

PLANNING COMMISSION SUMMARY NOTES

Draft Short-Term Rental Ordinance Public Workshop

August 9, 2018

On August 9, 2018, the Butte County Planning Commission held a Public Workshop concerning the Draft Short-Term Rental Ordinance, which was continued from a May 10, 2018 Public Workshop. Previously on February 12, 2018, the Board of Supervisors had directed Development Services Staff to prepare a Draft Short-Term Rental Ordinance to allow this use, and to ensure that short-term rentals would not create nuisances or disturbances in neighborhoods and residential zones. The purpose of both of the Planning Commission's Public Workshops held May 10, 2018 and August 9, 2018 was to provide an opportunity to receive questions and comments from Planning Commissioners and the public. Direction received from the Planning Commission during these workshops will be incorporated into the Draft Short-Term Rental (STR) Ordinance for consideration at a future public hearing. After discussion and direction from the Planning Commission, the Planning Commission moved to hold a Public Hearing on the Draft STR Ordinance on September 27, 2018.

Principal Planner Dan Breedon provided a PowerPoint presentation concerning the Draft Short-Term Rental Ordinance and discussed major changes to the Draft Ordinance completed since the last public workshop. The major changes discussed included:

- Primary Residence Requirement for Operation of Short-Term Rental
- Hosted and Un-Hosted Stays Distinctions
- Allowing Second Dwelling Units to be used as Short-Term Rentals
- Agricultural Zones disclosure concerning inconveniences
- Allowance of outdoor amplified music during non-quiet hours
- Property Management and Complaints Procedures

At the conclusion of the presentation, there was an opportunity for the Planning Commission to provide comments and answer questions. There was also an opportunity for members of the public to submit written comments and to address comments directly to the Planning Commission. After the conclusion of public comment, the Planning Commission discussed the proposed ordinance and provided direction to staff. A summary of the Planning Commission's discussions and direction, as well as public comment, is provided below.

Questions and Comments from the Planning Commission

Commissioner Chase: Pointed out that the complaint and enforcement process sounded complicated. Pointed out that someone may complain too much causing a strike as indicated in public comments, and asked if a more formal investigation could be provided. Commissioner Chase also indicated the City of Chico has a similar process for barking dog complaints. Staff indicated that this could be looked into for application to the STR Ordinance.

Chair Grundmann: How do people know who the contact person is for the STR? Is there an online registry? Staff indicated that there would be an online registry, as well as notification to neighbors within 300 ft. of the STR's property line.

Commissioner Donati: Certain areas of the County such as Butte Meadows and Lake Madrone where units have been rented out for years. This is an area that we need more work in. Staff indicated that we can look at those areas and determine whether they should be treated differently.

Commissioner Chase: Is there a connection between the TOT and the amount of work the County undertakes? Staff indicated that the TOT is not related to the permit work.

Commissioner Chase: Had a comment about the AG disclosure, what about those areas close to Agriculture. Staff indicated that we could include the disclosure in all zones to address this issue.

Commissioner Grundmann: Discussed renting two structures on a single parcel and indicated that the Commission should give some thought to this issue.

THE MEETING WAS OPENED FOR PUBLIC COMMENT

Adam Penn. Lives in Chico so the ordinance would not pertain to him but did have some comments. He does agree with the TOT tax. Pointed out similarities with San Francisco STR Ordinance. Discussed 90-day limitation for Non-Hosted stays. Felt this would be an issue for him. Some people wish to rent out a whole house and 90-days is not an adequate amount of time. There should be no limit to the amount of nights. Also concerned with requirement for STR to be primary residence. He owns a second home and wishes to utilize it as a STR. The STR he operates in Chico helped to beautify the neighborhood and property. Indicated that maybe the neighbors could be surveyed to find out if they would support an un-hosted stay. Staff asked if there was an alternative period other than the 90-day limitation for non-hosted stays that would be appropriate. He felt that the number of nights should not be limited for non-hosted stays, or up to 20 nights per month.

Commissioner Chase: Asked how much we can depend upon what a corporation does in their practices to step back and not regulate. County Counsel responded that you should not rely on the corporation; you should rely on your own regulations. First thing to decide is whether you

want homes as STRs, and then decide what policies are appropriate given the circumstances. Pointed out that different zoning could distinguish vacation rentals for instance.

Michelle Chambers. Resides in County pocket surrounded by City of Chico. Is an owner-occupied residence on a 1-acre parcel on a privately maintained road. Wants to make the distinction that she would be present in the same unit and same home. Guest would share her home. Hard to imagine why that would not be compatible with surrounding neighborhood. Property owners should have the option to use their property for STR use, this should be a right not an option. Does understand the premise of the ordinance. There is nothing more that needs to be added, improved or mitigated to address impacts. A permit is superfluous to what is taking place already. The Airbnb site provides feedback and review concerning STR's. These comments help to address whether a site is safe and in the interest of public health. Voiced concern about the County indiscriminately publishing phone and email, and mailing to surrounding neighbors. The 90-day limitation is great for separate units but not for a shared space. Will put the rest of her comments in writing. Is concerned about the cost at \$200.00 plus TOT, means she has to rent out for a certain time to pay the County's fees and tax.

