

Meeting Summary

Short Term Rental (STR) Advisory Committee

10/20/2021 | 8am- 10am | Meeting #1

Town of Truckee Trout Creek Room

Committee members in attendance

John Falk-Realtor representative

Peter Fenolio-Contractor/ Building representative

Countney Henderson- Vice Mayor

Laura Lindgren-Member at Large

Melanie Meharchand-STR independent operator (part-time resident)

Aaron Nousaine-Economist

Dave Polivy- Councilmember

Matt Warren-Employer representative

Jim Winterberger-STR property manager

Facilitators

Hilary Hobbs – Assistant to the Town Manager

Seana Doherty – Housing Program Manager

Town Staff

Jen Callaway – Town Manager

Laura Dabe – Assistant Planner

Rosie Johnson – Administrative Analyst II, STR program

Angela Martin - Administrative Analyst I, STR program

Isaac Landman – Housing CivicSpark

Topics in this summary:

1. Discussion of committee's goal
2. Guiding questions asked to the committee
3. Feedback on initial research done by Town Staff
4. Further requests for data – qualitative and quantitative
5. Discussion for future meetings
6. Comments



Meeting Summary

1) Welcome and Introductions

Committee member introductions

2) Roles and meeting agreements

Committee members discussed and agreed to expectations for productive, civil discourse during committee meetings

3) Background and Process overview

A. Staff provided a presentation on the current short-term rental ordinance, the anticipated process for bringing a one-year review to Town Council in January 2022, Town Council's direction to study the relationship between short-term rentals and the shortage of housing that is affordable to the regional workforce, and Town Council's direction to the advisory committee to focus on the following questions:

- Should Town Council take action to manage the number of STR transient occupancy registration certificates in Truckee? If so, how should this regulatory framework be structured?
- Should Town Council take action to institute other restrictions on the type or location of properties that may register as STRs?
- Should short-term rentals be permitted in multi-family housing? If so, should a use permit be required (as currently required by the Development Code)?

B. Discussion

Committee members discussed the questions to be addressed and raised the following additional questions and concerns to inform the STR study:

- What is the appropriate number or percent of housing units that should be STRs in Truckee?
- Desire to preserve community and community character
- What is the relationship between STRs and long-term rentals and for-sale housing?

4) What we know today

A. Existing Truckee STR data review

Town Staff presented data on the current state of STRs in Truckee and shared it with the advisory committee. Compiled information included the total number of STRs in Truckee, historical complaints lodged against STRs, STRs brought into compliance with existing ordinance in calendar year 2021, the type of housing (single family, multifamily etc....) that is STR'ed in Truckee, breakdowns of STR units by number of bedrooms, and STR and hotel transient occupancy tax (TOT) remittance rates over time.

B. Requested additional data:

- i) Data for non-STR/full housing stock (nuisance issue complaints)
- ii) Economic impacts data:
 - (a) For STR's and visitor spend
 - (b) Occupancy rates of STRs by date and quarter determined by TOT tax remittance.
 - (c) Occupancy rates of STRs over time
 - (d) Occupancy rates of hotels over time
- iii) If STRs were limited, how many STR operators/homeowners would switch to LTR?
- iv) Who owns and operates STRs?

(1) How many STRs are owned by corporations/ investors vs single families? What is the % of total STR units?

v) Change in STR trends over time by neighborhood.

C. Additional Committee Questions raised:

- i) If STRs were limited, would visitors elect to stay in hotel/motels? What is the visitor demand for STRs and could it be met elsewhere?
- ii) What can the local economy handle?
- iii) Number of STR units vs Number of hotel units
- iv) How do LTRs fit into this question?
- v) Can we collect input from 2nd homeowners? How should we go about doing outreach with this group?

D. STR management models in other communities

Town staff provided the committee with cursory information on what other jurisdictions similar to Truckee are doing to regulate STRs; this information was used to give a preview of the sorts of regulatory mechanisms available to the Town of Truckee. Mammoth Lakes, CA, Bellingham, WA, South Lake Tahoe, CA, Crested Butte, CO, Taos, NM, El Dorado County, CA, Durango, CO, and Douglas County, NV were the communities whose STR ordinances were summarized for the advisory committee. Breckenridge, CO was discussed as a cautionary example, as 50% of their housing stock is STRed and they are currently taking steps to reduce this number. The committee provided the following comments, questions and feedback on this research:

- i) How does Bellingham monitor/check primary residencies? (270 days/year)
- ii) How many total housing units are in Taos?
- iii) What is Frisco, CO doing vs Breckenridge?
- iv) When communities regulate their STRs, what correlation has there been with home value/prices?
- v) Are there any incentive-based solutions to change behavior/shape community?
 - (a) Perhaps occurring at point of sale/affixed to deed
- vi) Further research was requested on:
 - (a) Tiered STR program options
 - (i) Options for full time local resident STR operators
 - (ii) Options for Second Homeowners
- vii) Should there be a difference in how the Town regulates STRs managed by property managers versus those managed by independent operators?

