



Date: October 26, 2021
Subject: Short-term Rental Study Update Report

Purpose: This report is issued pursuant to California Government Code Section 65858(d) to summarize the measures the Town of Truckee has taken since the adoption of urgency ordinance 2021-06 to alleviate the conditions which led to the adoption of this ordinance.

The Town of Truckee is undertaking a review and study of the Town's short-term rental (STR) program. This study will inform Town Council's consideration of whether to make changes to the STR program in response to the regional shortage of housing available to the local workforce, including possible steps to manage the number, location, or types of properties that may be permitted to short-term rent. This study will include the following components:

I. Short-term rental advisory committee

Town staff has appointed an ad hoc advisory committee to consider STR management options and provide recommendations to Town Council.

This committee met for the first time on October 20, 2021. Committee members include:

- Jim Winterberger-STR property manager
- Melanie Meharchand- STR independent operator (part-time resident)
- Billy McCullough- STR independent operator (full-time resident)
- Peter Fenolio-Contractor/ Building representative
- Matt Warren- Employer representative
- Tara Zuardo- Housing Program Advocate
- John Falk-Realtor representative
- Laura Lindgren-Member-at-large
- Aaron Nousaine- Economist
- Vice Mayor Henderson
- Councilmember Polivy

II. Existing STR program data

The study will summarize data regarding the first year of the Town's Short-term Rental ordinance implementation, including detailed information on the makeup of homes registered as short-term rentals. Preliminary data is summarized in Appendix A to this report.

Data collection is still in process and it is anticipated that the 1-year STR program review in January 2022 will include the following additional components:

- 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

III. Short-term rental management options and their effect on workforce housing

Staff, with input from the STR Advisory Committee, is researching a range of STR management options that have been implemented in other jurisdictions. Research will include outreach to selected jurisdictions to understand program implementation, impacts, and the effect of STR management on the availability of workforce housing.

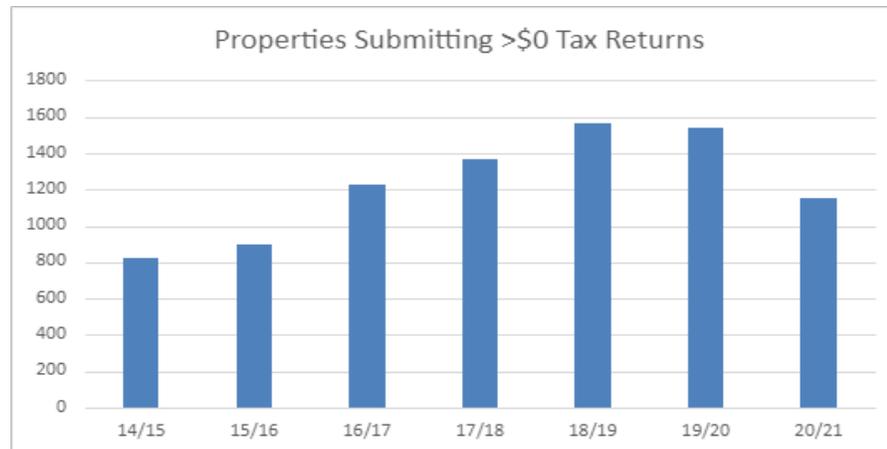
A summary of initial research on STR management frameworks implemented in other jurisdictions is provided as Appendix B to this report.

APPENDIX A: STR Program Data

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

Housing units town-wide	13,674
STR Registration Certificates (2021)	1079
% Housing units registered as STRs	7.9%

Figure 2: Number of STRs paying Transient Occupancy Tax by fiscal year



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 3A: 2021 Registered STRs by type and bedroom count (#)

TYPE OF HOUSING	BEDROOMS									TOTAL
	0	1	2	3	4	5	6	7	8	
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	1046¹

1) 33 additional "conditionally approved" properties are awaiting bedroom count verification as a result of Town's recent cybersecurity incident impacts

Figure 3B: 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%	8%	4%						15%
Single-family		1%	9%	47%	22%	45	4%	1%		84%
TOTAL		4%	16%	51%	22%	45	4%	1%		100%

