



Meeting Summary

Short Term Rental (STR) Advisory Committee

11/17/2021 | 8am- 10am | Meeting #2

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

Facilitator

Hilary Hobbs – Assistant to the Town Manager

Town Staff

Laura Dabe – Assistant Planner

Rosie Johnson – Administrative Analyst II, STR program

Angela Martin - Administrative Analyst I, STR program

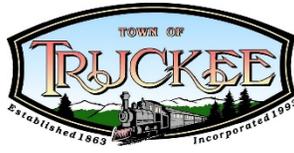
Christine Picard – Code Compliance Officer

Isaac Landman – Housing CivicSpark

Seana Doherty- Housing Program Manager

Topics in this summary:

1. Review of the committee's goals
2. Data presented to the committee
3. Summary of committee discussion of data
4. Other community's STR ordinances and STR regulatory options available to Truckee
5. Explanation and results of "dot exercise"
6. Final Suggestions and Next Steps



Meeting Summary

1) Committee's Goals

The committee reviewed and agreed on its goal:

To proactively manage the short-term rental (STR) registration program to help maintain the supply of housing that is affordable to the regional workforce.

Further, the committee agreed that its management strategies should aim to maintain neighborhood and community character, address nuisance issues associated with STRs, and maintain a healthy economy which includes the visitation-related sectors. One committee member expressed that more work is needed to ensure community and neighborhood preservation.

2) Data Presented to the Committee

Staff presented data gathered at the request of the committee in its first meeting. That information is provided as Attachment 1.

3) Discussion of Presented Data

Following staff presentations, committee members raised further questions and comments. Discussion after these presentations included the following:

- Committee members wanted to know the impact on town businesses and the local economy should STRs be regulated or limited, as well as how likely STR operators would be to switch to long term renting (LTR) as a result. After some discussion, it was suggested that until legislation passes and is rolled out, answering those questions decisively would be elusive.
- The committee discussed various tax benefits that motivate second homeowners to STR, including 1031 Exchanges; one point made on this topic is that many second home owners are not necessarily STRing their homes because they need the money and should not be expected to convert their STR to an LTR.
- One committee member suggested that a cooling off period following the purchase of a home in which an STR permit cannot be attained could be a helpful regulatory tool; this would reduce inflationary pressure in the market as well as encourage second home buyers to consider providing LT housing as a cash flow option when thinking about how to finance their purchase. This would provide realtors with an option to float to their clients when trying to secure liquidity for property purchases.
- Additional conversation included debate between committee members on whether employees in the regional workforce can afford or would be approved for mortgages on houses that are valued under \$900,000. One committee member expressed that there are qualified buyers in the market; the problem is housing supply.
- One committee member expressed that a buyer is willing to pay more for a home if they know they can immediately earn STR revenue, and homes are more likely be purchased strictly as an investment in this situation. Committee members discussed the concept of using management tools that create some uncertainty regarding a purchaser's ability to immediately/ automatically receive an STR registration certificate to reduce this inflationary pressure. A "cooling off period"



after a property sale making the property ineligible for an STR permit for a set period of time, and caps on the number of permits were suggested.

4) Other Communities and STR Regulatory Tools Available

Staff reviewed takeaways from interviews conducted with other destination communities with STR ordinances. Summaries of these interviews are provided as **Attachment 2**.

Staff also gave an overview of regulatory mechanisms that could be used to manage Truckee's STRs. That overview is provided as **Attachment 3**.

Committee members also suggested the following policy tools not listed by Town Staff:

- A cooling off period following the sale of a property in which an STR permit is prohibited from being issued; this cooling off period could be for all homes or could be instituted based on the selling price of the home.
- Creating a tiered system of STRs in which regulations are levied based on occupancy levels of homes; creating limits/caps on STRs based on unit occupancy levels.
- Placing lifespans on STR permits; instituting policy that limits automatic renewal of STR permits.
- Creating a lottery system through which people can apply for but not be guaranteed an STR permit; creating a waitlist for STR permits.
- Instituting STR restrictions, such as a "cooling off period" on properties that sell for under \$1 million, because these homes are most likely to be viable as workforce housing.

The following topics were also brought up while discussing policy tools:

- Is it appropriate to limit primary residents who STR their property? One committee member expressed that policy should seek to make housing more affordable, rather than encouraging a cycle of increase housing costs that force reliance on STR revenue. One committee member suggested that policies that encourage long-term rentals (i.e. roommates) vs STRs is preferable.
- Committee members were encouraged to be cautious and take steps slowly to regulate STRs. Further, members were asked to consider how these policies might affect everyone in the community (full-time residents, part-time residents and businesses) and be sure to treat everyone fairly and equally.

5) Prioritization Exercise and Results

Staff facilitated a prioritization exercise to gauge committee members' opinions on which policy tools they viewed as most useful to regulate STRs in the Town of Truckee. Tools presented by staff and ideas from committee members were displayed on large sheets of paper; committee members were given three colored sticky dots to vote for the tools they determined had impactful regulatory potential. Policy options received the following number of votes:

- Town-wide cap or STR registration certificates – 6
- Cooling period after sale (could be based on market value) – 6
- Cap on Number of days rented per year – 3
- Cap or prohibition by neighborhood – 2



- Restrict or prohibit in multifamily residential – 2
- Distance requirement/buffer – 2
- Occupancy limit tiering/further limiting occupancy restrictions – 2
- Tiered system/residency requirements – 1
- Restrict by zoning or neighborhood – 0
- Prohibition or cap on home size (e.g.. not allow in 3 bedroom units or less) – 0

In discussing the policy tools that received the highest number of votes, a committee member brought up the importance of creating incentives for good actors when placing limits on the market. This committee member suggested and received enthusiastic feedback on their idea for an incentive-based system that allows an interested party (e.g. a property manager) to be approved for additional STR permits by providing a significant benefit to the community (e.g. constructing or purchasing deed restricted housing units).

Staff encouraged committee members to prepare for their next meeting by thinking about if and how policy tools might be instituted together. Staff explained that it was important to pair policies together thoughtfully, as not all tools would work well in tandem. One committee member advocated for the pairing of STR caps and limitation of days one can rent their property, citing this as a common practice by other communities. Further discussion included committee members advocating for the institution of policies one at a time so that the effect of each policy could be clearly monitored and tracked.

6) Final Suggestions and Next Steps

Staff summarized that the next meeting would include additional discussion of the three tools that received the most support from the committee:

- Town-wide cap or STR registration certificates
- Cooling period after sale (could be based on market value)
- Cap on number of days rented per year

Committee members should come prepared to discuss the details that might be included in each tool and how they may work together—or on their own-- to achieve the committee's goal. The next meeting is intended to result in a final summary of recommendations to be presented to Town Council.

Attachments:

1. Truckee STR data research update handout
2. STR programs in other jurisdictions: Interview summaries handout
3. STR land use tools handout
4. Meeting presentation slides



Date: November 16, 2021
Subject: Short-term Rental Research Update

Town of Truckee Short-Term Rental (STR) Program Data as of 11/8/2021

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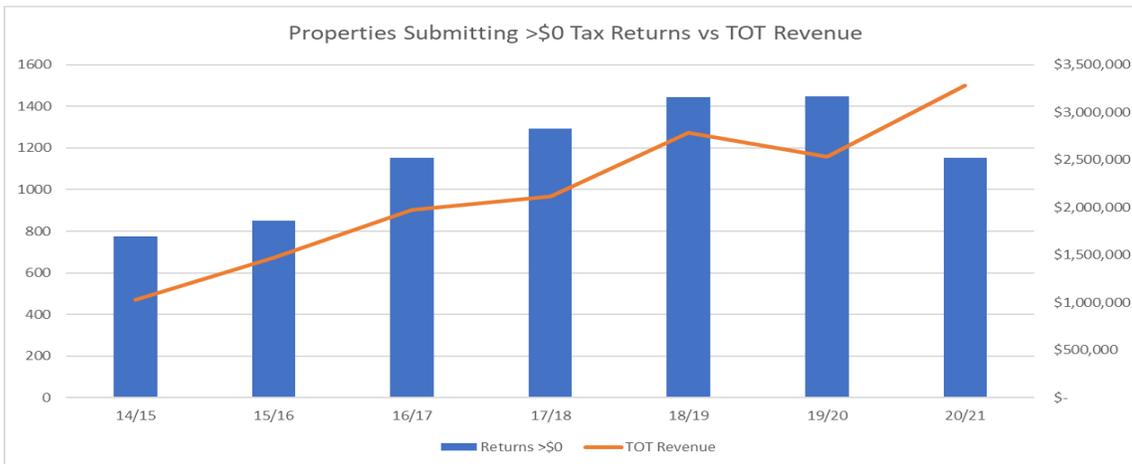
Figure 7D: Comparison of STR and non-STR complaints in comparable categories

I. Property Count Data

Figure 1A: Short Term Rental as a percent of Truckee Housing Stock

Housing units town-wide	13,674
STR Registration Certificates (2021)	1255
% Town-wide housing stock registered as STRs	9.2%
% of detached single family housing stock registered	9.1%
% of attached SF & multi-family housing stock registered	11.1%

Figure 1B: Number of STRs paying Transient Occupancy Tax by fiscal year compared to TOT revenue



Note: Prior to January 2021, no annual registration certificate or annual registration fee was required and participating properties were not subject to operating requirements

Figure 1C: 2021 Registered STRs by type and bedroom count (#)

TYPE OF HOUSING	BEDROOMS									TOTAL
	0	1	2	3	4	5	6	7	8	
ADU		6		2						8
Multi-family	3	30	77	48	3					162
Single-family		9	85	493	241	52	10	3	2	894
TOTAL	3	45	162	543	244	52	10	3	2	1064¹

1) 191 additional “conditionally approved” properties are awaiting bedroom count verification as a result of Town’s recent cybersecurity incident impacts

Figure 1D: 2021 Registered STRs by type and bedroom count (%)

TYPE OF HOUSING	BEDROOMS									TOTAL
	0	1	2	3	4	5	6	7	8	
ADU		1%								1%
Multi-Family		3%	7%	5%						15%
Single-Family		1%	8%	46%	23%	5%	1%			84%
TOTAL	0%	4%	16%	51%	23%	5%	1%	0%	0%	100%

