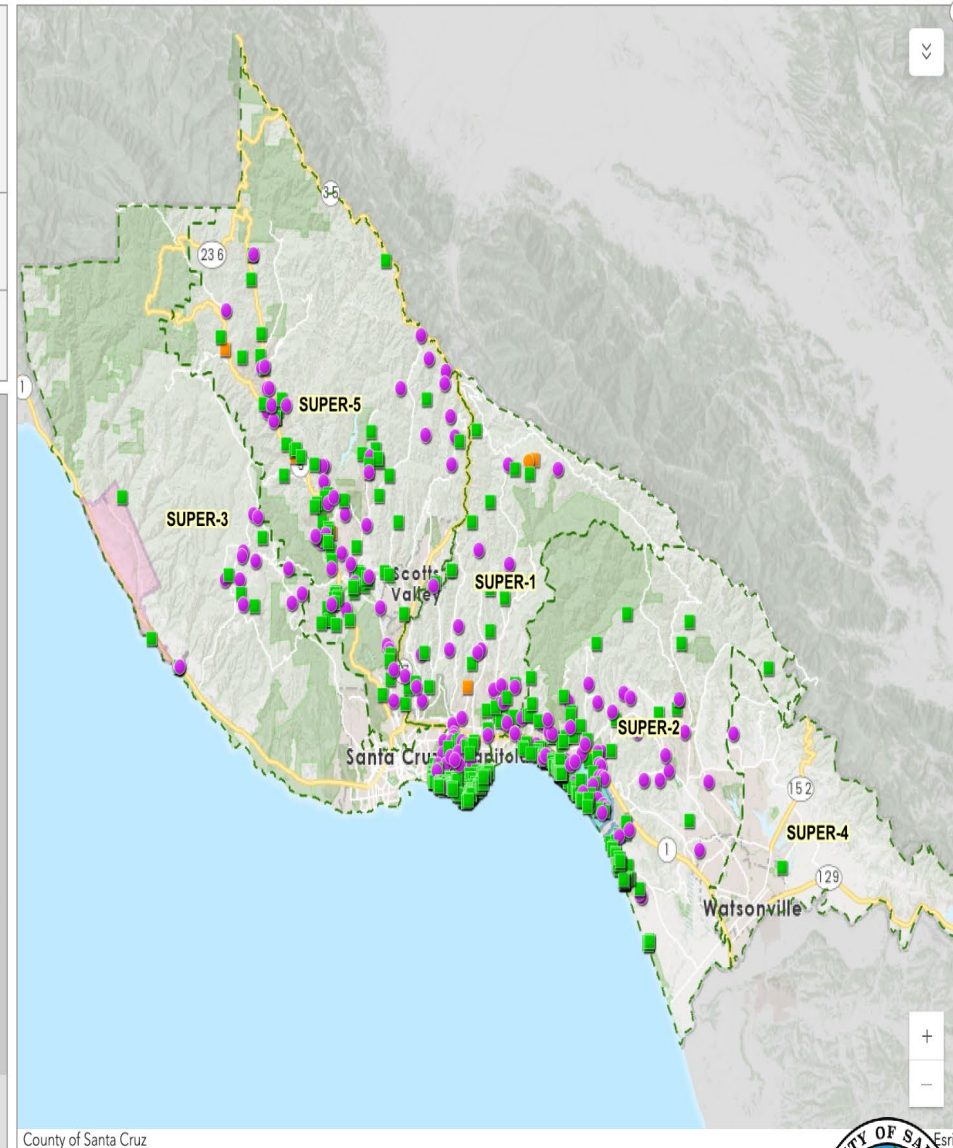
Proposed County-wide Cap

The proposal establishes a countywide cap of 270 permits of non-hosted STRs to manage long-term growth.

- Proposed caps were set based on existing permits and applications to prevent disruption.
- No reduction in current permits—existing STR owners retain their permits.

