



COUNTY OF HUMBOLDT

For the meeting of: 3/5/2024

File #: 24-253

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Public Hearing

Vote Requirement: Majority

SUBJECT:

Inland and Coastal Zone Short-Term Rental Ordinances Allowing Use of Residences for Short-Term Rentals within the Unincorporated Areas of Humboldt County and Amending Chapter 2 Administration, Procedures, Amendments and Enforcement of the Zoning Ordinance to Create Permit Suspension Procedures, an Administrative Permit, and Correct Departmental References to Planning and Building (Record No.: LRP-2022-17963 & LRP-2023-18254)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive and consider the staff report, and accept public comment on the new information presented; and
2. Close the public comment portion of the Public Hearing; and
3. Deliberate on the draft ordinance(s) with alternatives presented; and
4. Select desired alternatives within the draft ordinance(s); and
5. Adopt a Resolution (Attachment 1) to take the following actions:
 - a. Find the Coastal Short-term Rental, Inland Short-term Rental, and Administration Ordinances exempt from environmental review under the California Environmental Quality Act (CEQA) Guidelines; and
 - b. Find amendments to Chapter 2 Administration, Procedures, Amendments and Enforcement, consistent with the General Plan and the Coastal Act, and
 - c. Find the Coastal Short-term Rental Ordinance consistent with the General Plan, Local Coastal Plan, and the Coastal Act; and
 - d. Find the Inland Short-term Rental Ordinance, is consistent with the General Plan; and
6. Adopt Coastal Short-term Rental Ordinance No: ____ (Attachment 2), to add section 313-61.05, amend tables in section 313-6, and amend sections 313-44, 313-50, 313-55, 313-141, 313-143, 313-154, 313-157, 313-163, 313-172, and 313-177 in Chapter 3 of Division 1 of Title III of the County Code for the coastal areas of the County.; and
7. Adopt Inland Short-term Rental Ordinance No: ____ (Attachment 3), to add section 314-

60.05, amend tables in section 314-6 and 314-9, amend sections 314-37, 314-44, 314-55, 314-138, 314-141, 314-143, 314-153, 314-154, 314-157, 314-158, 314-163, 314-174 and 314-177 in Chapter 4 of Division 1 of Title III of the County Code for the inland areas of the County.; and

8. Adopt the Ordinance amending Chapter 2 Administration, Procedures, Amendments and Enforcement Ordinance No: _____ (Attachment 4), to modify Chapter 2 Division 1 of Title III of the County Code to replace Community Development Services with Planning and Building, modify subsection 312-3, 6, 9 and 10, to create provisions for an Administrative Permit, and modify subsection 312-14 to add provisions for Suspension of permits, and
9. Direct the Clerk of the Board to publish a Summary of the Ordinance (Attachment 5) within 15 days after adoption by the Board, and to post in the Office of the Clerk of the Board of Supervisors a certified copy of the full text of the adopted ordinance along with the names of those Supervisors voting for and against the ordinance: and
10. Direct Planning Staff to prepare and file a Notice of Exemption with the County Clerk and Office of Planning and Research

DISCUSSION:

Executive Summary

This public hearing was continued from the meeting of January 30, 2024. During that meeting the Board of Supervisors considered the Short-term Rental (STR) ordinance recommended by the Planning Commission. The Board directed staff to provide additional information and alternatives for the following:

- Data for STRs located in Timberland Production Zones,
- Apply the Good Neighbor Guide to all STRs (whole unit and home-share),
- Better definition of time limits for STRs used a portion of the year and exempt from the Cap (days vs months),
- Include Big Lagoon Estates Subdivision/Big Lagoon Park Subdivision within the area subject to the Cap,
- Alternative to include the Willow Creek Community Planning Area within the area subject to the Cap,
- An alternative to allow transfer of permits,
- Revision of the Farm Stay definition to further align with the intent of allowing STR use on resource lands.

The items requested by the Board have been incorporated into the draft ordinances either as a modification to the ordinance or as an alternative to consider. These are further described below.

Revisions and Alternatives

1. Continued Operation Fee

During the meeting of January 30, 2024, there was question of fees associated with monitoring STRs. Specifically, how that monitoring will be funded. In an effort to account for staff time associated with the review of materials for permit holders who wish to continue operation, and investigate complaints, **Alternative 1** has been added.

2. Applying the Good Neighbor Guide to all STRS and Lighting as a performance standard

In the Planning Commission draft, the Good Neighbor Guide only applied to whole-unit STRs within Community Plan Areas and on lots less than 10 acres. The Board identified this document would be helpful for all STR operators, tenants, and neighbors alike, even for home-shares. The ordinance has been modified to make the Good Neighbor Guide a requirement of all STRs and Home-shares. Additionally, the ordinance has been modified to make the Good Neighbor Guide an application submittal requirement. Lastly, the lighting performance standard has been applied to all STRs to preserve neighborhood quality and the surrounding environment.

3. STRs used a portion of the year not applicable to the Cap.

The Board expressed concern that the allowance for using a property as a STR for 3 months was too vague and long. The units were not deemed subject to the Cap with the idea the unit could be used for either long-term living by the owner or used as a long-term rental for student housing/others most of the year. A reference was made to Half Moon Bay's ordinance regulating STRs. The Half Moon Bay ordinance only allows Short-term Rentals for 60 days per year (no Cap, merely 60 days maximum). This does not align with the proposed County regulatory structure as the County proposes to allow rentals all year but proposes to allow use of a residence for a limited period if it is used for housing the rest of the year. **Alternative 2** has been provided which allows a residence rented on a short-term basis for 60 consecutive days or fewer of the year not count against the Cap, provided that it is occupied as long-term housing the remainder of the year.