Figure 2B: Map of STR registration density

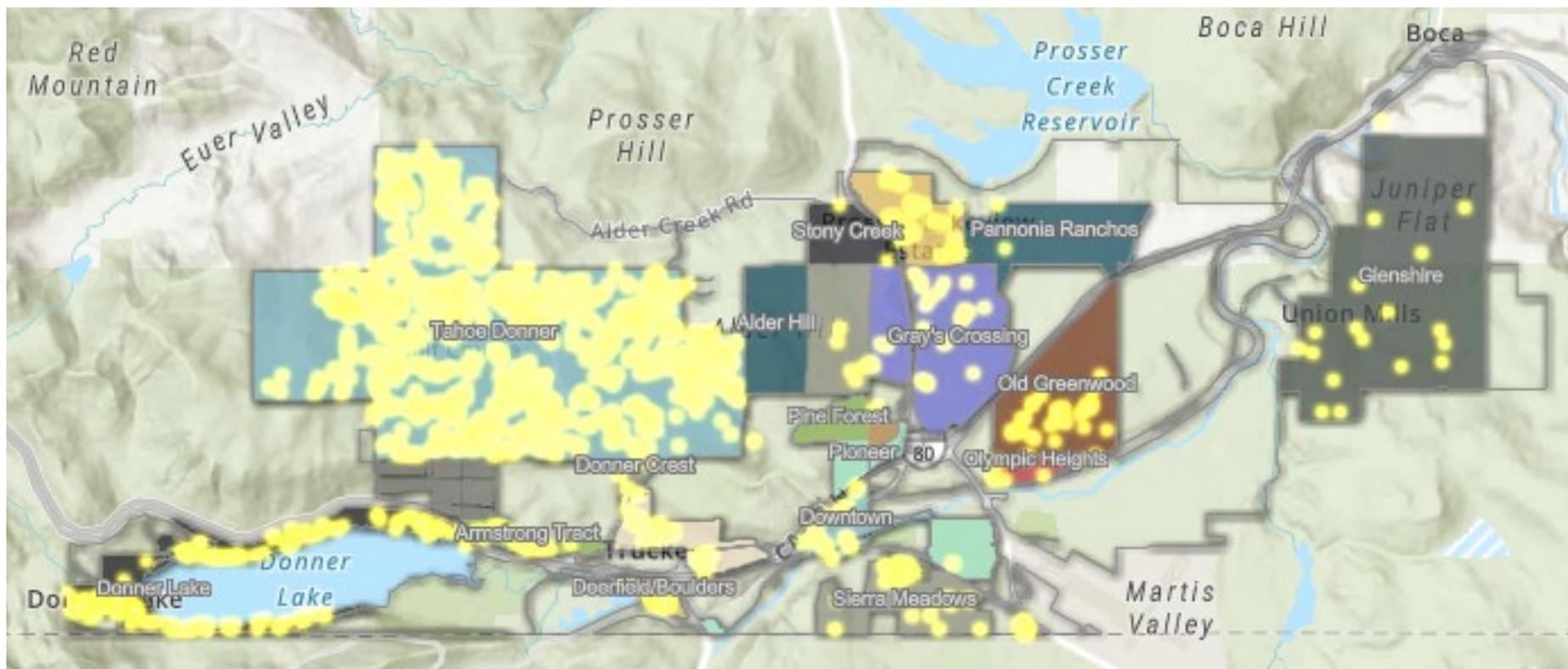


Figure 2C: STRs by Neighborhood (#)

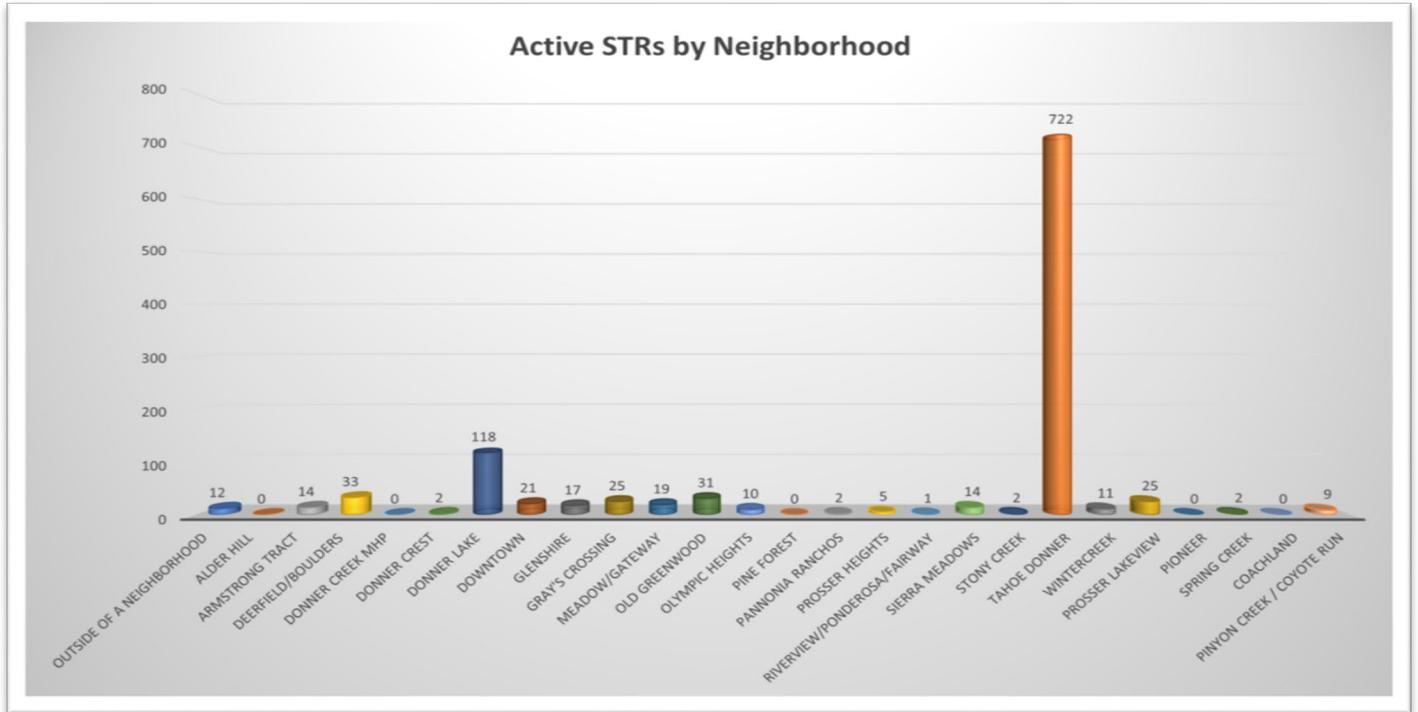


Figure 2D: STRs by Neighborhood- Changes over time

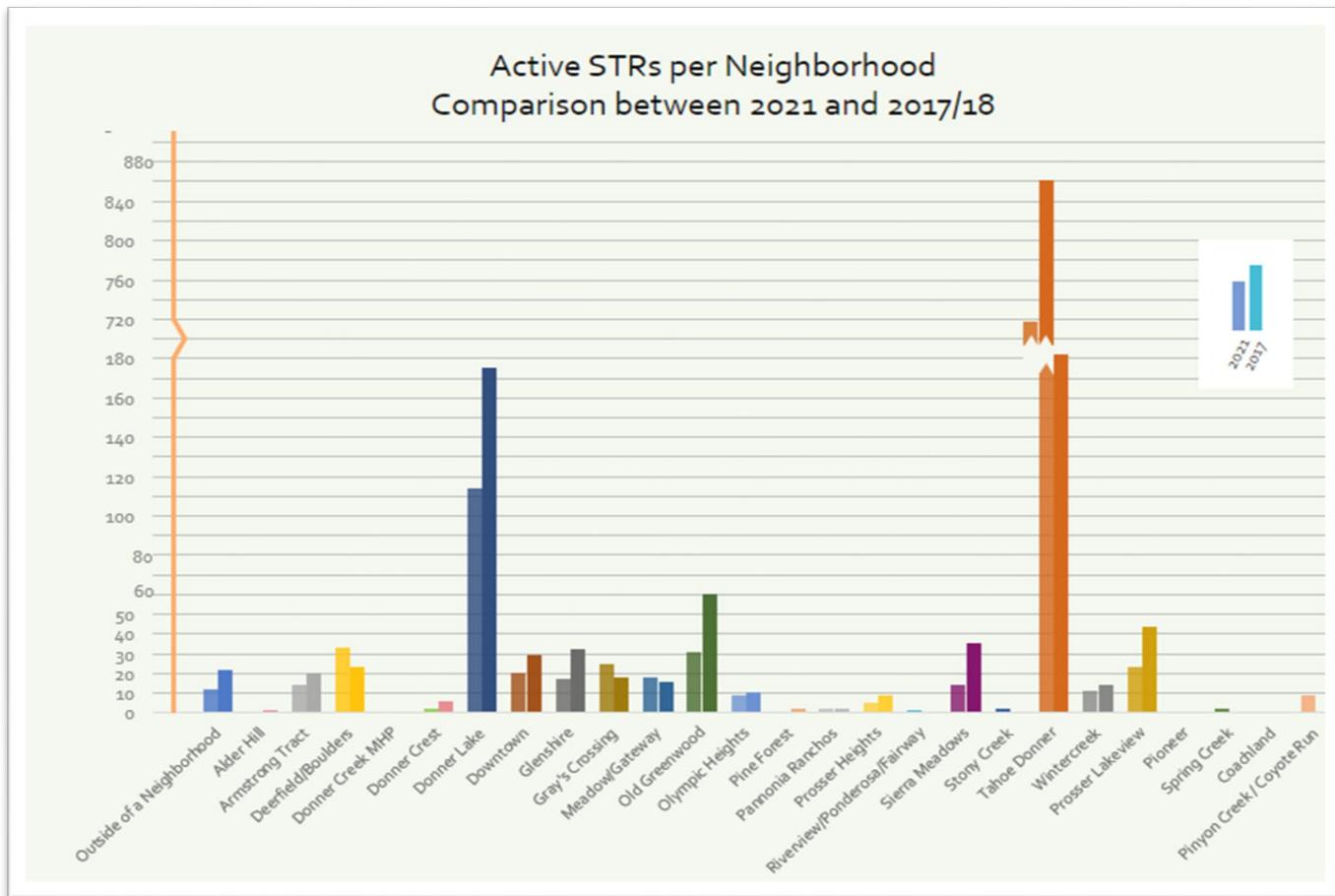
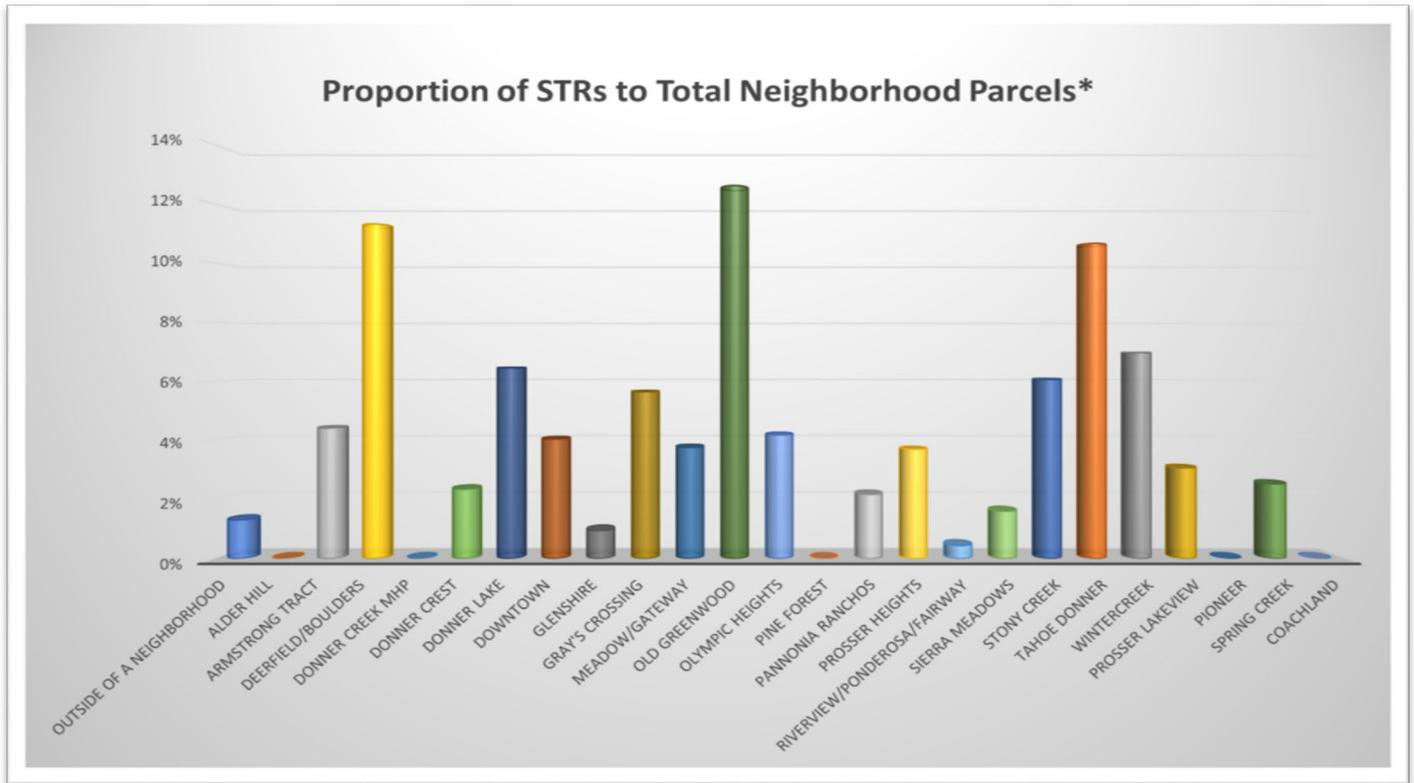


