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June Lake Area Plan Update

June Lake Citizens Advisory Committee (CAC): Dec. 6, 2017

Section I:

Based on the June Lake CAC recommendation from the October 4, 2017 meeting, the following June Lake Area Plan language has been drafted for a formal recommendation to the Planning Commission.

Policy 13.A.3. ~~Consistent with the intent Chapter 25 of the Land Use Element, approve Transient Rental Overlay Districts (TRODs) only within June Lake residential neighborhoods exhibiting support for allowing transient rental of single family homes.~~

Objective 13.M. To balance the character of single-family residential neighborhoods and the tourist economy, utilize a mix of best practices, creative solutions, and regulatory mechanisms, as guided by public input and engagement, to address the complexity of short-term rentals.

Policy 13.M.1. Short-term rentals are subject to Chapter 25 and 26 of the General Plan Land Use Element, with the following specifications based on the context of individual neighborhoods (see map), which vary in character.

Action 13.M.1.a. Prohibit Type I and Type II rentals in the Williams Tract and Petersen Tract due to private road ownership and liability, road conditions, access, small lot sizes and the need to retain workforce housing.

Action 13.M.1.b. Defer short-term rental housing decisions for the Highlands to the tract map modification and specific plan amendment processes.

Action 13.M.1.c. No public input was received from the Dram Mountain neighborhood, and therefore short-term rentals may be processed subject to countywide General Plan regulations.

Action 13.M.1.d. In the Clark Tract, Type I rentals may be permitted year-round on Nevada Street/Silver Meadow and summer only in the rest of the tract, with a maximum cap of 8 parcels total (3% of existing parcels) including existing Transient Rental Overlay Districts (TRODs), due to private road ownership and liability, road conditions, access, small lot sizes and the need to retain workforce housing. Type II rentals are prohibited.

Action 13.M.1.e. In the South 158 neighborhood, Type I rentals are *(permitted/prohibited?)* and Type II rentals are prohibited due to concerns about impacting workforce housing, potential avalanche hazards, steep roads, and private road liability.

Action 13.M.1.f. *Leonard Ave. placeholder.*

Section II:

The CAC can also consider the following policy additions and edits, and forward any desired recommendation to the Planning Commission.

Edits to General Plan Chapter 25 (countywide):

- 500' noticing distance shall be based on the farthest edge of a contiguous parcel of the same owner.
- Add to Type I rentals (25.020), consistent with Type II language, that the short-term rental must exhibit no reasonable opposition from neighbors within 500' of the subject parcel.

I. ISSUES, OPPORTUNITIES AND CONSTRAINTS

Community Development: Land Use

16. The short-term rental market (i.e., rentals for less than 30 days) in residential neighborhoods has exploded worldwide, exhibiting a 15x growth rate from 2008 to 2016, and is also affecting June Lake. The market is dynamic and seasonal, and rentals have become mainstream. No "silver bullet" exists; a variety of creative solutions and mechanisms are needed to address the complexity of the issue. Effort is being made to avoid the trap of "yes" vs. "no," which results in a polarized discussion that does not delve into nuances of how to best tailor policies and regulations to solve problems and take advantage of opportunities.
17. The short-term rental phenomenon in residential neighborhoods has some basis in the idea that excess assets can be rented to or shared with others, potentially for a fee that benefits the owner. Given the growth in the short-term rental market, the market has evolved from a small-scale supplemental sharing model to a full investment or business model.
18. In order to provide opportunity for public input, develop and identify any consensus/common ground in the best interests of the community, engage residents in conversations about the character of their neighborhoods, and seek certainty and finality regarding short-term rentals, over 50 hours of community workshops were held supported by over 200 hours of staff time since Dec. 2016. Workshops included education on the existing industry/market and County regulations and identification of community character, technical considerations and issues of individual neighborhoods, concerns and negative impacts, opportunities and benefits, and potential solutions, and the input is funneled into the development of policies and regulations.
19. Concerns expressed about short-term rentals include disruption of the sense of neighborhood, impacts to quality of life, inappropriate behavior and lack respect for the neighborhood by renters, lack of enforcement, poor management, reduction in workforce housing units and property values, reduction in safety, inequitable competition for traditional hotels/motels, and environmental and wildlife issues.
20. Opportunities expressed about short-term rentals include meeting a tourism market need, economic development for June Lake, tax revenue for the County, assisting homeowners in keeping and upgrading their properties, the potential for reduced impact compared to long-term rentals, accountability and enforcement through regulation, protecting property rights, and educating, socializing with, and serving as ambassadors to visitors.
21. Very few legal mechanisms exist that require accountability by the online platforms, and some of these platforms are lobbying for regulations at the state level to limit local government power. As a result, a regulatory solution is not likely to emerge by regulating online platforms any time soon unless legal proceedings are pursued.
22. Differentiating between neighborhood impacts of illegal rentals vs. legal rentals is difficult, and the court of public opinion often does not recognize a difference. The County has received very few complaints and had only one enforcement case to date against regulated and properly permitted short-term rentals.

