



City of Grass Valley City Council Agenda Action Sheet

Title: Short-Term Rental Restrictions

Recommendation: That Council delay the decision to enact a cap or new restriction on the number of short-term rentals within the City

Prepared by: Tim Kiser, City Manager

Council Meeting Date: 11/22/2022

Date Prepared: 11/15/2022

Agenda: Administrative

Background Information: Earlier this year, Council discussed concerns regarding the shortage of low-income housing relative to the growing number of short-term rentals (STRs) that are being established in the City. However, staff has reported that the number of vacation home rentals is very low compared to total properties within allowable zones, with only 28 total vacation homes existing within the city limits, or 1% of residential properties within the allowed zones (approx. 2,800), and 24 registered Hosted STR's. Staff suggests that the council consider only Vacation home rentals in future discussions, as these are whole-home rentals, as opposed to Hosted STRs, which are rentals of a room or section of the house while the owner is still typically on-site. Staff finds that the Hosted STR type is utilized often by community members who are attempting to supplement their income with this arrangement, but still live in town and contribute to the community. Hosted STRs also do not take full home units out of the rental market.

To delve further into the City's STR data, staff is in the process of entering into a new contract with a STR monitoring and compliance company, Deckard, to utilize their Rentalscape Platform. After reviewing this platform, we believe it will provide us with thorough and detailed insight into the landscape of STRs in the city, allowing us to better understand how they are being utilized.

Staff is requesting for the council to delay the discussion regarding putting a cap on the number of STRs or enacting any new restrictions on STRs until more time has passed and more data collected through the Rentalscape monitoring platform, or until we've reached a higher percentage of vacation home rentals to available properties (staff is proposing revisiting the subject at 50 registered vacation home rentals).

Council Goals/Objectives: The item executes portions of work tasks towards achieving/maintaining Community and Sense of Place.

Fiscal Impact: This proposed contract will replace the previous STR monitoring contract with Host Compliance so is included in the FY2022-23 preliminary budget.

Funds Available: Yes

Account #: TBD

Reviewed by: City Manager