Figure 2E: Percentage of Parcels with an active STR registration by neighborhood



III. Property Ownership

Figure 3A: Property owners with more than 1 registered STR

	2 properties registered	3 properties registered
As of September 1, 2021	8	-
Current Inventory- November 8, 2021	23	1

Figure 3B: STR Property ownership by residency status

TDPUD primary residence rate data	Count	% Total
Primary Residence	95	10%
Second Residence	874	90%
Grand Total	969	100%

*PUD does not have data for all properties - Missing status for 286 properties

Nevada County Homeowner Exemption	Count	% Total
Yes - Primary	90	7%
No - Secondary	1165	93%
Grand Total	1255	100%

Figure 3C: Map of STRs by Primary vs Secondary residence status (using TDPUD differential rate data)

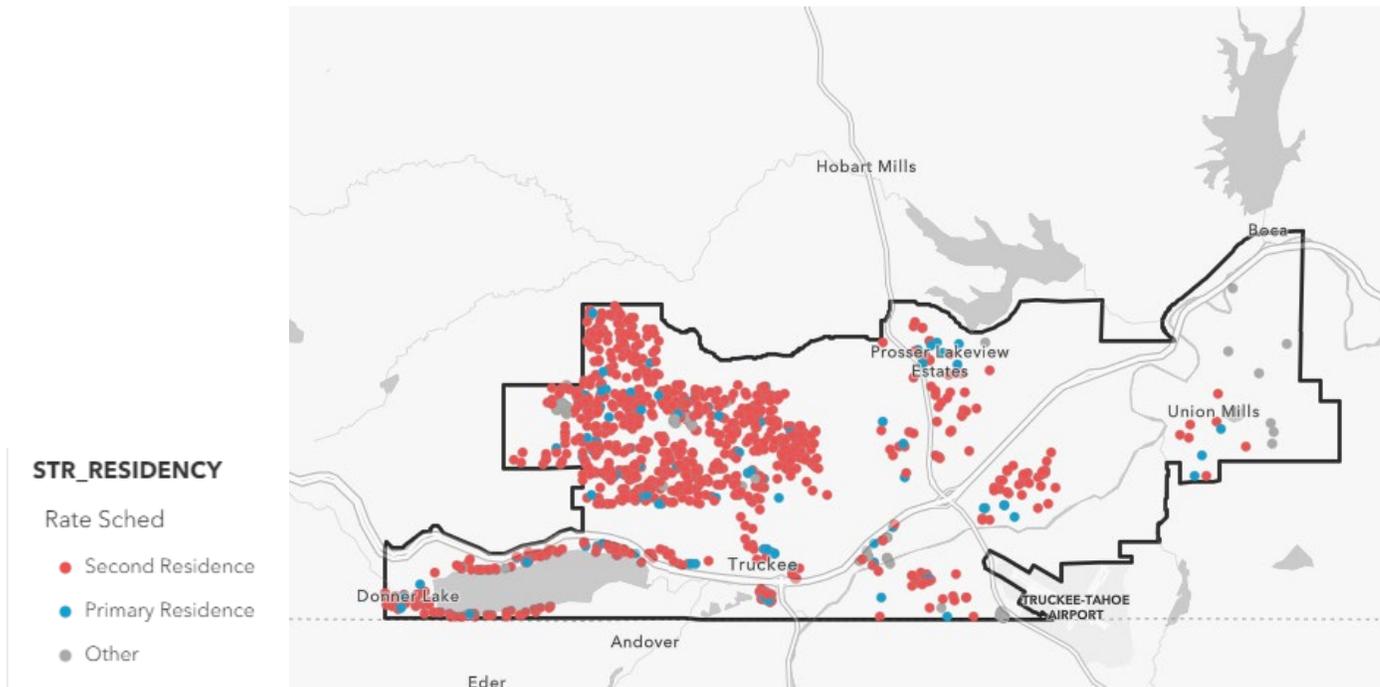


Figure 3D: “Primary Residence” STRs- # nights reported

Bin (Weeks)	Frequency	%	Cumulative %
0 - 2	6	10%	10.17%
2 - 4	6	10%	20.34%
4 - 6	6	10%	30.51%
6 - 8	6	10%	40.68%
8 - 10	7	12%	52.54%
10 - 12	7	12%	64.41%
12 - 14	2	3%	67.80%
14 - 16	1	2%	69.49%
16 - 18	8	14%	83.05%
18 - 20	1	2%	84.75%
20 - 22	1	2%	86.44%
22 - 24	2	3%	89.83%
24 - 26	1	2%	91.53%
26 or more	5	8%	100.00%
subtotal	59		
No remittance	36		
TOTAL	95		

- Mean – 82 Nights
- Minimum – 2 Nights
- Maximum – 257 Nights
- 47% of owners who claim Primary Residence with TDPUD STR their homes more than 10 weeks/ year

IV. Property Value

Figure 4A: Estimated property value summary of registered STRs (November 2021)

Estimated property value ¹				
	<\$650,000	\$650,000-\$900,000	\$900,000-\$1,200,000	>\$1,200,000
Percent of current registered STRs	7%	24%	30%	38%
Average Home Size (SF)	925	1,400	1,800	2,800

Notes:

1- Property value estimate from Redfin.com, week of November 8, 2021

Figure 4B: Estimated property value by location

Housing Estimates 2021 - \$650,000 and below



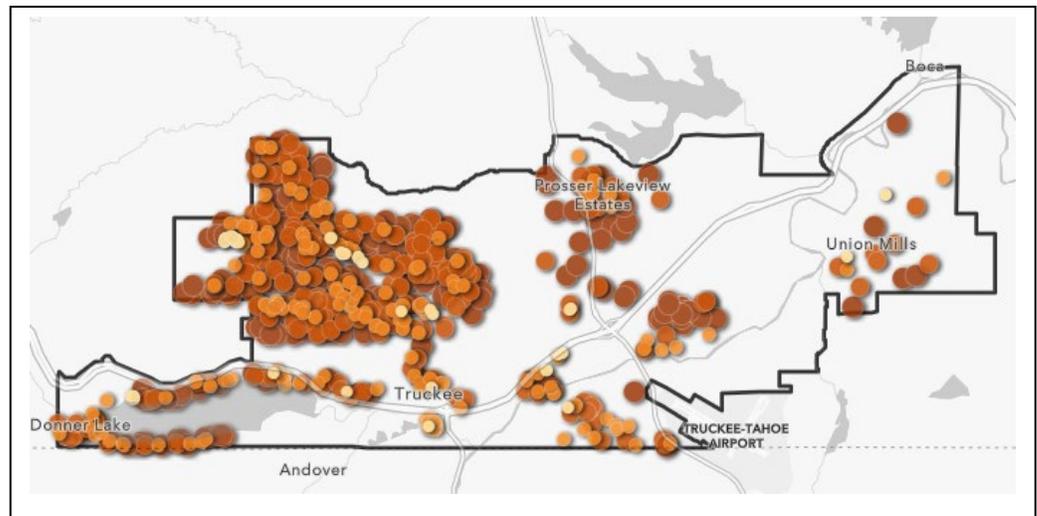
Housing Estimates 2021 - \$650,000 - \$900,000



Housing Estimates 2021 - \$900,000 - \$1.2



Housing Estimates 2021 - \$1.2 above



V. Revenue

Figure 5A: Average Taxable Receipts by Quarter

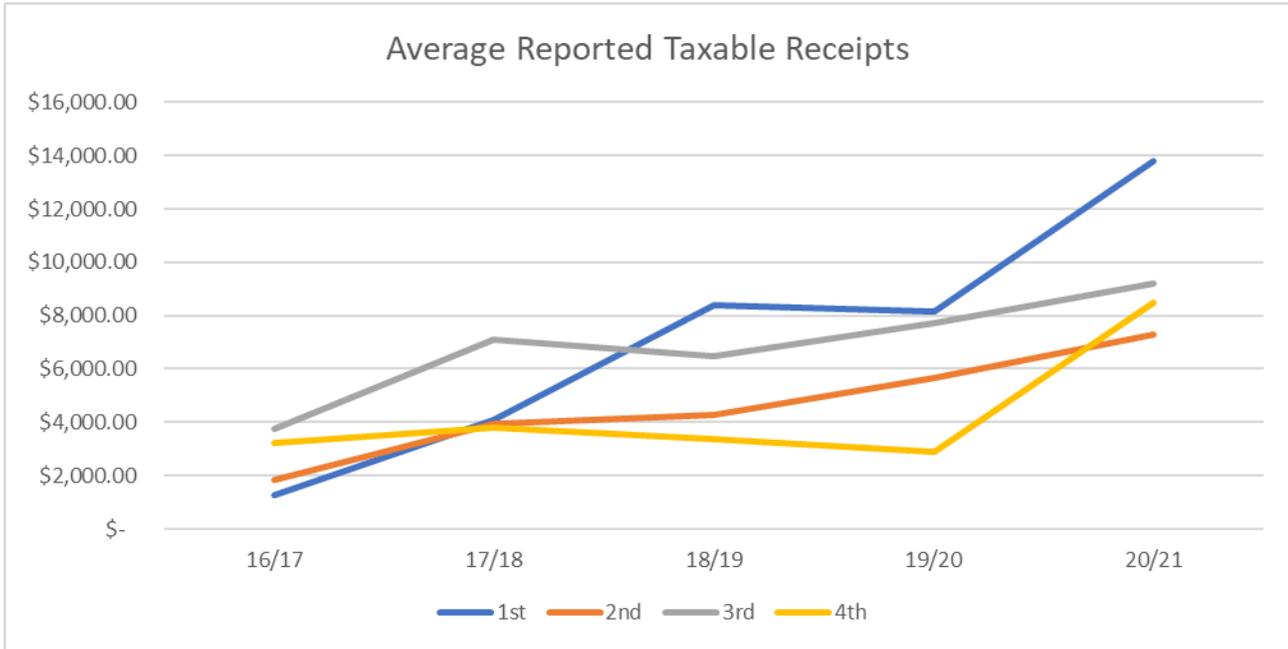


Figure 5B: Average taxable receipts per STR property, year-over-year comparison

	FY 19/20 (July 1, 2019 - June 30, 2020)	FY20/21 (July 1, 2020 - June 30, 2021)	% change FY 19/20-FY20/21
Mean	\$17,459	\$28,411	63%
Median	\$13,038	\$21,451	65%