23. Local governments like Mono County are challenged to provide cost effective enforcement, whether rentals are legal or illegal, due to 1) rental properties spread across many hosting platforms; 2) listings are highly dynamic, constantly changing and requiring frequent monitoring and tracking; 3) data is not easily accessible through the hosting platforms, making acquisition of addresses, owners, frequency of renting, etc., very difficult; and 4) hosting platforms may prevent property owners from including permit data on their listing. A multi-pronged enforcement effort is needed to be successful, and be should coordinated across County departments.
24. Industry data indicates short-term rentals will not stop if they are banned or prohibited. They will continue to be an issue that potentially impacts neighborhoods and requires a County response.

Community Development: Housing

25. The increase in short-term rentals in single-family residential areas has the potential to further reduce the already limited housing stock available for workforce housing.

Community Development: Tourism

61. Short-term rentals (rentals less than 30 days) in single-family residential areas meets a tourism market need and has the potential to utilize existing units for additional visitor accommodations, rather than units remaining vacant and not contributing to the local economy.

Potential Policy Additions:

Policy 13.M.2. Short-term rentals in single-family residential neighborhoods should support a model for the supplemental sharing of excess assets, rather than a full business or investment model.

Action 13.M.2.a. Only the property owner may apply for a short-term rental permit, and the owner is the responsible party.

Action 13.M.2.b. Short-term rentals shall be limited to one per person or entity and one per parcel.

Policy 13.M.3. Type I (owner-occupied) short-term rentals, as defined in Chapter 25, in single family residential land use designations may be considered only under limited and highly regulated conditions in some areas, subject to Chapters 25 and 26.

Action 13.M.3.a. To address concerns raised by the community regarding potential neighborhood impacts, the following requirements and regulations shall be added to Chapter 26 for short-term rentals in June Lake:

- Exterior lighting fixtures shall comply with Chapter 23 – Dark Sky Regulations, which may require existing fixtures to be replaced or retrofitted.
- Owner or manager must respond on-site when warranted within 30 minutes.
- Quiet hours from 10 pm to 7 am, and no outdoor amplified sound.
- Outdoor parties, which may include special events, outdoor events, lawn parties, weddings, and similar activities, are prohibited.
- Owner shall acquire home insurance coverage that specifically covers short-term renting, and shall maintain appropriate liability coverage that covers injury and damage to hosts, guests, and others.

- Owner shall notify lender of change in use to short-term rental, and provide verification to County upon request.
- Maximum occupancy of 10 persons, which may be further limited by septic system or other requirements, and shall be posted over the primary exit door.
- The number of allowed vehicles shall not exceed the number of on-site parking spaces.
- In order to rent a detached and separate unit, the property owner must occupy the other unit on the property.
- Landline phone service is required, and owner must disclose the limited service by cell phone carriers.
- A "hideaway" key or other access is required in the event a guest is locked out.
- For emergency and safety purposes, provide a medical kit consisting of basic first aid equipment, and a survival kit including water, food, radio, batteries, and other common equipment. The kits must be maintained in good order and clearly identified.
- Post management contact information online.
- Interior informational sign shall also include an evacuation plan and a statement regarding respect for adjacent property owner's rights, neighborhood character, and trespassing concerns.

Action 13.M.3.b. In the Clark Tract, in order to ensure prepared visitors, the following must be disclosed in advertisements and the rental agreement: a description of rough road conditions, and the potential need for chains in winter conditions. Contact information for the manager/owner if road assistance is needed shall be included in the rental agreement.

Action 13.M.3.c. Explore options to offset loss of workforce housing via housing studies and General Plan policy development, which may include requiring a unit be available for long-term rentals for 4-6 months of the year, mitigation fees, etc.

Policy 13.M.4. Short-term rentals may be prohibited in neighborhoods with certain safety and/or infrastructure characteristics that are not compatible with visitor use, or where conflicts with other regulations exist.

