# Staff Report

Meeting Date: May 2, 2023

To: Siskiyou County Board of Supervisors

From: Hailey Lang, Planning Director

Subject: Presentation and Discussion on Identified Policy Recommendations

## Discussion

At the March 21, 2023, Board of Supervisors meeting, staff presented a refined menu of vacation rental policy recommendations based on direction from the Board.

In summary, the regions and their personalized policy recommendations are as follows:

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| --- | --- | --- | --- | --- | --- |
| **Policy Matrix: Vacation Rental Policy Recommendations** | | | | | |
|  |
| *Region* | *2.5-acre minimum* | *CUP or Activity Permit* | *Inspection* | *Must live in home for 2 years* | *Cap on Permits\** |  |
| McCloud | No | Activity Permit | Every 3 years | Yes | 10% |  |
| South County: Dunsmuir/Mount Shasta, Weed/Lake Shastina | Yes | Activity Permit | Every 3 years | Yes | 5% |  |
| North County: Yreka, Happy Camp/Seiad Valley Klamath River/North Yreka, Scott Valley, Butte Valley | No | Activity Permit | Every 3 years | Yes | No |  |

\*Vacancy rate caps will be reviewed every 5 years

Staff were requested to reach out to McCloud CSD to gain their perspective on vacation rentals throughout the CSD district. Staff attend the McCloud CSD monthly meeting on April 24, 2023, to provide an update on policy recommendations for the McCloud area pertaining to vacation rentals. The Board of Directors had the following comments:

* The concerns from the 2021 letter still stand.
* Emphasized that the CSD will lose grant funding if too many homes turn into second homes.
* CSD experiences a number of issues pertaining to vacation rentals:
  + Off-street parking is a major issue, property owners of vacation rentals do not plow driveways, so cars are left on the streets in front of resident’s homes, it is sometimes difficult to get a hold of vacation rental property owners to fix issues, garbage is also another issue.
* 10% of a cap seems high, needs to be as low as it can be.
* Vacation rentals are a big part of the local economy, we need to support vacation rentals while putting some sort of cap on the number of permits.
* Enforcement is a big issue, there are a lot of unpermitted vacation rentals.
* Employees have a hard time finding houses, McCloud is losing families which affects the schools.
* Again, emphasizing that McCloud cannot lose out on the necessary grant funding they receive, based on the amount of primary homes vs. second homes. This is a major concern.

Members of the public also provided comment, a summary of the comments are below:

* The County should not be adding any type of growth within the CSD.
* We should rewrite letter from 2021 to clean it up and send off to property owners within the CSD.
* The 10% cap should go away, we should not let any more vacation rentals come in until we figure out the number that affects grant funding for the CSD.
* The County needs to be more active in the enforcement of unpermitted rentals.
* There should be some sort of buffer between vacation rentals, something like no less than 500 feet apart.
* 2nd homes are empty most of the year in McCloud, we are losing residents and going to become a retiree community.
* We are losing families and residents because no one can find housing.
* We should build more housing for employees.
* The County needs to update their General Plan.
* We need to keep the moratorium until a more sustainable cap within the community is determined.

Additionally, staff attached a comment letter that McCloud CSD submitted in 2021, memorializing their thoughts related to vacation rentals. Staff spoke with Executive Director, Jeana Ronfeldt, who provided insight on the general consensus of vacation rentals from the community. In the terms of the Chamber of Commerce, she mentioned they generally support vacation rentals but do support regulation of them. Below is a summary of comments captured from conversation with Jeana:

* Believes that approximately 50% of the homes in McCloud are vacation rentals.
* Supports the activity permit recommendation.
* Homes are being bought from out of area residents.
* The cap based on vacancy rate needs to be much lower, around 5%.
* The housing market is not viable for the average person in McCloud to buy a home, hence the out of area influx of home purchase.
* Residents have left the school system in McCloud due to the inability to secure permanent housing.
* Residents are getting pushed out of rentals they have lived in for years, these homes are potentially turning into vacation rentals.
* Believes that the 2.5-acre minimum should stay in place, or even a 1.5-acre minimum.
* 2.5 acre needs to stay in place, not many lots are under 2.5 or do a cap. Realistically nothing under 1.5 acres.
* The County needs to increase enforcement of unpermitted vacation rentals.
* We need to be looking at ‘family style’ vacation rentals.
* Grandfather current vacation rental permits but do not provide any more until a more sustainable cap is created.
* We should be focusing on renting out ADUs or rooms instead of whole homes.
* The vacation rental analysis report is slanted because the consultant works in the affordable housing business.
* The vacation rentals in McCloud will not create more affordable housing.
* There should be a cap or some sort of limit so it will not affect CSD funding.
* Vacation rentals are not draining resources.
* The Board if not coming up with good regulation other than to regulate.
* The things being mentioned about vacation rentals are not facts.

Additionally, staff were requested to highlight for a point of discussion the County’s Williamson Act Guidelines and whether or not the Board should allow vacation rentals. The Board adopted new guidelines in December 2022. Looking back in the record, it was discussed during a series of meetings prior to the December 2022 adoption that the Board at the time felt that vacation rentals should not be an allowed compatible use and only residential uses pertaining to the agricultural operation are allowed. Under the Compatible Uses section, the Residential Uses allowed include:

*Residential Uses: See language below.*

*Residential structures on contracted land should be occupied by persons directly engaged in the commercial agricultural operation. However, if due to changes in the Agricultural use, farm labor is no longer necessary, these residential structures may be rented or leased on a long-term basis (30-days or more). No new residential dwelling permits will be issued to a contracted parcel for the use as a rental. Additionally, Landowners who lease their land for commercial agricultural uses may reside on a permanent or temporary basis on contracted land to monitor the lease arrangement and provisions pursuant to this restriction.*

*No new construction permits or use permits may be issued to a contracted parcel unless the parcel is in full compliance with state law, these Rules, other County policies or the terms in the Williamson Act contract. The owner must first demonstrate that there is an existing commercial agricultural use on the property. Any proposed residential development which creates more than one residence per contract is subject to review by the Administrator to ensure compliance with these Rules and the density provisions of the applicable zoning and general plan land use designation.*

It was also requested to highlight for a point of discussion related to un-hosted vs. hosted vacation rentals. Currently, Siskiyou County only regulates un-hosted vacation rentals. An un-hosted vacation rental is defined as a rental where no one is living in the home permanently. Siskiyou County does not regulate hosted vacation rentals as typically hosted vacation rentals rent out on a room-by-room basis and not the entire home.

There has been much discussion lately about renting out Accessory Dwelling Units (ADUs) as vacation rentals. Government Code 65852.2 is a state law that prohibits short-term rentals of ADUs. Similarly, there has been much discussion around the potential to rent out other structures—such as tents, yurts, shipping containers, RVs, or other similar structures. Siskiyou County Code defines a vacation rental as, “a single or two-family dwelling”. Temporary structures are not defined as a single or two-family dwelling because they are not permitted as a permanent residential structure. If one wanted to rent out a structure, such as a yurt, as a vacation rental, that yurt would need to be upgraded to meet the California Building Code. But, due to the ADU law, would likely not be allowed to be utilized as a short-term rental, only long-term.

All previous ordinances related to vacation rental regulation have been attached as Exhibits B and C of this staff report package.

Lastly, the Board requested that staff provide the Code Enforcement complaint process pertinent to vacation rentals, which is shown below:

## Environmental Review

The policy recommendations are exempt from the California Environmental Quality Act (“CEQA”) pursuant to Section 15061(b)(3) because it can be seen with certainty that there is no possibility of a significant effect on the environment from policy considerations only, where no action will be taken at this time and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. In addition, staff further finds that these recommendations are categorically exempt from further review under CEQA Class 8 Categorical Exemption, 14 CCR § 15308, (regulatory activity to assure protection of the environment).

## Public Comment

Since the March 21, 2023, meeting, no additional public comment has been received.

## Attachments

1. McCloud CSD Comment Letter regarding vacation rentals dated November 17, 2020
2. ORD 19-09, Vacation Rental Sphere of Influence (SOI)
3. ORD 21-15, Vacation Rental 2.5-Acre Moratorium