



COUNTY OF HUMBOLDT

For the meeting of: 10/26/2023

File #: 23-1445

To: Planning Commission

From: Planning and Building Department

Agenda Section: Public Hearing

SUBJECT:

Draft Short-term Rental Ordinance
Record No.: LRP-2022-17963 & LRP-2023-18254
All unincorporated areas of Humboldt County

Inland and coastal zone ordinances to allow the use of residences for short-term rentals within the unincorporated areas of Humboldt County. The ordinance does the following:

- a) Creates two tiers of rentals consisting of units partially rented by the occupants of the residence and rental of the whole unit;
- b) Establishes performance criteria for the operation of short term rentals;
- c) Creates an Administrative Permit to authorize rentals which comply with the ordinance and allows approval of a discretionary permit when deviations from standards are requested.
- d) Creates a cap for the number of units allowed around the Humboldt Bay Area

The new ordinance would affect the following code sections:

- 1. Inland: Adds section 314-60.05, amends the tables in section 314-6 and 314-9, amends sections 314-37, 314-44, 314-55, 314-138, 314-141, 314-143, 314-153, 314-154, 314-157, 314-158, 314-163, 314-174 and 314-177 in Chapter 4 of Division 1 of Title III of the County Code for the inland areas of the County.
- 2. Coastal: Adds section 313-61.05, amends the tables in section 313-6, and amends sections 313-44, 313-50, 313-55, 313-141, 313-143, 313-154, 313-157, 313-163, 313-172, and 313-177 in Chapter 3 of Division 1 of Title III of the County Code for the coastal areas of the County.

RECOMMENDATION(S):

That the Planning Commission:

1. Request staff provide introduction to the changes made to the draft Short-term Rental Ordinance in response to comments at the October 5, 2023, Workshop.
2. Allow for public comment on the proposed draft ordinance.
3. Deliberate and comment on the draft Short-term Rental Ordinance.
4. Provide guidance to Planning & Building Staff on any desired amendment selections to the draft ordinance and provide a recommendation to the Board of Supervisors.

DISCUSSION:

Project Location: All of the unincorporated areas of Humboldt County.

Present Plan Designations: All land use designations where residences are allowed as a principal use.

Present Zoning: All zoning districts where residences are allowed as a principal use.

Environmental Review: The ordinance is exempt from environmental review under §15301 (Existing Facilities) and §15061(b)(3) of the State CEQA Guidelines.

State Appeal Status: The Short-term Rental Ordinance for the coastal unincorporated areas of Humboldt County must be approved by the California Coastal Commission prior to taking effect.:

EXECUTIVE SUMMARY:

During the Planning Commission Workshop held on October 5, 2023, the Short-term Rental (STR) ordinance was presented. Staff presented the ordinance to the commission by section allowing the commission to provide comment on each section of the ordinance. The Planning Commission made recommendations to address public comments received and to address ideas raised by the Commission. These recommendations have been included in the draft ordinance. There were some areas where the Commission did not have consensus, and these have been included in text boxed for the Commissions consideration.

POLICY DISCUSSION:

The policy objective of this ordinance is to allow an activity that has benefits to the County in such a way as to minimize the impact on housing stock and impacts to neighborhood character. Public comment has run the spectrum between not regulating short-term rentals to concern to how short-term rentals remove housing stock for people who live and work in Humboldt County and cause neighborhood impacts.

Protecting Housing Stock

The primary provision for protecting housing stock is by setting a cap on the number of short-term rentals allowed in the County. A cap of 2% of the housing stock within the area around Humboldt Bay

has been used. The Planning Commission seemed to have consensus that 2% of housing stock allotted to STRs is an appropriate amount and that no more than 2% should be allowed given the current housing stock available in Humboldt County for permanent residency. STRs currently occupy roughly 1.66% of housing stock according to the research Planning and Building has conducted on the unregulated market. The Commission did mention looking into the option of having this provision specifically applied by Community Planning Area, as opposed to the entire area around Humboldt Bay, because some planning areas may have a larger percent of STRs than others, making their planning area disproportionately STR dominant. The Commission brought this up to consider neighborhood integrity. This alternative will be available for the Commission to select (Alternative 4), should they find it suitable to the public's best interest.

Permit issuance timeline:

The commission identified that it would be better to accept applications for two months and then provide time for review and issuance. The ordinance has been modified to accept permits for existing operations for the first two months after the ordinance becomes effective and the issue permits within 3 months of adoption.

Evidence of existing operations and establishing a date:

Determining requirements for proof of pre-existing operations was a robust discussion topic. Thought was given to the idea of establishing pre-existing operations based on transient occupancy tax receipts and business licenses. This would reward those operators who have been paying their Transient Occupancy Tax. There was concern this is not a regulated activity and having such requirements could be considered. It was pointed out that a date needs to be identified within the record as a date current or a date forward to establish the concept of pre-existing, though the ordinance currently reads that the date for establishing pre-existing is anything prior to the effective date of the ordinance (when the Board of Supervisors approves the draft). The date for this alternative is October 26th, 2023, and can be seen in (Alternative 2).

Violations and consideration of approval:

The Commission had consensus that no STR should be approved if there are unresolved violations on the property. Violations which have been remedied will be allowed the same pathway forward as other operators. Properties where violations exist will not be considered for STRs. This change is highlighted below in key changes.

Allowance of STRs in AOB (Alternative Owner Builder):

There was continued discussion of allowance of AOB for use for STR. This provision can be removed from the STR ordinance, but it will not change the AOB provisions. So that the Commission is familiar with some of the AOB provisions the following are excerpts from Section 331.5 of the Humboldt County Code:

331.5-3. Application. The provisions of this chapter shall apply to the construction, enlargement, conversion, alteration, repair, use, maintenance, and occupancy of limited density owner-built, owner-occupied dwellings, owner-built accessory dwelling units, and appurtenant structures in rural areas in Humboldt County.

331.5-5. Definitions.

(d) Owner-occupied rural dwelling. Any structure consisting of one or more habitable rooms intended or designed for single-family occupancy with all basic facilities for living and sleeping which is situated or is to be situated in a rural area to which the provisions of this chapter are applicable and which is owned by one or more members of the family occupying the structure.

331.5-17. Changes in Occupancy. The occupancy of a structure constructed in accordance with a permit issued pursuant to this chapter by anyone other than the owner-builder of that structure constitutes a change in occupancy.

Upon a change in occupancy, no new occupancy of the structure shall occur until either:

(a) Each new adult occupant files with the Chief Building Official a statement under penalty of perjury stating that he/she is occupying the structure with the knowledge and understanding that the structure was not built pursuant to Uniform Building Codes and that this may create risks of injury or damage which the occupant freely assumes and from which the occupant holds the County, its officers, employees and agents harmless. The occupant shall also agree, as a condition of the new occupancy permit, to abide by all applicable conditions of the building permit under which the structure was constructed; or

(b) The building is brought into compliance with the provisions of Title 25, Article 10, of the California Administrative Code or the appropriate Uniform Building Code standard.

The intended purpose of the AOB is for an owner builder to build a home for themselves using materials that are not structural building materials. The provision above in 331.5-17 about change in occupancy was thought to refer to when a property changes hands, but a reasonable mind such as one of the commenters could consider this to be for a tenant. Interpretation could allow a tenant to file a release of liability with the Chief Building Official. This would create an enormous paperwork requirement for a Short-term Rental. The bigger issue is should the County be permitting a STR in a structure that has not been structurally reviewed or inspected?

It is important to note that the Coastal Commission removed allowances for AOB in the Coastal ADU Ordinance, so this would likely be the case for the Coastal STR Ordinance as well, relative to occupancy other than an owner. An alternative (Alternative 3) has been added removing AOB restrictions entirely.

Per Parcel Cap and Per Person Cap:

A recommendation was made to allow for more than one STR per parcel when there is an onsite owner/manager on the parcel. No alternative number was provided per parcel and so there is the option for the Commission to deliberate on an appropriate cap per parcel ownership for STRs as listed in Alternative 8. Additionally, it was recommended that no per person cap be included. This was included as Alternative 7. These will be alternatives discussed by the Commission.

Transferability and Ownership:

There was in-depth conversation about how to prevent the STR permit from becoming a commodity. The public, operators in particular, are worried about transferability, particularly to next of kin. Commissioners wrestled with the idea of regulating who can inherit or pass on these permits to, or whether the subject was even relative to land use. An alternative has been added to allow for the passing of a permit to children or next of kin if something happens to the permit holder (Alternative 5) and to allow transferability in general (Alternative 6). There was also the issue of how to regulate owner partnerships like LLCs and corporations. Particularly, how regulating ownership impacts housing stock and preserves neighborhood character. The requirement of an “ownership roster” has been added for LLCs and corporations who wish to apply for STR permits. This roster would allow staff to maintain an appropriate count of the per person/entity ownership cap. This has been added as an alternative for the commission to deliberate on (Alternative 1).

Private Parties and Gatherings:

Private parties and gatherings are the main source of complaints for STRs. In an effort to find a more equitable cap for parties and gatherings Alternative 9 has been added for deliberation of the commission, allowing no more than twice the maximum occupancy of the short-term rental so long as this information is included in the application package and there are appropriate provisions for parking.

ATTACHMENTS:

1. Inland Draft Short-term Rental Ordinance
2. Coastal Draft Short-term Rental Ordinance
3. Draft STR PC Resolutions (Inland & Coastal)
4. Public Comment
5. 10/5/23 PC Workshop

Please contact Cade McNamara, Planner, at cmcnamara@co.humboldt.ca.us or 707-268-3777 if you have questions about this item.

Draft Short-term Rental Ordinance Inland 10.26.23

Proposed additions, ~~proposed deletions~~

314-60.05 SHORT-TERM RENTALS

60.05.1 Purpose. The purpose and intent of this Section (the “Short-term Rental Ordinance”) is to protect and promote the public health, safety and welfare, support tourism and economic development, protect housing stock, preserve the quality of neighborhoods, and balance the needs of property owners, tenants, and neighbors.

60.05.2 Applicability. These provisions apply when dwelling units are used as Short-term Rentals.

60.05.3 Allowed Zones. Short-term Rentals may be permitted in zoning districts where residential use is a permitted use subject to these regulations.

60.05.4 Application. In addition to all materials required for a permit pursuant to 312-5.2, a complete application for a Short-term Rental Permit shall include the following:

- A. Current grant deed for the subject parcel.
- B. Affidavit signed by the permit holder confirming delivery of the Good Neighbor Guide to all neighbors in the closest 10 dwellings and within 300 feet up and down the street, if applicable.
- C. Evidence of property-owner consent if the permit-holder is someone other than the property owner. If the property owner withdraws consent at any time when the permit is active, the permit is immediately revoked.

Alternative 1

- i. Where the owner is a LLC or other corporation, the ownership of the corporation(s) shall include the people who own the corporation or controlling corporation via an ownership roster or operating agreement identifying all parties involved within the LLC or other corporation(s) for said owner or operator.

- D. ~~Access route~~Haul route, if seeking a Special Permit and the site is accessed via a shared private road system.

60.05.5 Existing Operations. No permits for whole dwelling unit Short-term Rentals shall be issued during the first two (2) months following the effective date of this section but applications from individuals operating existing short-term rentals will be received. ~~Two~~Three months after the effective date of this ordinance the department will issue permits for qualifying locations with existing Short-term Rentals. An existing Short-term Rental shall be determined based on evidence of operation prior to the effective date of this ordinance. If the number of permits issued for existing Short-term Rentals exceeds the cap identified in §60.05.10.2.1, then no permits will be issued for new Short-term Rentals until the number of permitted Short-term Rentals in the County falls below the cap. A permit shall not be issued on a parcel

with active violations.

Alternative 2

65.05.5 Existing Operations. No permits for whole dwelling unit Short-term Rentals shall be issued during the first two (2) months following the effective date of this section but applications from individuals operating existing short-term rentals will be received. ~~Two~~ Three months after the effective date of this ordinance the department will issue permits for qualifying locations with existing Short-term Rentals. An existing Short-term Rental shall be determined based on evidence of operation prior to October 26, 2023 the effective date of this ordinance. If the number of permits issued for existing Short-term Rentals exceeds the cap identified in §60.05.10.2.1, then no permits will be issued for new Short-term Rentals until the number of permitted Short-term Rentals in the County falls below the cap. A permit shall not be issued on a parcel with active violations.

60.05.6 Permit Requirements.

60.05.6.1 Administrative Permit Required. A Short-term Rental meeting the requirements herein shall be permitted with an Administrative Permit.

60.05.6.2 Special Permit Required. A Short-term Rental seeking exception from standards identified in §60.05.9.1 and §60.05.10.3 may only be allowed upon issuance of a Special Permit.

60.05.6.2.1 Required findings. A Special Permit for a Short-term Rental may be approved only if the following findings are made:

- A. The Short-term Rental would not result in significant adverse effects on the health, safety, and welfare of the community; and
- B. The Short-term Rental would not result in significant adverse effects on the quality of the neighborhood.

60.05.6.2.2 Special Noticing Requirements. In addition to following the procedures identified in §312-8.1 Notice of Application Submittal, notice shall be sent to all owners and occupants of property accessed through shared private road system.

60.05.7 Permit Term for Short-term Rentals. All Short-term Rental Permits (including non-conforming approvals) shall lapse two years after the effective date of the permit unless the following requirements are met:

- A. The permit holder shall submit a Statement of Continued Operation as provided by the Planning & Building Department; and
- B. There are no outstanding violations associated with the permit.

60.05.8 Violations. Continuous use of a Short-term Rental without resolution of the violation(s) of this section may result in Code Enforcement action, Permit Suspension or Permit Revocation.

60.05.8.1 Suspension or Revocation. Consistent with the procedures in Section 312-14 of the

Zoning Ordinance a Short-term Rental permit may be suspended or revoked for violations of the Short-term Rental Ordinance and/or violations of permit terms or conditions.

60.05.9 Home-share Rental. This section applies to Home-share Rentals which are a short-term rental of a portion of a dwelling unit where the caretaker remains in residence.

60.05.9.1 Standards for Home-share Rentals.

60.05.9.1.1 Health and Safety Standards. Exception to Standards C and D may be sought with a Special Permit.

A. Building, Fire and Health.

- i. Dwellings shall be permitted or legal nonconforming.
 - ii. Fire extinguishers, smoke detectors and carbon monoxide detectors shall be maintained in working order, and information related to all emergency exits shall be provided inside the Dwelling Unit.
- B. Solid Waste, Recycling and Compost.** Trash, recycled materials, and organic compost shall be appropriately disposed of at least weekly.
- C. Access.** The access road shall be built to a Category 3 standard.
- D. Maximum overnight occupancy.** Overnight occupancy shall not exceed two per bedroom plus one, excluding children under 12.

60.05.9.1.2 Neighborhood Quality and Public Nuisance Standards. Exception to Standard C may be sought with a Special Permit.

- A. Resident Caretaker.** The caretaker shall reside within the dwelling unit and be present when rooms are occupied by guests.
- B. Noise.** The maximum noise levels allowed in all outdoor areas and indoor common areas of the property are as follows: 65 dB during the hours of 86 a.m. to 10 p.m. and 60 dB from 10 p.m. to 86 a.m.
- C. Parking.** Each Home-share Rental shall provide one off-street parking space per rented bedroom. Where legal on-street parking is available, one on-street parking space may count toward the minimum number of parking spaces required.

60.05.10 Short-term Rental. This section applies to short-term rental of whole dwelling units. Short-term rentals may be rented for the whole or a portion of the year. A residence which is rented on a short-term basis for less than 3 months out of the year does not count against the Cap provided that it is occupied as long-term housing for the remainder of the year.

60.05.10.1 Short-term Rentals Prohibited. Short-term Rentals are not allowed in dwellings with any of the following limitations:

60.05.10.1.1 **Recorded Limitation.** Dwellings subject to a recorded covenant, agreement, deed restriction or other recorded document to which the county is a party that limits the use of the dwelling to affordable housing, or otherwise prohibits use as a Short-term Rental.

60.05.10.1.2 **SB9 California H.O.M.E. Act.** Dwellings on lots approved pursuant to Section 66411.7 of Chapter 1 of Division 2 of Title 7 of the California Government Code (SB 9 – “The California H.O.M.E. Act”) shall not be permitted as Short-term Rentals.

60.05.10.1.3 **Accessory Dwelling Unit.** ADUs permitted after January 1, 2020, shall not be permitted as Short-term Rentals.

60.05.10.1.4 **Alternative Owner Builder.** Dwellings permitted pursuant to the Alternative Owner Builder (AOB) provisions of Section 331.5-4 of Division 3 of Title III of Humboldt County Code shall not be permitted as Short-term Rentals.

60.05.10.1.4.1 AOB dwellings may be permitted after-the-fact, pursuant to the building code in effect at the time of permit issuance.

Alternative 3

~~60.05.10.1.4 **Alternative Owner Builder.** Dwellings permitted pursuant to the Alternative Owner Builder (AOB) provisions of Section 331.5-4 of Division 3 of Title III of Humboldt County Code shall not be permitted as Short-term Rentals.~~

~~60.05.10.4.1 AOB dwellings may be permitted after the fact, pursuant the building code in effect at the time of permit issuance.~~

Note: This would require a modification to the AOB ordinance to allow the unit to be used by more than the owner.

60.05.10.2 **Short-term Rental Permit Limitations.**

60.05.10.2.1 **Short-term Rental Cap.** The total number of Short-term Rentals shall be limited.

60.05.10.2.1.1 Not more than 2% of the housing stock may be permitted as Short-term Rentals in the Greater Humboldt Bay Area Short-term Rental Cap Area which is comprised of the following Community Plan Areas: Trinidad-Westhaven Community Plan Area [CPA], McKinleyville CPA, Fieldbrook-Glendale CPA, Blue Lake CPA, Arcata CPA, Jacoby Creek CPA, Freshwater CPA, Eureka CPA, Fortuna CPA, Hydesville-Carlotta CPA and the Rio Dell-Scotia CPA.

Alternative 4

60.05.10.2.1.1 No more than 2% of the housing stock may be permitted as Short-term Rentals within each of the following Community Planning Areas (per planning area): Trinidad-Westhaven Community Plan Area [CPA], McKinleyville CPA, Fieldbrook-Glendale CPA, Blue Lake CPA, Arcata CPA, Jacoby Creek CPA, Freshwater CPA, Eureka CPA, Fortuna CPA, Hydesville-Carlotta CPA and the Rio Dell-Scotia CPA.

60.05.10.2.2 **Non-Transferable.** Short-term Rental Permits shall not be transferred between property owners.

Alternative 5

60.05.10.2.2 Transferability. Short-term rental permits may only be transferred to children or next of kin.

Alternative 6

60.05.10.2.2 Transferability. Short-term rentals may be transferred, so long as the recipient, if identified as an LLC or other corporation(s), provides an ownership roster or operating agreement identifying all parties involved within the LLC or other corporation(s).

60.05.10.2.3 **Per Person Limit.** An individual or business shall not own more than five (5) parcels with Short-term Rental permits.

Alternative 7

~~60.05.10.2.3 **Per Person Limit.** An individual or business shall not own more than five (5) parcels with Short-term Rental permits.~~

Alternative 8

60.05.10.2.3 **Per Person Limit.** An individual or business shall not own more than () parcels with Short-term Rental permits.

60.05.10.2.4 **Resource Zone Districts.** Short-term Rentals in Agriculture Exclusive Zone, Agriculture General Zone, Forestry Recreation Zone, and Timberland Production Zone may only be permitted as farm stays.

60.05.10.2.5 **No Violations.** A permit shall not be issued on a parcel with active violations.

60.05.10.3 **Standards for Short-term Rentals.**

60.05.10.3.1 **Health and Safety.** Exception to Standards C and D may be sought with a Special Permit.

A. **Building and Fire.**

- i. Dwellings shall be permitted or legal nonconforming.

- ii. Fire extinguishers, smoke detectors and carbon monoxide detectors shall be maintained in working order, and information related to all emergency exits shall be provided inside the Short-term Rental.
- B. **Solid Waste, Recycling and Compost.** Trash, recycled materials, and organic compost shall be appropriately disposed of at least weekly.
- C. **Access.** The access road shall be built to a Category 3 standard.
 - i. **Road Maintenance Association (RMA).** If a private access road has an established RMA, the permit-holder shall be a member in good standing.
- D. **Maximum overnight occupancy.** Overnight occupancy shall not exceed two per bedroom plus one, excluding children under 12.

60.05.10.3.2 Neighborhood Quality and Public Nuisance. These provisions apply to parcels that are within a Community Plan Area, parcels that are 10 acres or fewer, and parcels where the Short-term Rental is located within 1,000 of the nearest neighboring residence. Exception to Standards C - G may be sought with a Special Permit.

- A. **Good Neighbor Guide.** Prior to the operation of the Short-term Rental, the permit holder shall submit to the Planning and Building Department a signed affidavit certifying the delivery of a Good Neighbor Guide to all neighbors with dwellings within 300 feet of the Short-term Rental as the crow flies, and to the nearest five (5) neighbors up and down the access road. The Good Neighbor Guide must contain, at a minimum, the following:
 - i. Name and telephone number for a caretaker who shall:
 - a. Respond to all questions or concerns timely.
 - b. Remedy complaints related to health and safety (e.g., gas leak or power outage), as well as any violations of Humboldt County Code timely.
 - ii. Location of the approved parking spaces.
 - iii. Permit standards.
- B. **Lighting.** No direct light shall spill onto adjacent properties or create glare above the property.
- C. **Per Parcel Limit.** One Short-term Rental may be permitted per legal parcel.
- D. **Neighborhood Concentration.** Each Short-term Rental may not exceed the following neighborhood concentration limitations, except within the Shelter Cove Community Plan Area where this standard does not apply.
 - i. Parcels with a General Plan density of one (1) or fewer acres per dwelling unit:

- a. Short-term Rentals shall not exceed 10% of the dwellings on the access road; and
 - b. As the crow flies, the nearest ten (10) dwellings shall not be Short-term Rentals.
 - ii. Parcels with a General Plan density of more than one (1) acre per dwelling unit:
 - a. Short-term Rentals shall not exceed 20% of the dwellings on the access road.
- E. **Private Gatherings and Parties.** Gatherings and parties shall have no more than 20 attendees.

Alternative 9

Private Gatherings and Parties. Gatherings and parties shall have no more than twice the maximum occupancy of the short-term rental. If gatherings are intended they must be included in the application for the short-term rental and the application must include provisions for parking which can be on street where allowed.

- F. **Noise.** The maximum noise levels allowed in all outdoor areas and indoor common areas of the property are as follows: 65 dB during the hours of 86 a.m. to 10 p.m. and 60 dB from 10 p.m. to 86 a.m.
 - i. Following one or more noise complaint(s) for a Short-term Rental, the permit holder shall install noise sensor and provide recorded data to the Planning & Building Department upon request.
- G. **Parking.** Each Short-term Rental shall provide one off-street parking space per rented bedroom. Where legal on-street parking is available, one on-street parking space may count toward the minimum number of parking spaces required.