5) Discussion & Next Steps

The committee finished its session by providing comments on the STR moratorium and their role in helping develop recommended next steps/regulations:

- A. The advisory committee discussed when or how to solicit public input. Discussion included what questions we would be trying to answer through public input and what tools would work best to solicit input. The Committee determined that public engagement is not helpful until the Committee has developed more specific recommendations or options for the public to react to. This question will be revisited later in the committee process.
- B. The timeline of moratorium extension sounds reasonable (through June 2022).
- C. Is Council willing to try a model/framework that has not yet been seen or tested elsewhere?
 - a. We may need to create our own Truckee model/framework...
- D. Let's look forward – 3/5 years down the road, not backwards into what once was or has been (i.e. interested in helping to guide what will happen when properties turn over in the future)
- E. We should try to be fair with what we come away from this committee with – take all criteria into consideration



Short-Term Rental Advisory Group

Meeting #1

Oct 20, 2021

Agenda

- I. Welcome/Introductions [20 min]
- II. Meeting purpose, roles, agreements [10 min]
- III. Background + Process Overview [15 min]
- IV. What we know today [15 min]
- V. Discussion [45 min]
- VI. Close/Next Steps [10 min]

Meeting Agreements

List on poster paper—to be developed by the group

Hybrid Meeting Logistics

Zoom/In-person

The background features a dark blue field with abstract geometric patterns on the left side. These patterns include diagonal lines, some with fine white hatching, and solid blue shapes in various shades, creating a layered, architectural effect.

BACKGROUND & PROCESS

PLANNED STR PROCESS DEVELOPMENT (APRIL 2020)

NUISANCE ISSUES/
LIFE SAFETY

STAKEHOLDERS

COMMUNITY

ON HOLD

HOUSING
Management
Process
COMMUNITY
CHARACTER

TOWN
COUNCIL

EXPEDITED STR PROCESS- *August-October 2020* (“PHASE 1”)



BACKGROUND- Current STR Ordinance Adopted October 2020

OBJECTIVES

- Create rules that minimize nuisance issues
- Establish frameworks to permit STRs and enforce rules.
- Create a higher level of accountability on STR operators through enhanced oversight and enforcement

BACKGROUND- Current STR Ordinance

-  Maximum Occupancy
-  Parking requirements
-  Trash requirements
-  Interior posting
-  24-hour contact required
-  Advertising requirements
-  Life Safety
-  Noise (town-wide)
-  Penalties
-  Enforcement

BACKGROUND- October 2020 Process

Set aside for future consideration:

- Consider whether or not there is a goal of proactively managing the number or usage of STRs

Prohibit STRs in certain zones?

Limit # of STRs per neighborhood?

Cap # of STRs?

Limit # of STRs per owner?

BACKGROUND: IMPLEMENTATION TIMELINE



ORDINANCE ADOPTED- OCTOBER 2021

Council intention to review progress after first year



PROGRAM LAUNCH- JANUARY 2021

Operating requirements, annual registration program, helpline, fire inspections



**YEAR-1 REVIEW AND RECOMMENDATIONS TO
COUNCIL- JANUARY 2022**

TEMPORARY MORATORIUM & REVIEW/ STUDY PROCESS

- 45-day moratorium adopted September 28, 2021
- Update Report to Town Council October 26
- Consideration of moratorium extension- *until June 2022*
- Advisory Committee and staff research to inform Council
- Recommendations to Town Council early 2022 (January 25)
- Council consider recommendations and public input→
direction on next steps

Advisory Committee Purpose: Provide recommendations to Town Council

- Should Town Council take action to manage the number of STR transient occupancy registration certificates in Truckee?
 - If so, how should this regulatory framework be structured?
- Should Town Council take action to institute other restrictions on the type or location of properties that may register as STRs?
- Should short-term rentals be permitted in multi-family housing? If so, should a use permit be required (as currently required by the Development Code)?

