

Short-Term Rental Neighborhood Compatibility Work Program for the Tahoe Region

Local Government & Housing Committee

June 12, 2019



A Voice for Lake Tahoe

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Introduction

In recent months, the issue of short-term rentals (STRs) and their impacts on neighborhoods and the stock of housing for local residents has been raised repeatedly at Tahoe Regional Planning Agency (TRPA) Governing Board meetings in public comment. The usage of homes for STRs (also called vacation home rentals, or VHRs) is also receiving significant attention at the local level with both citizen-led groups as well as elected officials employing a variety of strategies to reduce the impacts of this type of use. These strategies range from citizen-led initiatives to ban STRs, to strengthening of local ordinances related to STRs, to forming local task forces, to the use of strategies to increase compliance of homes with local ordinances. Issues identified by residents and in research papers associated with STRs include increased trash-related problems, over-parking, noise, and deteriorating sense of community, as well as increases to the cost of housing and the availability of housing for local residents.



City of South Lake Tahoe – Support & Opposition Signs for Measure T

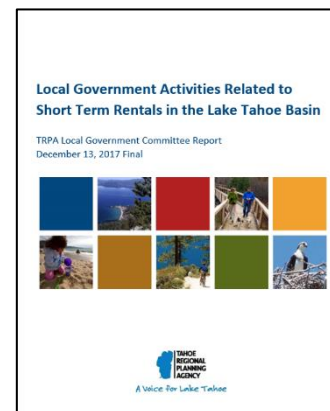
TRPA code establishing the definition of a Local Government Neighborhood Compatibility Program (Code Section 90.2) already exists and is shown below in italics.

Local Government Neighborhood Compatibility Requirements

Requirements implemented and enforced by a local government through a cooperative agreement with TRPA that regulate vacation rentals to ensure neighborhood compatibility. Such requirements include, but are not limited to, mitigating the potential adverse impacts related to refuse/garbage, parking, occupancy, noise, lighting, and signage.

In 2017, TRPA interpreted this program as having been addressed through the VHR-specific regulations for each local jurisdiction. In 2017, working with TRPA staff, the Local Government Committee released the report entitled *Local Government Activities Related to Vacation Home Rentals in the Lake Tahoe Basin*, December 13, 2017, available at: www.trpa.org/short-term-rental-neighborhood-compatibility. The conclusion of this report read:

The local jurisdictions are acting responsibly to resolve VHR issues so that the concerns of residents and stakeholders, and policies of the Regional Plan are addressed. The TRPA Board and Local Government Committee played a productive role in raising important questions and organizing an overview of best practices and current actions underway on VHR management. We recommend that the Local Government Committee convene periodically (e.g., once a year) for an update on VHR management strategies and actions within the Region, and report to the full Governing Board and public with updates on this report.



The report also summarized best practices with STR management based on the City of South Lake Tahoe's Socioeconomic Impacts of Vacation Home Rentals Report of 2017, available at: www.trpa.org/short-term-rental-neighborhood-compatibility, and public presentations by Host Compliance and Michael Baker International in September of 2017. Typical components of an STR neighborhood compatibility program summarized in the report include:

- Requiring a full-time on-site manager or local contact person
- Requiring compliant parking and proper garbage containment
- Requiring physical safety and inhabitation inspections
- Increasing VHR permit fees and fines for non-compliance
- Enabling mobile permitting and registration
- Automating compliance and monitoring services
- Implementing a rental activity monitoring service
- Granting hardship deferrals for full-time hosted/shared VHRs
- Creating a committee (or similar) by jurisdiction to address STRs



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Other components found in the *Mountain Housing Council Short-Term Rental White Paper*, March 2019, available at: www.trpa.org/short-term-rental-neighborhood-compatibility, include:

- Requiring registration and collection of Transient Occupancy Tax
- Requiring a 24-hour nuisance hotline
- Establishing occupancy limits
- Establishing quiet hours

On April 24, 2019, prior to the Governing Board distribution of the 2019 and 2020 residential allocations to local jurisdictions, the Local Government and Housing Committee (Committee) voted to recommend to the Governing Board that the Committee **develop a code amendment to make short-term rental neighborhood compatibility a third criterion of the Performance Review System for the future release of residential allocations** and agreed to bring it before the Governing Board (Board) by the end of this calendar year (December 2019).



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On June 12, 2019, the Committee directed TRPA staff to move forward with the implementation of this Work Program, which includes the formation of a Working Group and process for moving forward with the development of the code amendment and associated guidelines.

Background

Performance Review System:

As part of the Lake Tahoe Regional Plan Growth Management System, residential allocations may be distributed (or "metered out") to local jurisdictions every two years from the total number of allocations

that may be released every four years by the Governing Board. Distribution to local jurisdictions is based on the Performance Review System which takes into account Lake Tahoe Total Maximum Daily Load (TMDL) implementation and residential permit review and code compliance performance (TRPA Code, Section 50.5). A Performance Review Committee (PRC), comprised of staff from each participating local jurisdiction and TRPA, is convened every two years to review TRPA staff’s application of the Performance Review System and provide a recommendation to the Advisory Planning Commission and Governing Board on the distribution of residential allocations to the local jurisdictions.

Residential Allocations:

Pursuant to TRPA Code, Section 50.5.2, no jurisdiction shall receive more allocations than the maximum or fewer allocations than the minimum allocations as shown in Table 1 below.