Figure 5C: Properties by taxable receipts +

20/21 Total Taxable Receipts			# Properties	% Properties	Cumulative %
\$0	-	\$ 25,000	496	55.5%	55.5%
\$ 25,001	-	\$ 50,000	257	28.7%	84.2%
\$50,001	-	\$75,000	83	9.3%	93.5%
\$75,001	-	\$100,000	41	4.6%	98.1%
\$100,001	-	\$125,000	11	1.2%	99.3%
\$125,001	-	\$150,000	1	0.1%	99.4%
\$150,001	-	\$175,000	1	0.1%	99.6%
\$175,001	-	\$200,000	2	0.2%	99.8%
\$200,001	-	\$225,000	2	0.2%	100.0%

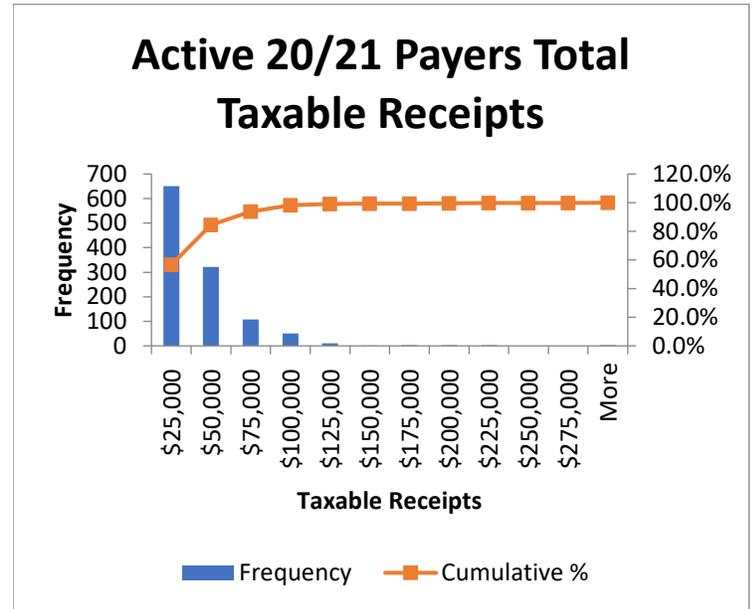


Figure 5D: Number of properties by taxable receipts and bedroom count

20/21 Total Taxable Receipts	PERMITTED BEDROOMS									
	0	1	2	3	4	5	6	7	8	Grand Total
\$0 - \$25,000	2	32	85	267	92	15	2		1	496
\$ 25,001 - \$ 50,000	1	6	38	131	64	10	5	1	1	257
\$ 50,001 - \$75,000		1	9	37	26	9		1		83
\$ 75,001 - \$100,000		2	5	19	12	3				41
\$ 100,001 - \$125,000			1	4	6					11
\$ 125,001 - \$150,000				1						1
\$ 150,001 - \$175,000						1				1
\$ 175,001 - \$200,000				1	1					2
\$ 200,001 - \$225,000				1				1		2
TOTAL	3	41	138	461	201	38	7	3	2	

VI. Occupancy

Figure 6A: Number of nights rented per quarter

Average of # Nights Reported				
Fiscal Year	1 st {July-Sept}	2 nd {Oct-Dec}	3 rd {Jan-Mar}	4 th {Apr-June}
18/19	27	16	25	16
19/20	26	15	23	14
20/21	38	24	31	24

MEDIAN # Nights				
Fiscal Year	1 st {July-Sept}	2 nd {Oct-Dec}	3 rd {Jan-Mar}	4 th {Apr-June}
18/19	23	12	22	12
19/20	22	12	20	8
20/21	37	19	30	21

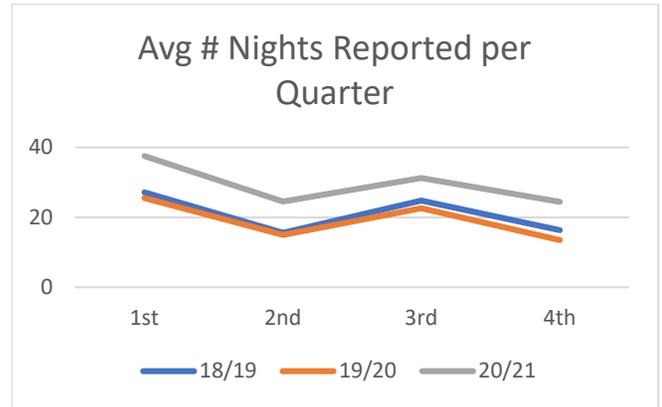


Figure 6B: Annual # of nights reported

20/21 # Nights Rented	Current 2021 Inventory #	
	Properties	% Properties
1 - 10	44	4.9%
11 - 25	86	9.6%
26 - 50	136	15.1%
51 - 75	167	18.6%
76 - 100	137	15.2%
101 - 125	119	13.2%
126 - 150	78	8.7%
151 - 175	53	5.9%
176 - 200	32	3.6%
201 - 225	21	2.3%
226 - 250	17	1.9%
251 - 275	8	0.9%
276 - More	2	0.2%

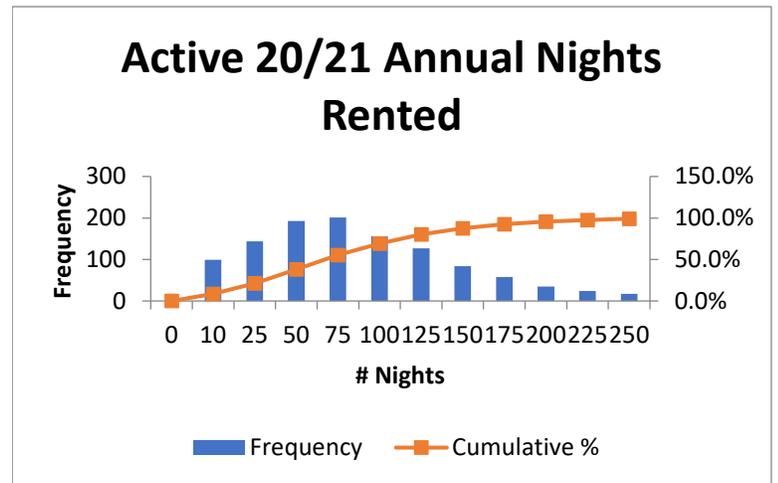


Figure 6C: Annual nights reported by home bedroom count

20/21 Total Nights Reported	Permitted Bedrooms									Grand Total
	0	1	2	3	4	5	6	7	8	
0-24		8	50	162	64	13				297
25-49		7	26	59	33	8	2	1		136
50-74		4	24	84	38	8	2	2		162
75-99	1	7	17	63	38	5	1			132
100-124		8	14	58	34	6	3		1	124
125-149	1	2	11	41	16	6			1	78
150-174	1		8	30	10	3	1			53
175-199		4	5	18	5	1				33
200-224		3	4	10	2	1				20
225-249		1	2	9	4	1	1			18
250-274		1	1	7						9
275-299				2						2
Grand Total	3	45	162	543	244	52	10	3	2	1064

VII. Violations & Complaints

Figure 7A: 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

Figure 7B: STR Complaints Received, January 1- October 15, 2021

Compliance Type	Number
Noise	55
General Inquiries	125
Out of Jurisdiction	8
Stay Home Order	11
Parking	52
Trash	35
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	331

Figure 7C: Complaints by PM-managed STRs vs Independent Operators

Operator	Count	% of complaints received	% of total registered properties
Property Manager	51	41%	41%
Independent Operator	73	59%	59%
Total Complaints	124		

Figure 7D: Comparison of STR and non-STR complaints in comparable categories

Non-STR vs STR Complaint Comparison ¹	% of Population			
	Noise/Disturbance	Trash	Noise/Disturbance	Trash
Town-wide ²	618	44	4.98%	0.35%
STR	55	36	4.38%	2.87%

Notes:

- 1- Town-wide complaints compiled from police calls, code cases, and See Click Fix on-line portal. STR complaints compiled from STR helpline, telephone and email submittals
- 2- Town-wide complaints include residential and non-residential areas (i.e. including downtown, commercial properties, etc)

ATTACHMENT 2

Town/County, State	STR Ordinance Date(s)	Summary of STR Ordinance Mandates/Management	Housing Data	Key Takeaways From Interviews
Zoning Regulations				
Mammoth Lakes, CA	6-Oct-15	<p>Measure Z freezes zoning in place, prohibiting changes to the STR zoning code without voter approval. STRs prohibited from the following zones: Single family, Hotel, Motel, Rural Residential, Residential Single Family, Residential Multifamily:</p> <p>Transient rentals (STRS) are limited to the following zones: Commercial, Residential, Multifamily 2, Resort Specific Plan</p>	<p># of STRs - 5100-5200 units</p> <p>Total housing stock - 9500 units</p>	<p>Housing impact: Measure Z pushed STRs into multifamily developments and blocks them from operating in select single family residential zones. Result: achievable workforce homes such as condos are now far more expensive than they otherwise would have been and single -family homes are marketed to second home buyers and are too expensive for locals.</p> <p>Mammoth staff - would go back and redraw zoning map to only allow STRs near the resort and make restrictions much stricter further away. Allowing multifamily STRs to operate was a blunder - did not preserve affordable units.</p> <p>Zoning without cap = high concentration of STRs in allowed zones.</p> <p>90% of Mammoth Lakes' town employees live in Bishop.</p> <p>Following investigation, Mammoth staff found no evidence of people owning multiple STR properties or of LLCs/Trusts with speculative STR investments.</p>
Bellingham, WA	18-Nov-18	<p>STRs permitted in residential, commercial and urban village general use type areas. STRs are not permitted in industrial, institutional or public general use type areas, including these designations within urban village general use type areas.</p> <p>Residential zoning districts - STRs limited to one per operator. The dwelling must be owner's primary residence for 270 days of the year. Whole unit may not be rented for more than 95 days of the year.</p> <p>No STRs in ADUs in Single Family Zones.</p> <p>Commercial and Urban Village Zoning Districts - No limit on # of STRs per operator; STRs can be in both primary and non-primary residences. No limits on number of days the property can be rented.</p>	<p># of STRS - 101 in operation, down from 250-325 pre regulation)</p> <p>Population -96,000</p>	<p>Housing impact: Units that have been unable to come into compliance with STR code are assumed to have switched from STR to LTR.</p> <p>Regulation of primary residences (270 days) is challenging. However, once STR operators go through the process of getting a permit, they have very few complaints. Neighbors are made aware they can complain and primary resident STR operators know they are subject to losing their permit.</p>
South Lake Tahoe, CA	20-Dec-18	<p>Measure T: No VHR (STR) permits within residential or multifamily Zones. Phase out over 3 years - will be fully implemented by Dec 31, 2021.</p> <p>VHRs are still allowed in the tourist core, commercial and recreation zones.</p> <p>Qualified VHRs (QVHR) allow for permits in residential zones whose owner is a full time resident.</p>	<p># of STRs - 450 in tourist core; 56 QVHRs in residential areas. Down from 1900 total.</p> <p>Total housing stock - 14450 units. STRs = 3.5% of housing stock.</p>	<p>Housing impact: Too soon to tell what the effect on LT housing has been; anecdotal evidence of STR conversion to LTR.</p>
Zoning and STR Cap Regulations Combined				
Crested Butte, CO	1-Jan-18	<p>Two STR license are available:</p> <p>Unlimited vacation rental licesne - Unlimited number of nights/year. 30% cap of total residential units located within permitted zones: R1, R1A, R1C, R1D, R1E, R2, R2C, R3C, B3, and B4 zone districts. Unlimited vacation rental permits are not issued for zones R1B, R4, R2A, B1, B2, M, T, C, AO and P.</p> <p>Primary residence vacation rental license - Available to full time residents. Limited to 60 nights per year. Must submit primary resident affidavit. Not subject to 30% cap and allowed in zones where unlimited vacation rental licenses are prohibited. Primary residence determined by vehicle registrations, drivers license, CO ID, voter registration, or tax documents - the "usual place of return for housing."</p> <p>July 2021 -Crested Butte has passed moratorium to reexamine their ordinance/prepare updates to preserve workforce housing.</p>	<p># of STRs - 212. Every new 3.5 homes built, 1 STR permit is generated.</p> <p>Crested Butte is 1sq mi x 1sq mi; small town.</p>	<p>Housing Impact: Housing prices have been rising for well over a decade. Housing became unaffordable to local workforce in 2012. Even with 2018 STR cap, prices have continued to rise - one driving factor being availability of STR permits.</p> <p>Influx of LLCs/Trusts purchasing properties as STR investments, further increasing prices (conflicting evidence w Mammoth's findings). Looking to ban shell corporations from owning properties/requiring properties to be directly attached to second home buyers in ordinance update following moratorium.</p> <p>30% cap has caused some areas to be overburdened by STRs. Ordinance update may include reduction of cap, density limitation - STRs should be located in places where the town wants them.</p> <p>60 night cap for primary residents limits their supplemental income and further stifles affordability. Crested Butte has primary residents sign affidavits to attest to their residency status.</p>

