



CITY COUNCIL AGENDA REPORT

MEETING DATE: April 5, 2021

TO: City Council Members

FROM: Mary Rose Rutikanga, City Administrator

SUBJECT: Suspension of Transient Use Permit Applications effective March 16, 2021

RECOMMENDATION

Consideration to suspend and not process City of Sonora Transient Use Permit Applications effective March 16, 2021.

DISCUSSION

On March 15, 2021, the City Council gave direction to staff to agendize for discussion and possible action at a future date amending Chapter 17.64 "Transient Residential Use" of the Sonora Municipal Code to limit the number of short-term rentals in the City of Sonora.

On February 2, 2015, the City of Sonora adopted Ordinance No. 824 which added Chapter 17.64 to the Sonora Municipal Code establishing regulations of transient residential use related to vacation rental of residential facilities.

Like many cities and counties in the state of California right now, Sonora is experiencing a general housing and a housing affordability shortage that is forcing many working families and residents to look outside the city to address their housing needs. On February 22, 2021, the City Council approved the 2021 Goals and Objectives which included to "explore all opportunities to provide best practice and dignified solutions to our growing homeless population and low-income and affordable housing needs".

Since the Council gave direction to staff on March 15, 2021 to agendize at a future date amending Chapter 17.64 "Transient Residential Use" of the Sonora Municipal Code to limit the number of short-term rentals in the City of Sonora, the Community Development Department has received 6 applications for Transient Use Permits and 7 phone calls concerning Transient Use Permit Applications. From the 6 applications received, 3 applications were from a business owner that resides in Tuolumne County and currently has 6 short-term rentals in the City of Sonora, 1 application was submitted from a resident of Castro Valley, 1 application was submitted from a resident of Copperopolis and 1 application was received from a local resident who currently resides at the property.

The City of Sonora currently has 36 Transient Use Permits that have been active within the last 6 months and 46 short-term units have been available for rent within the last 12 months as advertised on various Airbnb-type websites. As of March 31, 2021, city staff could not identify any long-term rentals available within the City of Sonora, with multiple listings having 1-to-2-year waitlists.

With the understanding that this a subject matter that requires thorough research and analysis to provide the Council, staff recommends that the City of Sonora suspend and not process Transient Use Permit Applications effective as of March 16, 2021 until further direction is given to staff from the Council concerning the City's Transient Use Permit program.

FISCAL IMPACT

The City of Sonora currently receives Transient Occupancy Tax (TOT) revenue from short-term rentals, as well as business license fees. A reduction in the number of short-term rentals allowed in the city may reduce revenue received by the city.