

ORDINANCE NO. 5266

**ORDINANCE AMENDING SANTA CRUZ COUNTY CODE SECTIONS 13.10.312, 13.10.322, 13.10.332, 13.10.342, 13.10.352, 13.10.362, 13.10.372, 13.10.691, 13.10.700, AND CREATING SECTION 13.10.690 REGARDING HOSTED RENTALS**

The Board of Supervisors of the County of Santa Cruz ordains as follows:

**SECTION I**

The Santa Cruz County Code is hereby amended by changing Section 13.10.312 Uses in agricultural districts to include the following:

**(B) Allowed Uses**

**AGRICULTURAL USES CHART**

<b>USE</b>	<b>CA</b>	<b>A</b>	<b>AP</b>
<b>Agricultural Support and Related Facilities</b>			
Hosted Rentals, subject to SCCC 13.10.690	1P	1P	1P

**SECTION II**

The Santa Cruz County Code is hereby amended by changing Section 13.10.322 Residential uses to include the following:

**(B) Allowed Uses.**

**RESIDENTIAL USES CHART**

<b>USE</b>	<b>RA</b>	<b>RR</b>	<b>R-1</b>	<b>RB</b>	<b>RM</b>
<b>Residential Uses:</b>					
Hosted Rentals, subject to SCCC 13.10.690	1P	1P	1P	1P	1P

**SECTION III**

The Santa Cruz County Code is hereby amended by changing Section 13.10.332 Commercial uses to include the following:

**(B) Allowed Uses.**

**COMMERCIAL USES CHART**

<b>USE</b>	<b>PA</b>	<b>VA</b>	<b>CT</b>	<b>C-1</b>	<b>C-2</b>	<b>C-4</b>
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Attachment: Ordinance, Hosted Rental Uses (Ordinance final adoption, Hosted Rentals)

**Residential uses, such as:**

Hosted Rentals, subject to SCCC 13.10.690                    1P            1P            1P            1P            1P            1P

**SECTION IV**

The Santa Cruz County Code is hereby amended by changing Section 13.10.352 Parks, recreation, and open space uses to include the following:

**(B) Allowed Uses.**

**PR USES CHART**

<b>USE</b>	<b>PR</b>
<b>Residential Uses</b>	
Hosted Rentals, subject to SCCC 13.10.690	1P

**SECTION V**

The Santa Cruz County Code is hereby amended by changing Section 13.I 0.372 Uses in the Timber Production TP District to include the following:

**(B) Allowed Uses.**

**TP USES CHART**

<b>USE</b>	<b>PERMIT REQUIRED</b>
<b>Residential Uses, permanent, such as:</b>	
Hosted Rentals, subject to SCCC 13.10.690	1P

**SECTION VII**

The Santa Cruz County Code is hereby amended such that Section 13.10. 690 Hosted Rentals shall read as follows:

**13.10.690 Hosted Rentals.**

(A) The purpose of this section is to establish regulations applicable to bedrooms in a dwelling unit that are rented as hosted rentals for periods of less than 30 days at a time. These regulations are in addition to all other provisions of this title. This section does not apply to Pajaro Dunes where hosted rentals are governed by an existing development permit.

Attachment: Ordinance, Hosted Rental Uses (Ordinance final adoption, Hosted Rentals)

(B) Hosted rentals are allowed in any legal dwelling unit in any zone district where a residential use is allowed without the requirement for any other use. Habitable and nonhabitable accessory structures, accessory dwelling units, legally restricted affordable housing units, balconies, porches, and sheds shall not be used for short-term commercial lodging. Tents and recreational vehicles shall only be used for short-term commercial lodging on parcels appropriately zoned and permitted for such uses, and are not allowable as a hosted rental use.

(C) For the purposes of this section, "hosted rental" means a dwelling unit, where a long-term resident acting as host occupies one bedroom in a dwelling unit while one or two legal bedrooms are rented for the purpose of overnight lodging for a period of less than 30 days.

