

PLANNING COMMISSION
STAFF REPORT
 For the Meeting of October 12, 2026

Title:	Bones Vacation Rental Application Determination Appeal
Appeal:	Appeal AP-26-2
Underlying Application:	Vacation Rental Permit Application VR-25-4
Location:	1322 H Street
APN:	005-036-005
Appellant:	Adam Bones
Property Owner:	Adam and Colleen Bones
Decision Appealed:	Development Services Director determination that VR-25-4 was not deemed complete before April 17, 2026, the effective date of the City's amended vacation rental regulations, and therefore does not qualify for processing under the prior regulations. Because the current regulations no longer provide for Vacation Rental Permits and instead authorize vacation rentals through the Business License process, VR-25-4 was closed.
Appeal Request:	Reverse the Director's determination and allow VR-25-4 to be processed under the vacation rental regulations in effect when the application was submitted.
Staff Contact:	Cristin Kenyon, AICP, Development Services Director
Recommendation:	Hold a public hearing; and Adopt a resolution denying the appeal and affirming the Development Services Director's determination and closure of VR-25-4.

BACKGROUND

On September 3, 2025, Adam Bones submitted Vacation Rental Permit Application VR-25-4 through the City's OpenGov permitting portal for 1322 H Street. The property contains four dwelling units, and the application identified all four units for vacation rental use. The application was submitted as a Proprietor On-Site Vacation Rental.

On September 4, 2025, Planning staff reviewed the submittal and determined it could not be accepted for processing because, although submitted as a Proprietor On-Site Vacation Rental, it identified all four dwelling units on the property for vacation rental use. This indicated the proposal might instead be a No Proprietor On-Site Vacation Rental, which required a Minor Use Permit in the R3 District before proceeding with a Vacation Rental Permit. City staff sent a message to the applicant through the City's OpenGov permitting portal stating: "I am unable to accept this application at this time, I have some questions about the application. Please call me at 707-441-4160 when you are available."

The appellant has provided telephone records showing telephone contacts with the Development Services Department number on September 4, 2025. The records establish that telephone contacts

occurred but do not document the substance or outcome of the conversations. Following those contacts, the application workflow remained at the initial “Counter Complete Review” step in OpenGov. VR-25-4 was never accepted for processing, the application fee was never requested or paid, and Planning received no further communication regarding the application until August 2026.

Separately, City monitoring identified short-term rental activity occurring at 1322 H Street without the required City approvals or payment of Transient Occupancy Tax (TOT). On October 24, 2025, Planning and Finance sent the property owners a compliance letter identifying estimated unpaid TOT and advising them of the applicable permitting and licensing requirements. The letter directed the owners to either cease vacation rental operations or initiate the permitting process, and to pay the outstanding TOT or contact Finance to establish a payment plan. The applicant contacted Finance on October 28, 2025, disputed the estimated TOT amount, and was provided information regarding how to formally dispute the assessment. The permitting and TOT matters were not resolved at that time.

On March 17, 2026, the City Council adopted amended vacation rental regulations as part of the 2026 Inland Zoning Code Update. The amended regulations became effective on April 17, 2026. The amendments changed both the City's approval process for vacation rentals and the regulations applicable to the use proposed at 1322 H Street, as discussed below.

After the TOT issues remained unresolved, on July 17, 2026, Finance issued a Notice of Assessment for unpaid TOT through June 30, 2026. A revised assessment was issued on July 22, 2026, and the applicant subsequently entered into a 24-month payment plan with Finance for the assessed past-due TOT. The applicant has made the required payment installments under that agreement.

On August 11, 2026, Planning received notice through OpenGov that the property owners had entered into a payment plan for past-due TOT and submitted an Operator Status Certification indicating an intent to continue operating the vacation rental. Based on that information, Planning contacted the applicant on August 12, 2026, and provided information regarding the requirement to obtain a Business License.

On August 18, 2026, the applicant contacted Planning and stated that he had already applied for the required vacation rental approval. Staff explained that the City's vacation rental regulations had changed since VR-25-4 was submitted in September 2025, that the separate Vacation Rental Permit was no longer part of the approval process, and that vacation rentals are now approved through the Business License process. During that conversation, the applicant confirmed that he intended to reside in one of the four units and rent the other three as vacation rentals. Staff explained that under the current regulations, the applicant's proposal to reside in one unit and rent the other three would constitute three Full-Unit Vacation Rentals, while only one Full-Unit Vacation Rental is allowed on a property containing fewer than 10 dwelling units.