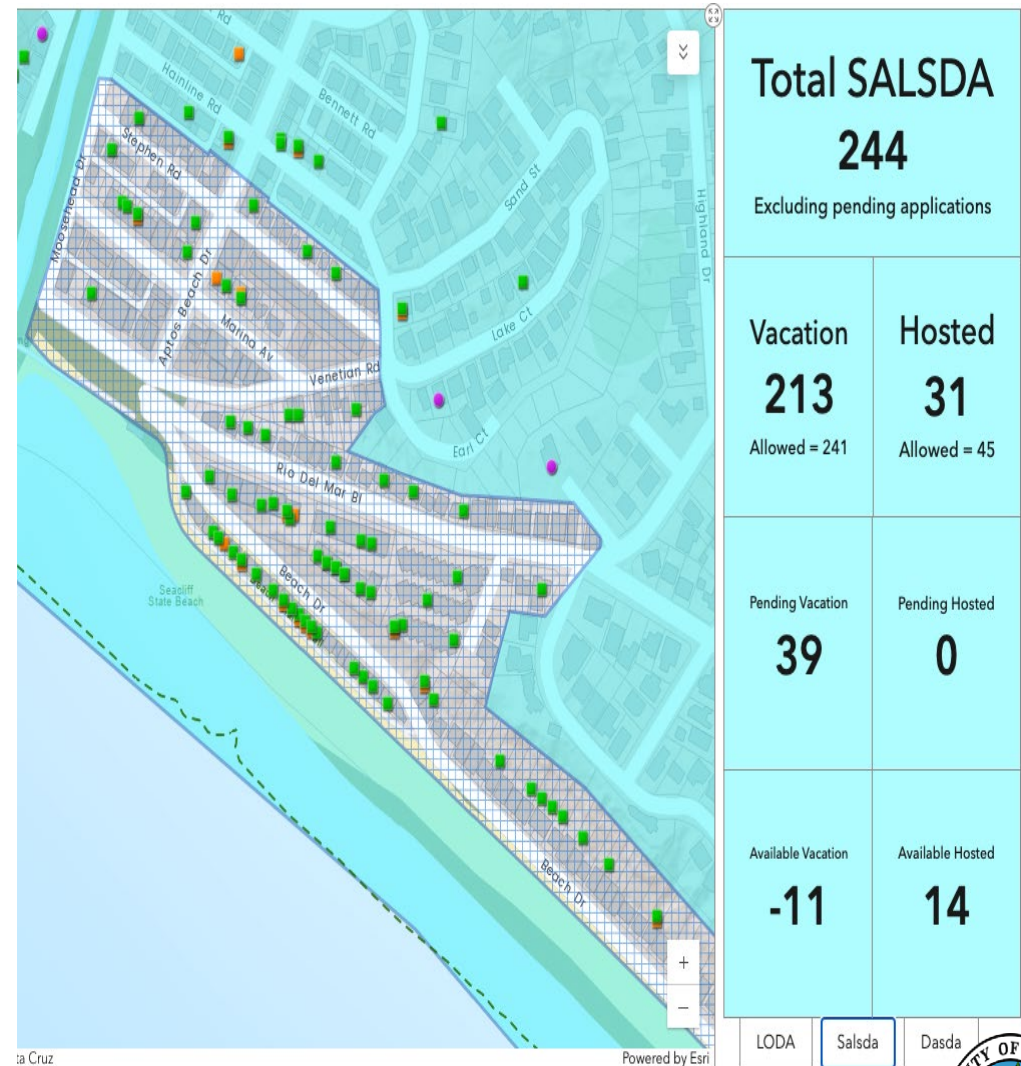
Total Vacation & Hosted	
863	
Vacation 679	Hosted 184
Pending Vacation 53	Pending Hosted 2

Vacation and Hosted Rentals	
■ Vacation	
● Hosted	
Pending Vacation and Hosted Rentals	
■ Pending Vacation	
● Pending Hosted	
County Supervisor Districts	
□	
Vacation and Hosted Rental Designated Areas	
■ LODA - Live Oak Designated Area	
■ SALSDA (No Limit) - Sea Cliff/Aptos/La Selva Beach Designated Area	
■ SALSDA - Sea Cliff/Aptos/La Selva Beach Designated Area	



SALSDA Exception & Corresponding CAP Adjustment

- The number of non-hosted STRs in SALSDA is 213 total, with 94 of those in the Exception Zone.
- Key Clarification: Exception Zone properties are not to count toward block limit OR the overall SALSDA cap.
- *Solution: Instead of opening 94 new permits, the revised ordinance reduces the cap to 119 non-hosted STR permits to balance impacts.*