Chair Grundmann: Asked for clarity about whether the 90-day limitation pertains to un-hosted stays as opposed to hosted stays and staff confirmed that it does.

PUBLIC COMMENT PERIOD WAS CLOSED - Comment and direction was limited to the Planning Commissioners at this time.

Commissioner John: Wanted to review the issue of vacation rentals, such as in High Lakes area and whether zoning could be used for this purpose. Staff responded that there wasn't specific zoning that would allow us to treat these area differently, such as Lake Madrone, Butte Meadows etc. That is something we could address potentially through an Overlay Zone, which is more complex. Another option is to identify those communities, and treat them differently, but a boundary would be required, which would be difficult to determine. Commissioners suggested that allowing up to 120 days for un-hosted stays might help account for rentals in these areas. Staff indicated that we limited corporate short-term rentals where an owner is not present or is in another state or County, as this has the potential to undermine neighborhoods, displacing long-term owners and renters. Staff indicated that the 90 days limitation was common in other jurisdictions but could be changed as appropriate.

Chair Grundmann: Asked staff to go down a list of issues to get specific Planning Commission direction on each one. These issues were discussed as provided in the following:

- Primary Residence Requirement for Operation of Short-Term Rental

Commissioner John discussed various aspects of owner-occupancy, whether as a STR in a second unit, or when renting only a room in a home. Commissioner Chase discussed the

situation where an owner has a second home and lives in the same city. The Commission felt that a second home should be limited to the same property, not a separate property, and that should be included in the ordinance.

- Hosted and Un-Hosted Stays Distinctions

Commissioner John asked if the Commission was okay with 90-days for an un-hosted stay, and whether 90-days is standard in other jurisdictions. Staff indicated that it was common in other jurisdiction's ordinances. The Planning Commission concurred with the 90-day limitation for un-hosted stays.

- Allowing Second Dwelling Units to be used as Short-Term Rentals

Staff discussed the differences between Accessory Dwelling Units (units 1,200 square feet in size or less) and Second Dwelling Units (units greater than 1,200 square feet). The question is whether the Planning Commission is okay with allowing second dwelling units to be used as STRs and disallowing accessory dwelling units for STRs. Commissioner John indicated approval of the approach to ensure compliance with state law and ensuring the availability of affordable housing. The Planning Commission concurred with this direction.

- Agricultural Zones disclosure concerning inconveniences to STRs

Staff reiterated Commissioner Chase's recommendation to apply this to all zones and not just within the Agriculture Zone. Commissioners discussed various situations relating to the proximity of agriculture. Staff recommended using the right-to-farm disclosure required under County code. Staff indicated that the section could be re-written to address various situation in the County, whether agriculturally zoned or otherwise. The Planning Commission approved this direction.

- Property Management and Complaints Procedures

County Counsel discussed the process outlined in the draft ordinance. Staff also indicated that the process was to make it as self-regulating as possible, with the property manager the first line of defense in responding to complaints. It was brought-up as to whether a complaint filed with law enforcement or the fire department would fall under the three strikes provision. Staff concurred that contact to law enforcement could potentially count as a strike depending upon the situation and that these situations would be reviewed by staff. Annual mailing of property owner information to neighbors was discussed as a possibility to address changing ownerships in the neighborhood. Chair Grundmann felt that an online registry would be the preference rather than the burden of mailing every year. The Planning Commission concurred with this approach.

Butte Meadows, Lake Madrone, and Other Areas

Staff asked the Planning Commission for direction regarding areas, such as Butte Meadows, Lake Madrone and High Lakes, where the STR may not be the owner's primary residence. The Planning Commission felt that the 90-day allowance was adequate to address the use of these areas for STR's, but there was still concern about the fact that many may not be primary residences, but rather secondary residences (used for STR use). Staff suggested contacting various property owner associations at Butte Meadows, Philbrook, and Lake Madrone areas for input. The Planning Commission concurred with this approach.

Restriction of STR's in High Fire Hazard Areas

County Counsel brought up that one of the comment letters indicated concern about STR's being located in hazardous areas of the County and that some jurisdictions exclude areas of the County from the use of STRs. Staff indicated that under the ordinance community evacuation plans are provided to renters and included in the STR unit itself.

Use of Shared Wells

County Counsel brought up that one of the comment letters indicated concern about the use of shared wells by STR's. Staff indicated that the Public Health Department would review this situation under the administrative permit, and that this review is directed under the Draft Ordinance. The Planning Commission concurred that the ordinance adequately addresses this situation.

NEXT STEPS: At the conclusion of the discussion, the Planning Commission concluded their remarks and direction and unanimously moved to hold a public hearing on September 27, 2018.

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