For the purposes of these regulations the following are not considered to be hosted rentals: (1) ongoing month-to-month tenancy granted to the same tenant for the same space, (2) a single short-term commercial stay of up to seven days per year, (3) permitted Vacation Rentals in which the entire home is rented while no host is present, and (4) short-term rentals of up to five bedrooms within a home, which meet the requirements of Bed and Breakfast Inns per SCCC Section 13.10.691 and are permitted as such.

(1) "Existing hosted rental" means a dwelling unit that was used as a hosted rental prior to December 5, 2017, and for which Transient Occupancy Tax was paid for any hosted rental activity that took place during the three years preceding December 5, 2017.

(2) "New hosted rental" means a dwelling unit that was not used as a hosted rental prior to December 5, 2017, or for which Transient Occupancy Tax payment was not made for activity in the three years preceding December, 2017.

(D) Permit Requirements. A Hosted Rental permit and transient occupancy tax registration, or proof of another tax payment arrangement approved by the County Tax Collector, are required for each hosted rental. Each permitted hosted rental shall comply with the requirements of this section. Permits are valid for a period of five years at a time. Approval of a Hosted Rental permit does not legalize any non-permitted use or structure. Hosted Rental permits are issued to property owners for a specific property, and are not transferrable between owners or properties. Hosted Rental permits are subject to revocation as provided in for in SCCC 18.10.136, and subject to the violation provisions of 13.10.690(H).

(E) Relationship Hosted Rental Permit to Vacation Rental Permit: If a property owner has obtained a hosted rental permit in a location that is subject to limits on Vacation Rental permits, pursuant to 13.10.694, the Hosted Rental permit does not confer the ability to obtain a Vacation Rental permit where the limited number of Vacation Rental permits have already been issued.

(1) Existing Hosted Rental. An initial permit shall be obtained. For applications for existing hosted rentals no public hearing shall be required and action on these applications shall be by the Planning Director or designee, with no notice of the proposed action provided. For an existing hosted rental to be considered a legal use the applicant shall provide the following to the

Attachment: Ordinance, Hosted Rental Uses (Ordinance final adoption, Hosted Rentals)

Planning Department within 90 days after the certification by the California Coastal Commission of the original hosted rental ordinance codified in this chapter:

- (a) Completed application form.
  - (b) Nonrefundable application fee as established by the Board of Supervisors.
  - (c) Proof that a dwelling unit was being used as a hosted rental prior to December 5, 2017. Such proof shall consist of documentation that transient occupancy tax has been paid for hosted rental activities at the specified parcel to the County of Santa Cruz, and may, at the discretion of the Planning Director, also include documentation that there has been hosted rental use of the unit. This documentation could include proof that the owner allowed transient guests to occupy bedrooms(s) in the dwelling unit in exchange for compensation such as records of occupancy, guest reservation lists, and receipts, showing payment and dates of stay.
    - i. **Retroactive Payment of Transient Occupancy Tax.** For those applicants who provide adequate documentation that a dwelling unit was used as a hosted rental prior to December 5, 2017, but where the owner has not registered and paid transient occupancy tax, proof of retroactive payment of the transient occupancy tax amount due to the County for the time a dwelling unit was used as a hosted rental during the three years preceding December 5, 2017 shall be submitted.
  - (d) Affidavit verifying the legality, safety and habitability of the guest room or rooms, including the presence of an egress door or window in the sleeping area, access to facilities for sanitation, and the proper number and location of working carbon monoxide detectors and smoke detectors in the residence. Copy of a Rental/lease agreement, which shall include, but not necessarily be limited to, the House Rules listed in section 13.10.690(E).
  - (e) Copy of transient occupancy tax certificate number, or proof of other arrangement approved by the County Tax Collector for the purpose of the operation of a hosted rental.
  - (f) Hosted Rental permits expire on the first business day on or after the date five years after the date of approval of the initial permit unless an application for renewal has been received by the Planning Department.
- (2) **New Hosted Rentals.** After permits have been issued to all Existing hosted rentals, permits will be made available to new hosted rentals on a first come, first served basis until the total number of issued permits reaches 250. If permits issued to existing hosted rentals exceed 250, no permits shall be issued to new hosted rentals until the total number of active Hosted Rental permits falls below 250 through attrition. For applications for new hosted rentals no public hearing shall be required and action on these applications shall be by the Planning Director or designee with no notice provided.
- (a) In the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area, as defined in SCCC 13.10.694(C), no new hosted

rental shall be approved if parcels with permitted vacation rentals and/or hosted rentals on the same block total 20 percent or more of the total parcels on that block that allow residential use, excluding those parcels in the Mobile Home Park Combining Zone District; except that in the following areas the percentage of parcels that may have vacation rentals and/or hosted rentals is not limited:

- i. Pot Belly Beach Road;
- ii. Las Olas Drive;
- iii. those residentially zoned parcels in the Rio Del Mar flats consisting of parcels fronting on Stephen Road, Marina Avenue, and Venetian Road between its intersection with the Esplanade and Aptos Beach Drive to its intersection with Lake Court and Stephen Road;
- iv. those parcels fronting on or gaining access from Cliff Court or fronting on or gaining access from Rio Del Mar Boulevard between its intersection with Aptos Beach Drive and Beach Drive to its intersection with Kingsbury Drive, Cliff Drive, and Beach Villa Lane;
- v. Beach Drive; and Via Gaviota.

(b) Area and Block Limits. No more than 15 percent of all of the parcels that allow residential use in the Live Oak Designated Area and the Seacliff/Aptos Designated Area, and no more than 10 percent of all the parcels that allow residential use in the Davenport/Swanton Designated Area, as defined in SCCC 13.10.694(C), excluding those parcels in the Mobile Home Park Combining Zone District, may contain vacation rentals and/or hosted rentals.

- i. Notwithstanding these maximums, each block in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area that has parcels that allow residential use, excluding those parcels in the Mobile Home Park Combining Zone District, may have at least one parcel with a vacation rental and/or a hosted rental.
- ii. A single parcel may hold permits for both a hosted rental and a vacation rental.

(c) Applicants for a permit for a new hosted rental shall provide the following to the Planning Department:

- i. Completed application form.
- ii. Nonrefundable application fee as established by the Board of Supervisors.
- iii. Affidavit verifying the legality, safety and habitability of the guest room or rooms including the presence of an egress door or window in the sleeping area, access to facilities for sanitation, and the proper number and location of working carbon monoxide detectors and smoke detectors in the residence.
- iv. Copy of a Rental/lease agreement, which shall include, but not necessarily be

limited to, the performance standards listed in section 13.10.690(E).

- v. Copy of transient occupancy tax certificate number, or proof of other arrangement approved by the County Tax Collector for the purpose of the operation of a hosted rental.
- vi. Hosted Rental permits expire on the first business day on or after the date five-years after the date of approval of the initial permit unless an application for renewal has been received by the Planning Department.

(3) Renewal of Hosted Rental Permits. Hosted Rental permits must be renewed every five years. An application to renew a permit for a hosted rental shall be made no sooner than 180 days before the expiration date of the existing permit, and no later than the date of expiration of that permit. Determination that the application is complete shall stay the expiration of the existing permit until final action is taken on the renewal application. Except as provided in SCCC 18.10.124(B), no public hearing shall be required and action on permit renewal applications shall be by the Planning Director or designee, with no notice of the proposed action provided

(a) Applicants for renewal of a permit for a hosted rental shall provide the following to the Planning Department:

- (i) Completed application form.
- (ii) Nonrefundable application fee as established by the Board of Supervisors.
- (iii) Proof of payment of transient occupancy tax for the use of the dwelling as a hosted rental and a summary of the dates the unit was used as a hosted rental between the time of issuance of the existing permit and the date of application for the renewal. Renewal applications must show significant rental use for three out of the previous five years. Determination of significant rental use shall be made in accordance with guidelines adopted by resolution of the Board of Supervisors.

(b) Approval of a Hosted Rental Renewal permit shall be based on affirmative findings as set forth in SCCC 18.10.230(A). Denial of an application for renewal shall be based on one or more of the required findings not being able to be made, as set forth in SCCC 18.10.230(A).