The applicant disputed that the current regulations applied because he had submitted VR-25-4 before the regulations changed. After confirming the applicable requirements with the Development Services Director, staff reiterated that VR-25-4 had not been completed under the prior regulations and that the current regulations applied. The Development Services Director then spoke directly with the applicant on August 19, 2026 and subsequently issued the written

determination that is the subject of this appeal. The determination concluded that VR-25-4 had not been deemed complete before April 17, 2026, the effective date of the amended vacation rental regulations, and therefore did not qualify for processing under the prior regulations. Because the current regulations no longer provide for Vacation Rental Permits, VR-25-4 was closed and the applicant was advised that any vacation rental approval must proceed through the current Business License process.

On August 26, 2026, the applicant timely filed an appeal (Appeal AP-26-2) challenging the Director's determination.

VACATION RENTAL REGULATIONS

The distinction between the prior and current vacation rental regulations is important to understanding the appeal.

Under the regulations in effect when VR-25-4 was submitted, vacation rentals were classified as either Proprietor On-Site or No Proprietor On-Site. A Proprietor On-Site Vacation Rental allowed the rental of an entire dwelling unit, or a portion of a dwelling unit, provided the proprietor remained in residence on the site for the duration of the rental. Vacation rentals required a ministerial Vacation Rental Permit and a City Business License, with a Home Occupation Permit also required if the vacation rental business was being operated from a home in Eureka. A Minor Use Permit was also required for No Proprietor On-Site Vacation Rentals in certain circumstances.

Accordingly, if the applicant satisfied the proprietor on-site requirements, the three other dwelling units at 1322 H Street could have been eligible for vacation rental use under the regulations in effect when VR-25-4 was submitted.

The regulations that became effective April 17, 2026 eliminated the separate Vacation Rental Permit and changed the vacation rental classifications. Vacation rentals are now classified as either Home-Sharing or Full-Unit. Rental of an entire dwelling unit constitutes a Full-Unit Vacation Rental even when the proprietor resides elsewhere on the property. A property with nine or fewer dwelling units may have no more than one Full-Unit Vacation Rental. Therefore, under the current regulations, the applicant's proposal to reside in one unit and rent the other three would constitute three Full-Unit Vacation Rentals, while only one is allowed on the four-unit property.

The current regulations also changed the City's approval process for vacation rentals. Vacation Rental Permits, Minor Use Permits, and Home Occupation Permits are no longer required for vacation rental uses. Instead, vacation rentals are approved through the City Business License process, with the Business License also serving as the Zoning Clearance for the use.

Which version of the vacation rental regulations applies is governed by EMC §155.104.100(C)(1). That code section provides that when the City deems an application complete but does not take final action before a subsequent Zoning Code amendment becomes effective, the application remains subject to the Zoning Code in effect when the application was deemed complete. Accordingly, VR-25-4 would remain subject to the prior vacation rental regulations if the City deemed the application complete before April 17, 2026.

APPEAL

The appellant contends that VR-25-4 should be allowed to proceed under the vacation rental regulations in effect when the application was submitted. The appeal argues that the applicant responded to staff's September 4, 2025 OpenGov message by telephone; the City's written message did not identify the specific information staff considered missing; the City did not subsequently issue an incompleteness letter or follow the procedures for deeming an incomplete application withdrawn; the applicant was never requested to pay the application fee; and OpenGov continued to display VR-25-4 as "Active."

The appellant requests that the Planning Commission reverse the Director's determination and direct staff to process VR-25-4 under the prior vacation rental regulations or, alternatively, allow the applicant to provide any additional information needed to complete VR-25-4 while retaining processing under the prior regulations.

STAFF ANALYSIS

The issue before the Planning Commission is whether VR-25-4 was deemed complete before April 17, 2026, such that it remains subject to the prior vacation rental regulations.

The Zoning Code establishes two separate stages in the application process. First, under EMC §155.408.020(D), the Department determines whether a submittal contains the fees, information, and materials required to accept the application for processing. EMC §155.408.030(B) further provides that the Department may accept and begin processing an application only after all required fees are paid. Second, once an application has been accepted for processing, EMC §155.408.040 requires the Department to review the application for completeness and accuracy and, within 30 days, notify the applicant whether the application is complete or whether additional information is required.