Table 1: Allocation Performance Table*			
Jurisdiction	Minimum Allocation with Deductions	Deduction Increments	Annual Base Allocation
Douglas County	2	2	10
El Dorado County	8	5.5	30
Placer County	11	6.5	37
City of South Lake Tahoe	10	5.75	33
Washoe County	3	1.75	10
Total	34		120

*Table 50.5.2-2 in the TRPA Code of Ordinances.

Notes:

- 1) One deduction increment equals the number of allocations shown for individual jurisdictions. If the final allocation results in a decimal ending in 0.5 or higher the allocation will be rounded up to the nearest whole number, if the decimal is below 0.5 the allocation will be rounded down to the nearest whole number.
- 2) Allocations not distributed under the Performance Review System are assigned to TRPA’s residential allocation incentive pool.

The base allocation for each jurisdiction may be awarded or reduced by the PRC as follows:

- 1) Total Maximum Daily Load Compliance
 - a. A jurisdiction shall receive their base allocation for achieving above 90 percent or greater conformance with State approved annual Lake Clarity Credit targets; or
 - b. A jurisdiction shall be penalized one increment of deduction for less than 90 percent to 75 percent conformance with State approved annual Lake Clarity Credit targets; or
 - c. A jurisdiction shall be penalized two increments of deduction for less than 75 percent conformance with State approved annual Lake Clarity Credit targets.
- 2) Permit Monitoring and Compliance
 - a. A jurisdiction shall receive its base allocation for an average score of 90 percent or greater for both the project review portion and the compliance portion of the audit; or

- b. A jurisdiction shall be penalized one increment of deduction for average audit scores for both the project review portion and the compliance portion of the audit between 75 and 90 percent.
- c. A jurisdiction shall be penalized two increments of deduction for average audit scores for both the project review portion and the compliance portion of the audit below 75 percent.

The Code allows for TRPA to create guidelines to establish consistent evaluations and/or audits.

Working Group, Objective, Approach & Schedule

Working Group:

In response to significant stakeholder and public interest in short-term rental neighborhood compatibility policy discussions and recommendations, the Committee will form a Working Group that includes Committee members, representatives from neighborhood and environmental groups, the real estate community, the building industry, and the community in general. The Working Group is intended to ensure stakeholder and public interest is represented and considered throughout the process.

Representing	Members
El Dorado County	Sue Novasel, Chair
Washoe County	Marsha Berkbigler , Vice-Chair
City of South Lake Tahoe	Brooke Laine
Placer County	Larry Sevison
Douglas County	Wesley Rice
Carson City	Shelly Aldean
State of Nevada	Jim Lawrence
State of California	Belinda Faustinos
Neighborhood Group	Janet McDougal
Neighborhood Group	Leona Allen
Environmental Group	Gavin Feiger
Nevada Real Estate	Heather Lunsford
California Real Estate	Sharron Kerrigan
Building Industry	Mark Salmon/Pat Davison
Community Member	Rebecca Bryson
Community Member	Amanda Ross

Note: The Working Group Chair may appoint members to fill vacancies.

Objective & Approach:

The objective for the Working Group is to develop a short-term rental neighborhood compatibility code amendment and guidelines that are consistent with and further implementation of Regional Plan Goals and Policies and support environmental threshold maintenance and attainment. The schedule is to complete this for consideration by the Governing Board by the end of the calendar year (December 2019).

The steps in this process will include:

1. TRPA staff will work with local jurisdictions on updating the *Local Government Activities Related to Vacation Home Rentals in the Lake Tahoe Basin Report*. TRPA staff will identify other approaches not

used in the Tahoe Basin, and TRPA will present this information to the Working Group. The Working Group will accept this, or accept it with modifications, as a “menu” of neighborhood compatibility approaches to be included in local government neighborhood compatibility programs. These may include, but not be limited to locational, operational, and enforcement requirements.

2. TRPA staff will prepare a draft amendment to the existing TRPA performance review system code for review and possible revision by the Working Group. It is anticipated that the draft amendment will address the minimum required items from the approaches identified in step 1 (above) and modifications to the performance review analysis and scoring.
3. The recommended package (“menu” and amendment to the performance review system code) will be reviewed and recommendations will be provided by the Advisory Planning Commission and Regional Plan Implementation Committee. The Governing Board will then review the package and recommendations and consider approval.

The package should provide a range of options to give local jurisdictions flexibility in implementing and achieving short-term rental neighborhood compatibility and be consistent with and further implement Regional Plan Goals and Policies and threshold standards. As part of the Working Group process TRPA staff will identify the Regional Plan Goals and Policies that local jurisdiction short-term rental neighborhood compatibility programs should address.

Schedule:

Table 3, below, is the schedule for developing the short-term rental neighborhood compatibility performance review system code amendment.

Table 3: Schedule for Developing Short-Term Rental Neighborhood Compatibility Code Amendment & Guidelines *		
Meeting	Date	Topic(s)
Local Government and Housing Committee (LGHC)	June 12, 2019	Review and provide direction on Work Program.
Working Group	July 2019	Review of the Work Program from the LGHC. Review existing local government activities and other practices, and develop and approve a comprehensive list or “menu” of options.
Working Group	July/August 2019	Review, possible modification, and approval of draft amendment including the minimum required items from the “menu” and modifications to the performance review analysis and scoring.
Working Group	August/September 2019	Consider and approve entire package and recommendation for review by APC, RPIC, and GB.
Advisory Planning Commission (APC)	September/October 2019	Review proposal and provide recommendation to Governing Board.
Regional Plan Implementation Committee (RPIC)	October/November 2019	Review proposal and provide a recommendation to Governing Board.
Governing Board (GB)	October/November 2019	Review proposal and possible adoptions

*Additional meetings may be added if necessary.