6.6 RA: RURAL RESIDENTIAL AGRICULTURE

Principal Permitted Uses. The following use types are permitted pursuant to the Development Permit Procedures in Chapter [2](#) of this Division. (Former Section INL#314-20; Added by Ord. [2205](#), Sec. 1, 4/11/00)

314-6.6	RA: RURAL RESIDENTIAL AGRICULTURE
Use Type	Principal Permitted Use
Residential Use Types	Single Family Residential Accessory Dwelling Unit (Amended by Ord. 2167 , Sec. 16, 4/7/98)
Civic Use Types	Minor Utilities
Agricultural Use Types	General Agriculture
Industrial Use Types	Cottage Industry; subject to the Cottage Industry Regulations (Amended by Ord. 2167 , Sec. 16, 4/7/98)
Use Type	Conditionally Permitted Use
Residential Use Types	Guest House
Civic Use Types	Essential Services Community Assembly Public Recreation and Open Space Solid Waste Disposal; subject to the Solid Waste Disposal Regulations Oil and Gas Pipelines; subject to the Oil and Gas Pipeline Regulations Major Electrical Distribution Lines; subject to the Electrical Distribution Lines Regulations Minor Generation and Distribution Facilities
Commercial Use Types	Neighborhood Commercial Bed and Breakfast Establishment; subject to the Bed and Breakfast Establishment Regulations

314-6.6	RA: RURAL RESIDENTIAL AGRICULTURE	
	Private Recreation	
Agricultural Use Types	Stables and Kennels Intensive Agriculture	
Commercial Timber Use Type	Timber Production	
Extractive Use Type	Surface Mining - 2; subject to the Surface Mining Regulations	
Natural Resource Use Types	Fish and Wildlife Management Watershed Management Wetland Restoration Coastal Access Facilities	
Use Types Not Listed in This Table	Any use not specifically enumerated in this division, if it is similar to and compatible with the uses permitted in the RA zone.	
314-6.6	RA: RURAL RESIDENTIAL AGRICULTURE	
Development Standards		
Minimum Lot Size and Minimum Lot Width		
Zone Designation	Minimum Lot Size	Minimum Lot Width
RA-1	1.0 acre	150 feet
RA-2	2.0 acres	175 feet
RA-2.5	2.5 acres	175 feet
RA-5	5.0 acres	250 feet

314-6.6	RA: RURAL RESIDENTIAL AGRICULTURE	
RA-10	10.0 acres	350 feet
RA-20	20.0 acres	475 feet
RA-40	40.0 acres	750 feet
Maximum Lot Depth	Four (4) times the lot width.	
Maximum Density	Either one dwelling unit per lawfully created lot or two dwelling units per lawfully created lot if a Special Permit is secured for a second residential unit. (Amended by Ord. 2167, Sec. 16, 4/7/98)	
Minimum Yard Setbacks*	Minimum Lot Size Less Than 2.5 Acres	Minimum Lot Size 2.5 Acres or Greater
Front	Twenty (20) feet	Twenty (20) feet; Thirty (30) feet for flag lots
Rear	Ten (10) feet	Thirty (30) feet
Interior Side	Five (5) feet	Thirty (30) feet
Exterior Side	Twenty (20) feet	Thirty (30) feet
Flag Lots	The Director, in consultation with the Public Works Department, shall establish the minimum yard that is required for vehicular turn around on the lot.	The Director, in consultation with the Public Works Department, shall establish the minimum yard that is required for vehicular turn around on the lot.
Double Frontage Lots	Front and rear yards shall be twenty (20) feet, except that the rear yard setback may be reduced to ten (10) feet where	Front and rear yards shall be twenty (20) feet, except that the rear yard setback may be reduced to ten (10) feet where

314-6.6	RA: RURAL RESIDENTIAL AGRICULTURE	
	such yard abuts an alley.	such yard abuts an alley.
Maximum Ground Coverage	Thirty-five percent (35%)	
Maximum Structure Height	Thirty-five (35) feet.	
Permitted Main Building Types	Residential Single Detached Limited Mixed Residential - Nonresidential Nonresidential Detached or Multiple/Group	

* **Note:** Setbacks may be modified by other provisions of this Code or State law. For example, see Section [314-22.1](#), “Alquist-Priolo Fault Hazard” and the “Fire Safe” Regulations at Title III, Division 11.

(From Sections CZ#A313-17(A)(1-4); CZ#A313-17(B)(1-7); CZ#A313-17(C)(1-6); Amended by Ord. [2167](#), Sec. 16, 4/7/98) (Ord. 2678, § 4, 7/13/2021; Ord. 2693, § 9, 6/7/2022)

314-9 Mixed Use Zone Districts

9.1 MU1: MIXED USE (URBAN)

The purpose of the Mixed Use (Urban) or MU1 Zone is to provide for pedestrian-oriented, mixed use development (commercial, office, and higher density residential). The permitted uses and other regulations may be modified through community specific planning by the application of the appropriate Special Area Combining Zone, such as a D – Design Control or Q – Qualified Combining Zone.

314-9.1	MU1: MIXED USE (URBAN)
Use Type	Principal Permitted Use
Residential Use Types	Two (2) Family Dwellings and Multiple Dwellings and Dwelling Groups Single-Family Residential Accessory Dwelling Unit Guest House Emergency Shelter
Commercial Use Types	Neighborhood Commercial Retail Sales and Retail Services

314-9.1	MU1: MIXED USE (URBAN)
	Transient Habitation Office and Professional Service Bed and Breakfast Establishment; Subject to the Bed and Breakfast Establishment Regulations Commercial and Private Recreation
Civic Use Types	Minor Utilities Essential Services Conducted Entirely Within an Enclosed Building Community Assembly Public and Parochial Parks, Playgrounds and Playing Fields Noncommercial Recreation
Industrial Use Types	Cottage Industry; Subject to the Cottage Industry Regulations
Use Type	Conditionally Permitted Use
Civic Use Types	Public Recreation and Open Space Minor Generation and Distribution Facilities
Natural Resource Use Types	Fish and Wildlife Management Watershed Management Wetland Restoration Coastal Access Facilities
Use Types Not Listed in This Table	Any use not specifically enumerated in this division, if it is similar to and compatible with the uses permitted in the MU zone.
Development Standards	
Minimum Lot Area	Two thousand (2,000) square feet.

314-9.1	MU1: MIXED USE (URBAN)
Minimum Lot Width	Twenty-five feet (25').
Minimum Yard Setbacks*	
Front	None, except that where frontage is in a block which is partially in a residential zone (RS, R-1, R-2, R-3, R-4) the front yard shall be the same as that required in such residential zone.
Rear	Fifteen feet (15'), except that where a rear yard abuts on an alley, such rear yard may be not less than five feet (5').
Side	None, except that a side yard of an interior lot abutting on a residential zone (RS, R-1, R-2, R-3, R-4) or agricultural zone (AE, AG) shall be not less than the front yard required in such residential zone or agricultural zone.
Maximum Ground Coverage	One hundred percent (100%).
Maximum Structure Height	Seventy-five feet (75').

* **Note:** Setbacks may be modified by other provisions of this Code or State law. For example, see Section [314-22.1](#), “Alquist-Priolo Fault Hazard” and the “Fire Safe” Regulations at Title III, Division 11.

9.2 MU2: MIXED USE (RURAL)

The purpose of the Mixed Use (Rural) or MU2 Zone is to provide for small-scale mixed use development (commercial, office, and residential) for smaller population bases. The permitted uses and other regulations may be modified through community specific planning by the application of the appropriate Special Area Combining Zone, such as a D – Design Control or Q – Qualified Combining Zone.

314-9.2	MU2: MIXED USE (RURAL)
Use Type	Principal Permitted Use
Residential Use Types	Two (2) Family Dwellings Single-Family Residential Accessory Dwelling Unit

314-9.2	MU2: MIXED USE (RURAL)
	Guest House Emergency Shelter
Commercial Use Types	Neighborhood Commercial Retail Sales and Retail Services Office and Professional Service Bed and Breakfast Establishment; Subject to the Bed and Breakfast Establishment Regulations Commercial and Private Recreation
Civic Use Types	Minor Utilities Essential Services Conducted Entirely Within an Enclosed Building Community Assembly Public and Parochial Parks, Playgrounds and Playing Fields Noncommercial Recreation
Industrial Use Types	Cottage Industry; Subject to the Cottage Industry Regulations
Agricultural Use Types	General Agriculture
Use Type	Conditionally Permitted Use
Residential Use Types	Multiple Dwellings Containing Four (4) or Fewer Units per Building Manufactured Home Parks
Commercial Use Types	Heavy Commercial Transient Habitation
Civic Use Types	Public Recreation and Open Space Minor Generation and Distribution Facilities

314-9.2	MU2: MIXED USE (RURAL)
Natural Resource Use Types	Fish and Wildlife Management Watershed Management Wetland Restoration Coastal Access Facilities
Use Types Not Listed in This Table	Any use not specifically enumerated in this division, if it is similar to and compatible with the uses permitted in the MU zone.
Development Standards	
Minimum Lot Area	Five thousand (5,000) square feet.
Minimum Lot Width	Fifty feet (50').
Minimum Yard Setbacks*	
Front	Fifteen feet (15').
Rear	Ten feet (10').
Interior Side	Five feet (5').
Exterior Side	Same as front or one-half (1/2) the front if all parts of the main building are more than twenty-five feet (25') from the rear lot line, and the exterior side yard does not abut a collector or higher order street. (In questionable cases, the Public Works Director shall classify the subject street.)
Maximum Ground Coverage	Fifty percent (50%).
Maximum Building Height	Fifty feet (50').

* **Note:** Setbacks may be modified by other provisions of this Code or State law. For example, see Section [314-22.1](#), "Alquist-Priolo Fault Hazard" and the "Fire Safe" Regulations at Title III, Division 11.

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314-37 "V" Combining Zone Designations

37.1 V ~~VACATION HOME RENTAL~~

~~37.1.1 Purpose. The purpose of these regulations is to increase and enhance coastal public access, access to other County visitor serving facilities, to preserve the residential character of neighborhoods by controlling and regulating transient uses which may be incompatible with the character of the neighborhood. (Former Section INL#315-10(A); Added by Ord. 2154, Sec. 2, 12/9/97)~~

~~37.1.2 Applicability. These regulations shall apply to all lands designated "V" on the zoning maps. (Former Section INL#315-10(B); Added by Ord. 2154, Sec. 2, 12/9/97)~~

~~37.1.3 Principally Permitted Uses. The following uses may be permitted upon obtaining a Special Permit on all lands designated with the "V" or Vacation Home Rental Combining Zone:~~

~~37.1.3.1 Vacation Home Rentals as defined in Section C: Index of Definitions of Language and Legal Terms. (Former Section INL#315-10(C)(1); Added by Ord. 2154, Sec. 2, 12/9/97)~~

~~37.1.4 Performance Standards. All vacation home rentals are subject to the following performance standards:~~

~~37.1.4.1 Compliance with residential parking standards as required by Section 314-109.1 of this code; (Former Section INL#315-10(D)(1); Added by Ord. 2154, Sec. 2, 12/9/97)~~

~~37.1.4.2 The number of occupants shall not exceed ten (10) persons. (Former Section INL#315-10(D)(2); Added by Ord. 2154, Sec. 2, 12/9/97)~~

~~37.1.4.3 Availability of the rental unit to the public shall not be advertised on-site; (Former Section INL#315-10(D)(3); Added by Ord. 2154, Sec. 2, 12/9/97)~~

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The Humboldt County Code is current through Ordinance 2667, passed February 9, 2021.

~~37.1.4.4 Owners of rental units must provide the name, address and telephone number of a contact person for the unit to all occupied residences within a 300 foot radius of the rental unit. The notice shall be mailed to property owners prior to renting the unit and thereafter as contact information changes. An owner of a rental unit who does not reside in a five-mile radius of the residence being rented, shall designate a person within a 5-mile radius of the rental unit, as the local contact person. The owner or contact person must be available 24 hours a day to respond to tenant and neighborhood questions or concerns and to otherwise be responsible for assuring that the rental unit complies with the requirements of this Section and other applicable provisions of the code; (Former Section INL#315-10(D)(4); Added by Ord. 2154, Sec. 2, 12/9/97)~~

~~37.1.4.5 Prior to commencing vacation home rentals, the applicant shall obtain a Business license from the Humboldt County Tax Collector. The owner/Operator shall collect and remit to the Humboldt County Tax Collector the transient occupancy tax; (Former Section INL#315-10(D)(5); Added by Ord. 2154, Sec. 2, 12/9/97)~~

~~37.1.4.6 It is the responsibility of the property owner to ensure that trash will be disposed of (picked up) on a weekly basis. (Former Section INL#315-10(D)(6); Added by Ord. 2154, Sec. 2, 12/9/97)~~

~~37.1.4.7 Compliance with the requirements of this Section shall be considered conditions of approval. Noncompliance will constitute a nuisance subject to administrative penalties and revocation of the business license. (Former Section INL#315-10(D)(7); Added by Ord. 2154, Sec. 2, 12/9/97)~~

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~~314-44.1 BED AND BREAKFAST ESTABLISHMENTS~~

~~44.1.1 Applicability. Bed and Breakfast Inns as a cottage industry may be permitted in all those zones which allow cottage industries, as well as R-2, R-3, and R-4 zones, upon the issuance of a Special Permit. (Former Section INL#316.3-5(a); Added by Ord. 1876, Sec. 10, 9/26/89; Amended by Ord. 2166, Sec. 30, 4/7/98)~~

~~44.1.2 Occupancy Standards.~~

~~44.1.2.1 A maximum of four (4) guest bedrooms or eight (8) guests at one time shall be permitted by a Bed and Breakfast establishment. (Former Section INL#316.3-5(b)(1); Added by Ord. 1876, Sec. 10, 9/26/89)~~

~~44.1.2.2 The owner/operator shall reside on the premises. (Former Section INL#316.3-5(b)(2); Added by Ord. 1876, Sec. 10, 9/26/89)~~

~~44.1.2.3 Any rooms used for rooming or boarding shall be included in the total number of permitted guest rooms. (Former Section INL#316.3-5(b)(3); Added by Ord. 1876, Sec. 10, 9/26/89)~~

~~44.1.2.4 The guest rooms shall not include kitchen facilities. (Former Section INL#316.3-5(b)(4); Added by Ord. 1876, Sec. 10, 9/26/89)~~

~~44.1.3 Provisions for Meals. Meals shall only be served to overnight guests of the establishment. (Former Section INL#316.3-5(c)(1); Added by Ord. 1876, Sec. 10, 9/26/89)~~

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314-55.4.10.7 Cannabis Farm Stays. Cannabis farm stays may be permitted in conjunction with a cannabis cultivation permit on properties in conformance with the public accommodation performance standards with a special permit as specified in Section [314-44.1](#) applicable to bed and breakfast establishments. as specified in Section 314-60.05 of the Zoning Ordinance ("Short-term Rentals").

...

314-138 Definitions (C).

Cannabis Farm Stay. See, Farm Stay

314-141 DEFINITIONS (F).

Farm Stay. Farm stays are a form of Short-term Rental that provides activities and experiences that educate guests about local agriculture and are located on parcels where the primary use of the land is

agriculture.

...

314-143 Definitions (H)

Home-share Rental. Short-term Rental of a portion of a dwelling unit where the caretaker remains in residence.

314-153 Definitions (R)

Recreation:

a. *Recreation Commercial.* Recreation facilities open to the general public for a fee, or, if restricted to members when operated for profit as a business. (Former Section INL#312-60(a); Ord. [542](#), Sec. 2, 2/8/66; Amended by Ord. [1741](#), Sec. 1, 7/8/86)

b. *Recreation, Private, Noncommercial.* Clubs or recreation facilities operated by a non-profit organization and open only to bona fide members of such non-profit organization and their guests. (Former Section INL#312-60(b); Ord. [542](#), Sec. 2, 2/8/66; Amended by Ord. [1741](#), Sec. 1, 7/8/86)

c. *Recreational Accommodations.* Transient and tourist-related habitation that support on-site recreation activities such as dude ranches, ski lodges, health spas, ~~bed and breakfast inns~~, transient habitation and other similar accommodations that provide recreational related lodging to guests. (Former Section INL#312-60(c); Ord. [542](#), Sec. 2, 2/8/66; Amended by Ord. [1741](#), Sec. 1, 7/8/86)

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314-154 DEFINITIONS (S).

Short-term Rental. Permitted or legal non-conforming dwelling units, rented to guests for 30 consecutive days or fewer.

Short-term Rental Caretaker. The person or persons that lives in the subject dwelling unit attends to day-to-day operations associated with the maintenance of the Short-term Rental and who is the point of contact for neighborhood concerns.

Short-term Rental Permit Holder ("Permit Holder"). The person or persons that has control and responsibility for the Short-term Rental of a dwelling unit and that is responsible for ensuring compliance with all applicable laws and regulations.

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314-157

Definitions (V)

~~Vacation Home Rental: Vacation Home Rental includes the transient use of single and two family (duplex) dwelling units. Vacation home rentals are subject to the provisions in Section 314-22.2, Greenway and Open Space Combining Zone. (Former Section INL#312-75.5; Added by Ord. 2154, Sec. 1, 12/9/97)~~

...

163.1.3 Commercial Use Types. Automotive Sales, Service and Repair (allowed in C-3)

~~Bed and Breakfast Establishment (allowed in RA)~~

Heavy Commercial (allowed in C-3)

Neighborhood Commercial (allowed in C-3, RA)

Office and Professional Service (allowed in C-3, MB)

Private Recreation (allowed in RA)

Retail Sales (allowed in C-3, MB)

Retail Service (allowed in C-3, MB)

Transient Habitation (allowed in MB)

Warehousing, Storage and Distribution (allowed in C-3, MB)

...

~~172.2 BED AND BREAKFAST ESTABLISHMENT~~

~~172.2.1 The Bed and Breakfast Establishment Use Type refers to a residential structure with one family in permanent residence where a maximum of four (4) bedrooms without individual cooking facilities are rented for overnight lodging, and where at least one meal daily is provided. (From Section CZ#A313-7(K); Added to INL by Ord. 2205, Sec. 1, 4/11/00)~~

~~172.2.2 This use type does not include "hotels and motels" which are included in the Transient Habitation Use Type; nor does this use type include rooming and boarding houses which are included under the Group Residential Use Type. (From Section CZ#A313-7(K); Added to INL by Ord. 2205, Sec. 1, 4/11/00)~~

177.6 SINGLE FAMILY RESIDENTIAL

The Single Family Residential Use Type includes the residential occupancy of a single detached main building by one family on a non-transient basis, ~~except for rental of single family dwellings as vacation homes, where the use would not be otherwise different than the uses allowed to be made of single family dwellings. (See also, Vacation Home Rental)~~ and accessory uses necessarily and customarily associated with residential use. (From Section CZ#A313-5(B); Added to INL by Ord. [2205](#), Sec. 1, 4/11/00)

Draft Short-term Rental Ordinance Coastal 10.26.23

Proposed additions, ~~proposed deletions~~

313-61.05 SHORT-TERM RENTALS

61.05.1 Purpose. The purpose and intent of this Section (the “Short-term Rental Ordinance”) is to protect and promote the public health, safety and welfare, protect and maintain the overall quality of the coastal zone environment and its natural and human made resources, assure orderly, balanced utilization and conservation of coastal zone resources, maximize public access to and along the coast, support tourism and economic development, minimize the loss of housing stock available to long-term renters, preserve the quality of neighborhoods, and balance the needs and rights of property owners, tenants, and neighbors.

61.05.2 Applicability. These provisions apply when dwelling units are used as Short-term Rentals.

61.05.3 Allowed Zones. Short-term Rentals may be permitted in zoning districts where residential use is a permitted use subject to these regulations.

61.05.4 Application. In addition to all materials required for a permit pursuant to 312-5.2, a complete application for a Short-term Rental Permit shall include the following:

- A. Current grant deed for the subject parcel.
- B. Affidavit signed by the permit holder confirming delivery of the Good Neighbor Guide to all neighbors in the closest 10 dwellings and within 300 feet up and down the street, if applicable.
- C. Evidence of property-owner consent if the permit-holder is someone other than the property owner.

Alternative 1

- i. Where the owner is a LLC or other corporation, the ownership of the corporation(s) shall include the people who own the corporation or controlling corporation via an ownership roster or operating agreement identifying all parties involved within the LLC or other corporation(s) for said owner or operator.

- D. ~~Access route~~Haul route, if seeking a Special Permit and the site is accessed via a shared private road system.

61.05.5 Existing Operations. No permits for whole dwelling unit Short-term Rentals shall be issued during the first two (2) months following the effective date of this section but applications from individuals operating existing short-term rentals will be received. ~~Three~~Two months after the effective date of this ordinance the department will issue permits for qualifying locations with existing Short-term Rentals. An existing Short-term Rental shall be determined based on evidence of operation prior to the effective date

of this ordinance. If the number of permits issued for existing Short-term Rentals exceeds the cap identified in §61.05.10.2.1, then no permits will be issued for new Short-term Rentals until the number of permitted Short-term Rentals in the County falls below the cap. **A permit shall not be issued on a parcel with active violations.**

Alternative 2

65.05.5 Existing Operations. No permits for whole dwelling unit Short-term Rentals shall be issued during the first two (2) months following the effective date of this section but applications from individuals operating existing short-term rentals will be received. ~~Two~~ Three months after the effective date of this ordinance the department will issue permits for qualifying locations with existing Short-term Rentals. An existing Short-term Rental shall be determined based on evidence of operation prior to **October 26, 2023** ~~the effective date of this ordinance~~. If the number of permits issued for existing Short-term Rentals exceeds the cap identified in §60.05.10.2.1, then no permits will be issued for new Short-term Rentals until the number of permitted Short-term Rentals in the County falls below the cap. **A permit shall not be issued on a parcel with active violations.**

61.05.6. Permit Requirements.

61.05.6.1 Administrative Permit Required. A Short-term Rental meeting the requirements herein shall be permitted with an Administrative Permit.

61.05.6.2 Special Permit Required. A Short-term Rental seeking exception from standards identified in §61.05.9.1 and §61.05.10.3 may only be allowed upon issuance of a Special Permit.

61.05.6.2.1 Required findings. A Special Permit for a Short-term Rental may be approved only if the following findings are made:

- A. The Short-term Rental would not result in significant adverse effects on the health, safety, and welfare of the community; and
- B. The Short-term Rental would not result in significant adverse effects on the quality of the neighborhood.

61.05.6.2.2 Special Noticing Requirements. In addition to following the procedures identified in §312-8.1 Notice of Application Submittal, notice shall be sent to all owners and occupants of property accessed through shared private road system.

6.05.6.3 Conditional Use Permit Required. Whole dwelling unit Short-term Rentals within the Tsunami Hazard Zone of the Humboldt Bay Area Plan may only be allowed upon the issuance of a Conditional Use Permit.

61.05.6.3.1 Required Findings. A Conditional Use Permit for Short-term Rental may be approved only if the following findings are made:

- A. The Short-term Rental would not adversely impact the health, safety, and welfare of the community; and
- B. The Short-term Rental would not adversely affect the quality of the neighborhood.

60.05.7 Permit Term for Short-term Rentals. All Short-term Rental Permits (including non-conforming approvals) shall lapse two years after the effective date of the permit unless the following requirements are met:

- A. The permit holder shall submit a Statement of Continued Operation as provided by the Planning & Building Department; and
- B. There are no outstanding violations associated with the permit.

60.05.8 Violations. Continuous use of a Short-term Rental without resolution of violation(s) of this section may result in Code Enforcement action, Permit Suspension or Permit Revocation.

60.05.8.1 Suspension or Revocation. Consistent with the procedures in Section 312-14 of the Zoning Ordinance a Short-term Rental permit may be suspended or revoked for violations of the Short-term Rental Ordinance and/or violations of permit terms or conditions.

61.05.9 Home-share Rental. This section applies to Home-share Rentals which are a short-term rental of a portion of a dwelling unit where the caretaker remains in residence.

61.05.9.1 Standards for Home-share Rentals.

61.05.9.1.1 Health and Safety Standards. Exception to Standards C and D may be sought with a Special Permit.

- A. **Building, Fire and Health.**
 - i. Dwellings shall be permitted or legal nonconforming.
 - ii. Fire extinguishers, smoke detectors and carbon monoxide detectors shall be maintained in working order, and information related to all emergency exits shall be provided inside the Dwelling Unit.
- B. **Solid Waste, Recycling and Compost.** Trash, recycled materials, and organic compost shall be appropriately disposed of at least weekly.
- C. **Access.** The access road shall be built to a Category 3 standard.
- D. **Maximum overnight occupancy.** Overnight occupancy shall not exceed two per bedroom plus one, excluding children under 12.

61.05.9.1.2 Neighborhood Quality and Public Nuisance Standards. Exception to Standard C may be sought with a Special Permit.

- A. **Resident Caretaker.** The caretaker shall reside within the dwelling unit and be present when rooms are occupied by guests.
- B. **Noise.** The maximum noise levels allowed in all outdoor areas and indoor common areas of the property are as follows: 65 dB during the hours of 86 a.m. to 10 p.m. and 60 dB from 10 p.m. to 86 a.m.
- C. **Parking.** Each Home-share Short-term Rental shall provide one off-street parking space per rented bedroom. Where legal on-street parking is available, one on-street parking space may count toward the minimum number of parking spaces required.