STR Caps and Buffer Regulations Combined				
El Dorado County, CA	Dec 2, 2020 Oct 1, 2021	Dec 2, 2020 - A cap of 900 VHR Permits in the Lake Tahoe basin was enacted by El Dorado County Board of Supervisors. Oct 1, 2021 - A buffer of 500 feet around all active VHR permits was adopted by BOS. VHR permits in good standing would not be impacted. Hosted rentals exempt from cap and buffer requirements.	# of STRs - 900. Used to have roughly 1200. Total housing stock - 9000 buildable lots.	Housing Impact: It is largely too early to tell. The cap and buffer have positively impacted housing and nuisance issues associated with STRs. By implementing buffer requirements, many on smaller plots are eliminated opening them up as potential LT housing options. "Hosted rentals" operate largely on an honor system.
STR Caps and Density Limitations Combined				
Durango, CO	2014 Ordinance - zoning restrictions, caps for residential units but not multifamily or commercial. 2020 Ordinance - updates restrictions to respond to housing - restricting STRs in multifamily and placing caps on mixed use.	Vacation rentals permitted in following zones: central business, mixed use, select planned development zones, established neighborhoods (EN) 1 and 2. EN 1 has cap of 22 VRs and EN2 has a cap of 17 VRs. No more than one VR on street segments. A second VR may be allowed if it is the primary residence of the property owner and the VR is part-time use. It must be located 5 houses or more away. In central business , mixed use, and planned development zones caps are applied on a development-specific basis. A set number of residential units may be permitted as vacation rentals within a certain building or development. In most cases, caps have been reached, and properties must be placed on a wait list before being eligible to apply. Planned Developments must specifically state that Vacation Rentals are an allowed use in their governing documents. In all cases, HOA documents and any agreements with the City must specifically state that vacation rentals are allowed, otherwise they are not permitted. Rentals need Limited Use Permit - meet requirements for on-site parking, occupancy, trash and recycling procedures, and compliance with the City's noise ordinance. A second vacation rental is not allowed on the same street segment as an existing permitted vacation rental without the approval of the Planning Commission, and a third vacation rental would not be permitted on a street segment.	# of STRs - 126 (1.6% of total units) Total housing stock -7922 units	Housing impacts - likely that ordinance helped avoid housing impacts of Covid. While there was an increased STR inquiry volume, caps had already been met and there was no opportunity for new rentals. 1.6% STRd as a result of strict regulations preserves remaining units for LT housing. Very few nuisance complaints. 2020 update - further preserved LT housing by prohibiting multifamily STR.
Douglas County, NV	10/3/2021	A cap of 600 STRs in Tahoe Township. VHRs are NOT allowed outside of the Tahoe Township. VHRs are limited to no more than 15% in single family communities and 20% in tourist/multifamily residential communities. Required training for local contact . Restrictions only apply to new (post Oct 3, 2021) VHRs, not existing units/those seeking renewal. Tiered permitting System: -Tier 1 (Owner occupied VHRs who reside in property when guests are present - 4 or fewer occupants) - excluded from the cap of 600 in the Tahoe Basin - Tier 2 (VHRs occupancy 10 people or less) - Tier 3 (Occupancy 10 or more - require a public hearing and subject to approval by Douglas County VHR advisory board/special conditions) VHR Board formed to hear enforcement appeals filed by VHR owners, applications for VHR Special use permits for Tier 3 rentals *A court order from July 16,2021 has placed a temporary restraining order on portions of the new ordinance related to parking and the ordinance's fine structure. Could affect cap. Would not affect CA STR policy as precedent for STR regulations up to all out bans has been set.	# of STRs - 500 currently. Cap of 600. Pre ordinance update, there were between 800-1300 STRs. Total housing stock - 4700 housing units in Tahoe basin.	Housing impact - too early to tell. Would like to find a way to hold complainant accountable to not make frivolous complaints, use resources and jeopardize VHR operator and permit.

ATTACHMENT 3

Land Use Tool Overview

Zoning

- Purpose of zoning is to ensure compatibility of uses
- The Development Code defines a “transient rental” as a lodging use:
 - **Transient Rental.** The rental of single-family or individual multi-family dwellings for overnight or vacation lodging. Commercial activities (weddings, corporate retreats, etc.) are not allowed as part of a transient rental.
- Current zoning allows “transient rentals” as a permitted use in zones where SFR and MFR is a permitted use (RR, RS, RM DRS, DRM, DRH, DMU, RC, REC); use is prohibited in commercial and manufacturing zones

Current Transient Rental Zoning									
	Zoning District*								
	RR	RS	RM	DRS	DRM	DRH	DMU	RC	REC
Transient Rental, Single-Family	P	P	P	P	P	P	P	P	P
Transient Rental, Multi-Family		P	P	P	P	P	P		

**RR (Rural Residential), RS (Single-Family Residential), RM (Multi-Family Residential), DRS (Downtown, Single-Family Residential), DRM (Downtown, Multi-Family Residential), DRH (Downtown High Density Residential), DMU (Downtown Mixed-Use), DC (Downtown Commercial), DM (Downtown Manufacturing), RC (Resource Conservation), REC (Recreation)*

- Prior to May 2021, the Development Code required a discretionary permit (a Use Permit) for transient rental of multifamily units. Due to a number of issues with this requirement (the fact that Use Permit creates vested rights that would be exempt from any future changes to the STR ordinance, inconsistencies with the current STR ordinance, etc.), this requirement was removed from the Development Code. This action was intended to be an interim solution until a broader community discussion could be held related to land use compatibility and STRs. Staff noted at the time that the Use Permit requirement was likely put in place to ensure the compatibility of the STR use within a multifamily project and to address potential issues related to nuisance, which are more likely to be a concern when residential units are located in close proximity to one another; additionally, that the preservation of multifamily units for long-term housing (since these units tend to be smaller and more affordable) was also something to consider.
- Some jurisdictions allow STR in commercial areas and prohibit it in residential zones; others allow it in residential zones and prohibit it in commercial areas
- Zoning overlays could be used to restrict STRs to certain geographical areas, such as Downtown Truckee or specific neighborhoods, rather than being regulated more broadly through zoning
- Questions to consider:
 - Where is the STR use appropriate from a land use perspective—is it compatible within single-family neighborhoods? Appropriate in multifamily projects? Should it be limited to areas where other commercial or lodging uses are currently allowed?

- Does limiting the STR use to certain areas through an overlay make sense? Is it more appropriate in certain areas based on geography (due to proximity to services, etc.) and/or neighborhood character (i.e., those that have historically been geared more toward second home owners—Tahoe Donner, Gray’s Crossing, Old Greenwood, etc.)?
- Do the pros of allowing the STR use in certain zones outweigh the potential cons?

Caps

- A cap on the total number of STR permits could be one tool to limit the overall land use impacts of the STR use on housing availability, neighborhood character, etc.
- The committee may want to consider what the right number of STR permits would be under an overall cap (a set number of permits, a percentage of housing units in Truckee, etc.) and whether the cap should increase or decrease over time (e.g., if the cap is established based on the existing number of permits, the cap could be reduced as permits are not renewed over time to eventually reach an ideal number identified)
- Caps within neighborhoods could also be considered as a way to divide up the number of permits depending on where the use is determined to be most appropriate based on geography, neighborhood character, etc.
- A cap on the number of nights that can be rented per year under each permit could be considered to further address the impacts of the STR use, especially in overconcentrated areas
- Another option would be to create a cap or prohibition for properties of a certain size (for example, homes with three bedrooms or less) in order to preserve those housing units for long-term housing

Residency Requirements

- Another tool used by some jurisdictions to address the impacts of the STR use is to allow more flexibility for full-time residents to STR
- Restricting STR permits to full-time residents would only allow the use by a small percentage of current STR permit holders (6-8% of current permits are held by full-time residents, based on staff’s research). While this could address the interests of full-time residents in terms of earning some income on their properties through STR, it wouldn’t address the interests of second homeowners
- Some jurisdictions use a tiered system to allow different types of permits with different caps. For example, a two-tiered system could include:
 1. An unrestricted permit in areas where STRs are determined to be compatible (for example, in zones where visitor lodging is currently a permitted use), with a cap on the number of permits but no restriction of number of nights; and
 2. A primary resident permit to allow STR in residential zones, with a limit on the number of nights that can be rented (e.g., 30 per year) and a higher cap (or no cap) on the number of permits allowed.
- Primary residency would need to be defined (e.g., 51% of the year is required for tax purposes; some jurisdictions require a full-time resident to occupy the property a set number of days, such

as 270 days per year). Methods to verify the occupancy requirements would also need to be established

Suggested options for the committee to consider:

1. Restrict by zoning or neighborhood
2. Restrict or prohibit in multifamily residential
3. Overall cap
4. Cap or prohibit by neighborhood
5. Distance requirement/buffer
6. Tiered system/residency requirement
7. Prohibition or cap on home size (i.e., not allow in units with 3 bedrooms or less)

Land Use	Pros	Cons
Permitted Use in SFR (Single-Family Residential)	<ul style="list-style-type: none"> - Consistent with historic STR use - Benefits SFR owners who wish to earn revenue from STRs - Potential disbursement of STR use throughout Truckee rather than concentration in specific zones - Caps within neighborhoods could limit number of STRs and reduce impacts on specific areas - Distance requirements (i.e., buffer) could reduce impact on individual property owners in areas of high concentration - Overlays/caps could be used to encourage STR in neighborhoods that have traditionally been more focused as resort destination/second homes than primary residency (e.g., Tahoe Donner, Grays Crossing, Old Greenwood) 	<ul style="list-style-type: none"> - Loss of long-term housing units available for sale and rent, including smaller homes that may be affordable to local workers - Land use compatibility issues with commercial lodging use in residential neighborhoods - Nuisance issues (noise, trash, parking, etc.) - Environmental impacts (traffic/VMT) due to distance of many residential neighborhoods from services/transit - Creating different allowances by neighborhood could create disparity among homeowners; would need to consider potential equity issues
Permitted Use in MFR	<ul style="list-style-type: none"> - Consistent with interim zoning requirements for MFR - Benefit to MFR owners who wish to earn revenue from STRs - Some MFR projects are located in areas that are close to services/transit - If only allowed in MFR, preserves long-term housing availability of SFR units that are desirable to full-time residents 	<ul style="list-style-type: none"> - Inconsistent with historic zoning, which required discretionary review to determine use compatibility for MFR transient rentals - Loss of multi-family residential units available for sale or rent, which is typically a form of affordable housing - Increased likelihood of nuisance issues due to close proximity of units (noise, trash, parking, etc.) and cluster in more concentrated areas - Land use compatibility issues with lodging use in residential projects - Unrestricted STRs within a MFR building could allow a residential project to essentially convert to a hotel - Difficult to enforce caps or buffer within MFR projects - Environmental impacts (traffic/VMT) of MFR projects that are not located in walkable areas close to services - If allowed in MFR, may need to consider different allowances for rental units versus for-sale units (e.g., prohibit STR of apartments to preserve availability of existing rental units as long-term housing)