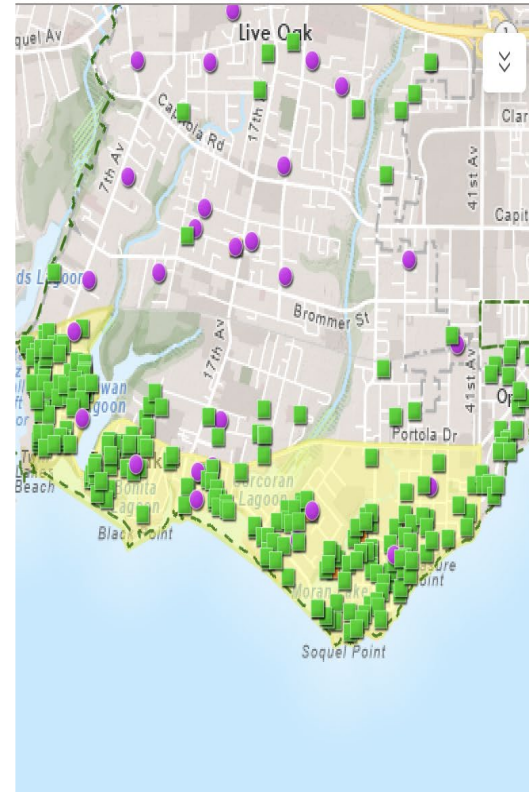
Rightsizing the Number of Available Permits

Phased Permit Drawdown (Starting Jan. 2026):

- Unused non-hosted STR permits reduced by 10 per year over five years in designated areas.
- Existing permit holders unaffected—as well as their ability to renew.

Language:

- Effective January 1, 2026, the total number of non-hosted permits in each area shall be reduced by 10 per year over a five-year period, if unused permits are available in designated areas or outside designated areas. No existing permit holder shall lose their permit or ability to renew it consistent with the provisions of Subsection (B)(3).



Total LODA
212

Excluding pending applications

Vacation
202

Allowed = 262

Hosted
10

Allowed = 18

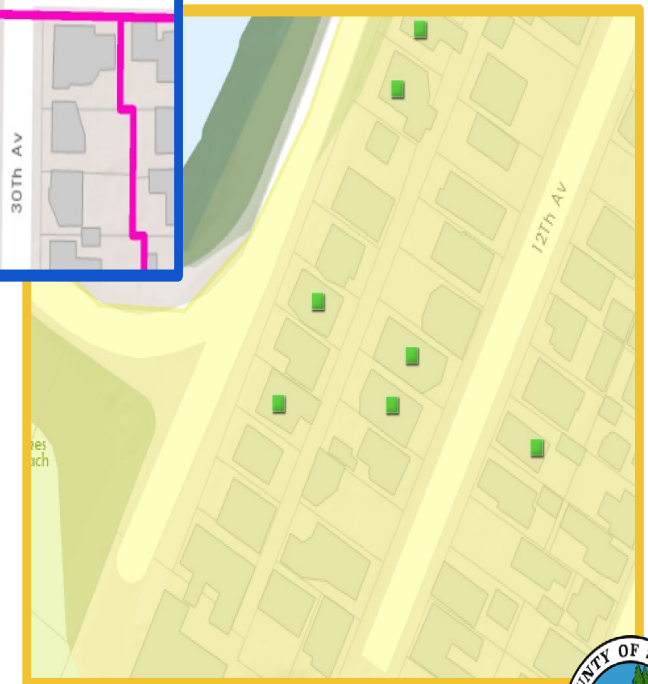
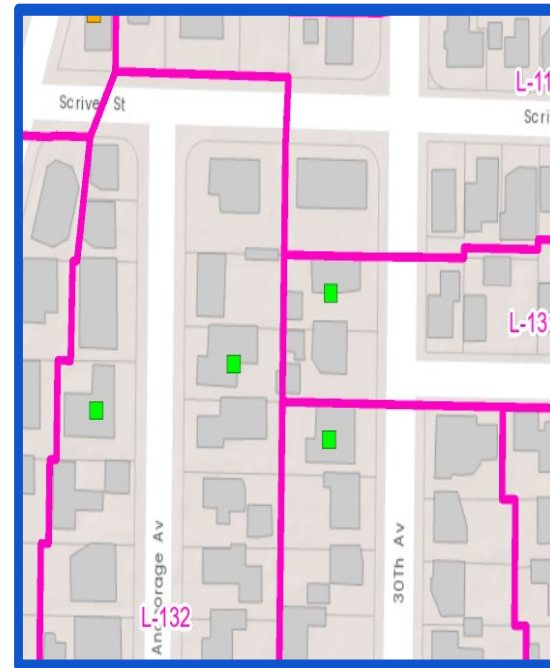
Stronger Location & Density Restrictions