61.05.10 Short-term Rental. This section applies to short-term rental of whole dwelling units. Short-term rentals may be rented for the whole or a portion of the year. A residence which is rented on a short-term basis for less than 3 months out of the year does not count against the Cap provided that it is occupied as long-term housing for the remainder of the year.

61.05.10.1 Short-term Rentals Prohibited. Short-term Rentals are not allowed in dwellings with any of the following limitations:

61.05.10.1.1 Recorded Limitation. Dwellings subject to a recorded covenant, agreement, deed restriction or other recorded document to which the county is a party that limits the use of the dwelling to affordable housing, or otherwise prohibits use as a Short-term Rental.

61.05.10.1.2 SB9 California H.O.M.E. Act. Dwellings on lots approved pursuant to Section 66411.7 of Chapter 1 of Division 2 of Title 7 of the California Government Code (SB 9 – “The California H.O.M.E. Act”) shall not be permitted as Short-term Rentals.

61.05.10.1.3 Accessory Dwelling Unit. ADUs permitted after January 1, 2020, shall not be permitted as Short-term Rentals.

61.05.10.1.4 Alternative Owner Builder. Dwellings permitted pursuant to the Alternative Owner Builder (AOB) provisions of Section 331.5-4 of Division 3 of Title III of Humboldt County Code shall not be permitted as Short-term Rentals.

61.05.10.1.4.1 AOB dwellings may be permitted after-the-fact, pursuant to the building code in effect at the time of permit issuance.

Alternative 3

~~60.05.10.1.4 **Alternative Owner Builder.** Dwellings permitted pursuant to the Alternative Owner Builder (AOB) provisions of Section 331.5-4 of Division 3 of Title III of Humboldt County Code shall not be permitted as Short-term Rentals.~~

~~60.05.10.4.1 AOB dwellings may be permitted after the fact, pursuant the building code in effect at the time of permit issuance.~~

61.05.10.2 Short-term Rental Permit Limitations.

61.05.10.2.1 Short-term Rental Cap. The total number of Short-term Rentals shall be limited.

61.05.10.2.1.1 Not more than 2% of the housing stock may be permitted as Short-term Rentals in the Coastal Greater Humboldt Bay Area Short-term Rental Cap Area which is comprised of the following Community Plan Areas: Trinidad Area Plan [AP], McKinleyville AP, Humboldt Bay AP and the Eel River AP.

Alternative 4

60.05.10.2.1.1 No more than 2% of the housing stock may be permitted as Short-term Rentals within each of the following Community Planning Areas (per planning area): Trinidad-Westhaven Community Plan Area [CPA], McKinleyville CPA, Fieldbrook-Glendale CPA, Blue Lake CPA, Arcata CPA, Jacoby Creek CPA, Freshwater CPA, Eureka CPA, Fortuna CPA, Hydesville-Carlotta CPA and the Rio Dell-Scotia CPA.

61.05.10.2.2 Non-Transferable. Short-term Rental Permits shall not be transferred between property owners.

Alternative 5

60.05.10.2.2 Transferability. Short-term rental permits may only be transferred to children or next of kin.

Alternative 6

60.05.10.2.2 Transferability. Short-term rentals may be transferred, so long as the recipient, if identified as an LLC or other corporation(s), provides an ownership roster or operating agreement identifying all parties involved within the LLC or other corporation(s).

61.05.10.2.3 Per Person Limit. An individual or business shall not own more than five (5) parcels with Short-term Rental permits.

Alternative 7

~~60.05.10.2.3 **Per Person Limit.** An individual or business shall not own more than five (5) parcels with Short-term Rental permits.~~

Alternative 8

60.05.10.2.3 **Per Person Limit.** An individual or business shall not own more than () parcels with Short-term Rental permits.

61.05.10.2.4 **Resource Zone Districts.** Short-term Rentals in Agriculture Exclusive Zone, Commercial Timberland Zone, and Timberland Production Zone may only be permitted as farm stays.

61.05.10.2.5 **No Violations.** A permit shall not be issued on a parcel with active violations.

61.05.10.3 **Standards for Short-term Rentals.**

61.05.10.3.1 **Health and Safety.** Exception to Standards C and D may be sought with a Special Permit.

A. **Building and Fire.**

- i. Dwellings shall be permitted or legal nonconforming.
- ii. Fire extinguishers, smoke detectors and carbon monoxide detectors shall be maintained in working order, and information related to all emergency exits shall be provided inside the Short-term Rental.

B. **Solid Waste, Recycling and Compost.** Trash, recycled materials, and organic compost shall be appropriately disposed of at least weekly.

C. **Access.** The access road shall be built to a Category 3 standard.

- i. **Road Maintenance Association (RMA).** If a private access road has an established RMA, the permit-holder shall be a member in good standing.

D. **Maximum overnight occupancy.** Overnight occupancy shall not exceed two per bedroom plus one, excluding children under 12.

61.05.10.3.2 **Neighborhood Quality and Public Nuisance.** These provisions apply to parcels that are within the Trinidad AP, McKinleyville AP, Humboldt Bay AP and the Eel River AP, parcels that are 10 acres or fewer, and parcels where the Short-term Rental is located within 1,000 of the nearest neighboring residence. Exception to Standards C - G may be sought with a Special Permit.

A. **Good Neighbor Guide.** Prior to the operation of the Short-term Rental, the permit holder shall submit to the Planning and Building Department a signed

affidavit certifying the delivery of a Good Neighbor Guide to all neighbors with dwellings within 300 feet of the Short-term Rental as the crow flies, and to the nearest five (5) neighbors up and down the access road. The Good Neighbor Guide must contain, at a minimum, the following:

- i. Name and telephone number for a caretaker who shall:
 - a. Respond to all questions or concerns timely.
 - b. Remedy complaints related to health and safety (e.g., gas leak or power outage), as well as any violations of Humboldt County Code timely.
 - ii. Location of the approved parking spaces.
 - iii. Permit standards.
- B. **Lighting.** No direct light shall spill onto adjacent properties or create glare above the property.
- C. **Per Parcel Limit.** One Short-term Rental may be permitted per legal parcel.
- D. **Neighborhood Concentration.** Each Short-term Rental may not exceed the following neighborhood concentration limitations, except within the Shelter Cove Community Plan Area where this standard does not apply.
- i. Parcels with a Coastal Area Plan density of one (1) or fewer acres per dwelling unit:
 - a. Short-term Rentals shall not exceed 10% of the dwellings on the access road; and
 - b. As the crow flies, the nearest ten (10) dwellings shall not be Short-term Rentals.
 - ii. Parcels with a Coastal Area Plan density of more than one (1) acre per dwelling unit:
 - a. Short-term Rentals shall not exceed 20% of the dwellings on the access road.
- E. **Private Gatherings and Parties.** Gatherings and parties shall have no more than 20 attendees.

Alternative 9

Private Gatherings and Parties. Gatherings and parties shall have no more than twice the maximum occupancy of the short-term rental. If gatherings are intended they must be included in the application for the short-term rental and the application must include provisions for parking which can be on street where allowed.

- F. **Noise.** The maximum noise levels allowed in all outdoor areas and indoor common areas of the property are as follows: 65 dB during the hours of 86 a.m. to 10 p.m. and 60 dB from 10 p.m. to 86 a.m.
- i. Following one or more noise complaint(s) for a Short-term Rental, the permit holder shall install noise sensor and provide recorded data to the Planning & Building Department upon request.
- G. **Parking.** Each Short-term Rental shall provide one off-street parking space per rented bedroom. Where legal on-street parking is available, one on-street parking space may count toward the minimum number of parking spaces required.

313-6 Residential Zone Districts

313-6.1	RS: Residential Single Family
	Principal Permitted Use
	Residential Single Family Principal Permitted Use (See Section 313-163.1.9 for description)
Use Type	Conditionally Permitted Use
Residential Use Types	Manufactured Home Park; subject to the Manufactured Home Park Regulations Guest House
Civic Use Types	Essential Services Community Assembly Public Recreation and Open Space Oil and Gas Pipelines; subject to the Oil and Gas Pipelines Regulations Major Electrical Distribution Lines; subject to the Electrical Distribution Lines Regulations Minor Generation and Distribution Facilities
Commercial Use Types	Bed and Breakfast Establishments; subject to the Bed and Breakfast Establishment Regulations Neighborhood Commercial Private Institution Private Recreation
Commercial Timber Use Type	Timber Production

313-6.1	RS: Residential Single Family
Industrial Use Types*	Cottage Industry; subject to the Cottage Industry Regulations
Extractive Use Type	Surface Mining - 2; subject to the Surface Mining Regulations
Natural Resource Use Type	Fish and Wildlife Management Watershed Management Wetland Restoration Coastal Access Facilities
Use Types Not Listed in This Table**	Any use not specifically enumerated in this Division, if it is similar to and compatible with the uses permitted in the RS zone.

* See, Industrial Performance Standards, Section [313-103.1](#).

** See, "Classifying Uses Not Specifically Mentioned in Use Type Descriptions," Section [313-165](#).

(Former Section CZ#A313-16(A-C); amended by Ord. [1853](#), 12/20/88; amended by Ord. [2167](#), Sec. 13, 4/7/98; amended by Ord. [2367A](#), 7/25/06)

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313-6.2	RM: Residential Multi-Family
	Principal Permitted Use
	Residential Multi Family Principal Permitted Use (See Section 313-163.1.9 for description)

313-6.2	RM: Residential Multi-Family
Use Type	Conditionally Permitted Use
Residential Use Types	Single Family Residential where it can be shown that the property could be developed in the future with multifamily dwellings. The Hearing Officer may require submittal of a development plan which shows how the multifamily dwelling units could be sited on the property in conformance with County requirements. Manufactured Home Parks; subject to the Manufactured Home Park Regulations
Civic Use Types	Essential Services Community Assembly Non-Assembly Cultural Public Recreation and Open Space Oil and Gas Pipelines; subject to the Oil and Gas Pipelines Regulations Major Electrical Distribution Lines; subject to the Electrical Distribution Lines Regulations
Commercial Use Types	Bed and Breakfast Establishments; subject to the Bed and Breakfast Establishment Regulations Transient Habitation Private Recreation Neighborhood Commercial Office and Professional Service Private Institution

313-6.2	RM: Residential Multi-Family
Commercial Timber Use Type	Timber Production
Natural Resource Use Type	Fish and Wildlife Management Watershed Management Wetland Restoration Coastal Access Facilities
Use Types Not Listed in This Table**	Any use not specifically enumerated in this Division, if it is similar to and compatible with the uses permitted in the RM zone.
Development Standards	
Minimum Lot Size	5,000 square feet.
Minimum Lot Width	Fifty feet (50').
Maximum Lot Depth	Three (3) times the lot width.
Maximum Density	The maximum density as specified on the adopted zoning maps. A minimum of one dwelling unit (1du) per lawfully created lot is permitted, even if the specified maximum dwelling unit density is exceeded, if it meets all other development standards. The maximum density shall be calculated as the total number of dwelling units divided by the total area within the lot and within one-half of any adjacent street.

** See, "Classifying Uses Not Specifically Mentioned in Use Type Descriptions," Section [313-165](#).

(Former Section CZ#A313-14(A-C); amended by Ord. [2167](#), Sec. 13, 4/7/98 ; amended by Ord. [2367A](#), 7/25/06)

...

313-6.3	R2: Mixed Residential
	Principal Permitted Use
	Mixed Residential Principal Permitted Use (See Section 313-163.1.9 for description)
Use Type	Conditionally Permitted Use
Residential Use Types	Manufactured Home Park; subject to the Manufactured Home Park Regulations Guest House
Civic Use Types	Essential Services Community Assembly Public Recreation and Open Space Oil and Gas Pipelines; subject to the Oil and Gas Pipelines Regulations Major Electrical Distribution Lines; subject to the Electrical Distribution Lines Regulations Minor Generation and Distribution Facilities
Commercial Use Types	Bed and Breakfast Establishments; subject to the Bed and Breakfast Establishment Regulations Neighborhood Commercial Private Institution Private Recreation

313-6.3	R2: Mixed Residential
Commercial Timber Use Type	Timber Production
Industrial Use Types*	Cottage Industry; subject to the Cottage Industry Regulations
Extractive Use Type	Surface Mining - 2; subject to the Surface Mining Regulations
Natural Resource Use Type	Fish and Wildlife Management Watershed Management Wetland Restoration Coastal Access Facilities
Use Types Not Listed in This Table**	Any use not specifically enumerated in this Division, if it is similar to and compatible with the uses permitted in the R2 zone.

* See, Industrial Performance Standards, Section [313-103.1](#).

** See, "Classifying Uses Not Specifically Mentioned in Use Type Descriptions," Section [313-165](#).

(Former Section CZ#A313-15(A)(1-2); amended by Ord. [1853](#), 12/20/88; amended by Ord. [1875](#), Sec. 2, 9/26/89 amended by Ord. [2167](#), Sec. 16, 4/7/98, amended by Ord. [2367A](#), 7/25/06)

...

313-6.4	RA: Rural Residential Agriculture
	Principal Permitted Use
	Rural Residential Agriculture Principal Permitted

313-6.4	RA: Rural Residential Agriculture
	Use (See Section 313-163.1.9 for description)
Use Type	Conditionally Permitted Use
Residential Use Types	Guest House
Civic Use Types	Essential Services Community Assembly Public Recreation and Open Space Solid Waste Disposal; subject to the Solid Waste Disposal Regulations Oil and Gas Pipelines; subject to the Oil and Gas Pipeline Regulations Major Electrical Distribution Lines; subject to the Electrical Distribution Lines Regulations Minor Generation and Distribution Facilities
Commercial Use Types	Neighborhood Commercial Bed and Breakfast Establishment; subject to the Bed and Breakfast Establishment Regulations Private Recreation
Industrial Use Types*	Cottage Industry; subject to the Cottage Industry Regulations
Agricultural Use Types	Stables and Kennels Intensive Agriculture

313-6.4	RA: Rural Residential Agriculture
Commercial Timber Use Type	Timber Production
Extractive Use Type	Surface Mining - 2; subject to the Surface Mining Regulations
Natural Resource Use Types	Fish and Wildlife Management Watershed Management Wetland Restoration Coastal Access Facilities
Use Types Not Listed in This Table**	Any use not specifically enumerated in this Division, if it is similar to and compatible with the uses permitted in the RA zone.

* See, Industrial Performance Standards, Section [313-103.1](#).

** See, "Classifying Uses Not Specifically Mentioned in Use Type Descriptions," Section [313-165](#).

(Former Section CZ#A313-17(A-C); amended by Ord. [1853](#), 12/20/88, amended by Ord. [2167](#), Sec. 16, 4/7/98, amended by Ord. [2367A](#), 7/25/06)

...

313-44

44.1 BED AND BREAKFAST ESTABLISHMENTS

~~44.1.1 **Purpose.** The purpose of these regulations is to establish standards to ensure compatibility of these commercial lodging establishments with the residential character of the surrounding neighborhoods. (Former Section CZ#A314-4(A))~~

~~44.1.2 **Applicability.** These regulations shall apply in all zones in which the Bed and Breakfast use type is permitted. (Former Section CZ#A314-4(B))~~

~~44.1.3 **Occupancy Standards.** A maximum of four (4) guest bedrooms or eight (8) guests at one time shall be provided by a Bed and Breakfast Establishment. The owner/operator shall reside on the premises. The~~

calculation of total permitted guest rooms shall include any rooms used for rooming or boarding. The guest rooms shall not include kitchen facilities. (Former Section CZ#A314-4(C))

~~44.1.4 **Provision of Meals for Guests.** Meals shall not be provided to other than guests of the establishment. (Former Section CZ#A314-4(D))~~

~~44.1.5 **Signs.** One sign is permitted advertising the Bed and Breakfast establishment. Notwithstanding any other provision of this Code, such sign shall not exceed four square feet (4sf) in the aggregate, shall be non-moving, and shall have, if any, only illumination which is indirect and non-flashing and shielded to prevent illumination off-site. (Former Section CZ#A314-4(E))~~

~~44.1.6 **Required Findings.** A Bed and Breakfast Establishment may be approved only if the applicable Commercial Use findings Chapter 2: Procedures, Supplemental Findings ([312-2.19](#)), are made. (Former Section CZ#A314-4(F))~~

...

313-50.1.4 **Exclusions.** The following activities shall not in any case qualify as a “home occupation:” (Former Section CZ#A314-17(D)(13))

50.1.4.1 Teaching of organized classes totaling more than six (6) persons at one time. (The total number is applicable to the aggregate of all home occupations in the dwelling if more than one (1) home occupation exists); (Former Section CZ#A314-17(D)(1))

50.1.4.2 ~~Bed and Breakfast Inns; (Former Section CZ#A314-17(D)(2))~~ Short-term Rentals;

50.1.4.3 Care, treatment, boarding or breeding of animals for profit; (Former Section CZ#A314-17(D)(3))

50.1.4.4 Operation of a barbershop; (Former Section CZ#A314-17(D)(4))

50.1.4.5 Operation of food handling, processing or packing; (Former Section CZ#A314-17(D)(5))

50.1.4.6 Operation of an eating or drinking establishment or licensed premises; (Former Section CZ#A314-17(D)(6))

50.1.4.7 Operation of an antique shop or similar retail use; (Former Section CZ#A314-17(D)(7))

50.1.4.8 Operation of hospitals or sanitariums; (Former Section CZ#A314-17(D)(8))

50.1.4.9 Auto or other motor vehicle repair shop, junk or secondhand merchandise yard storage. (Former Section CZ#A314-17(D)(9))

...

~~313-55.4.10.6 **Cannabis Bed and Breakfast Use.** Cannabis bed and breakfasts may be permitted in conjunction with a cannabis cultivation permit on RA-zoned properties in conformance with the public accommodation performance standards with a coastal development permit and a use permit when~~

~~meeting all the requirements specified in Section [313-44.1](#) applicable to bed and breakfast establishments.~~ **Cannabis Farm Stays.** Cannabis farm stays may be permitted in conjunction with a cannabis cultivation permit on properties in conformance with the public accommodation performance standards in Section 313-61.05 of the Zoning Ordinance (“Short-term Rentals”).

...

313-137 Definitions (B)

~~**Bed and Breakfast Establishments:** (See, Commercial Use Types in Section D: Use Types.)~~

313-138 Definitions (C).

Cannabis Farm Stay. See, Farm Stay

...

313-141 DEFINITIONS (F).

Farm Stay. Farm stays are a form of Short-term Rental that provides activities and experiences that educate guests about local agriculture and are located on parcels where the primary use of the land is agriculture.

...

313-143 Definitions (H)

Home-share Rental. Short-term Rental of a portion of a dwelling unit where the caretaker remains in residence.

...

313-154 DEFINITIONS (S).

Short-term Rental. Permitted or legal non-conforming dwelling units, rented to guests for 30 consecutive days or fewer.

Short-term Rental Caretaker. The person or persons that lives in the subject dwelling unit attends to day-to-day operations associated with the maintenance of the Short-term Rental and who is the point of contact for neighborhood concerns.

Short-term Rental Permit Holder (“Permit Holder”). The person or persons that has control and responsibility for the Short-term Rental of a dwelling unit and that is responsible for ensuring compliance with all applicable laws and regulations.

...

163.1.3 Commercial Use Types. Automotive Sales, Service and Repair

Bed and Breakfast Establishment

Coastal-Dependent Commercial Recreation

Commercial Recreation

Heavy Commercial

Neighborhood Commercial

Office and Professional Service

Private Institution

Private Recreation

Recreational Vehicle Park

Retail Sales

Retail Service

Transient Habitation

Visitor Serving Facilities

Warehousing, Storage and Distribution (Former Section CZ#A313-2(C))

...

~~172.2 BED AND BREAKFAST ESTABLISHMENT~~

~~172.2.1 The Bed and Breakfast Establishment Use Type refers to a residential structure with one family in permanent residence where a maximum of four (4) bedrooms without individual cooking facilities are rented for overnight lodging, and where at least one meal daily is provided. (Former Section CZ#A313-7(K))~~

~~172.2.2 This use type does not include "hotels and motels" which are included in the Transient Habitation Use Type; nor does this use type include rooming and boarding houses which are included under the Group Residential Use Type. (Former Section CZ#A313-7(K))~~

...

172.18 VISITOR SERVING FACILITIES

The Visitor Serving Facilities Use Type includes public and private developments that provide accommodations, food and services for tourists, including, for example, transient habitation facilities, hotels, motels, tent camps, restaurants, vacation home rentals, and commercial-recreation developments such as art galleries, antique shops, curio shops, eating and amusement areas. (Former Section CZ#A313-7(L); Amended by Ord. [2153](#), Sec. 2, 12/9/97; Amended by Ord. [2167](#), Sec. 7, 4/7/98)

...

177.10 MULTI FAMILY RESIDENTIAL

The Multi Family Residential Use Type includes the residential occupancy of a duplex, or multiple main building or buildings by individuals or families on a non-transient basis and accessory uses necessarily and customarily associated with residential use. The specific types of multi-family uses allowed on a lot are specified in the Zoning Designations contained in this Chapter 3, Section A: Regulations for Zoning Districts. (Former Section CZ#A313-5(C))

177.14 SINGLE FAMILY RESIDENTIAL

The Single Family Residential Use Type includes the residential occupancy of a single detached main building by one family on a non-transient basis, ~~except for rental of single family dwellings as vacation homes, where the use would not be otherwise different than the uses allowed to be made of single family dwellings. (See also, Vacation Home Rental)~~ and accessory uses necessarily and customarily associated with residential use. (Former Section CZ#A313-5(B))

Resolutions of the Planning Commission of the County of Humboldt
Making Findings Pursuant to CEQA and Recommending that the
Draft Short-term Rental Ordinance(s) for both Inland and Coastal Jurisdictions be Adopted by the
Humboldt County Board of Supervisors

**RESOLUTION OF THE PLANNING COMMISSION
OF THE COUNTY OF HUMBOLDT**

Resolution Number 23-_____

Record Number PLN-2023-18254

Recommending that the Board of Supervisors make the required findings to adopt the Coastal version of the Short-term Rental Ordinance. The Coastal Short-term Rental Ordinance is still subject to certification from the California Coastal Commission before becoming an effective amendment.