<p>Visitor Lodging Only</p>	<ul style="list-style-type: none"> - No land use compatibility issue because STR use limited to zones where lodging uses already allowed - Ability for some homeowners to STR units - Preserves housing availability in residential zones - Less environmental impacts (traffic/VMT) due to proximity of existing zones to services - Clear zoning allowances/easy to enforce 	<ul style="list-style-type: none"> - Would limit STR use to zoning districts that allow hotels by right (General Commercial, Downtown Commercial and Downtown Visitor Lodging), which could be overly restrictive - Truckee does not have “tourist” or “resort” lodging zoning, which could be more appropriate for limiting the STR use to zones that allow lodging
<p>Commercial Only</p>	<ul style="list-style-type: none"> - Would allow STR use in more zones than hotel use (Downtown Mixed Use, Neighborhood Commercial, Service Commercial, etc.) - Preserves housing availability in residential zones - Clear zoning allowances/easy to enforce - Less environmental impacts (traffic/VMT) due to proximity of most commercial zones to services/transit 	<ul style="list-style-type: none"> - Loss of long-term housing within areas that are close to services and transit (e.g., Downtown Truckee and Gateway) - Could impact availability of commercial spaces by concentrating lodging uses in commercial zones - Potential land use compatibility issues in zones which require discretionary review of lodging uses to determine use compatibility - Environmental impacts (traffic/VMT) of commercial zones that are not located in walkable areas close to services/transit

STR Advisory Committee

November 17, 2021

Meeting #2

AGENDA

- I. Welcome
- II. Goals
- III. Process re-cap
- IV. What we know today
 - Truckee STR data update
 - Key findings from interviews with other communities
- V. STR management tools
 - Existing tools
 - New ideas from committee
 - Prioritization exercise
- VI. Discussion & next steps

GOAL

What we think we've heard:

Proactively manage the short-term rental registration program as **a tool** to help maintain the **supply** of housing that is **affordable to the regional workforce**.

- Maintain neighborhood and community character
 - Address nuisance issues associated with STRs within neighborhoods
- Maintain a healthy economy, including visitation-related sectors

PROCESS

✓ Meeting 1 (*October*)

- Background
- Questions to be explored
- What we know today- preliminary research
- What stands out? What's missing? Additional information needs

• Meeting 2 (*November*)

- What we know today- research update
- STR management tools & new ideas
- Prioritize tool options

• Meeting 3 (*December*)

- Management frameworks using committee-prioritized tools
- Evaluation, refine, prioritize frameworks recommendations

• Recommendations to Town Council (*January*)



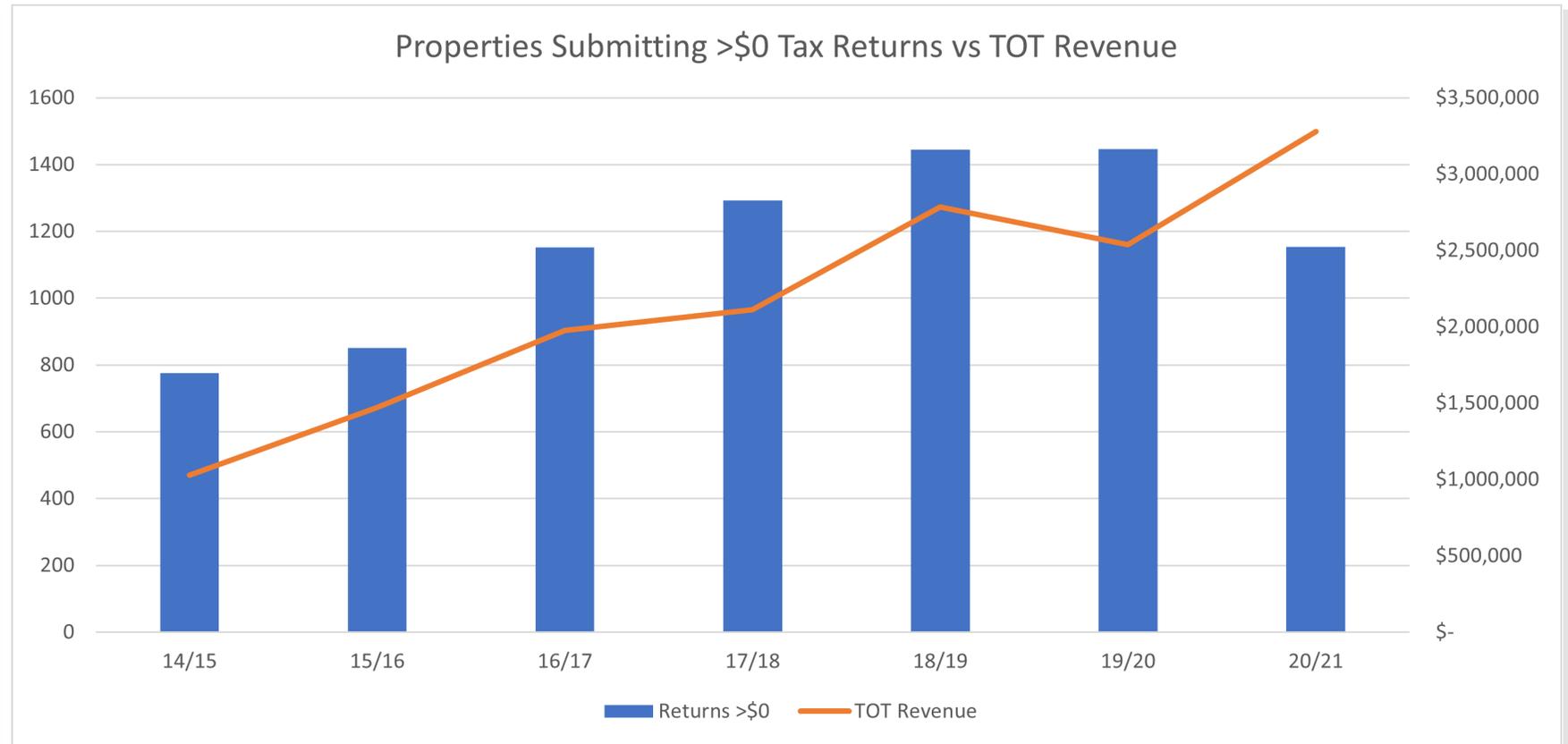
What we Know Today

Updated STR program data

Percent of Housing Stock

Housing units town-wide	13,674
STR Registration Certificates (2021)	1255
% Town-wide housing stock registered as STRs	9.2%
% of detached single family housing stock registered	9.1%
% attached SF & multi-family housing stock registered	11.1%

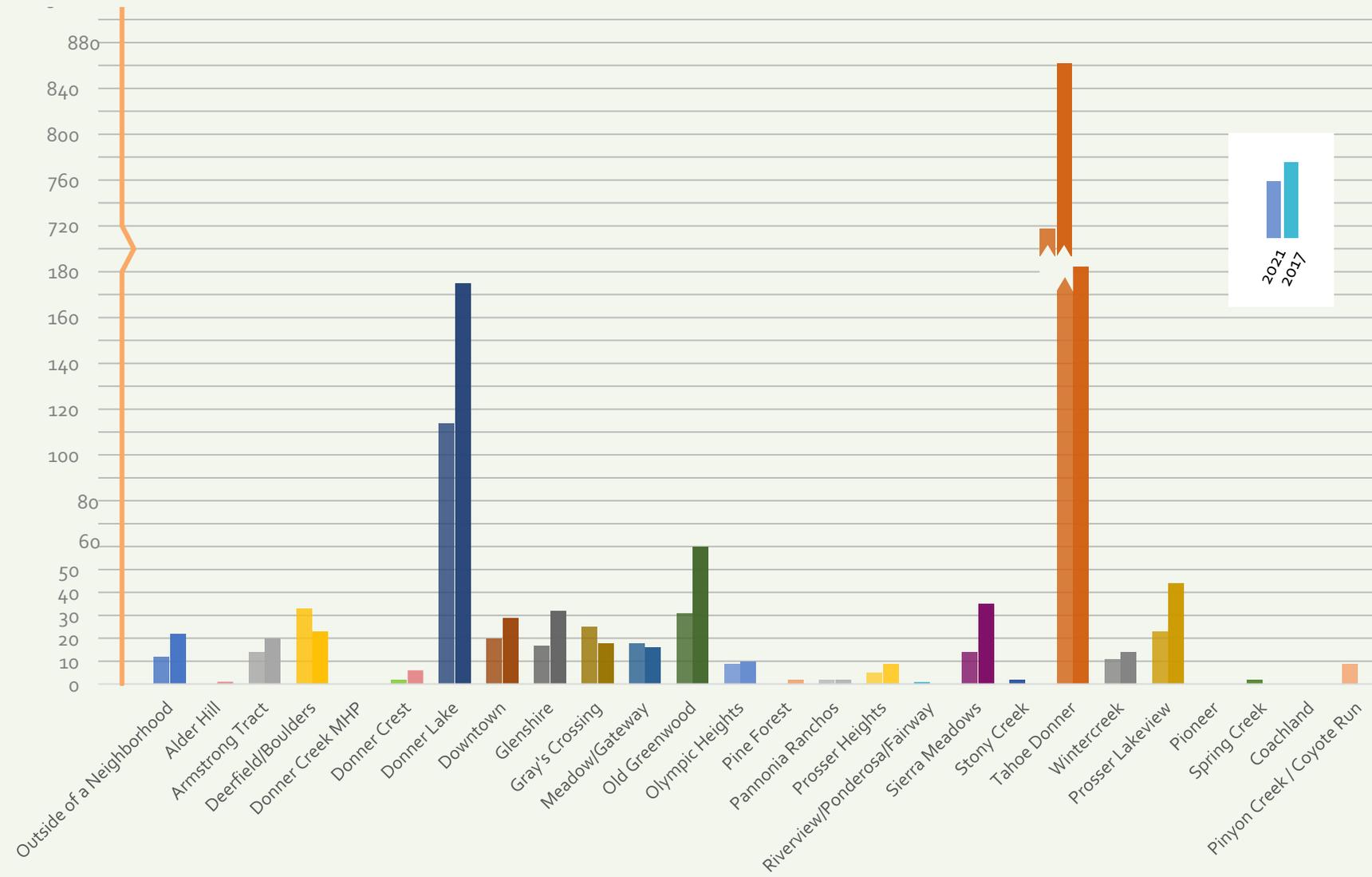
STRs Remitting TOT vs TOT Revenue



- FY 20/21 - Dramatic decrease in STRs, but more TOT remitted.

STRs by Neighborhood over Time

Active STRs per Neighborhood Comparison between 2021 and 2017/18



Multiple STR Ownership

	2 properties registered	3 properties registered
As of September 1, 2021	8	-
Current Inventory- November 8, 2021	23	1

- 24 STR Registrants own more than 1 STR within Town limits.
- During the last month of open registration, an additional 15 “multi-owners” registered.