TOWN COUNCIL INTERESTS

- Tiered program options
- Options to support full-time resident affordability through occasional STRing
- Property Managers & Independent Operators- should permit programs and regulations be the same?

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WHAT WE KNOW TODAY

STR PROGRAM TODAY

13,674

HOUSING UNITS TOWN-WIDE

1,079

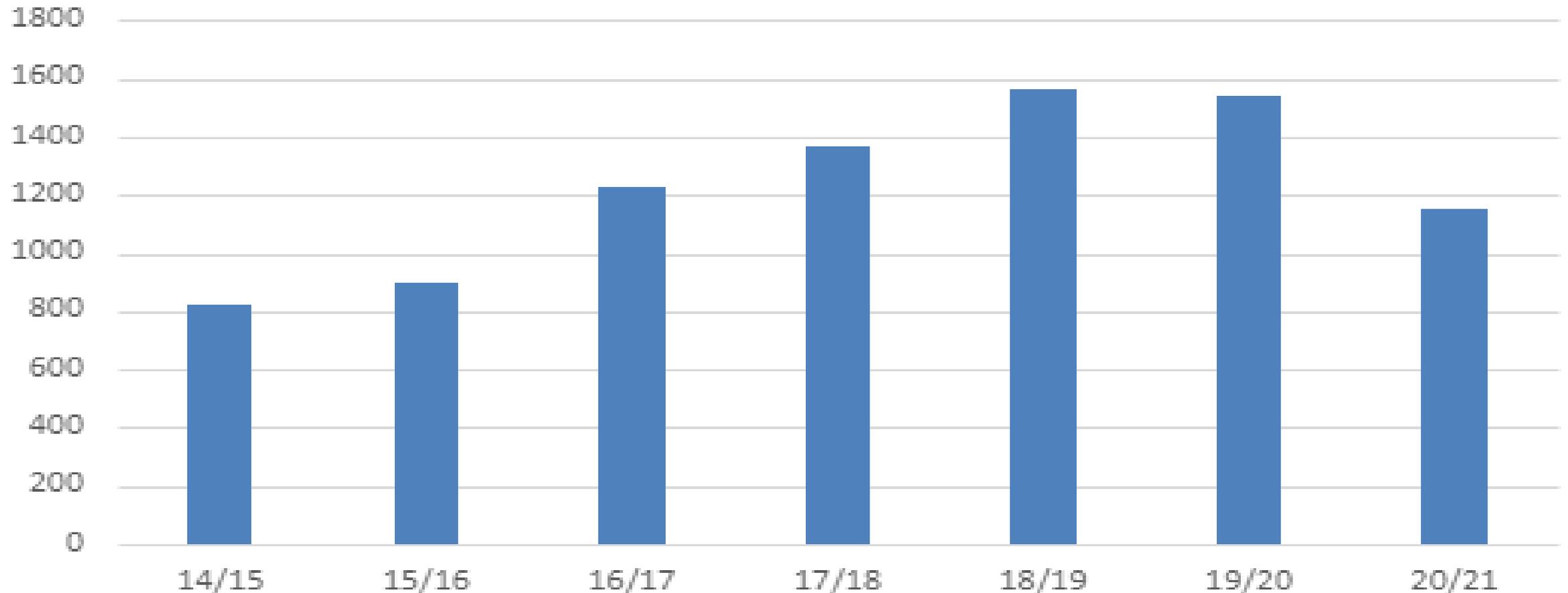
REGISTERED STRs

7.9%

% HOUSING UNITS REGISTERED AS
STR

Number of STR paying Transient Occupancy Tax properties by fiscal year

Properties Submitting >\$0 Tax Returns