WHEREAS, California Government Code Section 65850, et seq. authorizes counties to regulate land use, and to adopt and amend general plans and zoning and building ordinances for such purposes, and sets forth procedures governing the adoption and amendment of such ordinances; and

WHEREAS, the Humboldt County Planning Commission held a Public Workshop on September 21, 2023, deliberating and clarifying regulatory standards within the Short-term Rental Ordinance draft, and continuing the Public Workshop to October 5, 2023, for further deliberations; and

WHEREAS, the Humboldt County Planning Commission held a Public Workshop on October 5, 2023, recommending that Staff incorporate alternatives and revisions within the draft ordinance on a basis of deliberations of the Commission and public comment received, and make recommendation to the Board of Supervisors at a Planning Commission hearing on October 26, 2023 ; and

WHEREAS, on Wednesday, October 11, 2023 the Planning Division caused to be published in the Eureka Times-Standard, a newspaper of general circulation in Humboldt County, a Notice of Public Hearing on the proposed zoning amendments regarding Short-term Rentals; and

WHEREAS, pursuant to Sections 21080.5 and 21080.9 of the Public Resources Code and Sections 15250, 15251(f) and 15265 of the CEQA Guidelines, CEQA does not apply to the activities of a local government for the preparation and adoption of a Local Coastal Program. The certification of a Local Coastal Program Amendment by the California Coastal Commission is exempt from the requirement for preparation of EIRs, Negative Declarations, and Initial Studies because their process for environmental review has been certified by the Secretary of Resources as being the functional equivalent of the process required by CEQA; and

WHEREAS, the proposed LCP Amendment was developed to achieve consistency with the requirements of Government Code Section 65852.2, to meet the needs of County residents as determined through workshops and comments, and to incorporate recommendations of the California Coastal Commission through the upcoming LCP Amendment application process; and

WHEREAS, the Humboldt County Planning Commission held a public hearing on the modified Coastal Short-term Rental Ordinance on October 26, 2023, to receive a report and any supplements to the report on the draft amendments, as well as evidence and testimony; and

WHEREAS, the Humboldt County Planning Commission held a public hearing on the modified

Coastal Short-term Rental Ordinance on October 26, 2023, and made a recommendation to the Board of Supervisors to adopt the proposed draft Coastal Short-term Rental Ordinance; and

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission makes all the following findings:

REQUIRED FINDINGS OF APPROVAL

I. Required Findings of Approval:

CONSISTENCY WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA).			
1.	FINDING:		The proposed zoning amendment is exempt from environmental review.
	EVIDENCE:	a)	The ordinance is exempt from environmental review under §15301 (Existing Facilities) and §15061(b)(3) of the State CEQA Guidelines.
		b)	The ordinance will allow for the regulation of transient occupancy within existing permitted residential structures for the operation of Short-term Rentals. There is no development or ground disturbance associated with the approval of this regulatory pathway.
		c)	Public Resources Code Section 21080.5 and 21080.9 and Sections 15250, 15251(f) and 15265 of the CEQA Guidelines identify that CEQA does not apply to the activities of a local government for the preparation and adoption of a Local Coastal Program, and therefore the County adoption of the LCP Amendment is statutorily exempt from environmental review. Approval of the LCP Amendment by the California Coastal Commission is the functional equivalent of the environmental review process required by CEQA and is still pending for PLN-2023-18254.
PUBLIC INTEREST.			
2.	FINDING:		Humboldt County Code Section 312-50.3.1, the Humboldt County General Plan, and state General Plan Law stipulate that amendments to the zoning code must be in the public interest. The proposed amendment is in the public interest.
	EVIDENCE:	a)	The purpose and intent of this Short-term Rental Ordinance is to create a pathway for the legal operation of Short-term Rentals while protecting the public health, safety, and welfare of the residents of the unincorporated areas of Humboldt County.
		b)	The intent of the ordinance is to create regulation which protects permanent housing stock, neighborhood quality, and provides economic opportunity for residents; all of which is in the public's interest.
		b)	Amendments to the Coastal Zoning regulations (1) update terminology; (2) regulate Short-term Rentals as allowable uses within Humboldt County; and (3) maintain integrity of residential zoning districts while

			allowing a pathway forward for economic opportunity; therefore, this amendment is in the public interest.
CONSISTENCY WITH THE GENERAL PLAN.			
3.	FINDING:		Humboldt County Code Section 312-50.3.2 states that amendments to the Zoning Code must be consistent with the General Plan. The proposed Coastal Short-term Rental Ordinance is consistent with the General Plan.
	EVIDENCE:	a)	The Coastal Short-term Rental Ordinance allows for transient occupancy within residential General Plan designations and does not change development standards, density, or design standards within any of the designations where use is allowed, making the ordinance consistent with the General Plan.
		b)	The proposed amendments do not impact coastal resources because there is no development associated with allowing the use of existing permitted residences and is therefore consistent with the policies of the General Plan.
CONSISTENCY WITH THE COASTAL ACT.			
4.	FINDING:		If the proposed changes to the Zoning Ordinance include a Local Coastal Plan Amendment, Section 312-50.3.3 requires that the amendment is in conformity with the policies of Chapter 3 (commencing with Section 30200) of the Coastal Act. Chapter 3 of the Coastal Act sets forth policies regarding the following issues: a) Access (including provisions for access with new development projects, public facilities, lower cost visitor facilities, and public access) b) Recreation (including protection of water-oriented activities, ocean-front land protection for recreational uses, aquacultural uses, and priority of development purposes) c) Marine Resources (including protecting biological productivity, prevent hazardous waste spills, diking, filling and dredging, fishing, revetments and breakwaters, and water supply and flood control) d) Land Resources (including environmentally sensitive habitats, agricultural lands, timberlands, and archaeological resources) e) Development (including scenic resources, public works facilities, safety, and priority of coastal dependent developments) f) Industrial Development (including location and expansion, use of tanker facilities, oil and gas development and transport (both onshore and off), and power plants) The proposed changes to the zoning code conform to the policies of Chapter 3 (commencing with Section 30200) of the Coastal Act.

	EVIDENCE:	a)	Access (including provisions for access with new development projects, public facilities, lower cost visitor facilities, and public access). The amendment allows transient occupancy within permitted residences located within the Coastal Zone. There is no development associated with the allowance of this use and will likely further encourage use of and exploration of our local coastline because there will be more options for people to lodge within our local coastal jurisdiction. The proposed amendment will not impact coastal access.
		b)	Recreation (including protection of water-oriented activities, ocean-front land protection for recreational uses, aqua-cultural uses, and priority of development purposes) The amendment allows for the use of existing permitted residential structures and will protect existing lower cost visitor-serving facilities by providing alternate housing for visitors or seasonal workers in the coastal zone. Short-term Rentals prevent conversion of potential recreational properties to housing because the amendment does not promote development for this use and enforces a cap limit for the number of Short-term Rentals permissible within Humboldt County. The current unregulated market of Short-term Rentals accounts for roughly 1.66% of the current housing market in Humboldt County. The cap will discourage new construction of residences for Short-term Rentals because the cap is set at 2%, meaning that the existing market will likely saturate Short-term Rental approvals, if adopted. Diversifying transient occupancy will likely encourage further coastal recreation by promoting additional lodging options for those passing through, working, and visiting the Humboldt Bay area. This amendment and its allowances will not impact water-oriented activities, ocean- front land protection for recreational uses, aquacultural uses, or priority of development. The proposed amendment will not negatively impact coastal recreation.
		c)	Marine Resources (including protecting biological productivity, prevent hazardous waste spills, diking, filling and dredging, fishing, revetments and breakwaters, and water supply and flood control) The amendment allows transient occupancy within permitted residences located in residential zoning districts within the Coastal Zone. There is no development associated with the allowance of this use, therefore there will be no impacts to Marine Resources; including biological productivity, hazardous waste spills, diking, filling and dredging, fishing, revetments and breakwaters, and water supply and flood control. The proposed amendment will not negatively impact marine resources.

		d) Land Resources (including environmentally sensitive habitats, agricultural lands, timberlands, and archaeological resources) The amendment protects agricultural land and timberland because it does not encourage additional residential development and requires that Short-term Rental within natural resource lands such as Agriculture Exclusive (AE), Agriculture general Zone (AG), Forestry Recreation Zone (FR) and Timberland Production Zone (TPZ), where agriculture is either principally allowed or conditionally allowed, be permitted as Farm Stays. <i>Farm Stays are a form of Short-term Rental that provides activities and experiences that educate guests about local agriculture and are located on parcels where primary use of land is agriculture.</i> Impacts to cultural and tribal cultural resources and impacts to environmentally sensitive habitat areas are not anticipated and are protected because the permitting of a use within existing residential structures does not constitute development or ground disturbance. The proposed amendment will not negatively impact coastal land resources.
		e) Development (including scenic resources, public works facilities, safety, and priority of coastal dependent developments) The amendment is consistent with development policies of the Coastal Act and does not encourage development. The use of Short-term Rentals would only be permissible within existing permitted structures on residentially zoned property unless permitted through a Farm Stay. Permitted residential structures have already been reviewed for structural integrity by the Planning and Building Department. As a part of this process, water and wastewater are analyzed and permitted through the Department of Environmental Health. Water and wastewater requirements are required ancillary to a residence for a building permit to be issued from the Planning and Building Department. There are no impacts associated with public works facilities. Short-term Rental are only permitted on roadways meeting a minimum of Category 3 standard (sixteen feet in width) as determined by the Planning Commission. Traffic as a result of the use of Short-term Rentals is not anticipated to be anymore than that which public roadways already support and have a capacity to serve. Short-term Rentals are not permissible within coastal dependent zones and therefore will not impact coastal dependent development. The proposed amendment will not negatively impact coastal development.

		f)	Industrial Development (including location and expansion, use of tanker facilities, oil and gas development and transport (both onshore and off), and power plants. Short-term Rentals are not permissible within industrial coastal dependent zones. By definition, this precludes areas with industrial development including location and expansion, use of tanker facilities, oil and gas development and transport (both onshore and off), and power plants. Therefore, the proposed amendment will not negatively impact coastal industrial development.
CONSISTENCY WITH STATE PLANNING LAW.			
4.	FINDING:		Humboldt County Code Section 312-50.3.4 requires any proposed amendment must not reduce the residential density for any parcel below that utilized by the Department of Housing and Community Development in determining compliance with housing element law, unless specific findings are made. The proposed amendment does not limit the number of housing units which may be constructed on an annual basis.
	EVIDENCE:	a)	The Short-term Rental Ordinance does not reduce residential density for any parcel utilized by the Department of Housing and Community Development in determining compliance with housing element law. The allowance of this use will not alter residential density of parcels within Humboldt County.

BE IT FURTHER RESOLVED that for the purposes of the proposed Coastal Short-term Rental Regulations, minor changes that 1) do not substantially affect the goals, policies, standards or implementation measures, 2) are reasonably based on credible information that is readily accessible to the public, and 3) respond to comments from Responsible or Trustee public agencies, shall not be considered substantial changes requiring further review by the Planning Commission.

BE IT FURTHER RESOLVED that the Planning Commission recommends that the Board of Supervisors of the County of Humboldt:

1. Hold a public hearing in the manner prescribed by law.
2. Adopt the required findings prepared by Planning Staff.
3. Adopt the Planning Commission recommended Coastal Short-term Rental Regulations.
4. Find that the proposed amendments to the Coastal Zoning Regulations conform to the policies contained in Chapter 3 of the Coastal Act, and further finds that the proposed Zoning Regulations will be carried out in accordance with the Coastal Act.

The foregoing Resolution is hereby passed and adopted after review and consideration of all the evidence on October 26, 2023.

The motion was made by _____ and seconded by _____ and the following
ROLL CALL vote:

AYES: Commissioners:

NOES: Commissioners:

ABSTAIN: Commissioners:

ABSENT: Commissioners:

DECISION:

I, John Ford, Secretary to the Planning Commission of the County of Humboldt, do hereby certify the foregoing to be a true and correct record of the action taken on the above-entitled matter by said Commission at a meeting held on the date noted above.

John H. Ford
Director, Planning and Building Department

**RESOLUTION OF THE PLANNING COMMISSION
OF THE COUNTY OF HUMBOLDT**

Resolution Number 23-_____

Record Number PLN-2022-17963

Recommending that the Board of Supervisors make the required findings to adopt the Inland version of the Short-term Rental Ordinance.

WHEREAS, California Government Code Section 65850, et seq. authorizes counties to regulate land use, and to adopt and amend general plans and zoning and building ordinances for such purposes, and sets forth procedures governing the adoption and amendment of such ordinances; and

WHEREAS, the Humboldt County Planning Commission held a Public Workshop on September 21, 2023, deliberating and clarifying regulatory standards within the Short-term Rental Ordinance draft, and continuing the Public Workshop to October 5, 2023 for further deliberations; and

WHEREAS, the Humboldt County Planning Commission held a Public Workshop on October 5, 2023, recommending that Staff incorporate alternatives and revisions within the draft ordinance on a basis of deliberations of the Commission and public comment received, and make recommendation to the Board of Supervisors at a Planning Commission hearing on October 26, 2023 ; and

WHEREAS, on Wednesday, October 11, 2023 the Planning Division caused to be published in the Eureka Times-Standard, a newspaper of general circulation in Humboldt County, a Notice of Public Hearing on the proposed zoning amendments regarding Short-term Rentals; and

WHEREAS, the Humboldt County Planning Commission held a public hearing on the modified Coastal Short-term Rental Ordinance on October 26, 2023, to receive a report and any supplements to the report on the draft amendments, as well as evidence and testimony; and

WHEREAS, the Humboldt County Planning Commission held a public hearing on the modified Coastal Short-term Rental Ordinance on October 26, 2023, and made a recommendation to the Board of Supervisors to adopt the proposed draft Coastal Short-term Rental Ordinance; and

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission makes all the following findings:

REQUIRED FINDINGS OF APPROVAL

I. Required Findings of Approval:

CONSISTENCY WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA).			
1.	FINDING:		The proposed zoning amendment is exempt from environmental review.

	EVIDENCE:	a)	The ordinance is exempt from environmental review under §15301 (Existing Facilities) and §15061(b)(3) of the State CEQA Guidelines.
		b)	The ordinance will allow for the regulation of transient occupancy within existing permitted residential structures for the operation of Short-term Rentals. There is no development or ground disturbance associated with the approval of this regulatory pathway.
PUBLIC INTEREST.			
2.	FINDING:		Humboldt County Code Section 312-50.3.1, the Humboldt County General Plan, and state General Plan Law stipulate that amendments to the zoning code must be in the public interest. The proposed amendment is in the public interest.
	EVIDENCE:	a)	The purpose and intent of this Short-term Rental Ordinance is to create a pathway for the legal operation of Short-term Rentals while protecting the public health, safety, and welfare of the residents of the unincorporated areas of Humboldt County.
		b)	The intent of the ordinance is to create regulation which protects permanent housing stock, neighborhood quality, and provides economic opportunity for residents; all of which is in the public's interest.
		b)	Amendments to the Zoning regulations (1) update terminology; (2) regulate Short-term Rentals as allowable uses within Humboldt County; and (3) maintain integrity of residential zoning districts while allowing a pathway forward for economic opportunity; therefore, this amendment is in the public interest.
CONSISTENCY WITH THE GENERAL PLAN.			
3.	FINDING:		Humboldt County Code Section 312-50.3.2 states that amendments to the Zoning Code must be consistent with the General Plan. The proposed Inland Short-term Rental Ordinance is consistent with the General Plan.
	EVIDENCE:	a)	The Short-term Rental Ordinance allows for transient occupancy within residential General Plan designations and does not change development standards, density, or design standards within any of the designations where use is allowed, making the ordinance consistent with the General Plan.
		b)	The proposed amendments do not impact natural resources or sensitive communities because there is no development associated with allowing the use of existing residential structures and is therefore consistent with the policies of the General Plan.

CONSISTENCY WITH STATE PLANNING LAW.			
4.	FINDING:		Humboldt County Code Section 312-50.3.4 requires any proposed amendment must not reduce the residential density for any parcel below that utilized by the Department of Housing and Community Development in determining compliance with housing element law, unless specific findings are made. The proposed amendment does not limit the number of housing units which may be constructed on an annual basis.
	EVIDENCE:	a)	The Short-term Rental Ordinance does not reduce residential density for any parcel utilized by the Department of Housing and Community Development in determining compliance with housing element law. The allowance of this use will not alter residential density of parcels within Humboldt County.

BE IT FURTHER RESOLVED that for the purposes of the proposed Short-term Rental Regulations, minor changes that 1) do not substantially affect the goals, policies, standards or implementation measures, 2) are reasonably based on credible information that is readily accessible to the public, and 3) respond to comments from Responsible or Trustee public agencies, shall not be considered substantial changes requiring further review by the Planning Commission.

BE IT FURTHER RESOLVED that the Planning Commission recommends that the Board of Supervisors of the County of Humboldt:

5. Hold a public hearing in the manner prescribed by law.
6. Adopt the required findings prepared by Planning Staff.
7. Adopt the Planning Commission recommended Short-term Rental Regulations.

The foregoing Resolution is hereby passed and adopted after review and consideration of all the evidence on October 26, 2023.

The motion was made by _____ and seconded by _____ and the following ROLL CALL vote:

AYES: Commissioners:

NOES: Commissioners:

ABSTAIN: Commissioners:

ABSENT: Commissioners:

DECISION:

I, John Ford, Secretary to the Planning Commission of the County of Humboldt, do hereby certify the foregoing to be a true and correct record of the action taken on the above-entitled matter by said

Commission at a meeting held on the date noted above.

John H. Ford
Director, Planning and Building Department

From: [Mary Freiberg](#)
To: [Planning Clerk](#)
Subject: STR Ordinance Topics for Consideration
Date: Thursday, October 05, 2023 9:19:15 PM

Caution: This email was sent from an EXTERNAL source. Please take care when clicking links or opening attachments.

Dear Commissioners,

Thank you for your time reviewing the proposed STR ordinance. I have included questions and comments from the ordinance and the 10/5 meeting. Thank you.

One topics I have not heard discussed :

- Will there be a wait list for permits while the percentage remains above the cap so that if the inventory drops below 2% the next on the list will be notified/issued?
- Are there any STR's that are only seasonal or only rented so many nights per year? If so, could those be culled into a separate category so that those who rent more than seasonal or X number of nights per year could still qualify for a permit.
- The impact of revenue to the county and spent in the county by reducing the STR to 2% vs vacant/long term rentals.

Comments:

Private Gatherings and Parties: On the 10/5 call someone brought up people renting nearby STRs and gathering at one specific STR. This has happened to me with weddings in Shelter Cove. Our house tends to be the gathering spot. We put wording into our rental agreement that the count of persons at any point should never exceed the guest count on the rental agreement. It's very very hard to control. We have had a local fisherman rent our house and then numerous local Shelter Cove residents gathered at our house to "see what he caught" while drinking and hanging out. It cause my property manager a lot of grief from the local residents.

Thank you Sara West for recognizing those of us who play by the rules and pay our TOT.

Regarding the STR Ordinance of Coastal Zone:

While listening to your 10/5/23 meeting, it does appear items discussed in the Inland version are different than Coastal. My comments are based on the Coast version.

60.05.5 Existing Operations:

With the permitting process for existing operators, many of us take reservations 6 to 12 months in advance. From what I've seen and read, it appears we would be in violation of the ordinance once it has passed if we have reservations arriving prior to the permit being issued. I would ask that the commission please do not impose any hardship to not only ourselves but our guests during the permitting process. If we have to cease and cancel all reservations while awaiting permit approval, this will gravely impact our business and reputation. And most likely force people to continue illegally if faced with canceling reservations.

I would also request a future date for permit requirements so that all existing operators may plan ahead for reservations after that date so we may obtain our permits and any required inspections and community communications without interruption to our reservation calendar and guests.

61.05.10.3.2; A Good Neighbor Guide:

- Does this notice go to the physical property or the mailing address listed on county records- which could be in a different city/state?
- Does this include vacant lots?
- If the property is owned by the county, BLM, RID, etc do I send a notice to these types of entities?
- In what manner shall notice be given USPS mail, verbal, hand deliver, email?
 - Do I need to show proof of delivery or mailing? Certified mail?
- Does the county have a service to assist with this requirement such as notices of intent to build?

61.05.10.2.2 Non-Transferable:

Please consider a temporary transfer of permit upon ownership change. My home is a second home, inherited from my Dad, that I (and he before me) also rented as a STR. The income from the STR allowed/allows me to pay all taxes, incredibly high insurance costs, Maintenance, repairs and even some improvements. None of this I could afford without the income from the STR. Especially in Shelter Cove where there seems to be a mark up on any kind of repair and Maintenance needed. Having an option to transfer the STR permit if I were to sell the house, would allow me to continue to earn income up to the sale of my home AND not cause heartache on future guests who have existing reservations after the sale date, assuming the new owner agrees to honor those reservations. For me, I'm caught in needing the income and not wanting to ruin someone's vacation by having to cancel their reservation. I wouldn't want it to happen to me out of the blue, especially if I've bought airfare, etc. A temporary transfer of at least 3 months would allow income to the owner and not ruin someones vacation.

I do support the family transfer option, even if transfer on sale of property is not permitted.

6.05.6.3 Conditional Use Permit Required:

Does this apply to Shelter Cove Tsunami Hazard Zone?

60.05.7 Permit Term for Short Term Rentals:

Please consider most recent TOT remittance along with the owners statement of continued operation.

Is this something the owner will need to remember to submit within a timeframe of the permit expiration, or will county send the form with the TOT form?

61.05.10.2 Short-term Rental Permit Limitations:

Does this not apply to Shelter Cove?

61.05.10.3.2; F Noise:

This is just a comment. Shelter Cove lots are so small that conversations carry across our small lots easily. My next door neighbor likes to drink and talk loudly to his buddies. He's 20' away and we hear him inside with the doors closed tightly. My neighbor two doors down regularly plays their music loud. It's annoying, but when they're only 40' away, we suck it up. When Supervisor Bushnell has a gathering at her families Shelter Cove home - about 500ft from us, we hear them when they gather. For those of us in Shelter Cove on postage stamp lots, a loud laugh could trigger the noise decibel meeter to peg. I'm not suggesting it shouldn't be included, just commenting in some areas it's very subjective of what is too noisy and that it is hard to control.

With respect,
Mary Freiberg
Owner - Seadance on the Lost Coast
Seadance.net
775-690-3635
mfreiberg@seadance.net

From: [Nicole Garoutte](#)
To: [Planning Clerk](#)
Subject: STR
Date: Thursday, October 05, 2023 5:31:43 PM

Caution: This email was sent from an EXTERNAL source. Please take care when clicking links or opening attachments.

Hello,

Please see my comments below in regards to the latest draft STR ordinance

STR Remove Housing Stock for the community. It is proven that short-term rentals take away opportunities for community members to purchase starter homes and find affordable rentals which has a rippling effect in the fabric of our community and our local economy. If our workforce can't afford to live close by, it means more money and time is being spent commuting, and our neighborhoods become devoid of community.

STR are not being regulated appropriately to prevent "mom-and-pop" hotel chains from developing. The latest text includes

"61.05.10.2.3 Per Person Limit. An individual or business shall not own more than five (5) parcels with Short-term Rental permits."

This would allow property owners five individual homes to rent out as short term rentals. I believe this is far too great of a number and should be reduced to 1 or 0. The regulations make no designation on the limit when compared in family trusts, organizations owned by the same entity or individual and leaves a loophole open for larger STR owners to divide holdings between different companies to continue to operate large numbers of STRs. Cumulatively, the number of STRs in our county represent:

381 active listings in Eureka, average **annual revenue of \$43.3K per rental**
317 active listings in Arcata, average **annual revenue of \$41.4K per rental**
192 active listings in Trinidad, average **annual revenue of \$82.9K per rental**
197 active listings in McKinleyville, average **annual revenue of \$54.5K per rental**

(data from AirDNA.co)

This represents a total of **1087 homes that could re-enter the market as long term rentals or homes for first time homebuyers.**

I support an ordinance that only allows for "Home-share" STR and would eliminate 61.05.10 Short-term Rentals defined as entire homes without a caretaker or resident. This would open hundreds if not thousands of homes up to first time home buyers and long-term renters in our community who currently need homes or are seeking upward home mobility.

If Short term rentals are continued to be regulated, I support additional STR permit fees and additional taxes should be levied to support a housing trust fund

to directly support community members including: rental assistance, first-time home buyers and tax benefits for STR owners who voluntarily convert their STR into long-term rentals or sell their STR properties.

61.05.5 Existing Operations. No permits for whole dwelling unit Short-term Rentals shall be issued during the first two (2) months following the effective date of this section but applications from individuals operating existing short-term rentals will be received. Two months after the effective date of this ordinance the department will issue permits prioritizing applications for locations with existing Short-term Rentals. An existing Short-term Rental shall be determined based on evidence of operation from January 2022 through May of 2023. If the number of permits issued for existing Short-term Rentals exceeds the cap identified in §60.05.10.2.1, then no permits will be issued for new Short-term Rentals until the number of permitted Short-term Rentals in the County falls below the cap.

This text would cause a huge rush in new UNREGULATED STR to enter the market in order for their application to be considered. This is because the current cap set for STRs is below the current number of STRs in existence

>> Looking at other areas of the nation and world that have dealt with the issues of STRs, it is in our best interest as a community to eliminate STRs entirely. Short of that, no preferences should be made for existing short term rentals and we should seek to limit the number of short term rentals as much as possible in order to **increase the amount of housing stock available to our community for first time home buyers and for long term rentals to re-enter the market.**

Thank you for your consideration.

Nicole Garoutte
Eureka Resident

To: Humboldt County Planning Commission

Date: Wednesday, October 4, 2023

From: Midori Fulk, P.O. Box 174, Trinidad, CA 95570

Re: Draft STR Ordinance - Planning Commission Workshop 10/05/2023

As a career short-term rental property manager in Humboldt County since 2013, I understand the benefits and the impacts STR's have in the community. As a service worker, not an STR homeowner, I do want to share some understanding of how we operate, as I do understand that the subject of STR vs LTR is not black and white.

STR's in the unincorporated coastal zones serve several important purposes and offer numerous benefits to the Humboldt county economy and community

Example of STR needs:

- Local displaced month to month (29 days or less) who want a furnished rental who do not need LTR contract ie. Someone needing to vacate their home during a remodel or medical care, or care of a family member.
- Professors/Professionals
- Construction workers, PG&E, Fire fighters, etc.
- Traveling Nurses and Doctors
- And many other combinations of needs outside of vacationers.