Figure 4B: Map of STR registration density

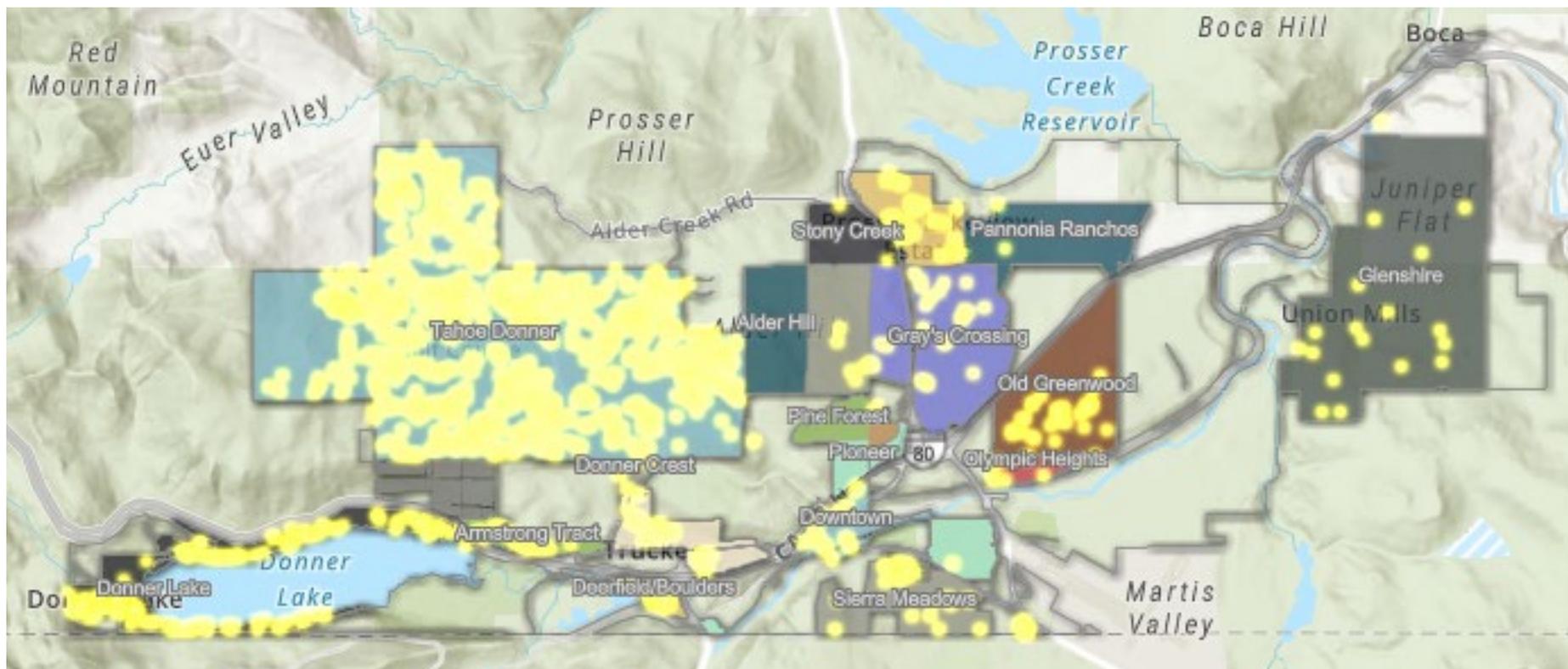


Figure 4C: STRs by Neighborhood (#)