(F) All permitted hosted rentals shall comply with the following performance standards for their operations

- (1) Number of People Allowed. The maximum number of guests allowed in a hosted rental shall not exceed three people per hosted bedroom. Children under eight (8) are not counted toward maximum occupancy. Rental to unaccompanied minors under the age of eighteen (18) is prohibited.
- (2) Posting of House Rules. Hosted rental house rules shall be included in the rental agreement and also posted inside the hosted rental in a location readily visible to all guests. The house rules shall include, but not necessarily be limited to, the following:

Attachment: Ordinance, Hosted Rental Uses (Ordinance final adoption, Hosted Rentals)

- number of guests allowed; number of vehicles, noise limits, rules for pets, prohibition on events and outdoor parties, no illegal behavior or disturbances including an explicit statement that fireworks are illegal in Santa Cruz County, trash management (e.g., trash to be kept in covered containers only), and emergency evacuation instructions.
- (3) Noise. All hosted rentals shall comply with the standards of Chapter 8.30 SCCC, Noise, and a copy of that chapter shall be posted inside the hosted rental in a location readily visible to all guests. No use of equipment requiring more than standard household electrical current at 110 volts or activities that produce noise, dust, odor, or vibration detrimental to occupants of adjoining dwellings is allowed within the hosted rental room.
  - (4) Food. No cooking shall be allowed in any guest room or in any bathroom. Food service, if provided, shall be limited to breakfast served to guests only, and shall be subject to applicable regulations of the Santa Cruz County Environmental Health department.
  - (5) Pets. Pets, if allowed by the owner, shall be secured on the property at all times. Continual nuisance barking by unattended pets is prohibited.
  - (6) Events Prohibited. No weddings, outdoor parties, or similar activities are authorized under a Hosted Rental permit.
  - (7) Habitability. The hosted rental shall provide facilities for sleeping, bathing, and toileting inside of a permanent dwelling that is suitable for human occupancy. Rental of sleeping space in or on balconies, porches, tents, sheds, vehicles, RVs, or outdoor areas is prohibited as a hosted rental.
  - (8) Management. The long-term resident of a hosted rental is responsible for ensuring that the property does not become a nuisance due to short-term rental activity.
  - (9) Signs. On-site advertising signs or other displays indicating that the residence is being utilized as a short-term rental are prohibited.
  - (10) Parking. Neighborhood parking impact shall be mitigated by limiting guests of hosted rentals to bringing only one car per hosted bedroom to the hosted rental property. These cars may be parked on site or in legal street parking close to the host property.
  - (11) Advertising. All advertising for hosted rentals shall include the Hosted Rental permit number in the first two lines of the advertisement text, and where photos are included, a photo containing the permit number shall be included.
- (G) Transient Occupancy Tax. Each hosted rental shall meet the regulations and standards set forth in Chapter 4.24 SCCC, and as administered by the County Tax Collector including any required payment of transient occupancy tax.
  - (H) Transfer of Property with Hosted Rental Permit. When any property transfer triggers reassessment pursuant to the California Revenue and Taxation Code Section 60 et seq., as determined by the Assessor, the Hosted Rental permit associated with the property shall expire and shall become nonrenewable at the time of property transfer.
  - (I) Violation. It is unlawful for any person to use or allow the use of property in violation of the provisions of this section or any conditions of approval contained in a Hosted Rental permit.

The penalties for violation of this section are set forth in Chapter 19.01 SCCC, Enforcement of Land Use Regulations. If more than two documented, significant violations occur within any 12-month period a permit may be reviewed for revocation, or an application for renewal may be denied. Evidence of significant violations includes, but is not limited to, copies of citations, written warnings, or other documentation filed by law enforcement; copies of homeowner association warnings, reprimands, or other association actions; a permit holder providing false or misleading information on an application or renewal application; evidence of violations of State or County health regulations; evidence that a permit holder is delinquent in payment of transient occupancy taxes, fines, or penalties; evidence of non-responsive management; verified neighbor complaints of noise or other disturbances, particularly those involving the use of fireworks by occupants of the hosted rental; or other documents which substantiate allegations of significant violations. In the event a permit is either revoked or a renewal is denied by the County, no application for a Hosted Rental permit by the person or entity from whom the permit was revoked or who was denied renewal shall be filed on the same parcel within two years after the date of revocation or denial, without prior consent of the Board of Supervisors.