I do believe there is a segment of the local economy that STRs support, outside of tourism, strengthening our local economy, that needs mention and recognition.

We are able to improve the economic lives of local residents pursuing affordable housing. Maintaining STR's at a premium standard of cleanliness, operability and safety employs a wide range of people and services. Our management team employs 36 local residents as employees at premium pay, with benefits.

The high standards of Short term rentals requires the utmost quality and safety on a regular, routine basis. As a result, our homes continuously employ electricians, plumbers, landscapers/groundskeepers, hot tub/pool service providers, routine chimney services, routine appliance care, HVAC service, and many other tradespersons on a regular basis. The expectation of STRs is so high that it can improve the quality of a given neighborhood with its constant upkeep.

I participated directly in the City of Trinidad's STR ordinance development, and supported the City's authority to develop regulations creating standards that provide safe, responsive, and orderly operation of the industry in the community.

For the Unincorporated County zones, I support the following:

- Creating a permitting pathway for STR's.
- An effort to create balance and potentially freeing up housing stock.
- Regulations help create clarity and consistency for everyone.
- 2% CAP, 98% Housing Stock ratio.
- No ADU's built after January 1 2020 and no AOBs permitted to be used as STR's.
- No permit transferability between property owners.
- The good neighbor guide, occupancy, noise, parking and gathering rules. These have worked well in our incorporated areas and I do fee are enough to help safeguard neighborhoods against complaints. The stronger the Agreement with guests in the community, the more positive the results have been.

I suggest the following criteria be eliminated or revised:

- Neighborhood Concentration. Given that the current concentrations are currently operating, the restrictions on ADU's and AOB's which will likely eliminate a large number of existing STRs plus all of the existing unpermitted buildings that will not qualify neighborhood concentration will be reduced. Much like the City of Trinidad, reduction of STR's in neighborhoods will also happen overtime with attrition and as STR permit holders sell their homes. Being that concentrations already exist, there is no need to break them up, thus creating an interruption in already existing business. Many people book homes in advance and we do not want to displace anyone.

Eliminate the Special Permit process for pre-existing rentals (minus ADU, AOB and homes that have not been in good standing such as complaints or not paying TOT). Allow the current inventory to be grandfathered in given the completion of the Administration Permit and any NEW STRs into a concentration go through the Special permit process.

I recommend the following modifications be made to the draft ordinance (revised/additions underlined):

D. Neighborhood Concentration. Each NEW Short-term Rental may not exceed the following neighborhood concentration limitations, except within the Shelter

Cove Community Plan Area where this standard does not apply, and EXCEPT FOR ALL EXISTING SHORT-TERM RENTALS DETERMINED TO BE IN GOOD STANDING WITH THE COUNTY, BASED ON EVIDENCE OF OPERATION FROM JANUARY 2022 THROUGH MAY OF 2023, CONTINGENT UPON ISSUANCE OF ANY DISCRETIONARY PERMITS THAT MAY BE APPLICABLE.

Considering this language will relieve many concerned, existing STR homeowners of their good-standing fate being placed in the hands of a single staff member, and make everyone's job a little bit easier.

Amend the "gathering" section to reduce the # of people allowed from 20 to No outside visitors permitted or no greater number of visitors than the occupants. From a vacation management perspective, allowing 20 people at a home is essentially "a party/gathering" and the number of cars/noise this will result in will create too much impact on the neighborhood. From my experience, vacationers arrive, go sightseeing, return to sleep, then leave. We do not want to open the door of vacation homes being rented for the purpose of events/gatherings.

The occupancy and parking restrictions are enough to reduce impact and traffic in neighborhoods. Reiterate, STRs should not be rented for those seeking a place to host an event.

The Coastal Commission considers such resources as assets that provide people who may not otherwise have the opportunity to experience the ocean in such a personal way. Without sufficient visitor-serving overnight accommodations in the area, these resources are true assets and should be recognized as such.

I appreciate you taking the time to review and read my letter. I welcome the opportunity for further conversation and/or elaboration on any included topics or from an Industry perspective and/or how we handle neighborhood concerns. I thank you for your service to the residents of Humboldt County.

Midori Fulk

PO Box 174

Trinidad, CA 95570

midorifulk@gmail.com

McClenagan, Laura

Subject: [Shared Post] Telluride readies \$857 per-bedroom "regulatory fee" on short-term rentals as replacement for moratorium

From: Chip Tittmann <chip.tittmann@gmail.com>

Sent: Wednesday, October 11, 2023 1:43 PM

To: chip.tittman@gmail.com

Subject: [Shared Post] Telluride readies \$857 per-bedroom "regulatory fee" on short-term rentals as replacement for moratorium

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<https://coloradosun.com/2023/10/10/telluride-regulatory-fee-short-term-rentals/>

More ideas of how other municipalities are dealing with this issue...ct

From: [Jaiden Clark](#)
To: [Planning Clerk](#)
Subject: STR Ordinance Comment Letter
Date: Sunday, October 15, 2023 8:53:21 AM

Caution: This email was sent from an EXTERNAL source. Please take care when clicking links or opening attachments.

Hello,

Please see my comments on the current STR Ordinance.

The current ordinance states:

"61.05.10.2.3 Per Person Limit. An individual or business shall not own more than five (5) parcels with Short-term Rental permits."

I support an ordinance that only allows for "Home-share" STR and would eliminate 61.05.10 Short-term Rentals defined as entire homes without a caretaker or resident. This would open hundreds if not thousands of homes up to first time home buyers and long-term renters in our community who currently need homes or are seeking upward home mobility.

When compared to RHNA allocations alone, the number of STR in the county represent a significant portion of our current housing stock that is being lost to commercial ventures.

Based on the current RHNA allocations, **3,390 new** homes are needed. The current number of STRs in the county are equivalent to **26%** of our RHNA needs. (See table 1.2)

The vast majority of STRs are entire homes, an average of 81% (based on data in table 1.2 below) many of these homes would fall in the moderate to above moderate income RHNA category. This is significant because 60% of our RHNA allocations are designated to these two income categories. When moderate and above moderate housing is in short supply, it places more significant downward pressure on low income and very low income households. If more people with means are taking up space in lower income homes, due to a lack of available housing this creates even more competition for an already scarce resource in lower income housing stock. Coupled with the attrition of STRs in our community, we cannot simply build more housing without addressing the evaporation of housing stock from STR conversations. STR regulation is necessary to ensure the health of our communities and neighborhoods.

Please consider supporting a measure that would eliminate Short-term Rentals defined as entire homes without a caretaker or resident and place homes back into our housing stock for the people who live here now.
RHNA Numbers:



Source: <https://humboldt.gov/DocumentCenter/View/86244/313-Population-and-Housing>

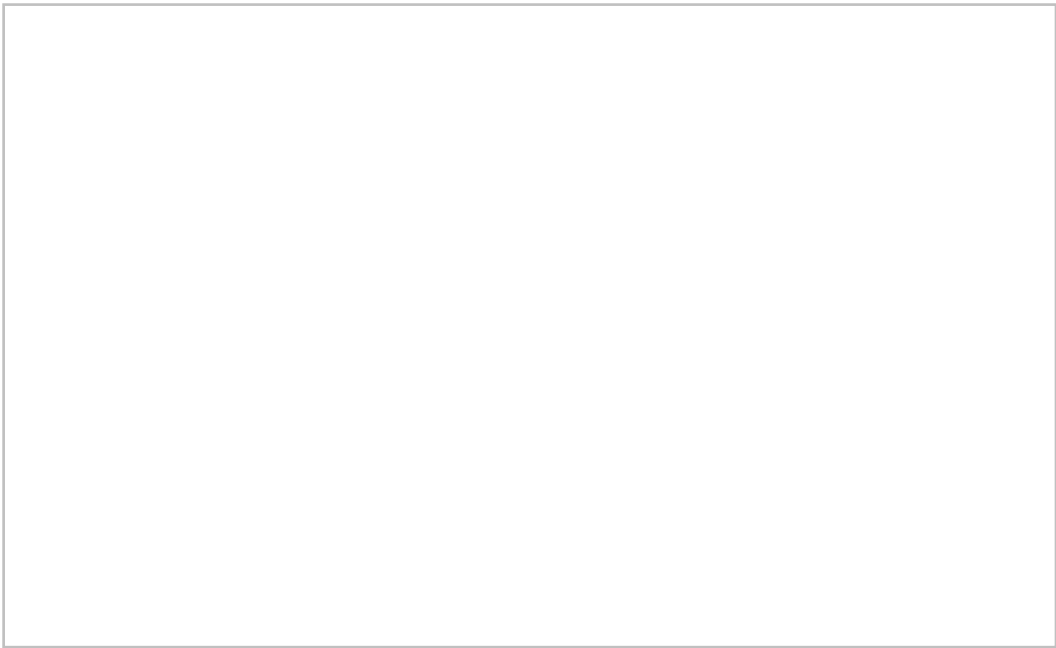
1.2 Short Term Rentals by Jurisdiction as compared to RHNA Allocation

Jurisdiction	Year	Total STRs	STR (Entire Homes %)	STRs (Entire Homes)	Total RHNA Allocation	Percentage of RHNA
Mckinleyville	2023	150	94%	144	UA	13%
Bayside	2023	23	100%	23	UA	13%
Orick	2023	35	77%	27	UA	13%
Loleta	2023	4	29%	1	UA	13%
Arcata	2023	231	93%	215	610	35.25%
Eureka	2023	277	86%	239	952	25.1%
Trinidad	2023	155	96%	149	18	827.78%
Fortuna	2023	36	92%	33	290	11.38%
Ferndale	2023	75	68%	51	33	154.54%
Total				882*	3,390	26.02%

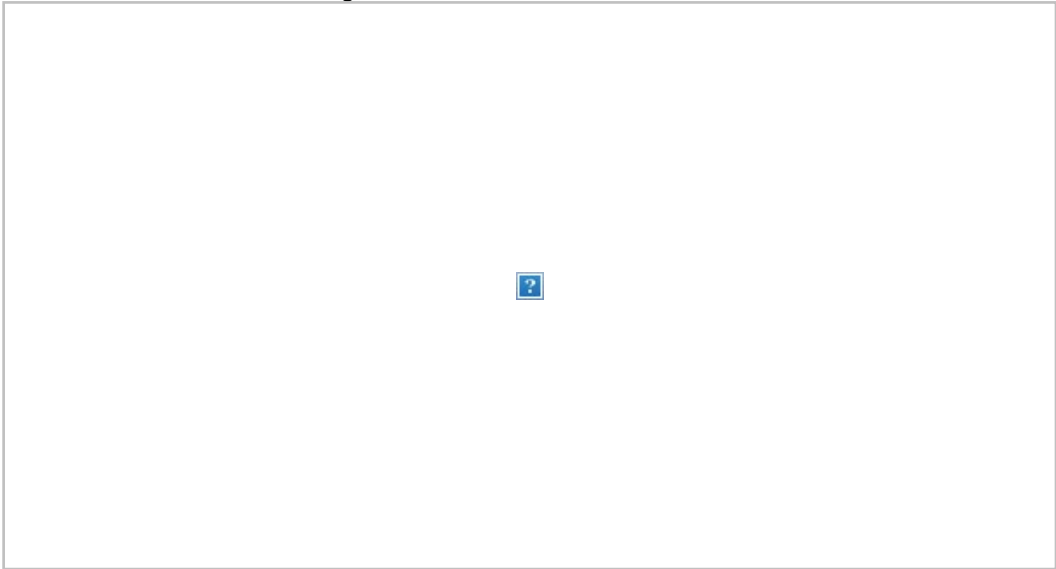
*Incomplete figures, not all Unincorporated Areas (UA) are accounted for.

Data sets from airdna.co

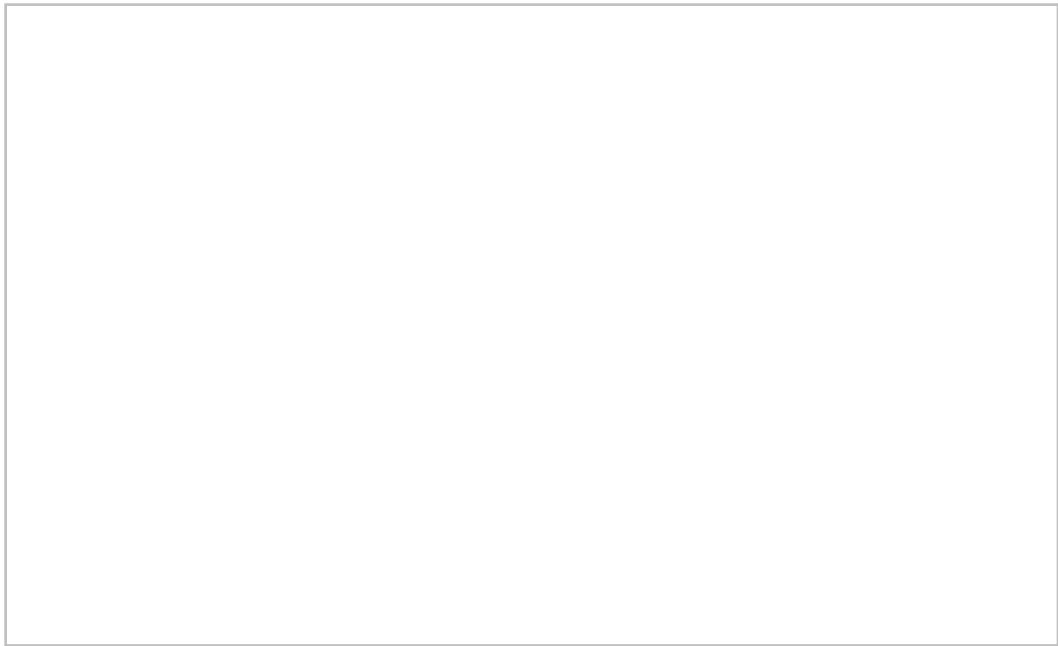
Arcata



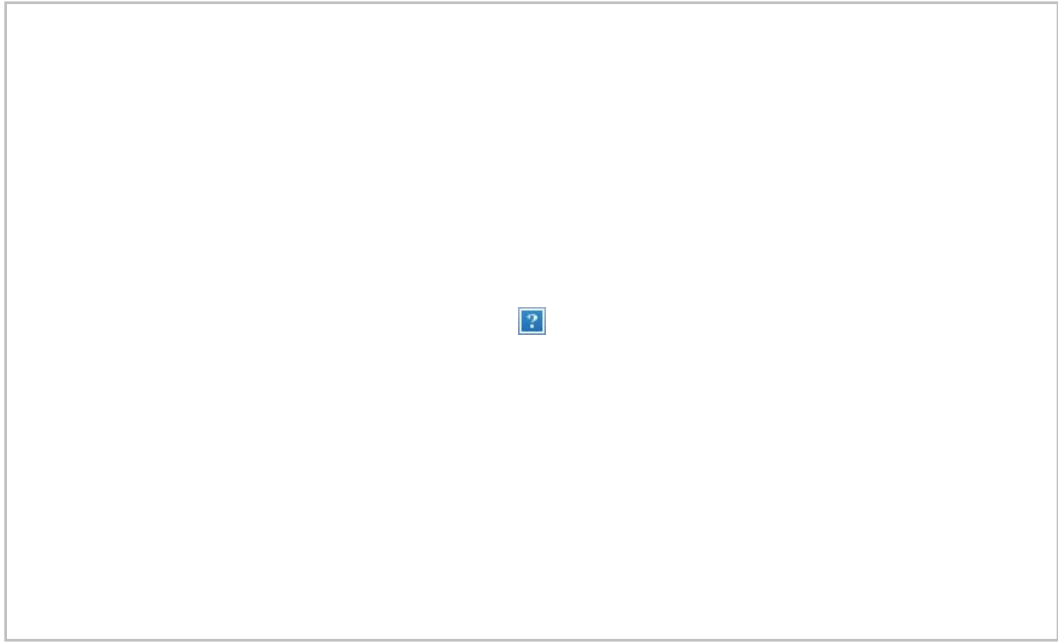
Eureka - Short Term Rental Figures



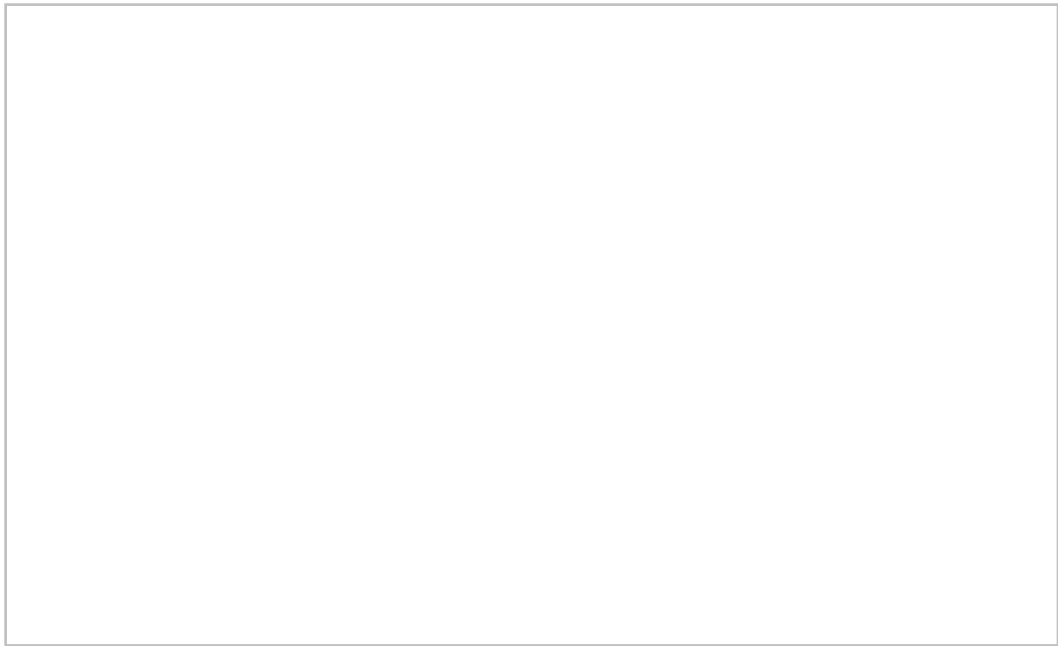
Mckinleyville



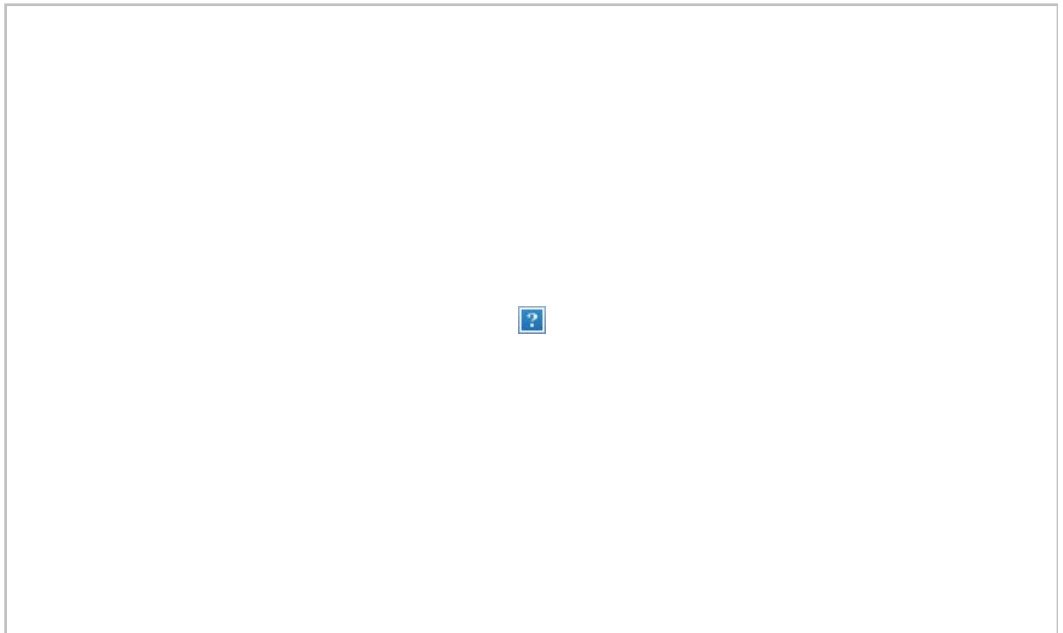
Trinidad



Fortuna



Ferndale



From: Gina Hale <gina.hale13@outlook.com>
Sent: Tuesday, October 17, 2023 1:47 PM
To: McNamara, Cade <cmcnamara@co.humboldt.ca.us>
Subject: RE: Short Term rental ordinance draft feedback

Caution: This email was sent from an EXTERNAL source. Please take care when clicking links or opening attachments.

Yes, hello. Thanks for reaching out, I didn't realize this didn't follow in the forward. Here's the text of my comment.

I am not able to attend the council meetings on this but wanted to submit my feedback. Please let me know if there is a better way to get these comments into public record. Thanks!

1. I appreciate the County's efforts to address the significant contribution of unlicensed, unregulated Short-Term Rentals.
2. From a first-hand perspective, this extractive economic practice is harmful to local residents as we suffer from lack of affordable housing. The frenetic pace of growth of this so-called industry, driven by the lure of an easy, largely unearned profit is a major contributor to the housing crisis—which is worth noting affects young families hoping to purchase a first home, housed tenants, as well as unhoused people.
3. I personally stood by and witnessed the listing agent for my landlord sell the property I and my disabled child were being evicted from while discussing her strategies for purchasing short term rentals from the pool of available, affordable single-family homes. I could have qualified to purchase the home at the price it sold for three years prior, but the price was artificially inflated by the housing market conditions, which again, are driven less by actual scarcity and more by the artificial scarcity created by STR and other rental property management. On any given day, Airbnb (as one example) has listed many unoccupied properties. This is unethical and inhumane. If we cannot agree that housing is a right, we can at least agree it is a fundamental human need.
4. Finally, I note with no small dismay that there is no reference at all to accessibility, ADA or Section 504. The County and Council are remiss in committing in writing to support all residents and visitors, including and perhaps given our current circumstances, our neighbors with disabilities. Rather than allowing owners to rake in profits and defer maintenance (the standard rental practice in Humboldt County), the ordinance should require 2 things: a) owners maintain a set aside fund from a percentage of gross revenues to complete necessary upgrades and maintenance, b) the County permit system for all the affected municipalities require building permits for all SRT to meet ADA requirements, especially bathrooms and egress. This would go a long way to rehabilitating our existing housing stock, a small concession to what is, apparently a very profitable and attractive business.

Respectfully,

Gina

On Oct 17, 2023 1:05 PM, "McNamara, Cade" <cmcnamara@co.humboldt.ca.us> wrote:

Hi Gina,

I received your notification but it appears that there isn't anything attached. Do you have a comment to submit related to STRs? Would you mind forwarding your original submission/email to me and I can confirm receipt of it?

Thanks so much,



Cade McNamara
Planner

Long Range Planning Division
[Planning and Building Department](#)
3015 H Street | Eureka, CA 95501

Phone: 707-268-3777 | Fax: 707-445-7446

Email: cmcnamara@co.humboldt.ca.us

From: Gina Hale <Gina.hale13@outlook.com>
Sent: Tuesday, October 17, 2023 11:42 AM
To: McNamara, Cade <cmcnamara@co.humboldt.ca.us>
Subject: Fw: Short Term rental ordinance draft feedback

Caution: This email was sent from an EXTERNAL source. Please take care when clicking links or opening attachments.