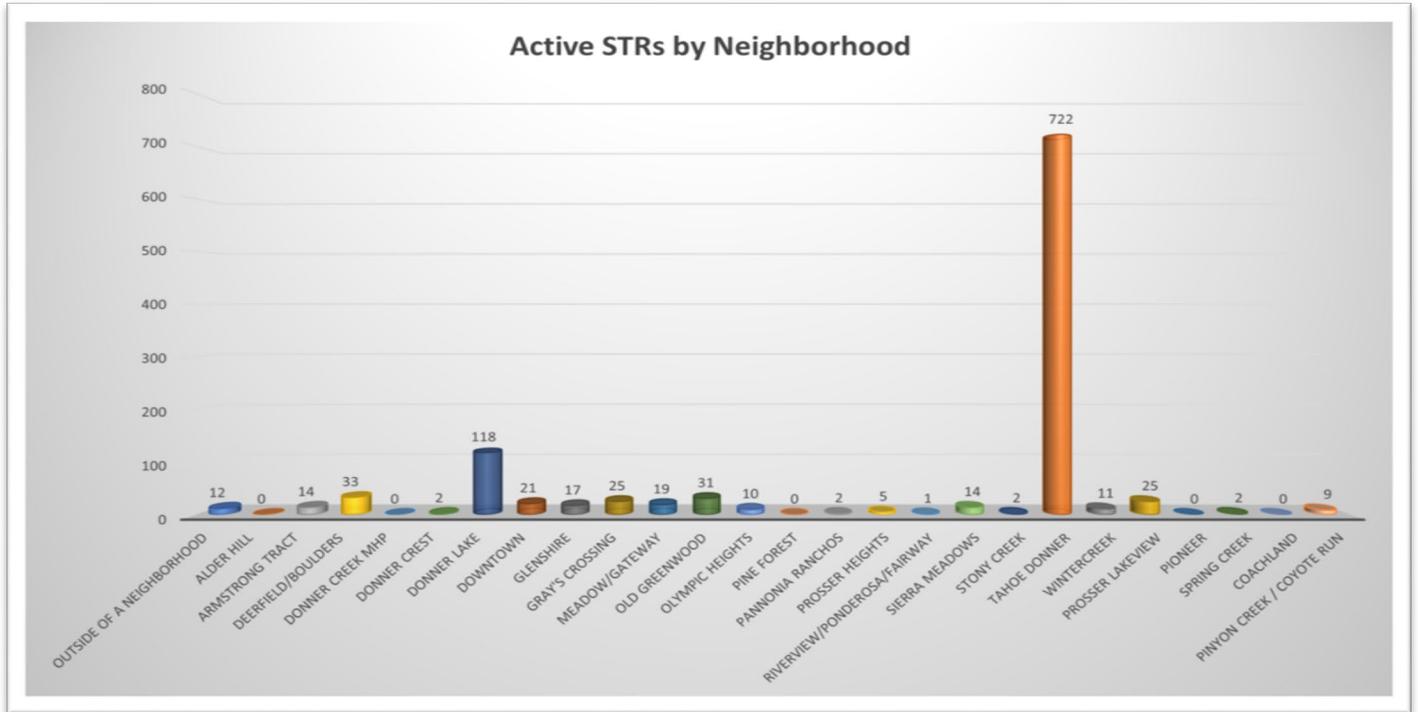


Figure 4D: Percentage of Parcels with an active STR registration by neighborhood

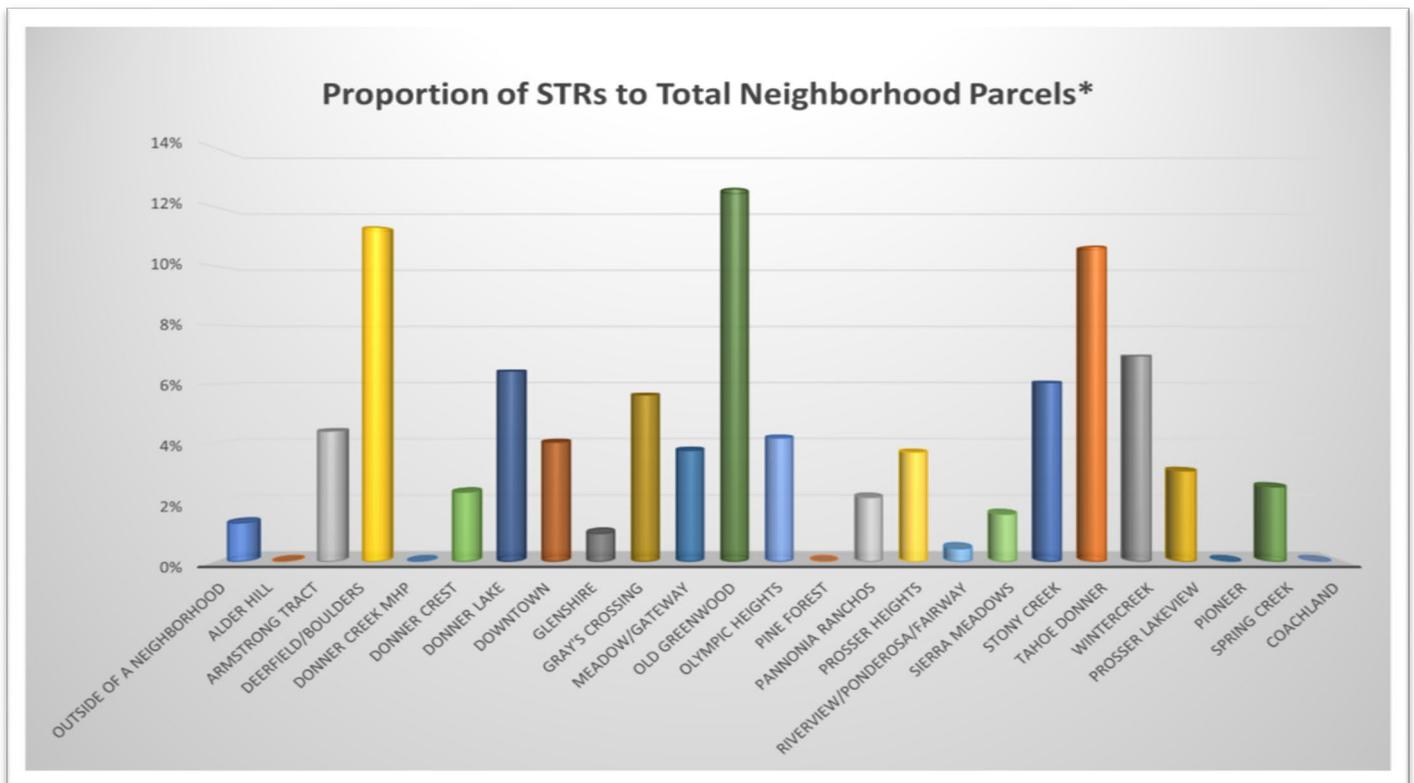


Figure 5: Enforcement of STR properties identified and not registered, January 1- October 15, 2021

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 6: 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

APPENDIX B: Summary of Initial Research on STR Management Framework Examples in Other Jurisdictions

Zoning Regulations

Town/County, State	Population	Number of Housing Units	STR Ordinance Date(s)	Summary of STR Ordinance Mandates/Management	Reason for Ordinance
Mammoth Lakes, CA	8,235	9,795	2015	<p>Transient rentals are limited to certain zones - Commercial, Residential Multi-Family 2, Resort, and Specific Plan zones.</p> <p>Measure Z froze zoning in place, prohibiting changes to the transient use (STR) zoning code without voter approval.</p>	To promote and protect the health, safety, welfare and quality of life of Town residents. To preserve the character of rural residential districts, residential single-family districts, RMF-1 character by not allowing uses that would be unable to coexist in such an area.
Bellingham, WA	96,014		2018	<p>STRs limited to certain zones: residential, commercial, urban village.</p> <p>Within residential zoning districts:</p> <ul style="list-style-type: none"> - STRs limited to one per operator. - The dwelling (including if an ADU is the STR) 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. - No STRs in ADUs in Single Family Zones. <p>Within Commercial and Urban Village Zoning Districts:</p> <ul style="list-style-type: none"> - No limit on # of STRs per operator; STRs can be in both primary and non-primary residences. - For STRs in non-primary residences there is no limit to the number of days they can be rented in one year. -STRs in primary residences - there is no limit for days it must serve as primary residence or number of days it may be rented <p>NO STRS in subsidized housing programs</p>	To balance the economic oportunitites created by STRs and need to maintain housing supply in city
South Lake Tahoe, CA	22,487		2018	<p>Measure T: No VHR permits within Residential Zones. Phase out over 3 years - will be fully implimented by Dec 31, 2021</p> <p>Qualified VHRs (QVHR) allow for permits in residential zones whose owner is a full time resident to rent up to 30 nights per year</p>	<p>To curb increasing numbers of VHRs in residential neighborhoods</p> <p>To address nuisance issues</p>