4. Big Lagoon Estates Subdivision/Big Lagoon Park Subdivision included within the area subject to the Cap (Coastal).

A number of residents within the Big Lagoon Estates Subdivision/Big Lagoon Park Subdivision expressed concern their community would not be subject to the Cap, and due to its incredibly desirable location and neighborhood character, could be a location impacted by future STR use. The desire is not to stop current operators, but to prevent additional units beyond the percentage allowed in the Cap. The concern is due to water scarcity, a volunteer-run community services district, and volunteer-based maintenance (trails, etc.). The Board was sympathetic to this request and directed staff to include the Big Lagoon Estates Subdivision/Big Lagoon Park Subdivision to be considered within the Trinidad Area Plan for purposes of applying the Cap. This is reflected in the modified Coastal version of the ordinance (**Alternative 3**).

4. Willow Creek Community Planning Area (Inland) included within the area subject to the Cap. Including the Willow Creek CPA within the area subject to the Cap was raised. There is one

comment on file for this request, included as Attachment 8. The Board did not give directions to make this change. It has been included as an alternative in the draft ordinance. The Willow Creek CPA is unique in that it includes the area around Willow Creek, but also includes a satellite area around Chezem Road. If the Board chooses to add Willow Creek as a CPA subject to the Cap, the Chezem Road area should not be included (**Alternative 3** - Inland).

5. Transferability.

The Board discussed the possibility of transferring STR's to heirs. This was a significant topic of discussion at the Planning Commission. When the Planning Commission became aware that it is not possible to limit transfer of a STR to a child, because "Next of Kin" is a very broad and inclusive idea, the Planning Commission chose to not make STR's transferable. Part of the rationale for not making STR's transferable is that it converts a residence into a permanent transient occupancy use. This further drives up the value of a property intended to be a residence. Transfer of STR's has been added as an alternative (**Alternative 4**).

6. Revision of the Farm Stay definition

The Board expressed concern with how Farm Stay was defined, specifically how the Farm Stay ties the intended use of resource lands to the incidental use as a Short-term Rentals. To address this, an alternative has been included which requires the owner or farm tenant to reside on the property for the following reasons:

- *Authentic Farm Experience* The owner or farm tenant's presence enhances the authenticity of the farm stay experience. Guests often seek a genuine connection with the farm, its operations, and its owners. The owner's presence allows guests to interact directly with someone intimately familiar with the farm's history, practices, and daily routines, enriching their experience and tying the stay to the primary use of the property.
- *Safety and Security* The owner or farm tenant's presence ensures the safety and security of both guests and the property. They can promptly address any issues that may arise, such as emergencies, safety hazards, or weather conditions. This sense of security is particularly important in remote or rural areas (typically where resource lands are located) where emergency services may have longer response times.
- *Educational Opportunity* The core of what makes a farm stay is the opportunity for the guests to experience elements of agricultural life. This has been added to the definition.

An alternative has been provided to the definition of a farm stay to require the owner or farm tenant to reside on the property (**Alternative 5**)

8. Timberland Production Zone (TPZ)

The Board questioned whether it was appropriate to have a Farm Stay on land zoned TPZ as that land is designated for timber production. There may be circumstances in which there are Farm Stay opportunities in land zoned TPZ. There are currently 47 listings on 28 parcels in TPZ. Of the 47 listings in TPZ, only 23 are eligible for Farm Stay as written (Attachment 7). 5 parcels have multiple listings per parcel which would require a Special Permit, if applied for (these are

highlighted).

The Board of Supervisors should consider the changes made that are highlighted and choose between the alternatives provided, as follows:

1. Applying a fee for Continued Operation of STRs which supports staff cost recovery
2. Changing the temporary period from 3 months to 60 days or fewer.
3. Including Big Lagoon Estates Subdivision/Big Lagoon Park Subdivision and Willow Creek CPA in the area subject to the Cap.
4. Whether permits should be transferred.
5. For Farm Stays, requiring an owner or tenant to be present.

SOURCE OF FUNDING:

The salary funding for preparing this staff report is included in the General Fund contribution to the Long-Range Planning unit (1100-282).

FINANCIAL IMPACT:

Staff costs and other expenses related to research of the existing ordinance, and preparation and review of this staff report total approximately \$60,000.

STAFFING IMPACT:

Staff time related to research and modifying the existing ordinance was accomplished with current staff resources.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework priority of combating loss of existing housing stock by regulating and creating a Cap for Short-term Rentals of entire residential units while allowing portions of units to be rented on a short-term basis without removing units from housing stock.

OTHER AGENCY INVOLVEMENT:

Coastal Commission
Environmental Health
Public Works
DHHS

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion.

ATTACHMENTS:

Attachment 1: Resolutions
Attachment 2: Coastal Short-term Rental Ordinance
Attachment 3: Inland Short-term Rental Ordinance

File #: 24-253

Attachment 4: Chapter 2 Administration, Procedures, Amendments and Enforcement Ordinance

Attachment 5: Post Adoption Summaries

- A. Post-Adoption Summary - Chapter 2
- B. Post-Adoption Summary - Coastal
- C. Post-Adoption Summary - Inland

Attachment 6: Good Neighbor Guide with Cover Letter

Attachment 7: TPZ Data

Attachment 8: Request for Willow Creek CPA in Cap

Attachment 9: January 30th Board Report Package Link

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

File No.: 23-1304, 23-1357, 23-1445, 23-1530, 24-157