



AGENDA SUMMARY EUREKA CITY COUNCIL

TITLE: Planning Commission Vacation Rental Report

DEPARTMENT: Development Services

PREPARED BY: Cristin Kenyon, AICP, Director of Development Services

PRESENTED FOR: Action Information only Discussion

RECOMMENDATION

Receive Planning Commission's report

FISCAL IMPACT

No Fiscal Impact Included in Budget Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

Housing Element Policy H-5.1: Vacation Rentals. Balance the need for housing with the market for residential lodging by evaluating the impact of the number of full-unit rentals on residential availability. Consider establishing and maintaining a cap on the number of full unit vacation rentals in residential zone districts.

DISCUSSION

On August 14, 2023, the City of Eureka's Planning Commission formed a subcommittee of two Commissioners to gather information and form policy recommendations on the regulation of vacation rentals within the City to present to City Council. The subcommittee developed a written report, and at their regular meeting on February 14, 2024, the Planning Commission voted unanimously (with one absence) to bring the report to City Council for review. The subcommittee's report is attached, as well as written public comment received on the matter at the Planning Commission's February 14th meeting. Planning Commissioner Michael Kraft will be presenting on the report.

Impetus for Subcommittee

Some vacation rental applications are reviewed by the Planning Commission, and this experience reviewing applications has prompted Commissioners to express concerns about the adequacy of the City's current regulatory framework. In response, Staff recommended Planning Commission form a subcommittee to express their concerns to the City Council. As outlined in Eureka Municipal Code Section 155.404.050, one of the roles of the Planning Commission is to make recommendations to City Council on the zoning code and other legislative matters.

Background on City's Current Vacation Rental Regulations

The City began regulating vacation rentals outside of the Coastal Zone in 2016 and in the Coastal Zone in 2018, and the inland and coastal portions of the City have different vacation rental regulations. In inland Eureka, a vacation rental is defined as a dwelling unit or portions thereof located in a residential zoning district that is rented to guests for 30 consecutive calendar days or less. The Inland Zoning Code identifies two types of vacation rentals – proprietor on-site and no proprietor on-site – depending on whether a proprietor is in residence on the site for the duration of the rental.

Vacation rentals with a proprietor on-site require a business license and a vacation rental permit, and potentially a home occupation permit (if the vacation rental business is being run from a home in Eureka). The vacation rental permit is a ministerial approval by Planning Division Staff to confirm the proposed vacation rental complies with all applicable standards. Vacation rentals must also be inspected to residential standards by Building Division Staff prior to approval of the vacation rental permit. In addition to these requirements, vacation rentals without a proprietor on-site require a discretionary minor use permit.

The Development Services Director acts on minor use permit applications unless a public hearing is requested by an interested party. The City mails notice of the Director's pending action to property owners within 300 feet of the property in question. Within 15 days of the date the notice is mailed, any person may submit a written request for a public hearing on the application before the Planning Commission. If no request for a public hearing is received by the end of the 15-day period, the Director acts on the application and the Director's action is final.

In 2023, the City received 20 applications for vacation rentals, 14 of which were vacation rentals without a proprietor onsite requiring a minor use permit. Two vacation rental minor use permit applications were heard by Planning Commission in 2023, both as a result of neighbors requesting public hearings. By Staff's count, there are currently 77 legally authorized vacation rentals in the City that are fully permitted and have active business licenses.

The Inland Zoning Code vacation rental regulations are found in [Eureka Municipal Code Section 155.304.150](#). As discussed above, these regulations only apply in residential zoning districts outside of the Coastal Zone. Of note, earlier this month, the County of Humboldt Board of Supervisors voted to approve short-term rental regulations for the unincorporated County. [A draft of the County's ordinance](#) is available on the County's website.

Attachment 1: Planning Commission Report and Public Comments Received