Zoning and STR Cap Regulations Combined

Town/County, State	Population	Number of Housing Units	STR Ordinance Date(s)	Summary of STR Ordinance Mandates/Management	Reason for Ordinance
Crested Butte, CO	1,787	1,077	2018	<p>Two STR licenses are available:</p> <p>Unlimited vacation rental license -</p> <ul style="list-style-type: none"> -Can rent unit an unlimited number of nights/year. -Only permitted in certain residential zoning districts - 30% cap of free market residential units located in permitted zones (current cap: 212 unlimited VHR licenses) - Two year license - \$1500 up front and \$750 each year thereafter to keep license active. - July 2021 12-month moratorium on NEW licenses <p>Primary residence vacation rental license -</p> <ul style="list-style-type: none"> -Available to property owners who use their unit as a full time residence. Must submit primary resident affidavit and provide proof (e.g. vehicle registrations, drivers license, voter registration, or tax documents) - Limited to 60 nights of rentals per year. - Not subject to 30% cap and are allowed in zones where unlimited vacation rental licenses are prohibited. - Annual \$200 fee. 	To address housing crisis
Taos, NM	5,929		2020	<p>Zoning: Prohibited within historic district, hotel overlay zones, and Central Business District (unless the STR was there prior to ordinance).</p> <ul style="list-style-type: none"> - In some zoning districts, STR is conditional use in which an additional conditional use permit would be required prior to STR permit being issued. <p>Cap: Number of permits issued each year cannot exceed 120.</p> <ul style="list-style-type: none"> -During the first year following Ordinance, all STRs that were in good standing are allowed to operate regardless of 120 STR cap. - If the number exceeds 120, the town can't issue new permits until the number of permits is 120 or less. <p>Upon transfer of ownership, STR permit is terminated. A real estate broker listing a property that has STR permit shall include copy of ordinance in their materials.</p> <p>\$350 inspection and application fee. \$525 annual STR permit fee.</p>	Increase of STRs has led Taos govt to recognize need for protective response; maintain balanced economy for hotels and character of neighborhoods/historic districts/property value/infrastructure

STR Caps and Density Limitations Combined					
Town/County, State	Population	Number of Housing Units	STR Ordinance Date(s)	Summary of STR Ordinance Mandates/Management	Reason for Ordinance
Durango, CO	18,953		2007; 2009	<p>Zones: Vacation rentals are only permitted in certain zones - central business zone, mixed use zone, select Planned development zones, established neighborhoods (EN) 1 and 2.</p> <p>Caps: EN 1 has cap of 22 VRs and EN2 has a cap of 17 VRs. 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.</p> <p>In Central Business Zone, Mixed Use Zone, and Planned development zones, caps are applied on a development-specific basis.</p> <p>Other requirements: Rentals required to attain Limited Use Permit and meet requirements for on-site parking, occupancy, trash, recycling, noise.</p> <p>Planned Development and HOA governing docs must specifically state that STRs are an allowed use.</p>	Current regulations intended to mitigate vacation rentals impact on character of neighborhoods and to preserve existing housing units for residents.
Douglas County, NV	48,905	24,773	2021	<p>Zones: A cap of 600 STRs in Tahoe Township. VHRs are NOT allowed outside of the Tahoe Township.</p> <p>Cap: Within the Tahoe Township, VHRs are limited to no more than 15% in single family communities and 20% in tourist/multifamily residential communities .</p> <p>-Restrictions only apply to new (post Oct 3, 2021) VHRs, not existing units/those seeking renewal.</p> <p>Tiered permitting System:</p> <p>-Tier 1 (Owner occupied VHRs who reside in property when guests are present - 4 or fewer occupants) - exluded from the cap of 600 in the Tahoe Basin</p> <p>- Tier 2 (VHRs occupancy 10 people or less)</p> <p>- Tier 3 (Occupancy 10 or more - require a public hearing and subject to approval by Douglas County VHR advisory board/special conditions)</p> <p>VHR Board formed to hear enforcement appeals filed by VHR owners, applications for VHR Special use permits for Tier 3 rentals</p>	Surge in VHRs since 2017 has catalyzed Douglas County to begin process of developing improved regulation.

In process

Town/County, State	Population	Number of Housing Units	STR Ordinance Date(s)	Summary of STR Ordinance Mandates/Management	Reason for Ordinance
Breckenridge, CO	4,905		2018; 2021	<p>Currently, approximately 50% of housing units are STRs.</p> <p>-September, 2021 - Adopted 2200 unit cap on STRs affecting "non-exempt properties"</p> <p>Exempt properties include ones that have phone, front desk and security service 24 hours a day</p>	<p>To strike a balance between STRs and LTRs.</p> <p>Cap intended as an interim step while the Town does more research and develops next steps, including consideration of a Tourism Overlay District.</p>
Steamboat Springs, CO	13,214	9,693	2021	<p>June, 2021 - Moratorium on new STRs, extends through Oct 31 2021 so that issue can be studied. An extension to Jan 31, 2022 of the moratorium is expected.</p> <p>Existing regulations allow vacation home rentals in most zones, some with permits required, some without.</p> <p>City Council is considering overlay zones as a method to regulate STRs. A STR overlay zone could include locations where STRs are allowed by right with no land use permit required, locations where they are prohibited, or locations where they are allowed by Permit and subject to specific enforceable standards.</p>	