



MEMORANDUM
COMMUNITY DEVELOPMENT RESOURCE AGENCY
BUILDING SERVICES DIVISION
County of Placer

TO: Board of Supervisors DATE: April 13, 2021

FROM: Steve Pedretti, Agency Director

BY: Crystal Jacobsen, CDRA Deputy Director – Tahoe
Jayme Paine, Tahoe Supervising Code Compliance Officer

SUBJECT: Amendment of Article 9.42: Short-Term Vacation Rentals

ACTIONS REQUESTED

1. Adopt an ordinance amending Chapter 9, Article 9.42 of the Placer County Code to regulate short-term rentals.

BACKGROUND

The ordinance to amend Chapter 9, Article 9.42 of the Placer County Code was introduced at the Board of Supervisors' hearing on March 30, 2021 and is now being brought back for adoption.

The Board directed staff to explore establishing regulations for short-term vacation rentals (STRs) in the unincorporated areas of Placer County in July of 2019. Two public workshops were held to elicit feedback from the community, and staff presented an update on proposed regulations to the Board on October 22, 2019.

The Short-Term Rental (STR) Ordinance was introduced for first reading at the November 5, 2019 Board hearing. District 5 Supervisor Cindy Gustafson noted during the hearing that the frequency for fire inspections should be once every five years for professionally managed STRs and not three years. Staff indicated at the time that they would bring a status report and proposed adjustments to the STR Ordinance after a year of operations, including the fire inspection revision. Subsequently, the Board approved the STR Ordinance on November 19, 2019.

CEQA COMPLIANCE

The proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15061(b)(3) and 15378. The amendments modify the requirements for short-term rental applications and permitting, but do not modify any impacts on the environment, and therefore it can be seen with certainty that there is no possibility that the amendments may have a significant effect on the environment. In addition, the proposed amendments are an administrative activity that will not result in direct or indirect physical changes in the environment.

FISCAL IMPACT

Costs associated with the STR program include staffing for program implementation and enforcement and contracting. When developing the STR program budget it was anticipated that the total fiscal impact to operate the program would be approximately \$453,000 annually. However, based on current tracking of the program, projected FY 20-21 costs are now expected to be \$504,541 and costs incurred to date are \$271,521. Total revenue received in FY20-21 to date is \$148,298; however, this revenue was from Calendar Year 2020 permit fees (due to the extended permit deadline and late permit applications). Total projected fee revenue for Calendar Year 2021 permit fees that will be realized in FY 20-21 is \$455,337 (since the permit deadline is May 31, 2021). Therefore, based on recent projections, STR program costs appear to be less than the revenue projected for FY 20-21, even assuming some late permit applications

and fees. STR program expenses are more than initially anticipated due to additional administrative support needed to implement a change in the permit system and because consultant costs during the STR peak permitting season were higher than expected.

Following implementation of the new STR permit system, scheduled to be completed within the next month, and with the new permit system in place and expanded enforcement team which will reduce on-going consultant needs, it is anticipated that expenses for the next FY will track with the initial program operational budget of \$453,000.

ATTACHMENT

Attachment A: Ordinance to Amend Article 9.42

ATTACHMENT A

Before the Board of Supervisors County of Placer, State of California

In the matter of:

An ordinance to amend Chapter 9, Article 9.42,
Sections 9.42.010, 9.42.030, 9.42.040,
9.42.050, and 9.42.060

Ordinance No.: _____

Introduced: _____

The following Ordinance was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held on _____ by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, on November 19, 2019, the Board of Supervisors adopted an ordinance to amend Placer County Code, Chapter 9 to add Article 9.42, titled "Short Term Vacation Rentals;"

WHEREAS, since the adoption of Article 9.42, modifications to Article 9.42 were identified by staff that resulted in a need for further amendments to the article; and

WHEREAS, the proposed amendments are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15061(b)(3) and 15378 since the amendments modify the requirements for short-term rental applications and permitting, but do not modify any impacts on the environment, and consist of an administrative activity that will not result in direct or indirect physical changes in the environment.