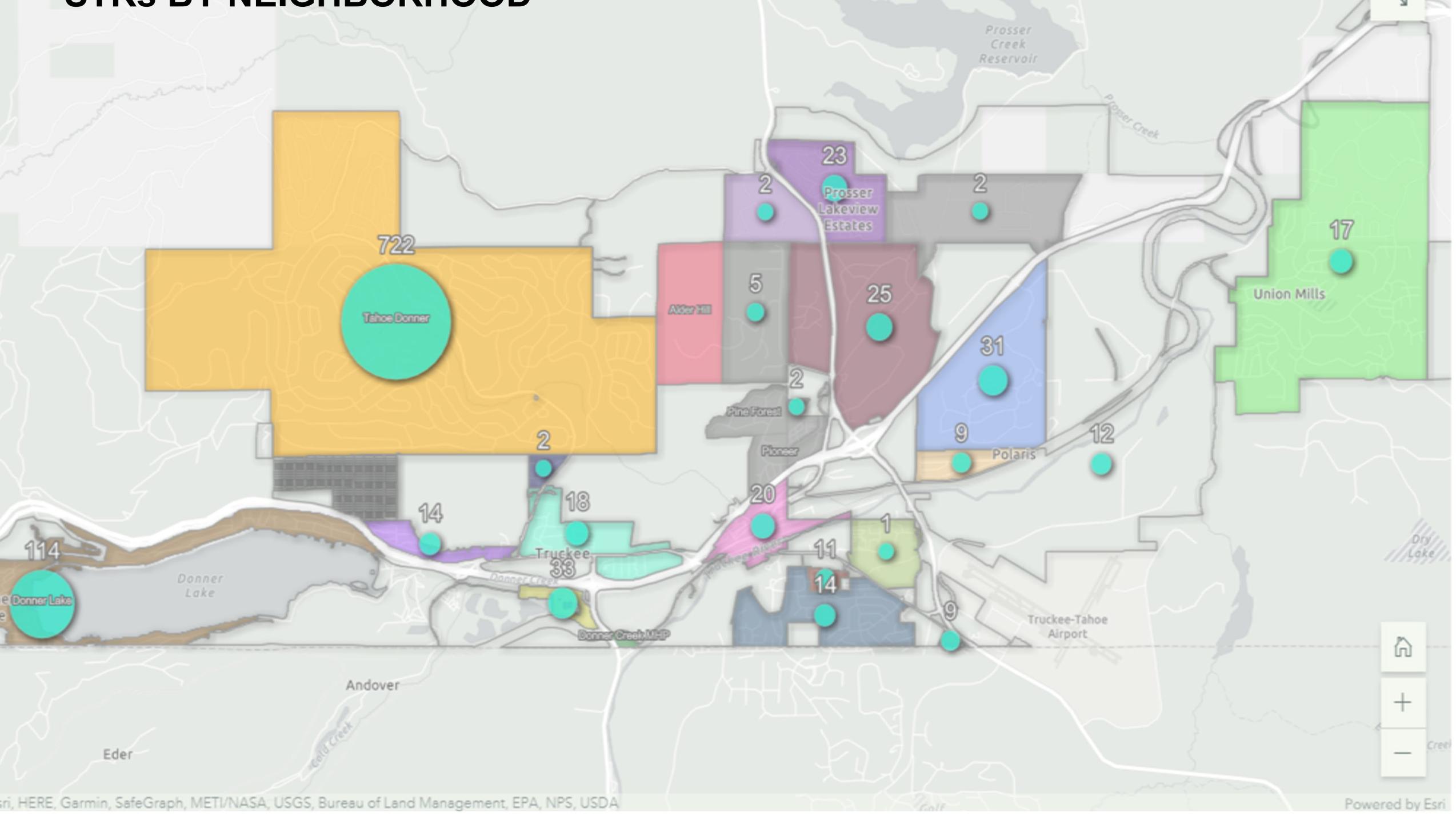
Registered STRs by type and bedroom count (#)

| TYPE OF HOUSING | BEDROOMS | | | | | | | | | |
|----------------------|----------|-----------|------------|------------|------------|-----------|----------|----------|----------|-------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | TOTAL |
| ADU | | 6 | 1 | 1 | | | | | | 8 |
| Multi-family | 3 | 29 | 80 | 44 | 2 | | | | | 158 |
| Single-family | | 10 | 89 | 493 | 231 | 45 | 7 | 3 | 2 | 880 |
| TOTAL | 3 | 45 | 170 | 538 | 233 | 45 | 7 | 3 | 2 | 1046 |