From: Hilton, Keenan <KHilton@co.humboldt.ca.us>
Sent: Tuesday, October 17, 2023 11:40 AM
To: Gina Hale <Gina.hale13@outlook.com>
Subject: Automatic reply: Short Term rental ordinance draft feedback

Greetings,

I am no longer with the Humboldt County Planning & Building Department as of September 29, 2023. Please direct all future comments and inquiries appropriately:

All questions and comments related the draft Short-term Rental Ordinance should be directed to: Cade McNamara (707) 268-3777 or cmcnamara@co.humboldt.ca.us

For questions related to an application or for general planning questions: Planner on Duty (707) 445-7541

Respectfully,

Keenan Hilton,

McClenagan, Laura

Subject: Oxford STR Study
Attachments: Oxford-VRMA National Housing Study 2023-compressed.pdf

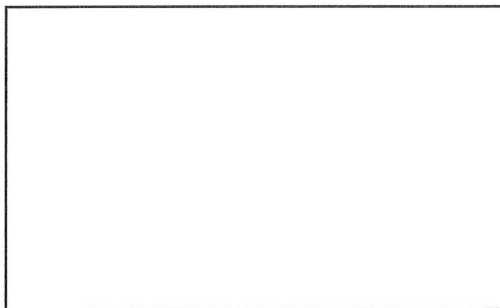
From: Elena@harealtors.com <Elena@harealtors.com>
Sent: Friday, October 20, 2023 10:00 AM
To: McNamara, Cade <cmcnamara@co.humboldt.ca.us>
Subject: FW: Oxford STR Study

Caution: This email was sent from an EXTERNAL source. Please take care when clicking links or opening attachments.

Good morning Cade,

I just received your email from Keenan's auto-reply. I am the executive assistant for the Humboldt Association of Realtors. Our Government Relations Committee has been working closely with the county on the STR draft ordinance. I received the attached resource this morning and thought the information may be helpful.

Have a wonderful day,



From: Elena@harealtors.com <Elena@harealtors.com>
Sent: Friday, October 20, 2023 9:54 AM
To: 'Ford, John' <JFord@co.humboldt.ca.us>
Cc: 'Hilton, Keenan' <KHilton@co.humboldt.ca.us>
Subject: Oxford STR Study

Good morning Director Ford,

I was not sure who was taking over the STR Ordinance after Keenan left but I wanted to make sure to pass the following information along. The Government Affairs Director for the California Association of Realtors shared a study recently released by Oxford Economics on the impact of Short-Term Vacation Rentals on the housing/rental market that I found interesting. The study was conducted on a national scale, so it is not precisely relevant to Humboldt County, but the information is great! I thought it may be helpful for the upcoming public comment periods on the ordinance.

Have a wonderful day,

Elena Lavoll

Humboldt Association of Realtors
Executive Assistant / GAD
(707) 442-2978 Work
(707) 382-1703 Mobile
Elena@harealtors.com
527 W Wabash Ave
Eureka, CA 95501
www.harealtors.com





OXFORD
ECONOMICS

An aerial photograph of a suburban neighborhood during sunset. The sky is filled with vibrant orange, yellow, and pink clouds. The sun is low on the horizon, casting a warm glow over the scene. The houses are mostly two-story, with varying colors like blue, white, and brick. Some have garages, and a few cars are parked in the driveways. The streets are paved and have sidewalks. The overall atmosphere is peaceful and picturesque.

UNDERSTANDING THE REAL DRIVERS OF HOUSING AFFORDABILITY

**AN ASSESSMENT OF THE ROLE OF
SHORT-TERM VACATION RENTALS**

A REPORT FOR VACATION RENTAL MANAGEMENT ASSOCIATION

JUNE 2023



Alex Segre/Shutterstock.com

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EXECUTIVE SUMMARY

BACKGROUND

Short-term vacation rentals (STVRs) have served as a practical accommodation choice for travelers, but their impact on housing prices and rents has sparked debate in the United States in recent times. According to AirDNA data, the average number of properties listed for short-term vacation stays during 2015 was just over 200,000, a figure that had increased more than three-fold to 842,000 by 2019. Growth slowed down as the pandemic and associated travel restrictions curtailed tourism, but rapidly recovered in late 2021, following large scale domestic vaccination, driving renewed demand for vacation rentals across most US markets—especially those in holiday destination locations.

STVRs enable a number of economic benefits: they provide homeowners with additional income and provide tourists more options for accommodation, including offering a range of accommodation types at various price points. STVRs also help increase demand for goods and services associated with travel and leisure—supporting jobs and contributing to GDP in tourism destinations and in the wider economy.

On the other hand, concerns over the alleged effects that **STVRs can have on housing prices and rents** have precipitated local and national dialogues. One concern is that homeowners may convert long-term rental properties into short-term vacation rentals, thereby reducing the supply of available rental units for long-term residents and driving up rental prices. Additionally, some argue that the increase in demand for STVRs may drive up housing prices, making it harder for local residents to afford to buy a home.

Research on the impact of STVRs on housing prices and rents has been mixed. Some studies have found a positive correlation between the prevalence of STVRs and increases in housing prices and rents, while others have found little to no impact. Factors such as the local housing market, the density of STVRs, and the regulatory environment all play a role in determining the impact of short-term vacation rentals on housing prices and rents.

OBJECTIVES OF THIS STUDY

In this context, **Oxford Economics was commissioned by the Vacation Rental Management Association (VRMA) to carry out a study of housing affordability and short-term vacation rentals.** Specifically, our analysis sought to identify the key drivers of housing prices and rents and understand the role played by STVRs on affordability. This study contributes to the literature on US housing market dynamics, as well as adding to the still limited literature studying the effect of STVRs on housing markets. In 2019, Oxford Economics conducted a study on the drivers of housing and rental affordability between 2014 and 2018 and the role that STVRs play when explaining changes in price.¹ In that study, the role of STVRs was negligible when looking at overall changes in price. The advent of the COVID-19 pandemic and recent shifts in the US economic environment warranted a re-evaluation of the housing and rental affordability model and the role of STVRs.

OUR APPROACH

Our study used an econometric model to analyze the factors influencing US house prices and rental rates at the county level. We examined a large number of economic variables to gain a comprehensive understanding of these trends. The sample period for this study begins in 2014, the first year for which data on STVRs are available, and concludes in 2021 to align with the latest available year for county-level economic and demographic data from the American Community Survey (ACS)² conducted by the US Census Bureau.

The study period encompasses two distinct phases. The first phase covers the years between 2014 and 2019, during which the majority of the increase in housing prices and rents could be attributed to *conventional* macroeconomic and housing market trends such as income levels, unemployment, demographics, housing stock, and the cost of borrowing.

The second phase covers the pandemic years of 2020 and 2021, during which pandemic-related *behavioral* changes played a significant role in driving the increase in home prices. For example, people started looking for homes with dedicated offices spaces for remote work and outdoor areas for recreation. There was a shift towards larger properties and suburban or rural locations to accommodate these pandemic-related changes in preferences.

In light of the distinct phases of the study period, we explored whether the relationship between economic drivers and housing prices and rents differed between these phases.

THE IMPACT OF STVRs ON HOUSING PRICES AND RENTS

Between 2014 and 2021, US median housing prices increased by 32.7% and median rental prices increased by 9.9% in inflation-adjusted terms. Our modeling indicates that STVR density contributed only 0.4% to housing price growth and 0.5% to rental price growth during this period, as shown in Fig. 1 and Fig. 2 respectively.

\$800
lower housing prices

in 2021 without any increase in STVR density since 2014.

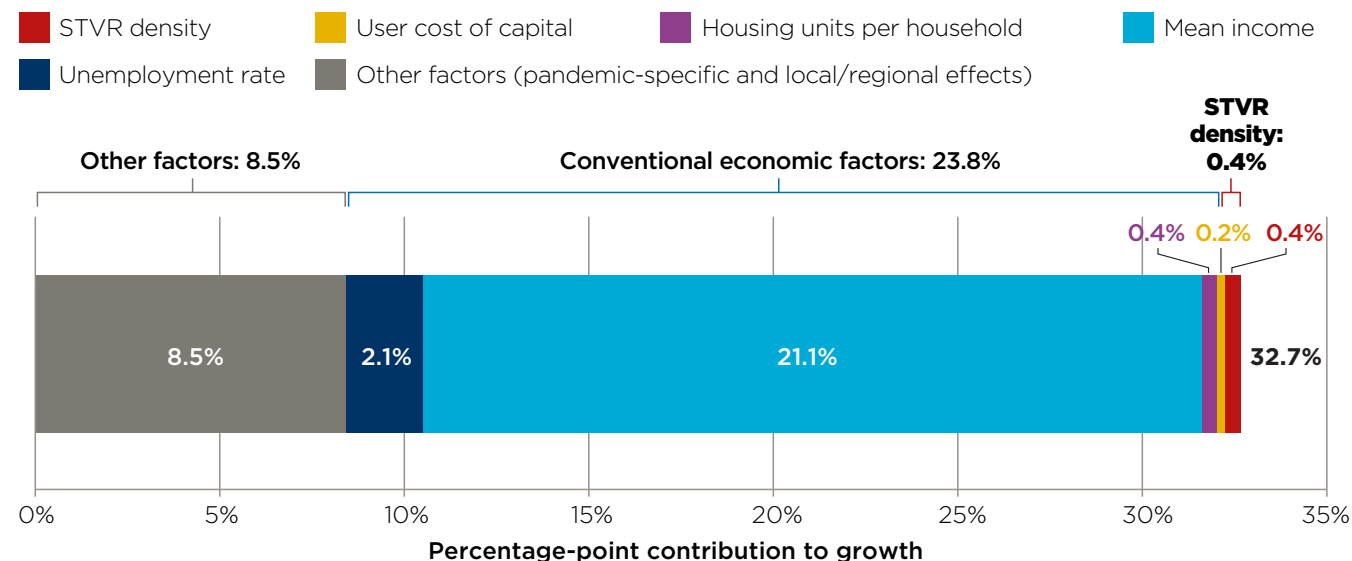
Only a hundredth (i.e., 0.4% out of the 32.7%) of the increase in real housing prices attributed to STVRs according to our modeling.

In other words, **growth in STVR density contributed one-twentieth of the 9.9% growth in rental prices and one-hundredth of the 32.7% increase in housing prices between 2014 and 2021.**

In contrast, conventional economic factors such as income levels and unemployment contributed to 23.8% of the housing price growth and 7.4% of the rental price growth during the period, with pandemic-related changes and region-specific regulations explaining the remaining growth.

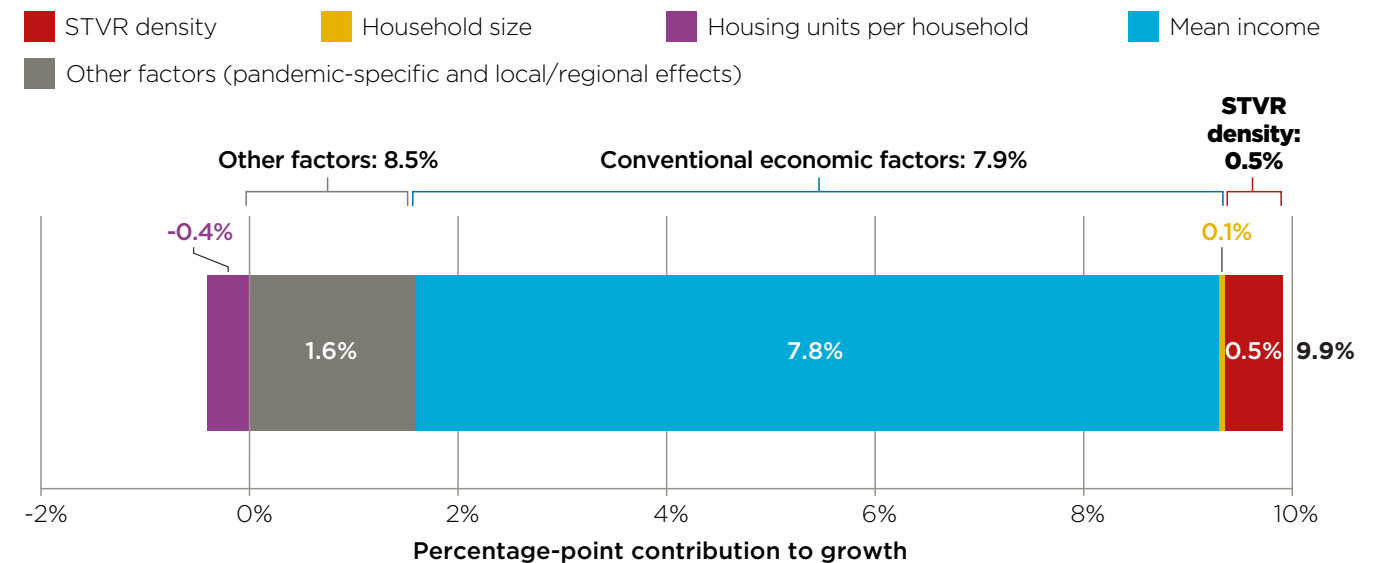
We find that the increase in housing stock had a minimal effect on housing prices and rents, in line with recent studies that identify supply-side challenges as a key factor constraining the market.^{3,4} According to Freddie Mac's analysis, there is a striking shortage of available new and existing homes for sale; the study estimates a deficit of 3.8 million housing units in Q4 2020.⁵

Fig. 1: Drivers of growth in US housing prices between 2014 and 2021 (inflation-adjusted growth)



Source: Oxford Economics

Fig. 2: Drivers of growth in rents in the US between 2014 and 2021 (inflation-adjusted growth)



Source: Oxford Economics

Put differently, our modeling shows that **without any increase in STVR density since 2014, the average home price of around \$232,000 in 2021 would have been only \$800 lower in real terms, and the average monthly rent of around \$1,000 would have been lower by only \$5 in real terms.** Considering that most households do not pay the full price of a house upfront, but rather apply for long-term mortgages, we estimate the average annual mortgage payment in 2021 would have been \$40 cheaper if STVRs had remained at their 2014 levels.

Growth in conventional economic factors since 2014 is estimated to have contributed around \$47,000 to housing prices and \$72 to monthly rents in real terms in 2021, i.e., 73% and 75% of the growth in housing prices and rental prices respectively in real terms between 2014 and 2021.

\$5 lower median
monthly rents

in 2021 without any increase in STVR density since 2014.

Only one-twentieth (i.e., 0.5% out of the 9.9%) of the increase in real rents is attributed to STVRs according to our modeling.

IMPACT OF COVID-19 AND ITS AFTERMATH

In the period spanning 2020-2021, market conditions pertaining to the housing market underwent distinct and potentially isolated changes. These included a rise in household savings stemming from relief payments and decreased spending due to lockdowns, a shift toward domestic tourism, and a decrease in interest rates.

These shifts had a wide-ranging impact on the housing market across the US. The effects were further amplified by local or regional market dynamics, with specific areas experiencing intensified effects. For example, Ramani and Bloom (2022)⁶ show there has been a “donut effect” whereby households and businesses have moved out of city centers over this period towards the suburbs resulting in a significant divergence in price growth between these two areas. In the 12 largest metro areas in the US, the study found that the central business districts and the top 10% of zip codes by population density saw more than a 10% drop in rents when rents in other areas increased between March 2020 and November 2020. Although there is less of an aggregate decrease in home sale prices as compared with rents, there is

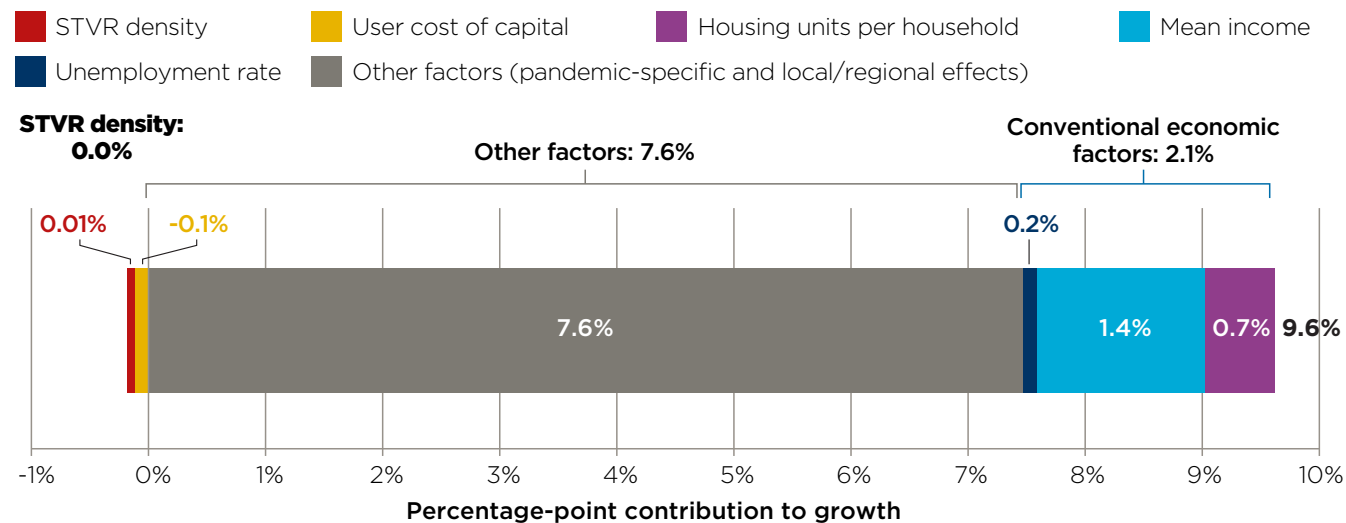
a similar demand reallocation effect where CBDs and dense areas experience relative price growth slowdowns compared with less dense areas.

The emergence of the “donut effect” was attributed to four key factors: the economic impact of the virus; restricted access to urban amenities during lockdowns; apprehension towards densely populated areas due to virus transmission concerns; and the ability to work remotely. The latter, which is likely to have a lasting impact beyond the pandemic, enables individuals to reside in more spacious homes outside city centers while maintaining their productivity at work.⁷

Consequently, a thorough evaluation of the impact of STVRs focussed on this period was deemed necessary.

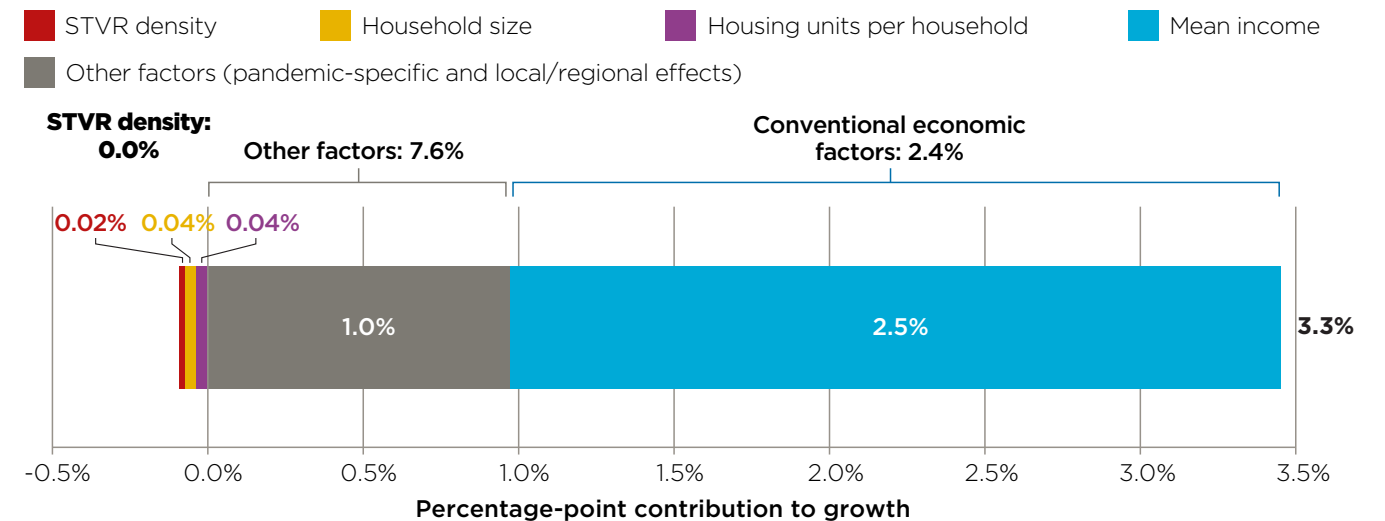
During this period (2020-2021), the contribution of STVRs to the growth in housing and rental prices was largely negligible, according to our modeling. Further, we estimate that trends in conventional economic factors such as average income levels, cost of capital, and unemployment rates contributed around 2.1% of the 9.6%

Fig. 3: Drivers of growth in US home prices between 2020 and 2021 (inflation-adjusted growth)



Source: Oxford Economics

Fig. 4: Drivers of growth in rents in the US between 2020 and 2021 (inflation-adjusted growth)



Source: Oxford Economics

increase in housing prices, as shown in Fig. 3. The growth in housing prices was mainly due to factors such as the shift in housing preferences and local or regional factors like regulatory restrictions, which according to our modeling, explain 7.6% of the 9.6% increase in house prices in the 2020-2021 period.

In the long-term rental market, as shown in Fig. 4, the increase in household income levels was a significant contributor to the growth in rents. According to our estimates, traditional economic indicators such as income levels, borrowing costs, and unemployment rates accounted for approximately 2.4% of the 3.3% rise in rents during the 2020-2021 period. Our analysis suggests that other factors, such as changing housing preferences and regional regulations, played a smaller but significant role in driving the overall increase in rents, accounting for around 0.9% of the total rental growth in 2020-2021.