NOW THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, ORDAINS AS FOLLOWS:

Section 1: Placer County Code, Chapter 9, Article 9.42, Section 9.42.010 is amended as follows:

9.42.010 Purpose and intent.

The Lake Tahoe Basin and surrounding areas in unincorporated eastern Placer County are known for their scenic beauty and recreational opportunities. These areas are world-renowned vacation destinations. While vacation rentals have been a staple in eastern Placer County for years, the recent surge in popularity of the short-term rental in this area have created compatibility issues in established residential areas. These issues are endangering the health and safety of residents and guests and endangering the very environment and resources that attract visitors to the area. To ensure protection of the health and safety of residents and guests and to protect the environment, it is the purpose of this article to provide permit procedures and establish standards for short-term rentals in the unincorporated area of eastern Placer County legally described in subsection A of this section as the “Eastern Placer County Short-Term Rental Area.” (above five thousand (5,000) feet above sea level in elevation).

A. The legal description of the “Eastern Placer County Short-Term Rental Area” is as follows:

Beginning at the southwest corner of Section 30, T14N, R16E, M.D.B.&M. being a point on the Placer-El Dorado County line, and running thence north along section lines to the northwest corner of Section 6, T15N, R16E, M.D.B.&M., being a point on the south line of Section 36, T16N, R15E; thence east along the south line of said Section 36 to the southeast corner thereof; thence north along section lines to the quarter-section corner on the east line of Section 25 of the last mentioned township and range; thence westerly along the east-west centerlines (the half section lines) of Sections 25, 26 and 27 of the last mentioned township and range 2-3/4 miles more or less to an intersection with a branch of the North Fork of the American River located in said Section 27; thence northwesterly and westerly along said branch and said river, 9-1/2 miles more or less to the north-south centerline of Section 20, Township 16 North, Range 14 East M.D.B.&M.; thence north along the north-south centerline of Sections 20, 17, 8, and 5 of said township and range and along the north-south centerline of Sections 32 and 29 Township 17 North Range 14 East, M.D.B.&M. to the north line of Placer County; thence easterly along the north line of Placer County to the northeast corner of said county, a point on the east line of the state of California; thence south along the east line of the state of California; and the east line of Placer County to the southeast corner of said county; thence west and south along the south line of Placer County to the point of beginning.

All requirements, regulations and standards imposed by this article are intended to apply in addition to any other applicable requirements, regulations and standards imposed elsewhere in the Placer County Code, state and federal law, and by the Tahoe Regional Planning Agency. This article ~~does not~~ **only** applies to short-term rentals ~~in zone districts at or below five thousand (5,000) feet in elevation~~ in the Eastern Placer County Short-Term Rental Area. (Ord. 5990-B § 1, 2019)

* * *

Section 2: Placer County Code, Chapter 9, Article 9.42, Section 9.42.030 is amended as follows:

9.42.030 Permit requirements.

It is unlawful for any person to advertise, maintain, operate or use a short-term rental in the unincorporated area of Placer County above five thousand (5,000) feet above sea level in elevation Eastern Placer County Short-Term Rental Area without a short-term rental permit, or in violation of

the terms and conditions of the permit. Short-term rental permits shall be renewed annually, and separate permits are required for each short-term rental. The permit requirements for short-term rentals are set forth below. The issuance of any permit pursuant to this article does not relieve the owner of the obligation to comply with the other provisions of the Placer County Code pertaining to the use and occupancy of the short-term rental or the property in which it is located.