There is no dispute that the applicant applied for VR-25-4 through OpenGov on September 3, 2025. Submission through OpenGov, however, did not constitute acceptance of the application for processing or a determination that the application was complete. VR-25-4 did not advance beyond the initial application-acceptance stage. Staff determined during initial review that additional clarification was needed before the application could be accepted for processing. The application identified the proposed vacation rental as a Proprietor On-Site Vacation Rental but stated that the property contained four dwelling units and that all four would be used as vacation rentals. Under the regulations then in effect, a Proprietor On-Site Vacation Rental required the proprietor to remain in residence on the site during the rental. The information submitted therefore raised a threshold question as to whether the proposal qualified as a Proprietor On-Site Vacation Rental or instead constituted a No Proprietor On-Site Vacation Rental, for which a Minor Use Permit was required in this circumstance before proceeding with a Vacation Rental Permit application.

For that reason, Planning staff notified the applicant on September 4, 2025 that VR-25-4 could not be accepted at that time and asked the applicant to contact the Department. The appellant's telephone records establish that contacts with the Department occurred that day, but the record does not establish that the application was revised to identify a qualifying Proprietor On-Site proposal or that the applicant instead pursued the required Minor Use Permit for a No Proprietor On-Site proposal. Consequently, VR-25-4 was never accepted for processing, the application fee was never requested or paid, and the application never proceeded to the formal completeness-review stage under EMC §155.408.040.

The appellant argues that staff did not follow the procedures in EMC §155.408.070 for deeming an incomplete application withdrawn. That provision establishes when an incomplete application expires and is deemed withdrawn after an applicant fails to respond to an incompleteness letter. The Director's determination, however, was not that VR-25-4 had previously expired or been deemed withdrawn under §155.408.070. Rather, the determination was that VR-25-4 had never been accepted or deemed complete before the regulations were amended. Because the new regulations eliminated Vacation Rental Permits and instead authorize vacation rentals through the Business License process, there was no longer a Vacation Rental Permit application for the City to process, and VR-25-4 was appropriately closed.

Similarly, the “Active” status displayed in OpenGov did not constitute acceptance of the application for processing or a determination of completeness. Although the project remained listed as “Active,” the application workflow remained at the initial “Counter Complete Review” step, consistent with the fact that VR-25-4 had never been accepted for processing. The relevant transitional provision turns on whether the City deemed the application complete, not whether an electronic application record remained open or displayed an “Active” status.

Because the City did not deem VR-25-4 complete before April 17, 2026, EMC §155.104.100(C)(1) does not preserve the applicant's ability to proceed under the prior vacation rental regulations.

Under the current regulations, the applicant may seek authorization to operate a vacation rental through the Business License process, subject to the standards and limitations currently applicable to vacation rentals, including the limitation of one Full-Unit Vacation Rental on a property containing nine or fewer dwelling units.

APPEAL PROCESS

The applicant has a right to appeal the Director's determination regarding the completeness and resulting closure of VR-25-4 to the Eureka Planning Commission pursuant to EMC 155.408.040.D (Application Review; Appeal of Determination) and 155.416 (Appeals and Reviews). Pursuant to EMC §155.416.030, the Planning Commission considers the appeal de novo and must make its own decision supported by findings. Following the public hearing, the Commission may affirm, modify, or reverse the Director's determination; remand the matter for further review or action; or forward the appeal to the City Council for review and decision. The Planning Commission's decision may be appealed to the City Council within 10 days.

PUBLIC HEARING NOTICE

Notice of the public hearing was mailed to property owners within 300 feet of the site on or before October 2, 2026, and posted on the City's website and public bulletin boards. A public hearing notice sign was also posted at the site on or before October 2, 2026.

DOCUMENTS ATTACHED

- Attachment 1 Draft Resolution Denying the Appeal
- Attachment 2 August 19, 2026 Director Determination
- Attachment 3 Appeal AP-26-2 and Appellant Exhibits

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Attachment 4 Vacation Rental Application VR-25-4 and September 4, 2025 OpenGov
Correspondence

Attachment 5 Relevant Municipal Code Sections