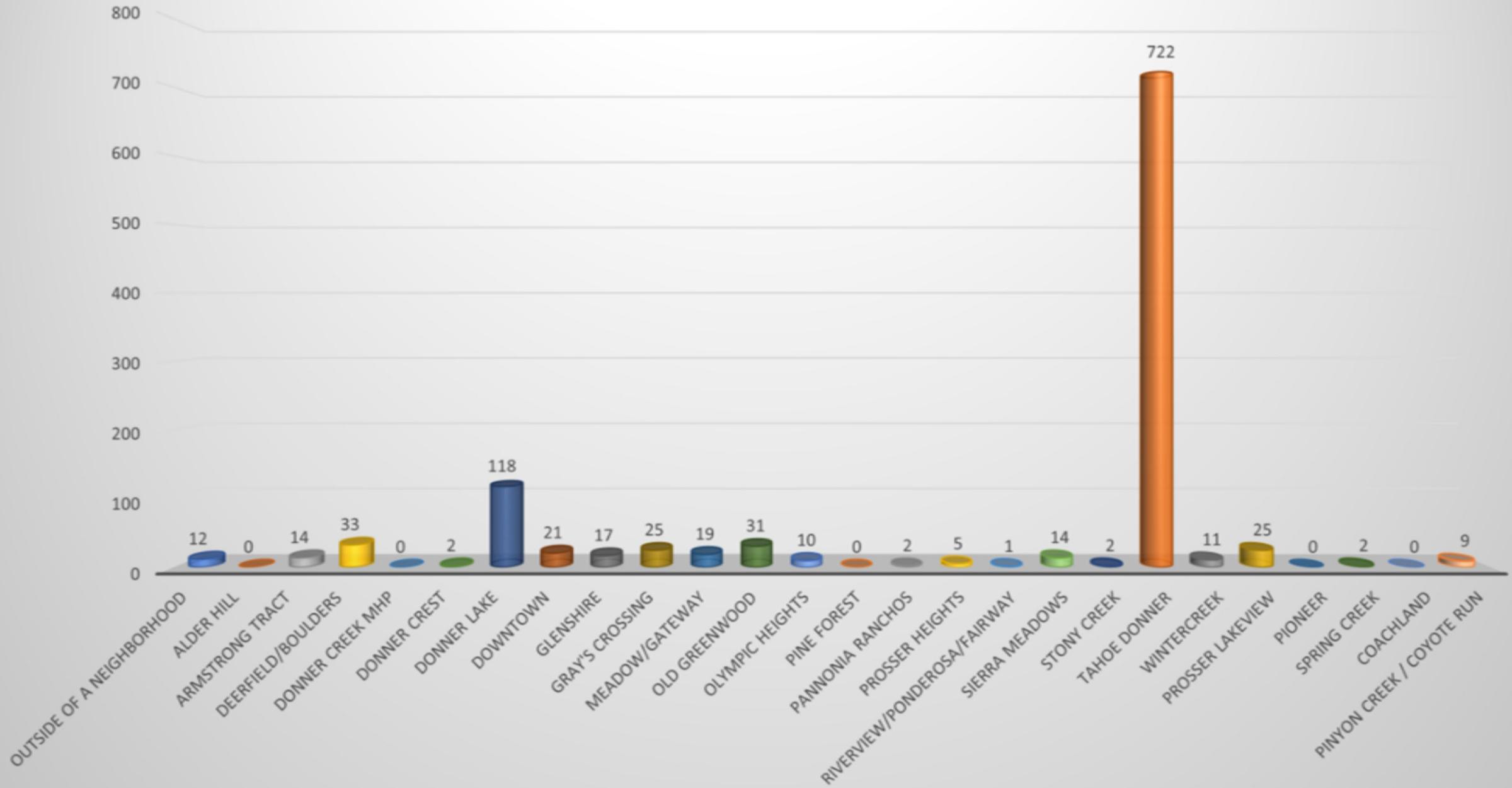
Registered STRs by type and bedroom count (%)

| TYPE OF HOUSING | BEDROOMS | | | | | | | | | |
|----------------------|----------|-----------|------------|------------|------------|-----------|-----------|-----------|---|-------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | TOTAL |
| ADU | | 1% | | | | | | | | 1% |
| Multi-family | | 3% | 8% | 4% | | | | | | 15% |
| Single-family | | 1% | 9% | 47% | 22% | 45 | 4% | 1% | | 84% |
| TOTAL | | 4% | 16% | 51% | 22% | 45 | 4% | 1% | | 100% |