- (J) It is unlawful to make a false report to the Sheriff’s Office regarding activities associated with hosted rentals

**SECTION VII**

The Santa Cruz County Code is hereby amended such that Section 13.10.691(E) shall read as follows:

- (E) Operation of the bed and breakfast inn shall be subject to the following continuing requirements:
  - (1) The operator shall reside in the inn.
  - (2) Guest stays shall be limited to less than 30 days.
  - (3) No cooking shall be allowed in guest rooms.
  - (4) Food service shall be limited to breakfast served exclusively to lodgers, and facilities shall conform to the requirements of the California Health and Safety Code, part 7: California Retail Food Code, as updated from time to time and enforced based on the required annual health permit inspection.

**SECTION VIII**

The Santa Cruz County Code is hereby amended such that section 13.10.694(D)(2)(b) shall read as follows:

- (b) In the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area, no new vacation rental shall be approved if parcels with permitted vacation rentals or permitted hosted rentals on the same block total 20 percent or more of the total parcels on that block that allow residential use, excluding those parcels in the Mobile Home Park Combining Zone District; except that in the following areas the

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percentage of parcels that may have vacation rentals or hosted rentals is not limited: Pot Belly Beach Road; Las Olas Drive; those residentially zoned parcels in the Rio Del Mar flats consisting of parcels fronting on Stephen Road, Marina Avenue, and Venetian Road between its intersection with the Esplanade and Aptos Beach Drive to its intersection with Lake Court and Stephen Road; those parcels fronting on or gaining access from Cliff Court or fronting on or gaining access from Rio Del Mar Boulevard between its intersection with Aptos Beach Drive and Beach Drive to its intersection with Kingsbury Drive, Cliff Drive, and Beach Villa Lane; Beach Drive; and Via Gaviota. In addition, no more than 15 percent of all of the parcels that allow residential use in the Live Oak Designated Area and the Seacliff/Aptos Designated Area, and no more than 10 percent of all the parcels that allow residential use in the Davenport/Swanton Designated Area, excluding those parcels in the Mobile Home Park Combining Zone District, may contain vacation rentals or hosted rentals. Notwithstanding these maximums, each block in the Live Oak Designated Area, the Seacliff/Aptos Designated Area, or the Davenport/Swanton Designated Area that has parcels that allow residential use, excluding those parcels in the Mobile Home Park Combining Zone District, may have at least one vacation rental or hosted rental.

**SECTION IX**

The Santa Cruz County Code is hereby amended such that the entry for "Hosted Rental" in Section 13.10.700-H Definitions shall read as follows:

"Hosted Rental" means a dwelling unit, where a property owner or long-term resident acting as host occupies one bedroom in a dwelling unit while one or two legal bedrooms are rented for the purpose of overnight lodging for a period of less than 30 days.

**SECTION X**

The Santa Cruz County Code is hereby amended such that the entry for "Bed and Breakfast" in Section 13.10.700-B Definitions shall read as follows:

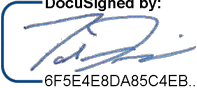
"Bed and breakfast inn" means a dwelling in which not-more than five bedrooms are available for short-term rental not to exceed 30 days, but not including nursing homes or hosted rentals operating with a valid permit.

**SECTION XI**

This ordinance shall take effect upon final certification by the California Coastal Commission.


PASSED AND ADOPTED this 6th day of February, 2018, by the Board of Supervisors of the County of Santa Cruz by the following vote:

- AYES: SUPERVISORS      Coonerty, Caput, Friend
- NOES: SUPERVISORS      Leopold, McPherson
- ABSENT: SUPERVISORS    None
- ABSTAIN: SUPERVISORS    None

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Chairperson, Board of Supervisors

Attachment: Ordinance, Hosted Rental Uses (Ordinance final adoption, Hosted Rentals)

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Attest: \_\_\_\_\_  
Clerk of the Board

Approved as to form:

  
\_\_\_\_\_  
County Counsel

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