Growth in conventional economic factors during this period contributed approximately \$4,600 to growth in house prices and \$24 to monthly rent increases in 2020 and 2021, accounting for only less than a quarter of the growth in housing prices and about three-fourths of the growth

in rental prices during the 2020-2021 period, according to our model. The rest, i.e., **nearly three-fourths of housing price growth and a quarter of rental price increase in 2020-2021, is attributed by our model to pandemic-specific factors or other local or regional factors.**

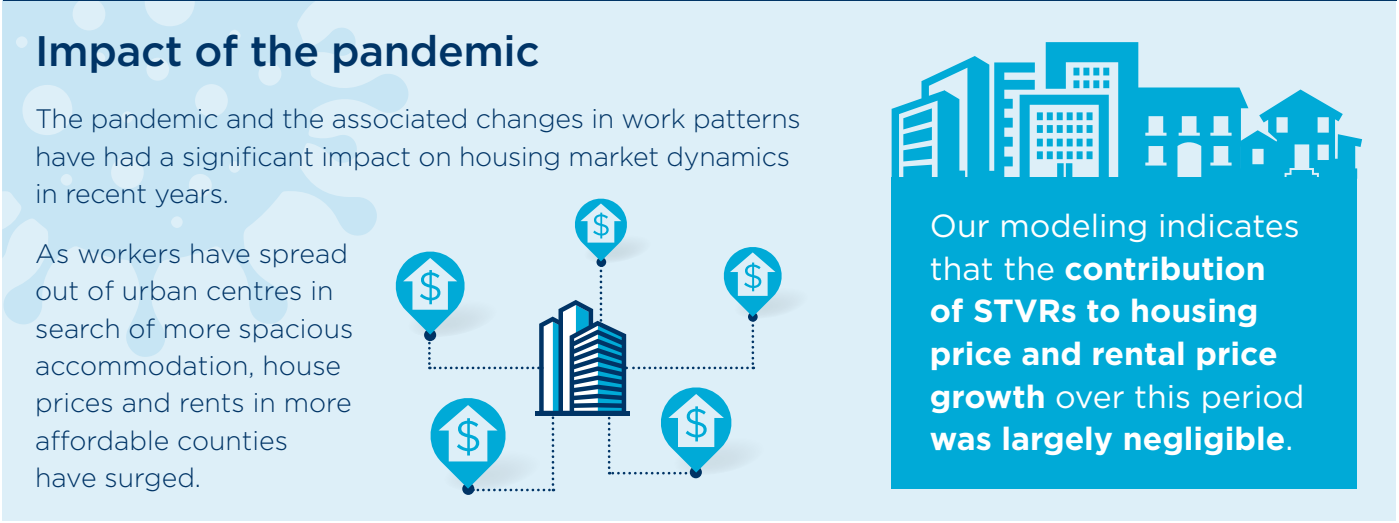
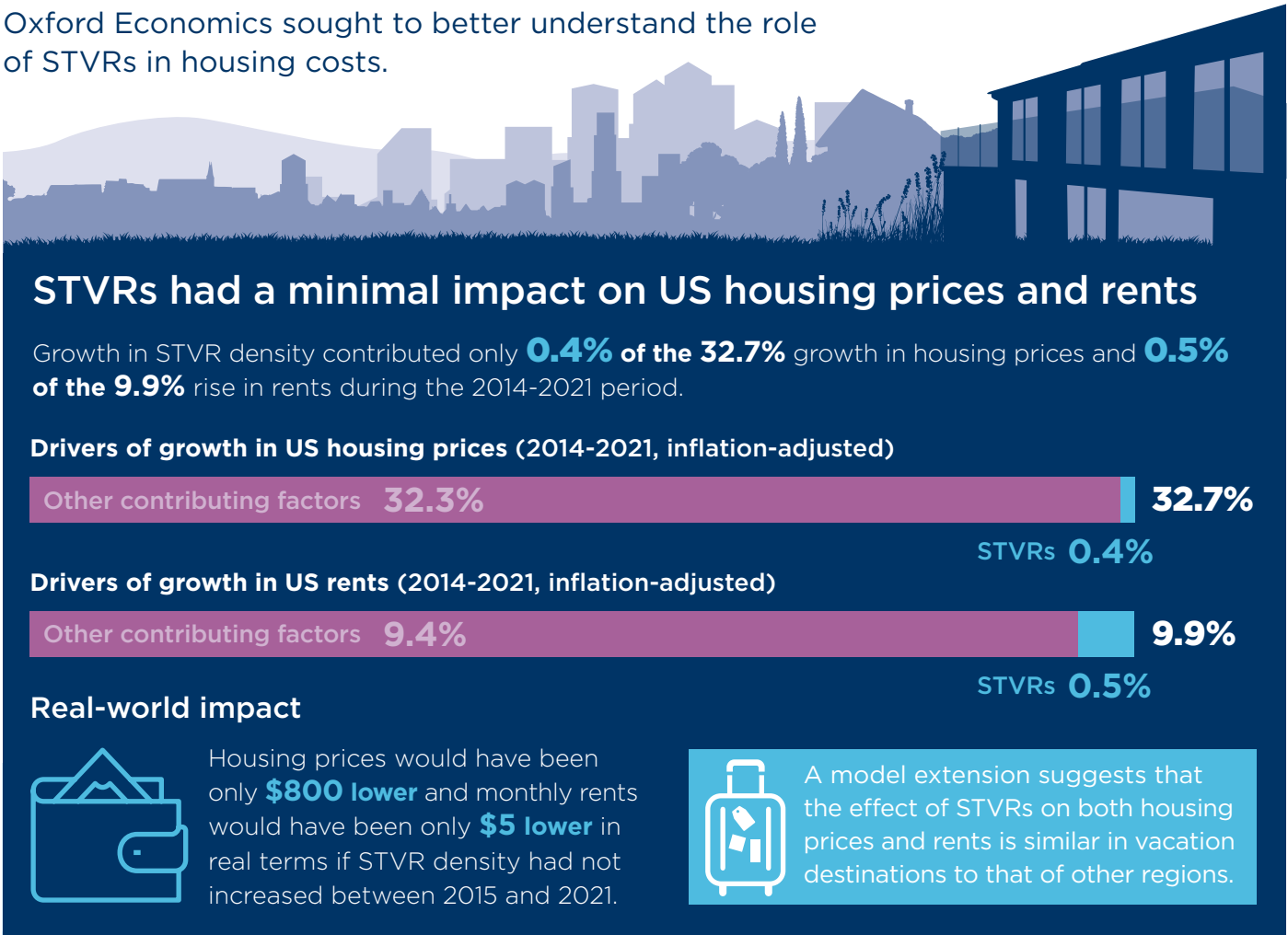
In the context of the housing market, the economic relationships that have been observed in the past, particularly during the 2020-2021 period, may not necessarily continue in the future. It is difficult to predict how much these relationships will revert to pre-pandemic levels, if at all. This suggests that **any predictions or forecasts regarding drivers of the housing market should be viewed with caution, given the potential for significant shifts in market dynamics and trends in the wake of the pandemic.**

In conclusion, **irrespective of pre-pandemic economic trends or the changes observed during the pandemic, the impact of STVRs on both home prices and rental prices remained minimal.** Instead, conventional factors influencing the housing market, along with pandemic-related shifts in housing preferences and local policy decisions, remained the primary drivers in these markets.

SHORT-TERM VACATION RENTALS AND THE HOUSING MARKET

Understanding the real drivers of price and affordability

STVRs generate economic opportunity for communities, businesses, and homeowners. However, the value realized does come with costs. Using an econometric model, Oxford Economics sought to better understand the role of STVRs in housing costs.



1. INTRODUCTION

The short-term vacation rental (STVR) market in the US experienced a period of growth in the years leading up to the pandemic. According to AirDNA data, the average number of properties listed for short-term stays during 2015 was just over 200,000, a figure that had increased more than three-fold to 842,000 by 2019. Growth slowed down as the pandemic and associated travel restrictions curtailed tourism in 2020 and early 2021, but rapidly recovered in late 2021 as restrictions were eased.

Tourists have welcomed the increase in accommodation options available for their travels. Subsequently, increases in tourism demand supported by a wider variety of holiday listings have contributed new opportunities to generate value to the local economies in tourist destinations. Further, tax revenues raised on short-term rental income can be used to fund local services and help develop local infrastructure.

However, the perception of STVRs on the local economy is not unanimously positive. In particular, there has been growing concern among several industry commentators of the role and impact STVRs have on the affordability and availability of housing for residents.

AIM OF OUR RESEARCH

Against this background, Oxford Economics was commissioned by the Vacation Rental Management Association (VRMA) to carry out a study of housing affordability and STVRs. This study contributes to the literature on US housing market dynamics, as well as adding to the still limited literature studying the effect of STVRs on housing markets. The study builds on a previous Oxford Economics report published in November 2019.⁸

Specifically, our analysis sought to:

- assess the key drivers of housing prices and rents;
- understand the role played by STVRs on affordability;
- determine whether relationships vary across housing market types; and
- understand the extent to which the relationships have evolved since the pandemic.

STRUCTURE OF THIS REPORT

This rest of this report is structured as follows:

- Chapter 2 describes key trends in housing prices, rents, housing affordability measures, and STVRs;
- Chapter 3 presents a review of the existing literature on housing and STVRs;
- Chapter 4 sets out our approach to modeling housing prices and rents, based on a panel dataset covering the period 2014–2021, with the objective of identifying which variables are statistically significant drivers of prices and rents;
- Chapter 5 discusses the results from the modeling, and the estimated contribution that each driver made to the housing market variable.
- Chapter 6 concludes with a brief discussion on the implications of the results for policymakers and highlights the limitations of our analysis.

The appendix to this report describes the econometric methodology, modeling results, and the data sources.



2. SHORT-TERM VACATION RENTALS AND THE US HOUSING MARKET

US housing prices and rental prices have increased at a rapid rate since the onset of the pandemic. US housing prices, as measured by the Zillow All Homes Value, stated in inflation-adjusted terms, increased from \$279,000 in Q1 2020 to \$345,000 in Q4 2022, an increase of 24% over a three year period. In contrast, in the three years before the pandemic, between Q1 2017 and Q4 2019, housing prices increased by only 9.3%—as shown in Fig. 5.

Rental prices, however, have increased at a steady pace since 2014, increasing at an average rate of 1.5% per year between 2014 and 2021, as shown in Fig. 6.

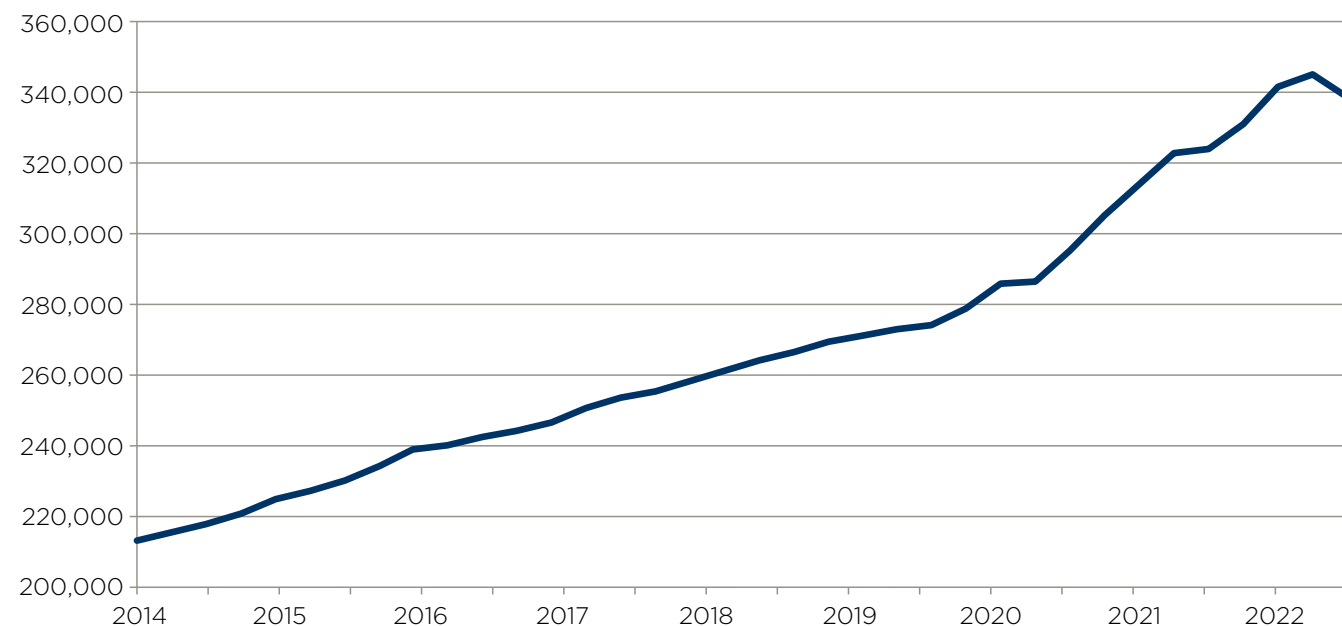
Since 2019, the increase in housing prices have been the largest contributor to the decrease in home ownership affordability. While wages were higher, they did not increase enough to compensate for the increase in the costs of home ownership. The Federal Reserve Bank of Atlanta's home ownership affordability index shows how an increase in rates and prices have reduced affordability despite a relatively small offsetting impact from an increase in income levels.⁹

Recent analyses of the drivers of housing prices have pointed to supply-side issues constraining the market.^{10,11} According to analysis by Freddie Mac, tight housing supply has restricted an otherwise healthy housing market. The inventory of new and existing homes for sale is at a historically low level. In particular, given population growth and household formation, the analysis estimates a shortfall of 3.8 million housing units in Q4 2020. The lack of new housing supply is attributed to high labor costs, land use regulations, zoning restrictions preventing supply from picking up in areas with the most demand, and, more recently, increasing raw material costs.¹²

Recent analyses of the drivers of home prices have pointed to supply-side issues constraining the market.

Fig. 5: Zillow All Homes (SFR, Condo/Co-op) value, 2014-2022 (inflation-adjusted, 2022 prices)

Zillow All Homes Value (SFR, Condo/Co-op), 2022 prices



Source: Zillow, Oxford Economics

⁹ The Federal Reserve Bank of Atlanta, "Home ownership affordability monitor" (last accessed May 2023).

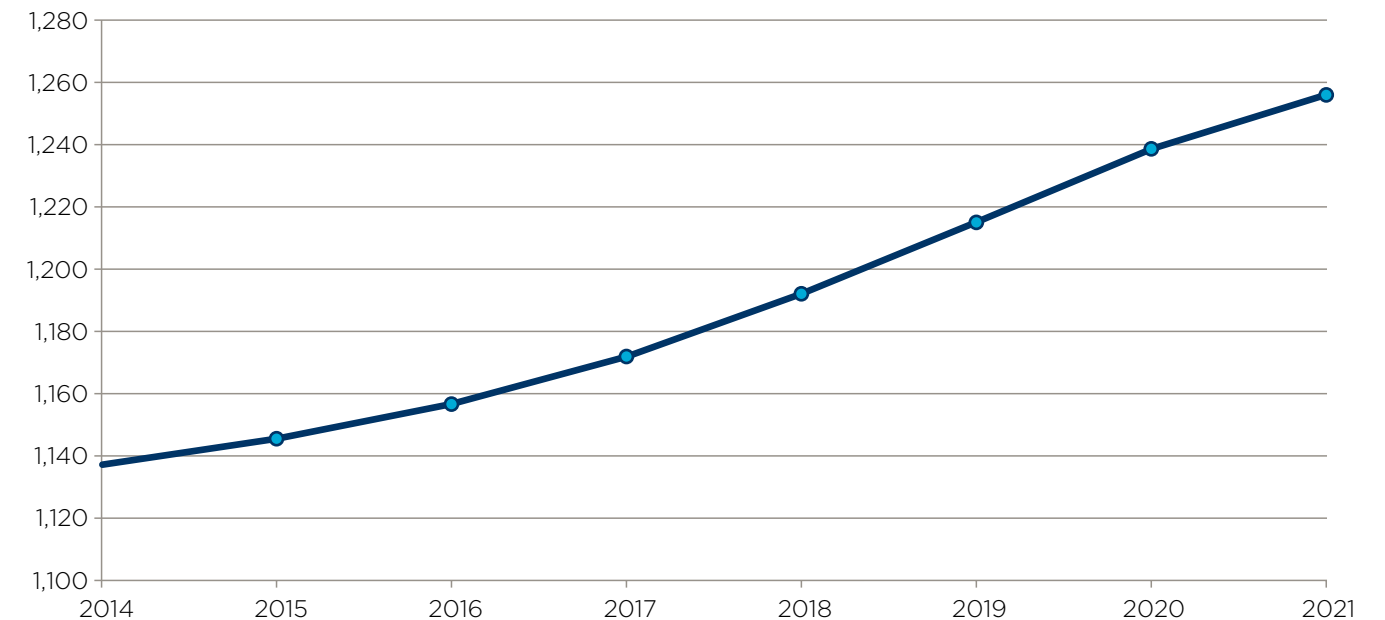
¹⁰ Joint Center for Housing Studies of Harvard University, "The State of the Nation's Housing 2022", 2022 (last accessed April 2023).

¹¹ The Financial Times, "Housing shortage risks breaking the American Dream", 13 October 2022 (last accessed April 2023).

¹² Freddie Mac Research Note, "Housing supply: a growing deficit", 7 May 2021 (last accessed April 2023).

Fig. 6: Median rents in the US, 2014-2021 (inflation-adjusted, 2022 prices)

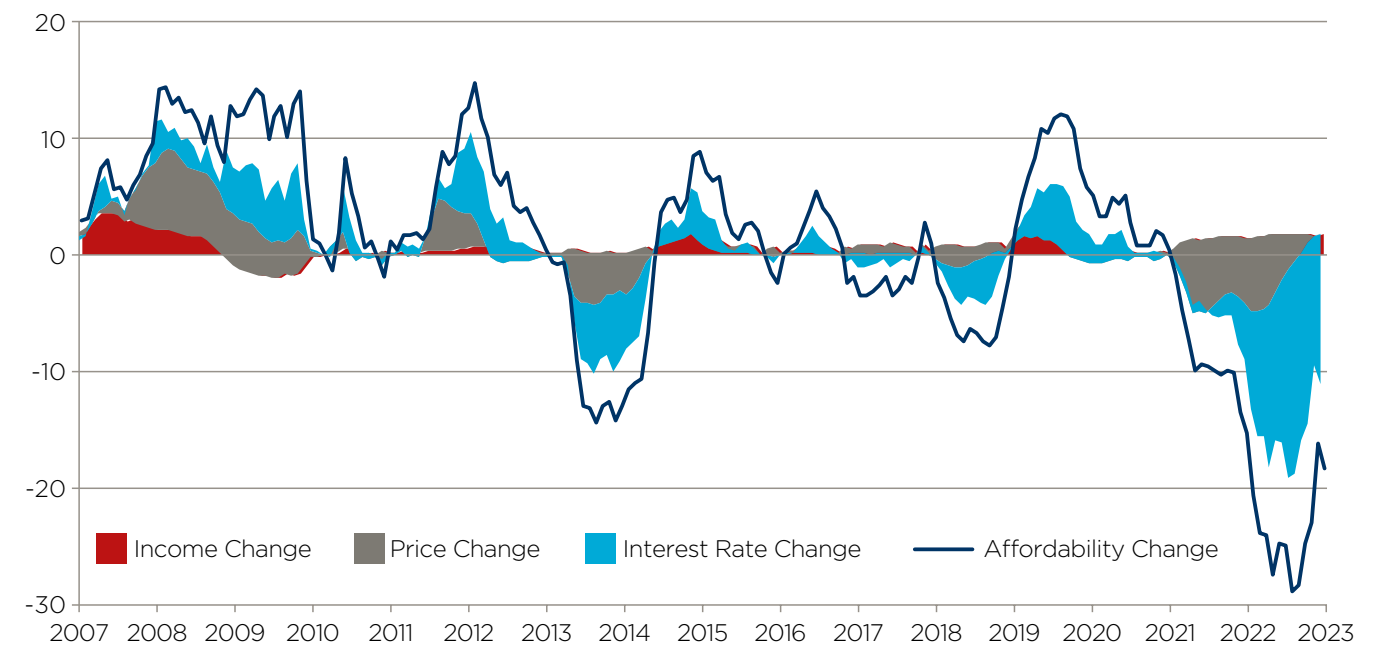
Median rents, USD (2022 prices)



Source: ACS, Oxford Economics

Fig. 7: Drivers of housing affordability in the US

Component impact on affordability index



Note: Tracks actual and not percent change. Does not sum to change in index as other components (such as tax, insurance, or PMI) are not included.

Source: Federal Reserve Bank of Atlanta, Oxford Economics



Sean Pavone/Shutterstock.com

THE ROLE OF SHORT-TERM VACATION RENTALS

Several commentators have focused on the role of Short-Term Vacation Rentals (STVRs), claiming they reduce the supply of affordable housing by removing properties from the home owner-occupier and rental markets, which would thereby make it less affordable for prospective home buyers, or displace long-term tenants, and raising the cost of living through driving up home prices and rent.¹³

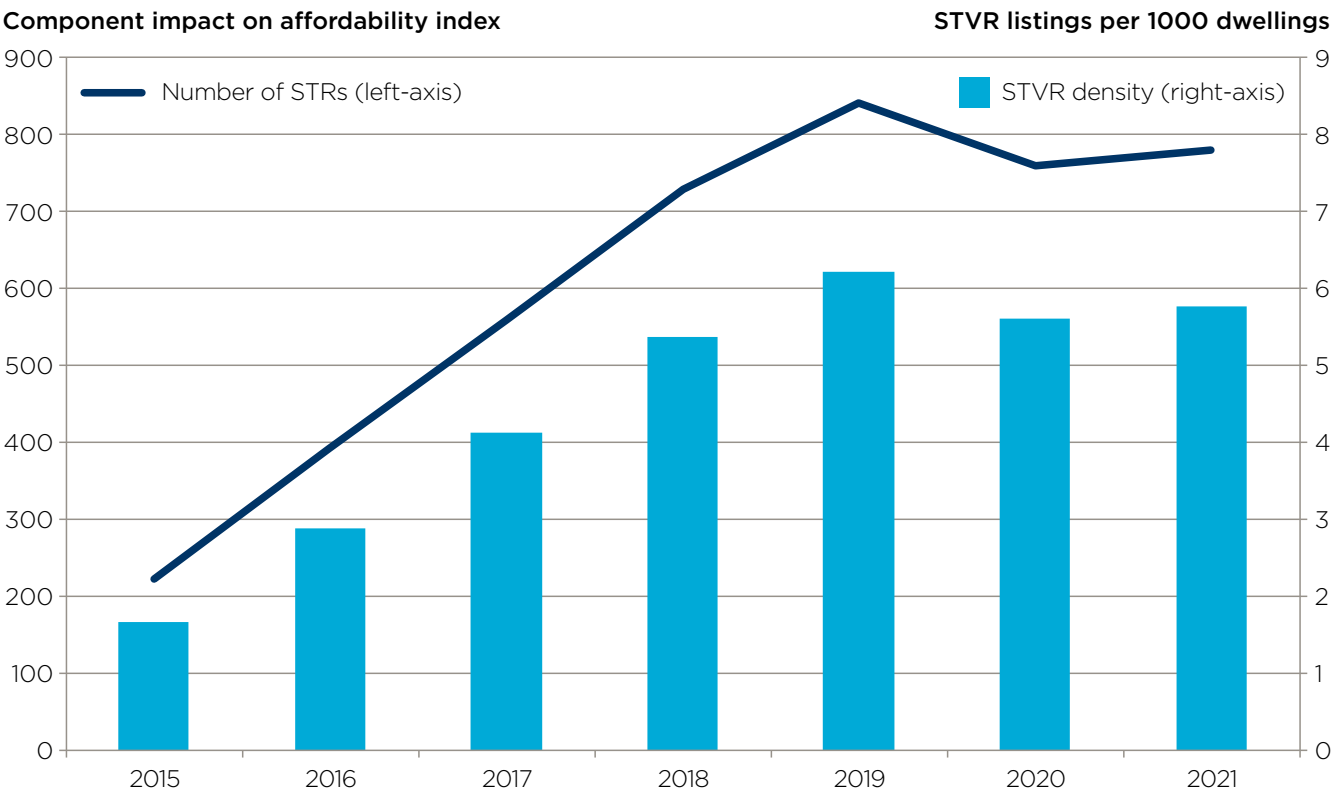
The STVR market in the US has grown rapidly since 2014. The growth in the volume of properties available for

short-term stays has strongly outstripped the rise in available dwellings to live in, leading to an increase in STVR density—i.e., the number of STVRs as a share of total housing stock.

As shown in Fig. 8, in the years leading up to the pandemic, from 2015 to 2019, the STVR density trended strongly upwards, with the number of STVRs increasing at an average rate of 30% per year. This pattern has reversed in 2020, as social distancing restrictions caused a dramatic fall in tourism activity. STVR density had not recovered to pre-pandemic levels in 2021.¹⁴

Detailed zip code-level data sourced from AirDNA also show that there is significant geographic variation in STVR density, with most listings occurring in states with large cities and along the coasts. Moreover, there exists significant geographic heterogeneity in the growth of STVR density over time. The number of listings per housing unit grew exponentially in some counties while in others there was no growth at all.

Fig. 8: Active STVR listings in the US, 2015-2022



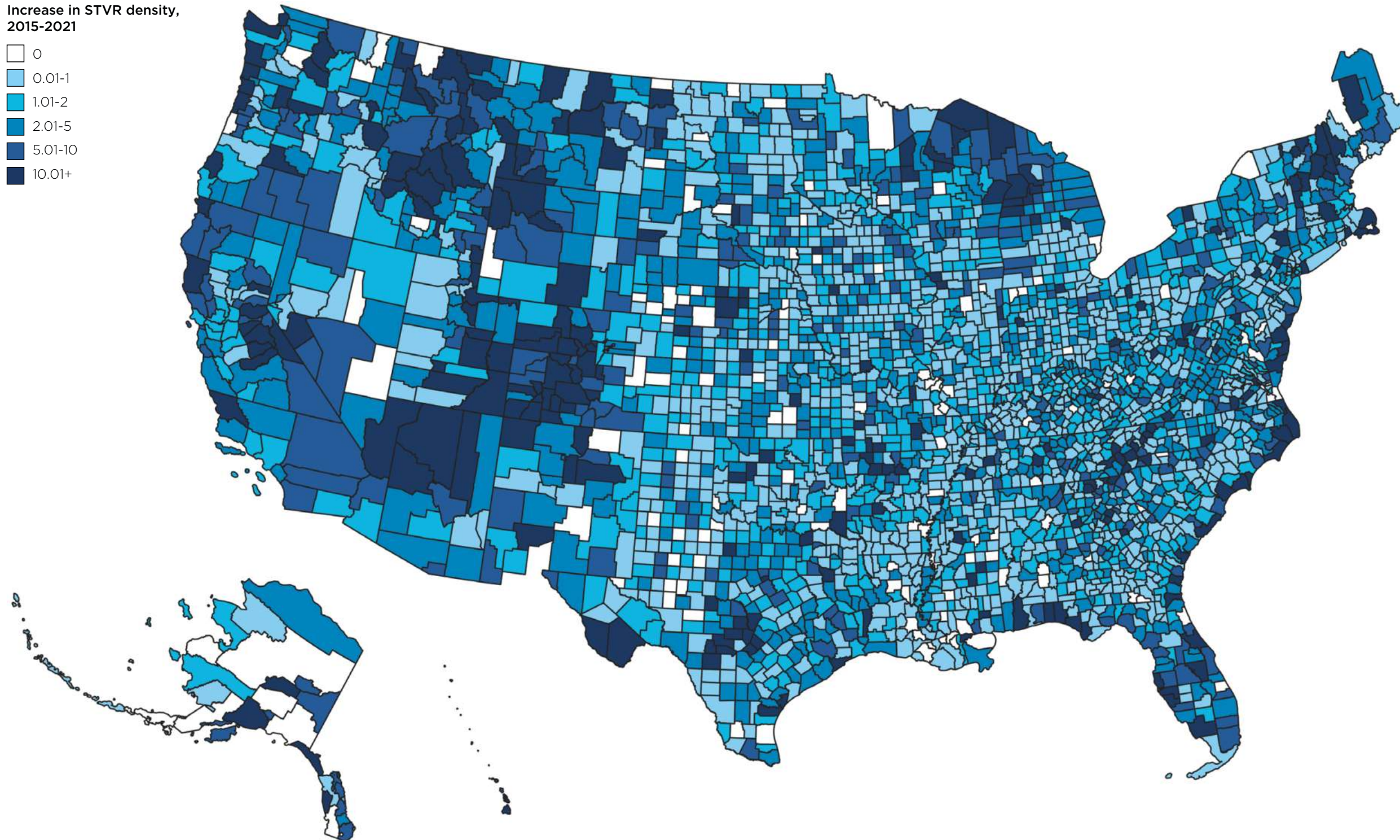
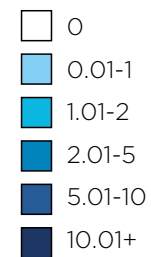
Source: AirDNA, Oxford Economics

¹³ Forbes, "The Airbnb Effect on Housing and Rent", February 2020 (last accessed May 2023).