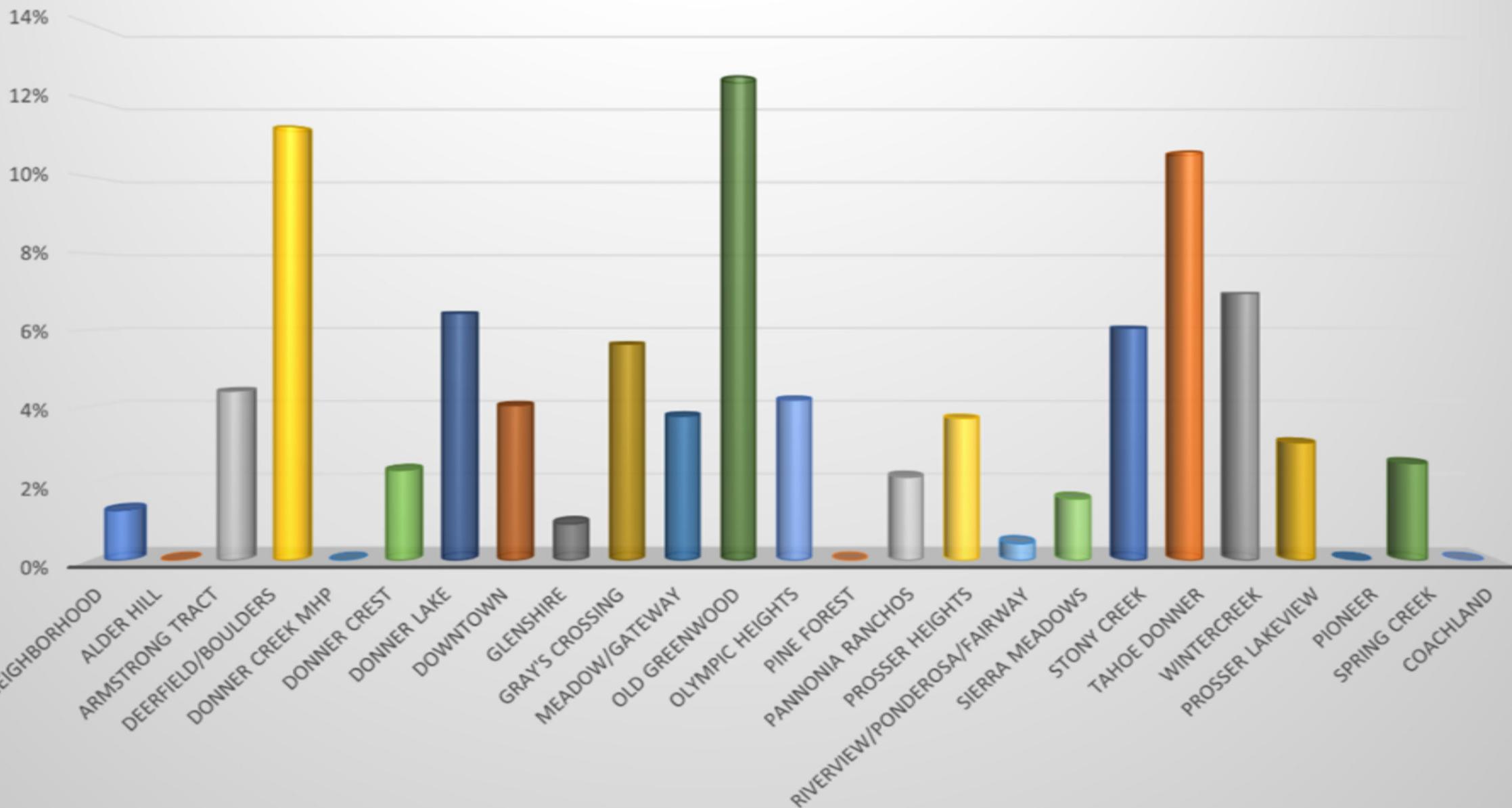
WORKS BY NEIGHBORHOOD



Active STRs by Neighborhood



Proportion of STRs to Total Neighborhood Parcels*



Enforcement of STR properties identified and not registered, January 1- October 15, 2021

Properties Identified & Brought Into Compliance

| Status | Property Count | Notes |
|---|----------------|---|
| Non-Compliant properties identified | 273 | |
| Non-Compliant letters sent | 253 | |
| Properties registered after letter | 41 | 17% - Percentage of properties registered due to non-compliant letters being sent. |
| Properties otherwise brought into compliance | 174 | Listing Removed, updated minimum night stay, etc. |
| Outstanding Non-Compliant Properties | 58 | <ul style="list-style-type: none">• 38 have been contacted and additional follow-up is needed to bring into compliance• 20 properties newly identified, have not yet received non-compliant letter |