Action 13.M.4.a. Short-term rentals may be prohibited where one or more of the following safety or infrastructure conditions exist:

- Emergency access issues due to a single access point to/from the neighborhood (see Safety Element, Objective 5.D. and subsequent policies, and Land Use Element 04.180).
- Access to the parcel, in whole or part, includes an unimproved dirt road (e.g., surface is not paved or hardened with a treatment) and/or roads are not served by emergency vehicles.
- The majority of parcels in a neighborhood/subdivision are substandard or small (less than 7,500 square feet), potentially resulting in greater impacts to adjacent neighbors and/or changes to residential character.
- Current water or sewer service is inadequate or unable to meet Environmental Health standards.

Action 13.M.4.b. Short-term rentals may be prohibited in the following neighborhoods due to small parcels and/or emergency access issues: Petersen Tract and Williams Tract.

Action 13.M.4.c. Short-term rentals should not be approved when prohibited by homeowner association CC&Rs and proof is submitted by the HOA to the County in order to respect the local homeowner's determinations and prevent civil legal issues.

Action 13.M.4.d. Uses on federal lands (e.g., Forest Service cabins) are governed by federal regulations, and the County's current understanding is that short-term rentals are allowed up to two weeks. These rentals are required to comply with TOT requirements.

Policy 13.M.5. Short-term rentals may be considered in non-owner occupied properties, where deemed appropriate, by changing the Land Use Designation to Single Family Residential – Short-Term Rental (SFR-STR).

Action 13.M.5.a. A short-term rental use shall be subject to a discretionary permit, applicable provisions of Chapter 25, and Chapter 26 (including provisions specific to June Lake). The discretionary permit shall run with the owner and not with the land, and the rental shall be limited to a single party of individuals.

Action 13.M.5.b. Due to large lot sizes, roads similar to County standards, and proximity to the Village, the Leonard Avenue neighborhood and Highlands Specific Plan area should be redesignated SFR-STR.

Policy 13.M.6. To support the tourist economy, short-term rentals are allowed in a limited form, and additional opportunities could be explored.

Action 13.M.6.a. The Rodeo Grounds development could be a potentially appropriate location for short-term rentals, and the opportunity should be explored.

Action 13.M.6.b. Support an even playing field, e.g., equitable regulations and taxation, between hotels/motels and short-term rentals to support existing commercial lodging facilities.

Policy 13.M.7. Expand the enforcement effort to be more proactive, comprehensive, and include a larger suite of tools and methods, subject to County resource availability.

Action 13.M.7.a. Implement an education campaign on short-term rentals, which may include a flyer in property tax bills or other County mailings/communications, posting regulations on hosting websites (e.g., Airbnb's "Responsible Hosting" webpage), refocus the County's related webpage, information via Mono County tourism marketing and the Chamber of Commerce, and local media articles.

Action 13.M.7.b. Provide for a private right of action for property owners within 100' of a short-term rental, similar to the City and County of San Francisco, which may be resolved in small claims court and does not provide for attorneys' fees recovery.

Action 13.M.7.c. Consider a "three strikes" mandatory permit revocation policy, similar to Steamboat, CO and Santa Fe, NM.

Action 13.M.7.d. Provide an anonymous reporting hotline for illegal rental activity.

Action 13.M.7.e. The County shall, resources permitting, invest in technology, systems, and services to support identification of violations, tracking, enforcement actions, and other compliance issues, such as provided by Host Compliance.

Action 13.M.7.f. The County shall, within legal constraints, coordinate information between department such as Community Development, Environmental Health, Tax Collector, Sheriff, and Assessor, to ensure comprehensive permitting, taxing, approvals, and enforcement.

Action 13.M.7.g. Require Vacation Home Rental permit numbers to be posted in the title of the short-term rental online advertisement.

Action 13.M.7.h. Existence of a listing for an unpermitted unit is *prima facie* evidence of a violation.

Action 13.M.7.i. To support accountability, an annual permit renewal, certification report, and fees shall be required for short-term rental permits, subject to the following requirements (coordinate this renewal with business license renewal process):

- An annual self-certification under penalty of perjury for all requirements in the June Lake Area Plan and Chapter 26 is required.
- Owner must confirm/update management contact information, to be kept on file by the Community Development Department.
- Payment of fees, as established by the Board of Supervisors, for staff time.
- Failure to submit annual report by deadline would result in a delinquency letter and additional fee.
- After 45 days from the notification letter, failure of an owner to meet all requirements in this section shall be deemed a violation and the permit shall not be renewed.