A. Where Allowed. As to this article, short-term rentals are allowed in all zone districts that allow residential use with approval of a short-term rental permit, and a TOT certificate, in **the Eastern Placer County Short-Term Rental Area as described in Section 9.42.010** ~~east Placer County (properties at five thousand (5,000) feet elevation or above).~~

B. Application Process. An application for a short-term rental permit shall be submitted by the property owner or agent (written property owner authorization is required for an agent to file the application) to the code compliance services division and shall at a minimum include the following:

1. Property owner or agent name and contact information.
2. The name of the local contact person, if different from the property owner or agent, and a telephone number at which that party may be immediately reached.
3. Address and assessor's parcel number for property for which the short-term vacation rental is located.
4. Rental unit type (i.e. home, condo). If more than one residential unit is located on the property, identify if the rental unit is the property's primary or secondary dwelling.
5. The number of bedrooms. For purposes of this section, a bedroom is a room that contains a minimum of seventy (70) square feet and that meets all requirements of the California Residential Code and contains a window or opening that can be used for emergency egress.
6. Maximum occupancy amount. Occupancy is defined as two people per bedroom, plus two additional people, excluding children under sixteen (16) years of age. Occupancy limits begin at ten (10) pm. Occupancy limits may be increased on a case-by-case basis, at the discretion of the community development resource agency director, **and shall not exceed occupancy design limits set by the California Building Code in effect at the time.**
7. Total number of on-site parking spaces, if applicable. If on-site parking is not available, an alternative parking plan must be provided designating the location of off-site parking.
8. Proof of existing garbage service and total number of trash receptacles.
9. A current TOT certificate **with all fees paid and process complete**, or application for TOT certificate **that must be completed within thirty (30) calendar days from the date of application.**
10. Number and location of fire extinguishers, smoke and carbon monoxide alarms.
11. Certification of compliance with Fire Code and fire safety requirements.
12. Acknowledgment that the property owner or agent has read and understood this article, and the county's noise, parking, garbage collection, guest safety and operational standards.
13. If the information supplied by the property owner on the application for a short-term rental permit is not consistent with county records, an inspection may be required prior to or after the issuance of the short-term rental permit. An inspection fee shall be charged for the inspection.

C. Term and Scope of Permit. A short-term rental permit issued under this article shall expire ~~twelve (12) months from the date of issuance~~ **on March 31 of each year**, unless revoked or suspended earlier. The permit authorizes the property owner to conduct only such services as is described in the permit and in accordance with the terms and conditions of the permit. A permit will be renewed if prior to expiration, the following is provided: updated application information (if changes have occurred), new certifications and acknowledgments (as identified in subsections (B)(11) and (12) of this section), payment of the permit fee, and proof of a valid TOT certificate.

D. Hotel/motel, timeshare and resort exemption. Timeshares, fractional ownership lodging facilities, hotels, motels, or existing resorts are exempt from the permit requirements of this article provided the lodging facility has an existing permit, business license and a current and valid TOT certificate with the county. Single-family dwellings within a resort are also exempt from this ordinance at the discretion of the community development resource agency director, provided the resort company can demonstrate there are policies in place and can enforce standards for parking, noise, trash, and guest safety. The short-term rental permit exemption as it relates to single-family dwellings within resorts may be revoked if five or more complaints are made to the county within a six month time period.

E. Residential Association Exemption. A short-term rental within a residential association such as a homeowner's association (HOA), and/ or condo/townhouse association may be exempt from the permit requirements of this article, at the discretion of the community development resource agency (CDRA) director, upon formal written request by the short-term rental owner and accompanying acknowledgment by the residential association demonstrating that there are requirements in place through the covenants, conditions and restrictions (CC&Rs) for noise, parking, and trash that satisfy the standards of this article, and that the residential association can demonstrate a history of enforcement of their requirements. The homeowner must certify the short-term rental is equipped with functioning smoke alarms, carbon monoxide detectors and fire extinguishers. A copy of the residential association's CC&Rs shall be provided to the code compliance services division to be kept on file. A residential association that has residences with a short-term rental permit exemption from the CDRA director shall notify the county of any changes to the CC&Rs that may impact the residential association's ability to manage and enforce requirements for short-term rentals. The short-term rental permit exemption may be revoked if five or more complaints are made to the county within a six month time period.