COMPLAINTS & INQUIRIES RECEIVED

January 1- October 15, 2021



| TYPE | Number |
|--------------------------------|------------|
| Noise | 55 |
| General Inquiries | 125 |
| Out of Jurisdiction | 8 |
| Stay Home Order | 11 |
| Parking | 52 |
| Trash | 35 |
| Unauthorized Short-Term Rental | 6 |
| Unauthorized Short Term Rental | 6 |
| Exterior Lights | 3 |
| BBQ/Grill | 6 |
| Disturbance or Trespassing | 7 |
| Occupancy Limits | 4 |
| Other | 8 |
| Listed Not Registered | 5 |
| TOTAL | 294 |

ADDITIONAL DATA COLLECTION *IN PROCESS*

- Percent of registered STRs that are primary residences and percent that are second/ vacation homes
- Breakdown of registered STR properties by estimated market value
- Breakdown of registered STR properties by home size (square footage)
- Average number of room nights rented per property

DRAFT

STR management models

What are other communities doing?



ZONES

MAMMOTH LAKES

- STRs LIMITED TO: Commercial, Resort, Specific Plan, and Residential Multi-family 2 zones
- Voter Initiative froze STR zones

SOUTH LAKE TAHOE

- Voter initiative
 - No STR permits within Residential Zones
 - Phase out over 3 years
- Qualified VHRs (QVHRs) allowed
 - Fulltime resident
 - STR up to 30 days/year

ZONES

BELLINGHAM, WA

- Residential Zones:
 - One per operator
 - Must be Primary Residence (270 days/ year)
 - Whole unit rental limited to 95 days/ year
 - No ADUs as STRs
- Commercial and Urban Village Zones:
 - No limit on number per operator, residency, or days/ year
- Voter Initiative froze STR zones

COMBINED ZONING AND CAP REGULATIONS

CRESTED BUTTE, COLORADO

- **UNLIMITED LICENSE**
 - Limit to 30% of “free market” units (212 permits)
 - Only permitted in certain zoning districts
 - # nights/year not restricted
- **PRIMARY RESIDENT LICENSE**
 - Require affidavit and proof of residency
 - Limited to 60 nights/ year
 - Allowed in zones where unlimited license is prohibited

COMBINED ZONING AND CAP REGULATIONS

TAOS, NEW MEXICO

- ZONING
 - Prohibited in Historic, Hotel, and Central Business zones, unless predated ordinance
 - In some zones require conditional use permit
- CAP
 - # permits capped at 120
 - Phased in after 1 year
- Permit does not transfer with property sale
- Real Estate listing must include copy of ordinance

CAP AND DENSITY LIMITATIONS

DURANGO, COLORADO

- ZONING
 - Only permitted in central business zone, mixed use zone, select Planned development zones, established neighborhoods (EN) 1 and 2.
- CAP
 - EN zones capped by neighborhood
 - Central Biz, Mixed Use and Planned Development zones capped within each development
 - HOAs and Planned Development governing documents must specifically state that STRs are allowed

CAP AND DENSITY LIMITATIONS

DOUGLAS COUNTY, NV

- Only allowed in Tahoe Township
- CAP : 600 in Tahoe Township
 - 15% in single family
 - 20% tourist/ multi-family residential
 - Cap only applies to new VHRs
- TIERED PERMIT STRUCTURE
 - 1: Owner present, limit 4 occupants- *No cap*
 - 2: Occupancy limit: 10 or fewer
 - 3: Occupancy limit >10- requires public hearing

STR ORDINANCE DEVELOPMENT IN PROCESS

BRECKENRIDGE, COLORADO

- ~50% of housing units are currently STRs
- September 2021: adopted 2,200 unit cap while consider additional steps to balance to STR and LTR housing
- Considering Tourism Overlay zones

STEAMBOAT SPRINGS, COLORADO

- Temporary moratorium on new permits
- Considering overlay zones
 - Areas where permitted by right
 - Areas where prohibited
 - Areas requiring Permit and enforceable standards

Discussion

What stood out from today's discussion and data?

What's missing?

What surprised you? Concerned you?

Themes emerging?

How would the group like to collect/consider community input?

Next Steps

Meeting #2—November 17, 8-10 am

Meeting #3— December 8, 8-10 am

Future materials & research

Closing comments