



Date: November 14, 2023

Honorable Mayor and Council Members:

Author and title: Rosie Johnson, Program Analyst II

Title: **Short-Term Rental Ordinance Clean-up**

Jen Callaway, Town Manager

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**Recommended Action:** Introduce Ordinance 2023-12 amending Chapter 3.24 (Transient Occupancy Tax), and Chapter 5.02 (Transient Rental of Residential Units) of the Truckee Municipal Code.

**Discussion:** Staff have identified a few areas of the municipal code related to the short-term rental (STR) and transient occupancy tax program that warrant minor changes. The intent of these changes is not to introduce significant policy changes to the STR program. Rather, the proposed updates are intended to further expand on requirements and clean-up aspects of the short-term rental ordinance by improving clarity and consistency. The recommended amendments are provided as Attachment 1 (clean copy) and Attachments 2 and 3 (track changes) and the changes are summarized below.

### **Chapter 3.24: Transient Occupancy Tax & Chapter 5.02: Transient Rentals of Residential Units**

#### Definitions (§ 5.02.020):

The intention of a STR transient occupancy registration certificate is for one renter (which may be an individual or a group) to rent the whole unit, which may be a whole home or portion of a home. A scenario recently presented itself where an individual who holds an active transient occupancy registration certificate was advertising multiple rooms in the home to be individually short-term rented to multiple individual renters at one time, instead of renting the entire STR to one rental party. The rental of individual rooms to multiple parties falls within the definition of a commercial Bed and Breakfast, which is governed by section 18.58.070 of the Development Code and such use requires a Use Permit. For consistency and to provide clarification on the use of a STR transient occupancy registration certificate, staff recommends modifying the short-term rental definition to distinguish that a short-term rental is to be rented by one person or group in a single transaction and not rented to multiple people or groups in multiple transactions at any given time, which would render the use a Bed and Breakfast.

#### Prohibition of STRs in tiny homes, recreational vehicles, and mobile homes (§3.24.060, § 5.02.030 and §5.02.050):

On Tuesday, January 24, 2023, Council approved updates to the short-term rental ordinance prohibiting short-term renting mobile homes and manufactured homes that are not fixed to a permanent foundation but rather are attached to a chassis and/or are located in a mobile home park or in a mobile home subdivision. While the intent of this amendment was to prohibit STR-ing in all moveable units, staff became aware that additional language may be required to capture all types of such units.

Staff recommend modifying the list of prohibited short-term rental property types and locations to include recreational vehicles, tiny homes (as defined in Development Code Section 18.220.020) or dwellings of any kind that are located in a mobile home park, recreational vehicle park, or special occupancy park as defined in California Health & Safety Code Section 18862.29, 18862.39, 18862.43, so that all potential

unit types and park types are covered. This is intended to clean up ambiguity within code, consistent with Town Council's January 24, 2023 policy direction. The intention of the expanded revisions prohibiting the short-term rental of dwelling units of any kind in a mobile home park is to preserve our mobile home and special occupancy parks as more affordable housing option and a critical component of Truckee's housing stock.

Currently we have one active hotel registration certificate (which is different than an STR registration certificate) for a special occupancy park, for a portion of Coachland RV Park. This was approved as a hotel use because the "hotel" units are separated from the long-term housing mobile home units, and 24-hour onsite management is provided consistent with hotel operating requirements. Historically, this section of the park was approved and utilized for short-term RV stays rather than long-term mobile home housing. Staff recommend maintaining the status of this existing hotel registration certificate but recommend prohibiting additional transient occupancy registration certificates from being issued for hotel use in mobile home parks, recreational vehicle park or special occupancy parks. To accomplish this, staff recommend revising chapter 3.24 to clearly state that no new transient occupancy registration certificate shall be issued after November 14, 2023 for any moveable unit or dwelling in a mobile home park, recreational vehicle park or special occupancy park. This would effectively grandfather in the existing hotel registration certificate and prevent mobile home parks deviating from a long-term housing model to a hotel/short-term rentals designation, especially since other mobile home parks infrastructure does not align similarly to our hotel registration certificate requirements.

#### Application to Join Waitlist (§5.02.030(C)):

During the waitlist application review process staff verify if the property being applied for has any active violations with the Town. If an uncured violation exists staff can proceed with denial of the waitlist application. Should a waitlist application be approved and then after approval the property in question receives a violation (such as listing the property without a Transient Occupancy Registration Certificate), currently staff is unable to deny or void the application due to non-compliance. Staff propose expanding language in this section to specify that if the waitlist applicant is approved to join the waitlist but then found to be in violation of any provisions of chapter 5.02 or any local, state, or federal laws, statutes, ordinances, rules or regulations, the waitlist spot will be revoked. Then the waitlist applicant can only reapply to the waitlist one year from when the violation is remedied. The proposed one-year waiting period to re-apply for the waitlist mirrors the regulation of a revoked transient occupancy registration certificate which requires that a new certificate shall not be issued, and any application to join the waitlist will be denied, for a period of 12 months from the date that the violation is remedied.

#### Local Contact Person (§5.02.040(B)):

It is a requirement when a complaint is received in association with a short-term rental that the local contact person affiliated with the rental discontinues the potential violation within 60 minutes of the complaint being reported. Staff recommend enhancing the language in this section to clearly state that the local contact person has an obligation to investigate to determine whether a violation exists and to require that, within 60 minutes, the local contact person shall provide an explanation to Town Staff of the steps taken to investigate and resolve any violation.

#### Smoke Alarms (§5.02.040(G)):

In a previous version of this staff report pulled by staff from the October 10<sup>th</sup> Council agenda, staff proposed an operational standard to be added into the short-term rental ordinance that would specify that no beds may be located in a room not permitted as a bedroom due to potential life safety concerns. Upon further discussion, staff are no longer recommending this change because it would be impractical to enforce. Following discussion with the Truckee Fire Protection District, staff recommend adding an additional requirement for a smoke alarm to be installed in each room where a bed is located to enhance life safety. Operationally, Truckee Fire Protection District staff have already been requiring such smoke detectors as part of the fire safety inspection. The proposed modification would memorialize this requirement.

**Grills and Barbeques (§5.02.050(D)):**

When Ordinance 2022-02 was adopted on April 12, 2022, amending Chapter 5.02, the short-term rental regulation prohibiting charcoal grills of any type at short-term rentals was inadvertently deleted from the ordinance. Staff recommend adding the regulation back into the short-term rental ordinance to maintain the fire safety standard.

The proposed updates are reflected in Ordinance 2023-12 attached to this staff report as Attachment 1 (clean copy) and Attachment 2 & 3 (track changes).

**Priority:**

<input checked="" type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input checked="" type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/> Core Service

**Fiscal Impact:** There are no fiscal impacts associated with the proposed short-term rental ordinance updates.

**Public Communication:**

Notification was published as part of the regular Town Council agenda packet. Staff have also discussed the staff recommendation regarding smoke detectors and the prior recommendation prohibiting beds from non-bedrooms with Visit Truckee-Tahoe staff and board members.

**Attachments:**

1. Ordinance 2023-12 – clean copy
2. Municipal Code Chapter 3.24 – track changes from current STR ordinance
3. Municipal Code Chapter 5.02 – track changes from current STR ordinance