F. Permit Fee. Each short-term rental permit application shall be accompanied by a nonrefundable short-term rental permit fee. The fee schedule shall be established by resolution of the board following a public hearing. Said fee may be adjusted by resolution of the board following a public hearing. Permits and fees required by this article are in addition to any license, permit, certificate or fee required any other chapter of the Placer County Code.

1. Permit Fee- Town or Village Center Incentive. Effective, January 1, 2022, a short-term rental within a Town or Village Center as identified in the Placer County Tahoe Basin Area Plan shall qualify for a twenty-five (25) percent reduction in the short-term rental permit fee.

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Section 3: Placer County Code, Chapter 9, Article 9.42, Section 9.42.040 is amended as follows:

9.42.040 Operational standards.

All short-term rentals are required to comply with the following standards and shall not generate other potential disturbances which may disrupt the peace, safety, and general welfare of communities. Failure to comply with the standard conditions of this section may result in fines and permit revocation as outlined in Section 9.42.050.

A. Responsibility of Property Owner to Prevent Nuisance Behavior and Maintain Neighborhood Peace and Quiet. The property owner and/or agent shall inform guest(s) that they are not to violate the standards of this article and shall be responsible to take any action necessary to ensure that guest(s) abide by the terms of this article and other applicable provisions of Placer County Code.

B. Local Contact Person. A local contact person shall be personally available by telephone on a twenty-four (24)-hour basis and who maintains the ability to be physically present at the short-term rental within sixty (60) minutes of contact by code compliance, the Placer County sheriff or the guest(s), and has access and authority to assume management of the short-term rental in order to respond and remedy calls or complaints. Calls or complaints about physical conditions or circumstances that constitute an immediate threat to the public health and safety shall obligate the local contact person to immediately contact the appropriate law enforcement, fire, or other authority.

C. Parking. On-site parking shall be provided for each short-term rental. If the property does not have on-site parking the property owner shall have a county-approved parking plan designating the location of off-site parking. **Any applicable boat and boat trailer parking is required on-site or other locations, as may be approved by the county.** In addition, snow area parking must comply with all applicable Placer County Code sections, including Section 10.12.020 (Illegal Parking—Generally).

D. Noise. All short-term rental guests are required to comply with the standards of Placer County Code Article 9.36 (Noise) and the community noise equivalent levels (CNEL) of the Tahoe Basin Area Plan. Nighttime noise limits and quiet hours are imposed from ten (10) p.m. to seven a.m. The nighttime noise limits shall be posted inside the vacation rental in a location readily visible to all guests.

E. Trash and Refuse.

1. With the exception of trash properly deposited in trash collection receptacles, accumulation of trash and debris outside of the short-term rental at any time is prohibited.

2. Weekly commercial trash collection must be provided for each short-term rental. **A minimum service level of two trash containers per week must be maintained. If the minimum service level is insufficient to accommodate all trash generated by the short-term rental, the property owner and/or agent must arrange for a higher level of service which will accommodate all trash generated by the short-term rental.**

3. Each exterior trash collection receptacle shall be “animal proofed” and shall comply with Placer County Code Chapter 8, Article 8.16, Part I, Division II Recollection and Storage Practices. **Each short-term rental Properties in the county located above an elevation of five thousand (5,000) feet shall provide a bear bin enclosure as defined and pursuant to the requirements of Placer County Code Chapter 8, Article 8.16, Part I, Division III Prevention of Bear Access to Garbage Can Enclosure. Bear bin enclosures must be large enough to securely contain the minimum trash service level or sized appropriately to securely accommodate all trash generated by the short-term rental.** Failure to provide proof of bear-bin installation within one-year of permit issuance in required areas may result in denial of the permit renewal.

F. Interior Posting Requirements. The Placer County Good Neighbor flyer shall be posted within the interior of the rental unit in a visible location. Interior postings shall contain the contact information for the local contact person, emergency evacuation information, and a notice to guests of potential financial penalties for violating the provisions of this article. **Additionally, the short-term rental must post the most recent trash containment and bear aware information provided by the county’s environmental engineering division or responsible department alerting the guest to the importance of proper trash containment.**

G. Smoke Alarms. Smoke alarms, in good working order, shall be installed in accordance with the California Building Code and at a minimum shall be installed in each bedroom, and at least one alarm on every level of the short-term rental, including basements and habitable attics.