Ownership by Residency Status

TDPUD primary residence rate data	Count	% Total
Primary Residence	95	10%
Second Residence	874	90%
GRAND TOTAL	969*	100%

*PUD does not have data for all properties – Missing status for 286 properties

NV County Homeowner Exemption	Count	% Total
Primary Residence	90	7%
Second Residence	1165	93%
GRAND TOTAL	1255	100%

Primary Residency Occupancy

TDPUD "Primary Residency" # Nights Reported

Bin (Weeks)	Frequency	%	Cumulative %
0 - 2	6	10%	10.17%
2 - 4	6	10%	20.34%
4 - 6	6	10%	30.51%
6 - 8	6	10%	40.68%
8 - 10	7	12%	52.54%
10 - 12	7	12%	64.41%
12 - 14	2	3%	67.80%
14 - 16	1	2%	69.49%
16 - 18	8	14%	83.05%
18 - 20	1	2%	84.75%
20 - 22	1	2%	86.44%
22 - 24	2	3%	89.83%
24 - 26	1	2%	91.53%
26 or more	5	8%	100.00%
subtotal		59	
No remittance		36	
TOTAL		95	

- Mean – 82 Nights
- Minimum – 2 Nights
- Maximum – 257 Nights

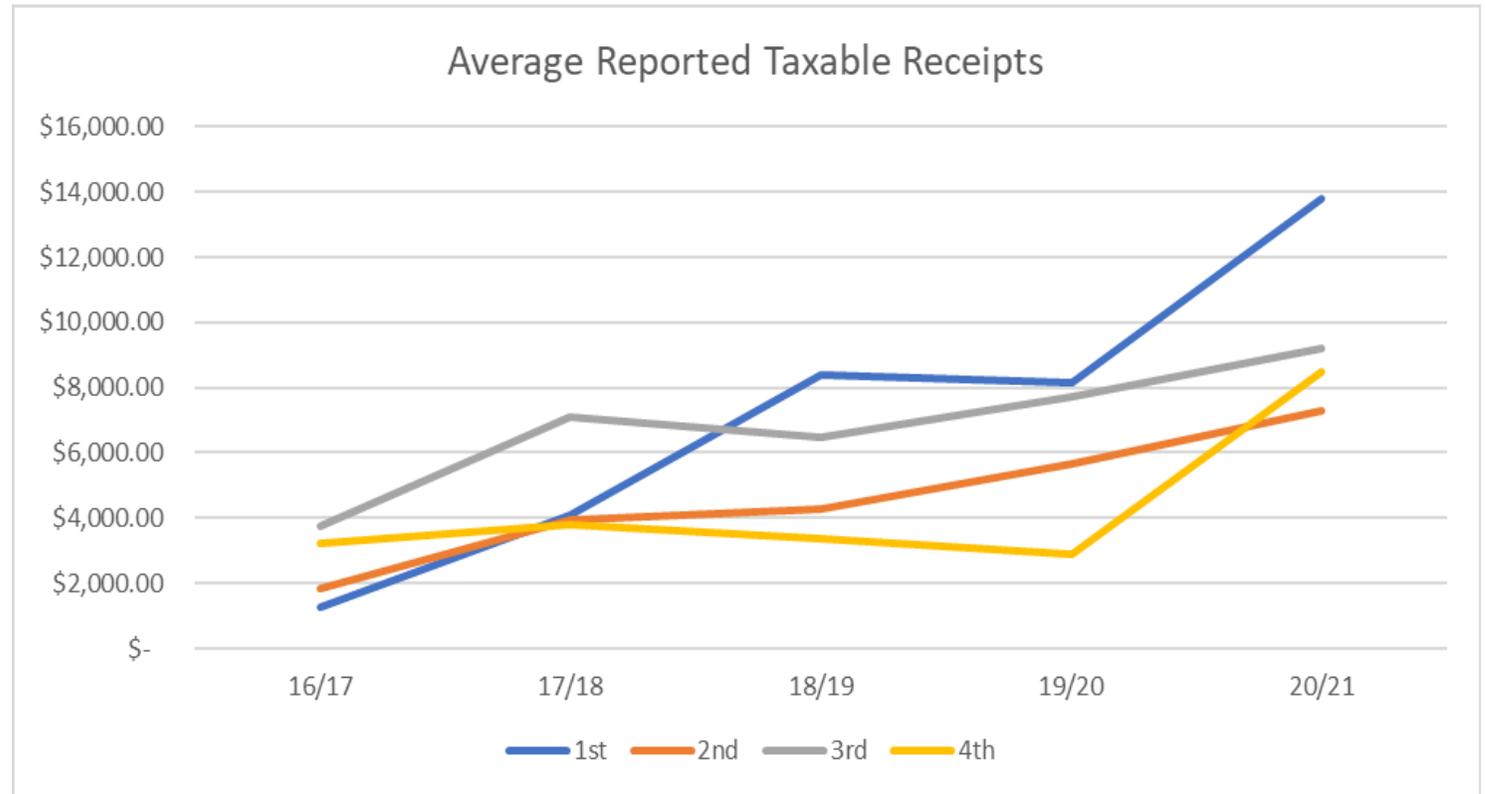
47% of owners who claim "Primary Residence" with the PUD rent homes more than 10 weeks a year

Estimated STR Property Values

Estimated property value ¹				
	<\$650 K	\$650 K- \$900 K	\$900 K- \$1.2 M	>\$1.2 M
Percent of current registered STRs	7%	24%	30%	38%
Average Home Size (SF)	925	1,400	1,800	2,800

1- Property value estimate from Redfin.com, week of November 8, 2021

Taxable Receipts

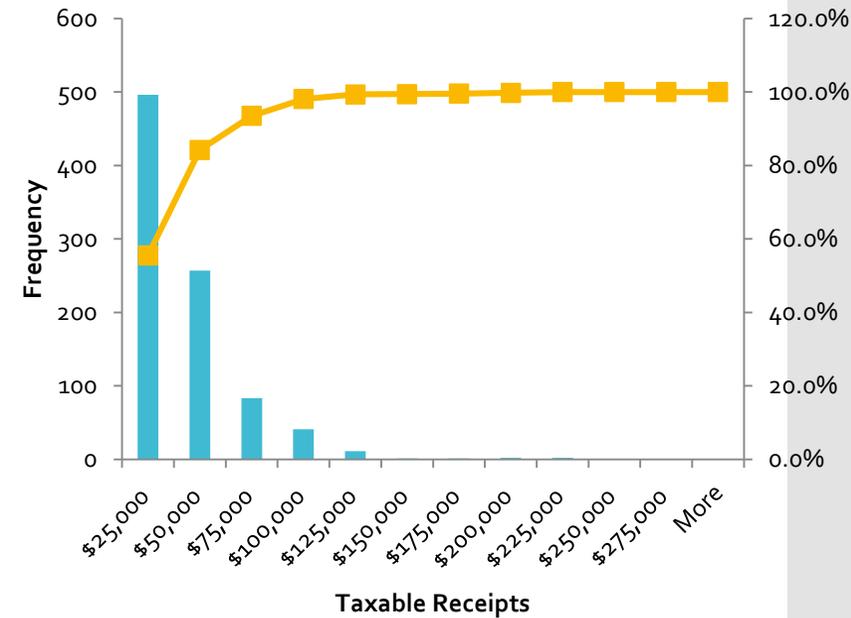


	FY 19/20 (July 1, 2019 - June 30, 2020)	FY20/21 (July 1, 2020 - June 30, 2021)	% change FY 19/20 to 20/21
Mean	\$17,459	\$28,411	63%
Median	\$13,038	\$21,451	65%

Taxable Receipts Histogram

FY 20/21 Taxable Receipts Reported for current registered properties.

20/21 Total Taxable Receipts	Current 2021 Inventory		
	# Properties	% Properties	Cumulative %
\$0 - \$ 25,000	496	55%	55.5%
\$ 25,001 - \$ 50,000	257	29%	84.2%
\$ 50,001 - \$ 75,000	83	9%	93.5%
\$ 75,001 - \$ 100,000	41	5%	98.1%
\$ 100,001 - \$ 125,000	11	1%	99.3%
\$ 125,001 - \$ 150,000	1	0%	99.4%
\$ 150,001 - \$ 175,000	1	0%	99.6%
\$ 175,001 - \$ 200,000	2	0%	99.8%
\$ 200,001 - \$ 225,000	2	0%	100.0%
\$ 225,001 - \$ 250,000	0	0%	100.0%
\$ 250,001 - \$ 275,000	0	0%	100.0%
More	0	0%	100.0%
Total	894		



- 84% of STR Owners make \$50,000 or less a year

Taxable Receipts by Bedroom Count

FY 20/21 Taxable Receipts Reported for current registered properties by bedroom count.

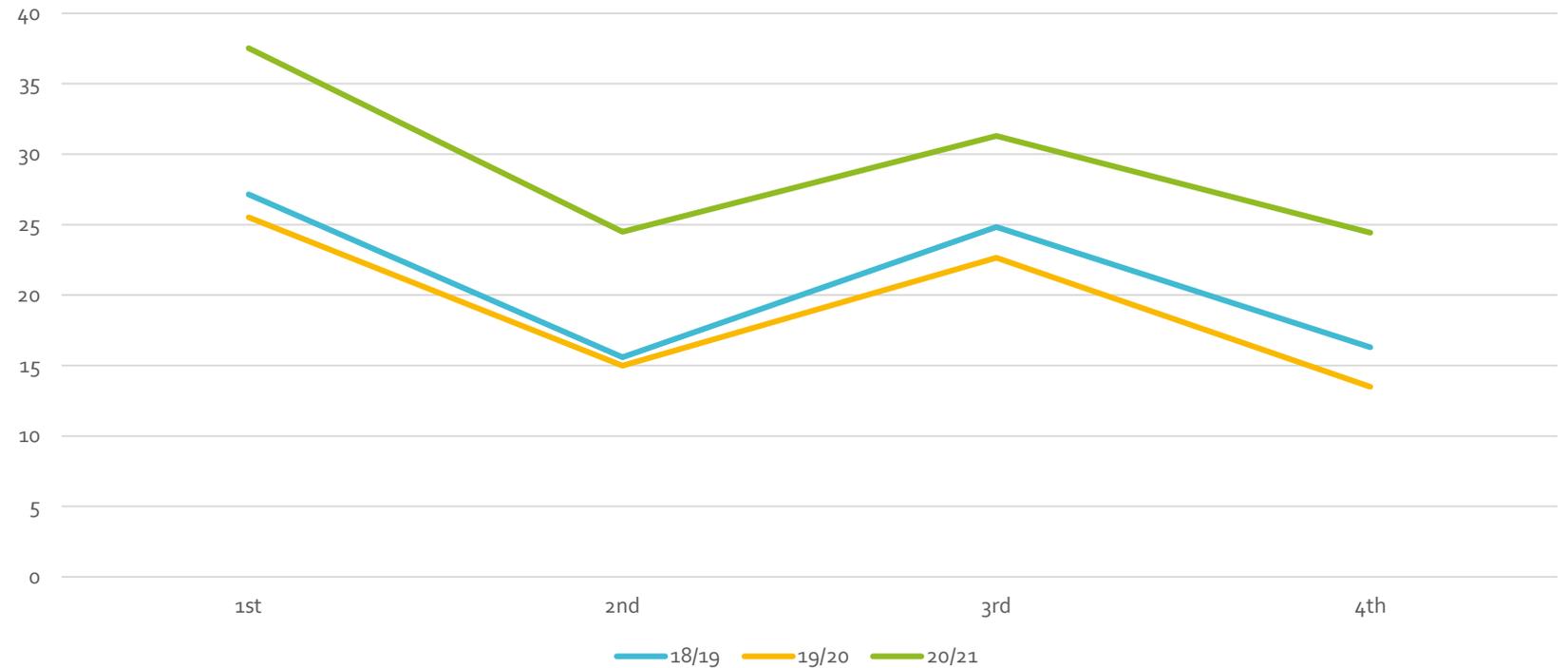
<i>20/21 Total Taxable Receipts</i>		0	1	2	3	4	5	6	7	8	Grand Total
\$0 - \$	25,000	2	32	85	267	92	15	2		1	496
\$ 25,001 - \$	50,000	1	6	38	131	64	10	5	1	1	257
\$ 50,001 - \$	75,000		1	9	37	26	9		1		83
\$ 75,001 - \$	100,000		2	5	19	12	3				41
\$ 100,001 - \$	125,000			1	4	6					11
\$ 125,001 - \$	150,000				1						1
\$ 150,001 - \$	175,000						1				1
\$ 175,001 - \$	200,000				1	1					2
\$ 200,001 - \$	225,000				1				1		2
\$ 225,001 - \$	250,000										0
\$ 250,001 - \$	275,000										0
More											0
TOTAL		3	41	138	461	201	38	7	3	2	894