Block Density Limits:

- No new non-hosted STR permit shall be approved if it would exceed 20% density on a single block - SCCC 13.10.694(D)(4)(b).

Proximity Limitations for Non-Hosted Rentals

- An STR permit cannot be issued if it results in a property being adjacent to two or more permitted non-hosted STRs - SCCC 13.10.694(D)(4)(d).



Hosting Platform Accountability

Proposal:

Hosting platforms (e.g., Airbnb, VRBO) must ensure only permitted properties are listed on their sites. If the County identifies a non-compliant STR listing and notifies the platform, the platform must remove it within 10 days or face an administrative penalty of up to \$1,000 per listing per day.

Definition of Non-Compliant Listings – Properties lacking a valid permit as well as those operating with expired, revoked, or invalid permits.

- Roughly 70 listings are paying Transient Occupancy Tax but are not permitted.
- These properties will be notified to obtain a permit or be removed.

Legal Precedent:

- Modeled after Santa Monica's Home-Sharing & Vacation Rental Ordinance (§ 6.20).
- Upheld by the U.S. Court of Appeals (2019), reinforcing local enforcement authority.



Consolidation of County Code

Consolidation of STR Ordinances - Simplifies the regulatory framework while introducing new provisions.

- Merges Chapter 13.10.690 (Hosted Rentals) and Chapter 13.10.694 (Non-Hosted Rentals).

Why It Matters:

- Numerous provisions in both chapters overlap.
- Consolidation streamlines updates and improves enforcement clarity.
- Brings us into alignment with the standard verbiage (Short-term Rentals) used by jurisdictions across the State.



Higher Permit Standards

Enhanced review process to ensure responsible STR operation.

- Site visit requirement
- Site plan
- Stronger ownership verification to prevent fraudulent applications or misleading submissions.
- Clearer permit renewal criteria based on compliance history.



Higher Standards cont.

One STR Permit Per Parcel:

- Restricts ownership of multiple STR permits per parcel.

Vehicle Parking - Encroachment Exception:

- If a property has an encroachment preventing frontage parking, the STR applicant must remove the encroachment before receiving a permit - SCCC 13.10.694(D)(8)(k)(iv)(2).



Improved Reporting & Oversight

STR Hotline Implementation:

- Centralized hotline for all STR properties (both hosted and non-hosted).
- Enables timely responses to neighborhood concerns.
- As outlined under SCCC 13.10.694(D)(3)(a).

Mandatory Signage for Non-Hosted Rentals:

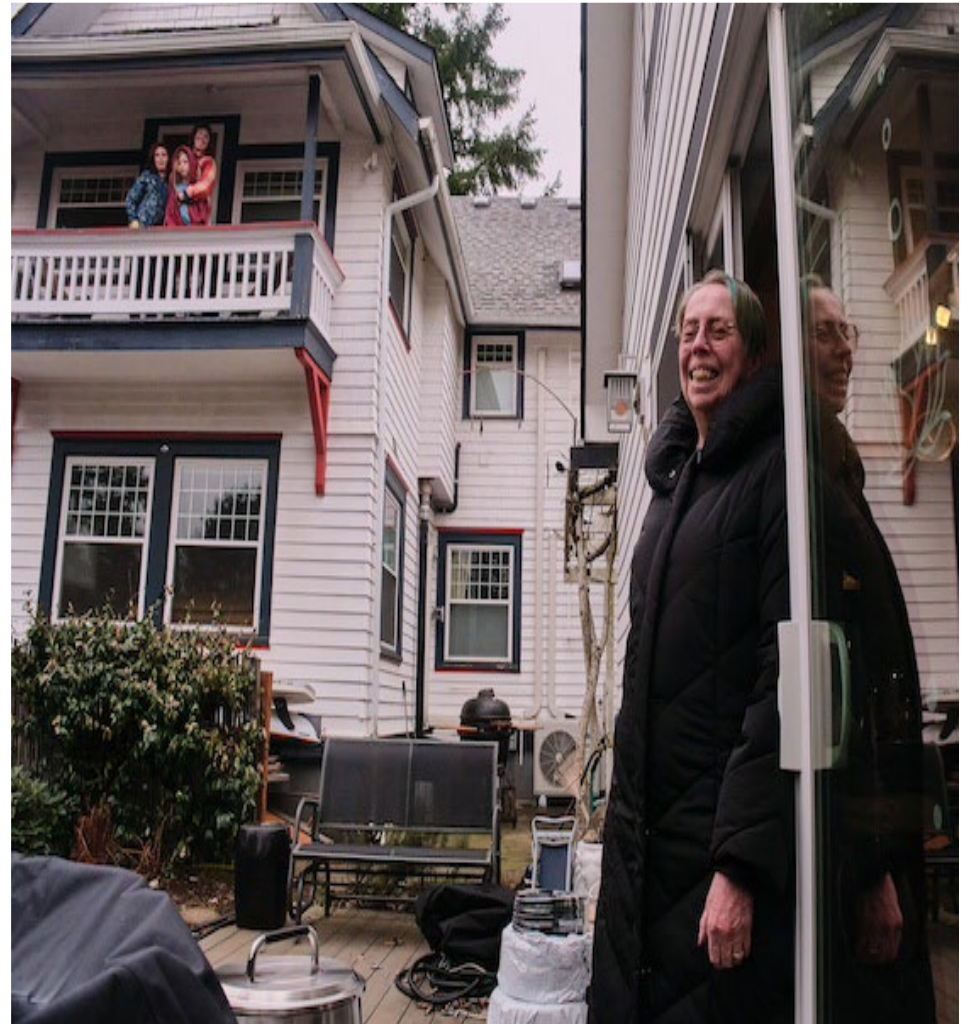
- All non-hosted rentals must display a visible sign indicating the property is a permitted STR; and
- The Short-Term Rental Hotline must be the largest and most visible text on the sign - SCCC 13.10.694(D)(8)(i).



Expanded Eligibility

Hosted Rentals - Accessory Dwelling Units (ADUs) & Junior ADUs (JADUs):

- Hosted rental permits allowed for properties with an ADU or JADU if [...] the property owner or an immediate family member resides in the ADU or JADU while renting the primary dwelling - SCCC 13.10.694 (B)(1)(a).



Reducing Impacts on Housing

Prevention of Tenant Displacement for STR Conversions:

- If an STR conversion requires tenant eviction, the owner must pay the tenant six months' rent (SCCC 13.10.694(D)(5)(c)).
- Proposed remedies align with the County's existing tenant protections (Chapter 8.43)

Permit Cap of 1 Per Individual/Entity:

- This restriction is intended to prevent corporate monopolization and promote a more equitable distribution of STR permits.
- Proposal - No one person or entity shall be issued more than one short-term rental permit, either for a hosted rental or a non-hosted rental – SCCC 13.10.694(D)(4)(e).



Community Meeting - Feedback Received

Key Takeaways from Public Meetings:

- General support for:
 - establishing STR hotline & platform accountability standards; and
 - density restrictions to limit overconcentration.
- Concerns about:
 - Staff inspections exceeding STR scope; and
 - Economic impact from proposed drawdown of unused STR permits



Fiscal Impacts

Point of Clarification:

- No reduction in current permits—existing STR owners retain their permits.

Notification Plan:

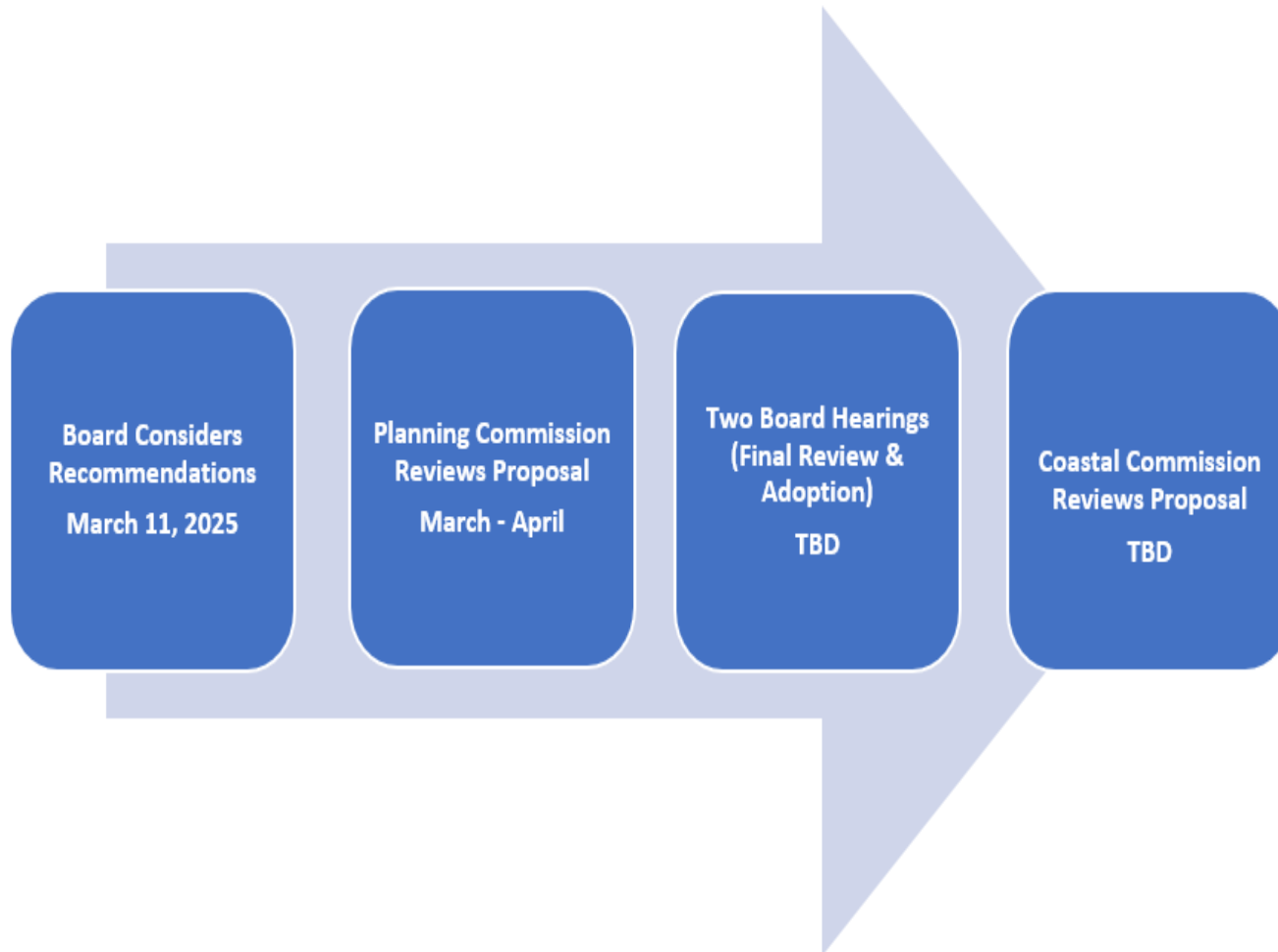
- Letter campaign to existing hosts, operating without a permit to ensure they are aware of the proposed changes and take the necessary steps to come into compliance, prior to the laws effective date.

Long-Term Support for Hotels:

- Restricting STR growth could impact the County's tourism economy, therefore the Subcommittee recommends further discussion with Visit Santa Cruz County to solicit feedback on ways of supporting the continued expansion of the hospitality industry.



Next Steps

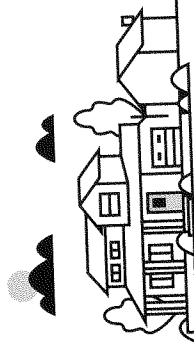


Questions?





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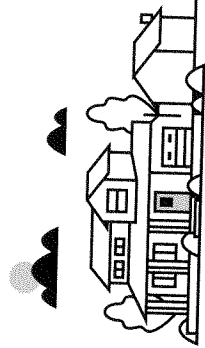
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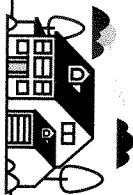
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