H. Carbon Monoxide Alarms. Carbon monoxide alarms, in good working order, shall be installed in accordance with the California Building Code and at a minimum shall be installed outside each bedroom, on every level of the rental unit, including basements and habitable attics, and bedrooms or attached

bathrooms with a fuel-burning appliance, and shall be installed in accordance with the manufacturer's installation instructions.

I. Fire Extinguisher. Each short-term rental shall be equipped with one five-pound fire extinguisher, type 3-A:40-B:C, installed at a readily available location near the kitchen. If the short-term rental has more than one level, an extinguisher must be mounted within each level. Fire extinguishers shall be inspected annually by a certified professional to ensure the extinguishers are in good working order.

J. Visible Address. Each short-term rental shall have an address identification. The address identification shall be legible and placed in a position that is visible from the street or road fronting the property. Whenever the address on the short-term rental unit will not be clearly visible from the street or access road fronting the property, the address shall also be placed at the public street or access road in a manner which is clearly visible from both directions of travel on the frontage road or street. Address identification characters shall contrast with their background and conform to the minimum size requirements of Placer County Code Section 15.04.260. A short-term rental in a condominium building that does not have an individual address may utilize the condominium building address and need not comply with these requirements.

K. Emergency Communications. If located in an area with inadequate cellular service, each short-term rental unit shall contain a working landline phone, Voice Over Internet Protocol, or monitored alarm system.

L. Fire Inspections. Short-term rentals shall allow fire district staff to conduct a life-safety inspection once every three years, **or once every five years if the rental is managed by a professional property management company**, and upon request by the fire district, to ensure the rental complies with sections relating to number of bedrooms (9.42.030(B)(5)), smoke alarms (9.42.040(G)), carbon monoxide alarms (9.42.040(H)), fire extinguishers (9.42.040(I)), visible address (9.42.040(J)), emergency communications (9.42.040(K)), outdoor fireplaces (9.42.050(C)), and grills and barbecues (9.42.050(D)). The inspections, including re-inspections due to noncompliance and inspections prompted by complaints, are subject to the applicable fire district fee schedule cost for inspections. Records of such issues shall be provided by the fire district to the code compliance services division for inclusion in its administrative citation process and referred to the county for enforcement. Failure to allow an inspection to occur may result in suspension and/or revocation of the short-term rental permit pursuant to Section 9.42.060.

M. Active Building Permits. Short-term rentals shall not be rented during construction, remodeling, additions, or an active building permit, unless the permit or area has been approved by final inspection, county issued occupancy certificate, or approval by the county's building official, and upon an affirmative showing by the agent that the safety and welfare of occupants can be maintained. If the work creates an uninhabitable area by lack of sanitation, cooking, sleeping, or heating, the chief building official shall deem the structure uninhabitable and the structure shall not be rented as a short-term rental until authorized by the county's building division for such use or occupancy.

* * *

Section 4: Placer County Code, Chapter 9, Article 9.42, Section 9.42.050 is amended as follows:

9.42.050 Prohibitions and restrictions.

A. Prohibited Structures. A structure or property with a recorded county covenant, deed restriction or agreement restricting its use, including, but not limited to, affordable dwelling units, or deed-restricted

secondary dwelling units shall not be used for short-term rentals. Short-term rentals are not allowed in structures not intended for residential occupancy under the California Building Code Standards and county code.

B. Incidental Camping. A short-term rental permit does not authorize incidental camping, which means any overnight camping, sleeping in tents or on decks attached to the short-term rental unit, or sleeping in travel trailers or recreational vehicles parked on the short-term rental property.