Occupancy

- # Nights Rented Per Quarter

Fiscal Year	1st {July-Sept}	2nd {Oct-Dec}	3rd {Jan-Mar}	4th {Apr-June}
18/19	27	16	25	16
19/20	26	15	23	14
20/21	38	24	31	24

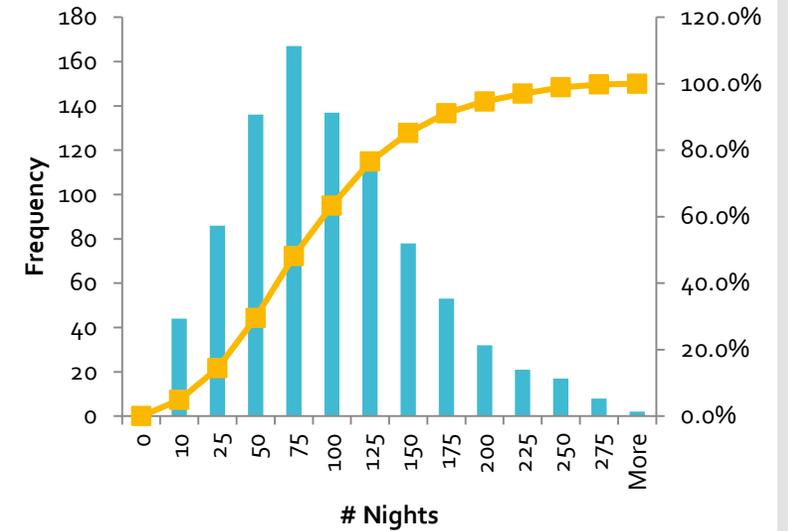
Ave # Nights Reported per Quarter



Annual Nights Reported

- FY 20/21 Nights Reported for current registered properties.

20/21 # Nights Rented	# Properties	% Properties	Cumulative %
0	0	0%	0.0%
1 - 10	44	5%	4.9%
11 - 25	86	10%	14.4%
26 - 50	136	15%	29.6%
51 - 75	167	19%	48.1%
76 - 100	137	15%	63.3%
101 - 125	119	13%	76.6%
126 - 150	78	9%	85.2%
151 - 175	53	6%	91.1%
176 - 200	32	4%	94.7%
201 - 225	21	2%	97.0%
226 - 250	17	2%	98.9%
251 - 275	8	1%	99.8%
276 - More	2	0%	100.0%



Nights Reported by Bedroom Count

- FY 20/21 Nights Reported for current registered properties by bedroom count.

<i>20/21 Total Nights Reported</i>	0	1	2	3	4	5	6	7	8	Grand Total
0-24		8	50	162	64	13				297
25-49		7	26	59	33	8	2	1		136
50-74		4	24	84	38	8	2	2		162
75-99	1	7	17	63	38	5	1			132
100-124		8	14	58	34	6	3		1	124
125-149	1	2	11	41	16	6			1	78
150-174	1		8	30	10	3	1			53
175-199		4	5	18	5	1				33
200-224		3	4	10	2	1				20
225-249		1	2	9	4	1	1			18
250-274		1	1	7						9
275-299				2						2
Grand Total	3	45	162	543	244	52	10	3	2	1064

Residency Status by Property Type

Primary vs Secondary Status

Property Type	Primary Residence	Second Residence	% Primary	% Second
ADU	7	2	78%	22%
Multi-Family	33	162	17%	83%
Single-Family	139	912	13%	87%

Bedroom County by Property Type

Permitted Bedroom Count

Property Type	0	1	2	3	4	5	6	7	8
ADU	0%	75%	0%	25%	0%	0%	0%	0%	0%
Multi-Family	2%	19%	48%	30%	2%	0%	0%	0%	1%
Single-Family	0%	1%	10%	55%	27%	6%	1%	0%	0%
Total	0%	4%	15%	51%	23%	5%	1%	0%	0%

Estimated Home Value by Property Type

Average of RedFin Estimated Value

Property Type	Average Estimated Value
Multi-Family	\$691,873
Single Family	\$1,321,161

Occupancy

Lodging Type	Units	% of visitor lodging units	Average Occupancy Estimate (20-21)
STRs	1,255	68.5%	32%
Hotel Rooms	578	31.5%	65%
TOTAL	1,833		

STR Complaints

- **Short-Term Rental Complaints Received**
 - January 1, 2021 – Present
 - Citable complaints only (removed general inquires, non-citable complaints etc.)

STR Complaints		
Citable Complaint Type	Count	% of Total
Noise	55	32%
Parking	52	30%
Trash	36	21%
Unauthorized Short-Term Rental	12	7%
BBQ/Grill	6	4%
Occupancy Limits	4	2%
Listed Not Registered	6	4%
Total Citable Complaints	171	100%

Non-STR vs STR Complaints

- **Non-STR vs STR Complaints**

- January 1, 2021 – Present
- **Focus:** Noise/Disturbance, Parking & Trash
- **Town-wide Data:**
 - PD Calls to Service, Code Cases & See Click Fix complaints.
 - Includes non-residential and residential areas
- **STR Data:** STR Helpline, phone and email submittals.
- **Compared to Housing Stock:**
 - **Non-STR's:** 12,419
 - **Active Registered STR's** (*as of 11/8/21*): 1,255

Non-STR vs STR Complaint Comparison				% of Population		
	Noise/Disturbance	Parking	Trash	Noise/Disturbance	Parking	Trash
Town-wide	618	*	44	4.98%	*	0.35%
STR	55	52	36	4.38%	4.14%	2.87%

* Unable to retrieve historical data

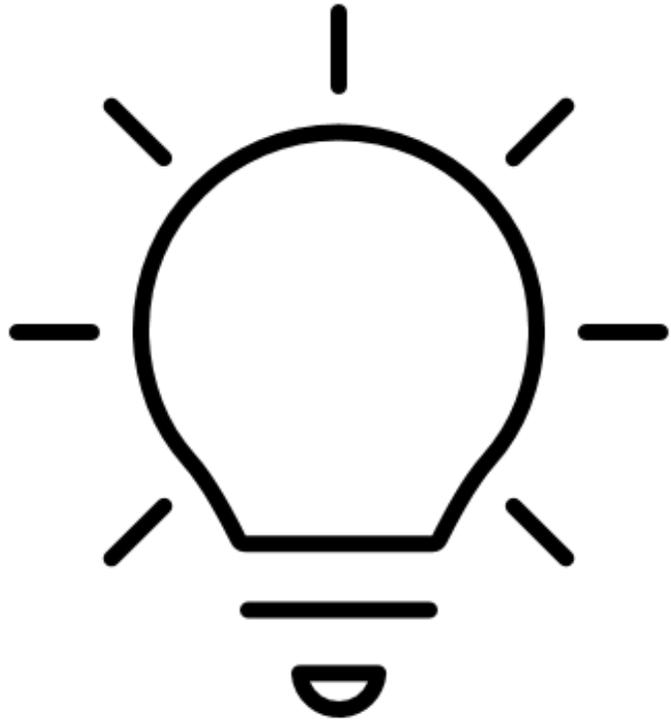
PM vs Independent STR Complaints

- Property Manager (PM) vs Independent Operator Complaints

Operator	Complaint Count	% of Complaints Rcvd
Property Manager	51	41%
Independent Operator	73	59%
Total Complaints	124	

- Percent of Registrations Managed by PM's vs Independent Operators

Operator	Registrant Count	% of Total Registered Properties
Property Manager	511	41%
Independent Operator	744	59%
Total Registrants	1255	



Discussion

What surprised you?

What are your key takeaways?



STR Management Models

Lessons from other communities

Insight from Other Communities

1) Preserve multifamily housing

- Mammoth – zoning forced STRs to operate in multifamily units, driving up prices. 90% of Mammoth Lakes town employees live in Bishop.
- Durango – prohibits STRs in multifamily to preserve those units for LT housing.

2) Smaller caps on STRs = Larger numbers of LT housing units preserved and remain affordable.

- Crested Butte – 30% cap on overall housing stock has overburdened some areas of town w STRs. Prices have continued to rise, despite 2018 Ordinance.
- Durango – cap + zoning have limited STRs to 1.6% of overall housing stock. Helped mitigate housing impacts of Covid. Higher STR inquiry volume --> no new STR opportunities.

Insight from Other Communities (cont.)

3) Primary residence requirements need to be enforceable

- Bellingham, El Dorado County, Crested Butte – ensuring that primary resident STR operators are in fact full time residents is a challenge...
- Bellingham – once primary residents have gone through permitting process, they rarely have complaint issues.
- Crested Butte – primary resident operators sign affidavit.
 - *60-night cap limits supplemental income and stifles affordability.

4) Conflicting evidence on prevalence of investors/LLCs/trusts owning multiple properties as STR

- Crested Butte – influx of LLCs/Trusts buying properties as STR investments has contributed to rise in prices of housing.
- Mammoth – town staff investigated and found no evidence “STR investment properties.”
- Truckee – following announcement of moratorium, operators with 2 registered STRs increased from 8-23, and one operator has 3 STRs registered. (Sept 1- Nov 8, 2021)

5) Many jurisdictions said that it was too early to measure impacts of ordinances on LT housing. Anecdotal evidence suggests conversions of STRs to LTRs.

1. El Dorado County, South Lake Tahoe, Bellingham – conversion
2. Durango - preservation



STR Management Toolbox

STR Management Toolbox

- Restrict by **zoning** or **neighborhood**
- Restrict or prohibit in **multifamily** residential
- Town-wide **cap**
- Cap or restrict/ prohibit by neighborhood
- **Distance** requirement/buffer
- **Tiered** system/**residency** requirement
- Caps or prohibition based on **home size** (# bedrooms)

What's missing?

Any new ideas?



Building a management framework



How the
policy
sandwich is
made

Tools

Policy ingredients

- Peanut butter
- Cheese
- Turkey
- Egg Salad
- Bacon
- Lettuce
- Jelly

Frameworks

What tools are complementary?

- Turkey, Bacon & Cheese
- PB&J
- Egg Salad

Management Framework

- What tool(s) would best address the advisory committee's goal?
- What tools are complementary?
- Is there additional information about these tools that would help inform the committee?

THANK YOU!

Meeting 3  December 8, 8:00-10:00 AM