C. Outdoor Fireplaces. No open wood burning pits, bonfires, or campfires are permitted to occur at short-term rentals. Natural gas/propane burning fireplaces and fire pits with twenty (20)-pound tanks or smaller are acceptable outside provided the device is at least ten (10) feet from a structure and any flammable materials, **and is existing at the short-term rental. Guests shall not bring personal fireplaces or firepits to the short-term rental.**

D. Grills and Barbeques. Grills and barbeques are not permitted beneath a potentially flammable source including trees, umbrellas, decks, or other appurtenant structures, and shall be no less than ten (10) feet away from a structure or as far as can be accommodated and any flammable materials. Charcoal grills of any type are strictly prohibited. **Guests shall not bring personal grills and barbeques to the short-term rental; only those provided with the short-term rental are permitted to be used as installed.**

E. Pets. Pets shall be secured on the property at all times.

F. Subletting. Guests are prohibited from subletting a short-term rental. Only property owners and/or agents with a valid short-term rental permit and TOT certificate are allowed to advertise and rent a residential unit as a short-term rental.

G. Special Events. Weddings, corporate events, commercial functions, and any other similar events which have the potential to cause traffic, parking, noise or other problems in the neighborhood are prohibited from occurring at the short-term rental property, as a component of short-term rental activities, unless a permit has been issued by the county pursuant to Placer County Code Section 17.56.300(B).

* * *

Section 5: Placer County Code, Chapter 9, Article 9.42, Section 9.42.060 is amended as follows:

9.42.060 Penalties—Decisions on permit applications.

It is a misdemeanor and a public nuisance to violate any of the provisions of this article. Any person including guests, property managers, local contact person, agent, and/or property owner that violates the provisions of this article may be subject to administrative and/or judicial remedies as set forth herein. In addition, the county shall have the authority to suspend or revoke the short-term rental permit, or to create a cause of action for injunctive relief since any violation is hereby declared to be contrary to the public interest. Unless otherwise expressly provided, the remedies, procedures and penalties provided by this section are cumulative as to each other and to any others available under state law or other county ordinances. In the event of any conflict between the penalties set forth in this article and any penalties set forth in state law, the maximum penalties allowable under state law shall govern.

A. Fines. The fine for code violation(s) pursuant to this section may be an administrative penalty of up to five hundred dollars (\$500.00) per day for each violation contained in a first administrative citation, and up to one thousand dollars (\$1,000.00) per day for each violation contained in a second or subsequent administrative citation. A prior citation for purposes of this section shall be an earlier administrative citation for violation of this article on the same property that occurred less than one year prior to the current citation.

B. Denial, Suspension or Revocation of a Short-Term Rental Permit. The code compliance services division may deny, suspend or revoke a short-term rental permit for any of the following reasons:

1. The short-term rental permit application is incomplete;
2. The short-term rental permit application contains a false or misleading statement or omission of a material fact;
3. The short-term rental, property owner, agent or guest is currently in violation of, has been found to be in violation of, or is under investigation for violation of, any local, state or federal laws, statutes, rules or regulations;
4. Code compliance staff has responded to the property, and such response results in at least one citation for violations on each visit, if occurring three times within any twelve (12)-month period;
5. The property owner or agent is delinquent on any payment to the county of any fees, penalties, taxes, or any other monies related to the short-term rental property, including, but not limited to, transient occupancy taxes;
6. Prior revocation or suspension of a short-term rental permit;
7. The operation of a short-term rental is a threat to the public health, safety, or welfare, **or where the chief building official has deemed the structure uninhabitable;**
8. A failed fire inspection, or a refusal to allow a fire inspection of the short-term rental;
9. Absence/expiration of a TOT certificate; ~~or~~
10. Any required application fee or renewal fee has not been paid; **or**
- 11. A notice of non-compliance has been recorded on the property pursuant to Placer County Code Section 17.62.080(B).**

* * *

Section 6: This ordinance shall take effect and be in full force thirty (30) days after the date of its passage. The Clerk is directed to publish this ordinance, or a summary thereof, within fifteen (15) days in accordance with Government Code Section 25124.