¹⁴ The sample period for this study concludes in 2021 to align with the most recent year for county-level economic and demographic data obtained from the American Community Survey (ACS).

Fig. 9: Absolute change in STVR density for US counties, 2015-2021

Increase in STVR density,
2015-2021



Between 2014 and 2021, around 300 out of the 3,000 counties saw an increase in STVR density of more than 10 STVRs per housing unit, with counties such as Osceola (FL), Summit (CO), Grand (UT), Routt (CO), Mono (CA), San Miguel (CO), and Summit (UT) seeing the largest absolute increases of around 100 STVRs per housing unit each. At the state level, Hawaii, Utah, Colorado, Vermont, Florida, and Orlando saw the largest increases in STVR density.

The main focus of our analysis has been to understand how STVRs have impacted housing prices and rents *across all counties* in the US. In light of the varying rates of STVR growth, we also investigated whether STVRs had disparate effects on housing prices and rental prices in popular holiday destinations, specifically in counties situated along coastal regions or in mountainous areas, which have seen increased STVR listings and heightened discussion regarding the impact of STVRs on the housing market.

Source: Oxford Economics

3. ANALYSIS OF EXISTING STUDIES

This chapter presents a review of some of the existing academic literature addressing these questions.

EXISTING LITERATURE ON HOUSING MARKET DYNAMICS

The dynamics of the housing market have been subject to extensive academic research. As the literature on this topic is well-established, this section does not refer to specific studies but instead adopts a meta-analysis approach by examining the primary factors that drive housing market dynamics. Theoretical models and the empirical literature on the housing market suggest that, over the long run, housing prices depend positively on disposable income and demographic needs, and negatively on the housing stock and user cost.¹⁵

This last factor—user cost—requires further explanation, as it comprises many elements. These components include not just the mortgage interest payments that an owner has to make, but also annual property taxes, depreciation costs, and any expected capital gain. Taken all together, and adjusted for expected inflation, these costs are referred to as the real user cost of capital. Multiplying this by the housing price gives us the annual user cost of owning and can be understood as the rent equivalent for homeowners—i.e., the costs of owning, maintaining, and operating a home.

In particular, we exploit the fact that rents are found to have an impact on housing prices and, following the example of other studies, in our housing price equation we replace real rent with its main determinants—real income, housing stock, and household numbers.

In addition, our review of the UK price boom (Oxford Economics, 2016¹⁶) found rising employment was among the main drivers of the boom; we therefore also include labor market conditions as an additional driver.

EXISTING LITERATURE ON SHORT-TERM VACATION RENTALS

We are aware of only a few academic papers that directly study the effect of short-term rentals on housing costs. There are two main reasons for the dearth of literature. First, the STVR phenomenon is relatively recent and therefore a limited amount of data exist. Second, the research question is methodologically challenging, since many cities have become increasingly popular among both locals and tourists in recent years, leading to higher housing prices and a higher number of STVR listings. In other words, “popularity” affects both prices

and listings positively, as locals and tourists prefer living and staying in neighbourhoods with high-quality amenities. This “popularity” variable, however, is unobservable, and its omission in the model implies that the impact of STVR on prices is biased upwards, as part of the popularity impact gets erroneously captured by STVRs.

The study whose methodology most closely aligns with our approach is that of Barron et al., (2017)¹⁷, which assesses the impact of STVRs on residential house prices and

rents. The authors, however, fail to control for a number of explanatory variables included in our models. Using a dataset of Airbnb listings from the entire United States and an instrumental variables estimation strategy, they find that a 10% increase in the number of Airbnb listings leads to a 0.39% increase in rents and a 0.65% increase in home values.

Most other studies, however, differ from ours (and Barron’s) in two key respects. First, they focus on specific housing markets, rather than looking

at US-wide relationships, or they consider welfare and distributional effects rather than the impact on the housing market in isolation. Secondly, they use granular zip code-level data to determine whether the proximity to STVR-intensive areas affects sale prices. The data required for our study are available at these granular levels. Without these data, we would not be able to statistically control for the various influences on house prices and isolate the impact of STVRs.

Among these studies, Horn and Merante (2017)¹⁸ use Airbnb listings data from Boston in 2015 and 2016 to study the effect of Airbnb on rental rates. Similarly, Sheppard and Udell (2018)¹⁹ present an evaluation of the impacts of Airbnb on residential property values in New York City.

Another strand of literature provides descriptive analysis of STVRs in specific markets. For example, Lee (2016) focuses on the Los Angeles housing market and makes recommendations on how municipal policymakers can best regulate Airbnb. Other articles simply apply coefficients from other authors’ analyses to their specific markets to derive estimates of local STVR impacts (see for example Wachsmuth et al., 2018)²⁰.

Using a different choice-model based approach, Calder-Wang (2021) studies the welfare and distributional impact of Airbnb on the rental market in New York. The study finds that New York renters suffer an overall welfare loss of \$2.4 billion due to STVRs, and the burden falls mainly on high-income, educated, and white renters who prefer housing and location amenities that are most desirable to tourists.²¹

Garcia-Lopez et al. (2020) examine the impact of Airbnb on housing rents and prices in Barcelona using various econometric methods. Their findings indicate that, on average, Airbnb activity has led to a 1.9% increase in rents, a 4.6% increase in transaction prices, and a 3.7% increase in posted prices. Neighbourhoods with high Airbnb activity are found to have experienced even larger impacts, with rent increases of 7%, and transaction and posted price increases of 17% and 14% respectively.²²

Koster et al. (2020) study the effects of Airbnb bans implemented by several, but not all, local governments in the Los Angeles area. Exploiting changes in prices at the administrative border, they find that banning Airbnb decreases prices by about 5%.²³ Similarly,

Almagro and Domínguez-Lino (2020) set up a dynamic spatial equilibrium model of residential choice and estimate it with data from Amsterdam, and find that a lodging tax is more advantageous in its redistributive goals when compared to caps on STVRs.²⁴ Unlike the structural approach of these two studies, our focus produces reduced form estimates that help isolate the impact of STVRs on housing prices using less granular but more easily and widely available data for the US.

While these studies help us understand how the impact of STVRs can be assessed, their main limitations, in terms of their applicability to our study, are summarized in Fig. 10.

¹⁵ IMF, “Fundamental drivers of house prices in advanced economies”, July 2018 (last accessed May 2023).

¹⁶ Oxford Economics, “Forecasting UK house prices and home ownership”, November 2016.

¹⁷ Kyle Barron, Edward Kung, and Davide Proserpio. “The effect of home-sharing on house prices and rents: Evidence from Airbnb.” *Marketing Science* 40, no. 1 (2021): 23–47.

¹⁸ Keren Horn and Mark Merante. “Is home sharing driving up rents? Evidence from Airbnb in Boston.” *Journal of housing economics* 38 (2017): 14–24.

¹⁹ Stephen Sheppard and Andrew Udell. “Do Airbnb properties affect house prices.” *Williams College Department of Economics Working Papers* 3, no. 1 (2016): 43.

²⁰ David Wachsmuth, David Chaney, Danielle Kerrigan, Andrea Shillolo, and Robin Basalaev-Binder. “The high cost of short-term rentals in New York City.” A report from the Urban Politics and Governance research group, School of Urban Planning, McGill University 2 (2018): 2018.

²¹ Sophie Calder-Wang. “The distributional impact of the sharing economy on the housing market.” Available at SSRN 3908062 (2021).

²² Miquel-Àngel García-López, Jordi Jofre-Monseny, Rodrigo Martínez-Mazza, and Mariona Segú. “Do short-term rental platforms affect housing markets? Evidence from Airbnb in Barcelona.” *Journal of Urban Economics* 119 (2020): 103278.

²³ Hans RA Koster, Jos Van Ommeren, and Nicolas Volkhausen. “Short-term rentals and the housing market: Quasi-experimental evidence from Airbnb in Los Angeles.” *Journal of Urban Economics* 124 (2021): 103356.

²⁴ Milena Almagro and Tomás Domínguez-lino. “Location sorting and endogenous amenities: Evidence from Amsterdam.” In 2020 APPAM Fall Research Conference. APPAM, 2020.

Fig. 10: Summary of existing STVR literature

Author	City of interest	Main findings	Main limitation
Barron et al. (2017)	US-wide	A 10% increase in Airbnb listings leads to a 0.39% increase in rents and a 0.65% increase in home values.	The authors construct an instrument based on Google Trends searches for Airbnb. Unfortunately, these are not accurately available at the zip code level, so to obtain an instrument that varies at the zip code level they interact these searches with a measure based on the number of hospitality establishments in the zip code area. The validity of this instruments can therefore be disputed.
Horn and Merante (2017)	Boston	0.4% increase in asking rents associated with a one-standard-deviation increase in Airbnb listings	The authors rely on weekly rent data from September 2015 through January 2016 and Airbnb data from September 2014 to January 2016. Thus their time dimension is fairly limited. We believe this hinders their ability to establish meaningful relationships between the various variables.
Sheppard and Udell (2018)	New York	6.46% increase in NYC property values associated with a doubling in the number of total Airbnb accommodations	The authors do not convincingly account for the fact that neighborhoods tend to become more attractive to residents and tourists at the same time.
Garcia-Lopez, et al. (2020)	Barcelona	1.9% increase in rents, a 4.6% increase in transaction prices, and a 3.7% increase in posted prices linked with Airbnb activity with neighbourhoods with high Airbnb activity estimated to have experienced even larger impacts.	The authors use micro-level datasets that track granular changes in rents, listed and transaction prices at the Basic Statistical Area (BSA) level. This unit of analysis is built and used by Barcelona City Hall for statistical purposes, and is not available for the US.
Koster, et al. (2020)	Los Angeles	Banning Airbnb decreases prices by 5%	The study uses a spatial Regression Discontinuity (RD) design, which compares changes in prices across municipality borders following Airbnb bans. However, properties located across a border might be part of the same housing market, and therefore, spatial RD estimates do not capture changes in rents and prices that are caused by supply reductions.
Almagro and Domínguez-Lino (2020)	Amsterdam	Lodging taxes generate better redistribution outcomes for disadvantaged groups than caps on the nights STVRs can be made available.	The authors construct a structural model using postcode level data, which is not available for the geographic scope of our study.
Calder-Wang (2021)	New York	Overall welfare loss estimated at \$2.4 billion with distributional effects indicating that the burden falls most heavily on high-income, educated and white renters.	The study uses Airbnb as a proxy and build a structural model aimed at capturing welfare and distributional effects. The aim and therefore the methodology used is very different from the aims of our study.

Source: See footnotes on page 21



4. MODELING APPROACH AND DATA

We build upon the studies referenced in the previous chapter, as well as previous Oxford Economics analysis undertaken in 2019, to produce a US-wide estimate of the impact of STVRs on the housing market. To the best of our knowledge, Oxford Economics' work presents one of the first econometric estimates that use comprehensive data from across the US and covers the pandemic years (2020-2021), as well as covering more STVR platforms than only Airbnb.

This means that we are able to include both owner-occupied home sharing and whole-property STVRs.

To assess how the growth of the STVR market has affected the US housing prices and rents, we have employed a three-step approach as illustrated in Fig. 11.

More detailed information on our methodological approach can be found in the Appendix to this report. In summary,

- First, we undertook a set of background research tasks that informed our approach and laid the foundation for subsequent work. This included a detailed review of available literature and the collection and cleaning of various datasets that were required for our econometric modeling work.
- Next, we used this dataset to estimate an econometric model which aimed to explain variation in house and rental prices—both between different locations and over time—based on a set of economic drivers. As part of this we used data on STVR density, as described, to test the hypothesis that

by restricting available supply, the growth of the STVR market has pushed up housing and rental prices.

- Finally, we applied the results from the econometric model which describe the marginal impact of each driver to the observed changes in each variable. In so doing, we quantify the share of house/rental price growth between 2014 and 2021 that can be attributed to increases in STVR density and other economic factors.

DATA

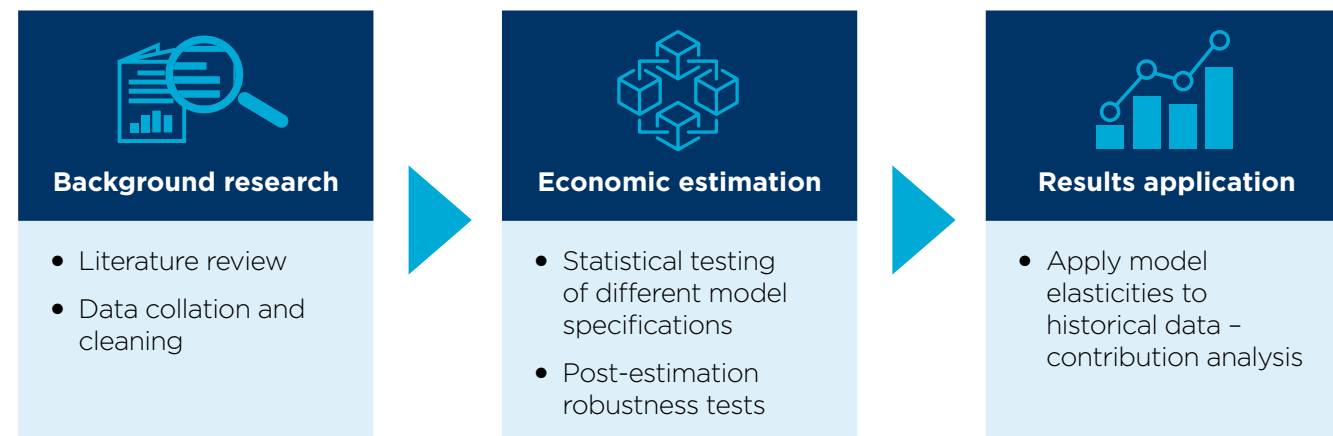
We constructed a comprehensive dataset of all US counties over the period 2014-2021. The sample period for this study begins in 2014, the first year for which data on STVRs are available and concludes in 2021 to align with the latest available year for county-level economic and demographic data from the American Community Survey (ACS)²⁵.

The dataset included a number of economic variables at the national and county level. These include:

- household income and unemployment rates to capture local economic trends;
- housing stock, the number of households, building permits to capture trends in the housing market;
- tourism GDP as a proxy for the overall levels of tourism;
- the user cost of capital reflecting financial aspects related to home ownership; and
- the density of STVRs in the county—the key variable of interest.

Historic data for each variable were sourced from a combination of proprietary and publicly available datasets. A list of the data used in the modeling and the corresponding sources is provided in the Appendix.

Fig. 11: Three-step research approach



²⁵ The "American Community Survey (ACS)" is an ongoing survey conducted by the U.S. Census Bureau to provide detailed and comprehensive social, economic, and demographic information about the American population. It collects data on a wide range of topics, including population characteristics, housing, education, employment, income, and commuting patterns, at very granular regional levels.

5. RESULTS AND DISCUSSION

As noted in Chapter 2, the STVR market in the US has grown rapidly in recent years, and the growth in STVRs has outpaced the rise in available dwellings, as indicated by an increase in STVR density. However, in 2020 and 2021, housing prices and rents increased significantly at a time when housing supply growth was relatively slow but factors affecting demand, i.e., income levels, unemployment rates, and borrowing costs remained favourable.

The 2020-2021 period also saw a significant shift in housing preferences as workers moved away from crowded commercial centers to more rural regions in search for more space and room.

We discuss the two distinct periods in separate sections: the trends for housing prices and rents between 2014-2019 are presented first, followed by those for the 2020-2021 period, before bringing the results for both periods together to conclude.

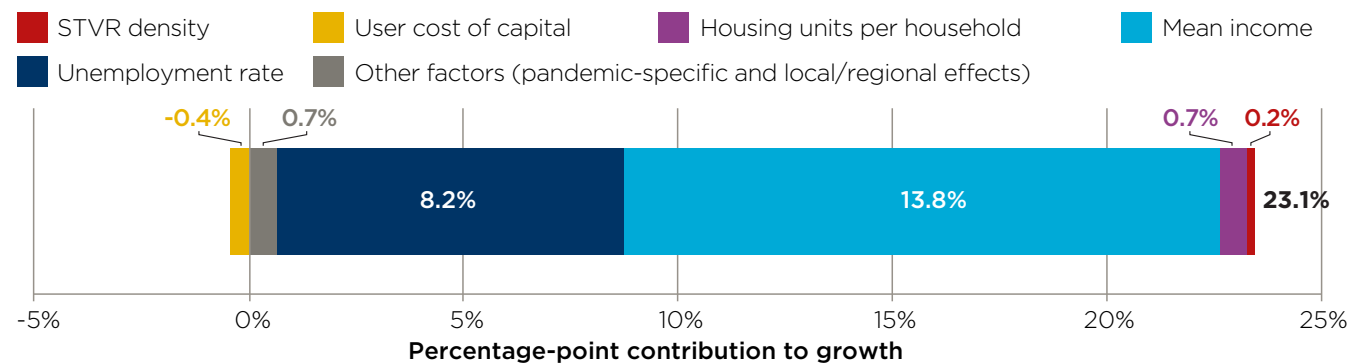
STVR IMPACT ON HOUSING PRICES AND RENTS LEADING UP TO THE PANDEMIC (2014-2019)

In the five years leading up to the pandemic the growth of STVR density had a negligible impact on US housing prices. The econometric analysis shows that at the national level, a 10% increase in STVR density increases housing prices by 0.18%. **Between 2014 and 2019, average housing prices increased by 23.1% in real (inflation-adjusted) terms and our modeling implies that only 0.16% of this increase was attributable to the rapid growth of the STVR market during this period.**

The national impact of STVRs on rental affordability was similarly modest. Repeating our modeling approach but switching our focus to rental prices painted a similar picture as that of housing prices. Our modeling found that a 10% increase in STVR density raised rental prices by 0.6%.

Overall, we find that the growth of STVR density between 2014 and 2019 resulted in US rental prices being 0.9% higher than they would otherwise have been. Our model not only isolates the role of STVR density but can also be used to identify and size the contribution of other drivers (positive and negative).

Fig. 12: Drivers of growth in US housing prices between 2014 and 2019 (inflation-adjusted growth)



Source: Oxford Economics

The full breakdown is illustrated in Fig. 12 and Fig. 13. This demonstrates that much more quantitatively significant causes of observed US housing price and rental inflation between 2014 and 2019 were the increase in the average level of household disposable income and the steady decline in unemployment rates, which boosted real housing prices by a combined 22.3%. Similarly, rental price growth was largely attributable to the increase in income levels, which contributed 5.4% of the 6.7% increase in rents in the 2014-2019 period.

Our results can be expressed more simply in terms of the impact on housing prices and rents as of 2019. We find that without any increase in STVR density since 2014, the

average housing price of around \$211,000 in 2019 would have been less than \$300 lower in real terms, and the average monthly rent of around \$1,000 would have been lower by \$8 in real terms. That is, between 2014 and 2019, **STVRs contributed a hundredth and a seventh to overall growth in housing prices and rents respectively.**

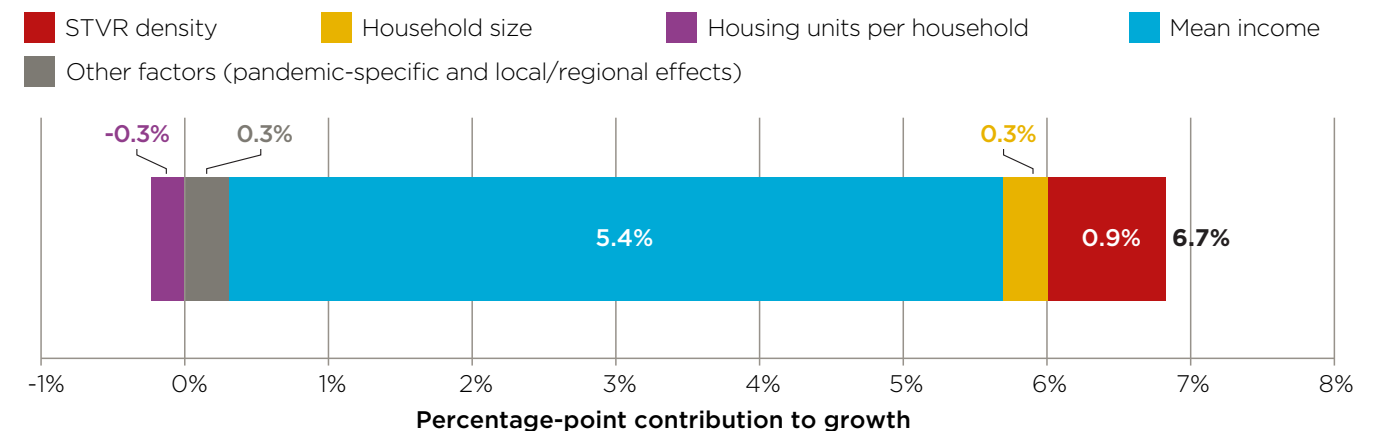
In contrast, growth in conventional economic factors since 2014 is estimated to have contributed around \$42,000 to housing prices and \$52 to monthly rents in real terms in 2021, i.e., **conventional economic factors contributed almost all of the growth in housing prices and more than four-fifths of rental price growth respectively in real terms between 2014 and 2019.**

\$8 lower monthly rents

in 2019 without any increase in STVR density since 2014.

About a seventh (i.e., 0.9% out of the 6.7%) of the increase in real rents attributed to STVRs according to our model.

Fig. 13: Drivers of growth in rents in the US between 2014 and 2019 (inflation-adjusted growth)



Source: Oxford Economics

IMPACT OF THE PANDEMIC ON HOUSING PRICES AND RENTS (2020-2021)

The pandemic and the associated changes in work patterns have had a significant impact on housing market dynamics in recent years. As workers have spread out of urban centres in search of more spacious accommodation, housing prices and rents in more affordable counties have surged.²⁶ For example, Ramani and Bloom (2022)²⁷ show there has been a “donut effect” whereby households and businesses have moved out of city centers over this period towards the suburbs resulting in a significant divergence in price growth between these two areas.

In the 12 largest metro areas in the US, the study found that the central business districts (CBDs) and the top 10% of zip codes by population density saw more than a 10% drop in rents when rents in other areas

increased between March 2020 and November 2020. Although there is less of an aggregate decrease in home sale prices as compared with rents, there is a similar demand reallocation effect where CBDs and dense areas experience relative price growth slowdowns compared with less dense areas.

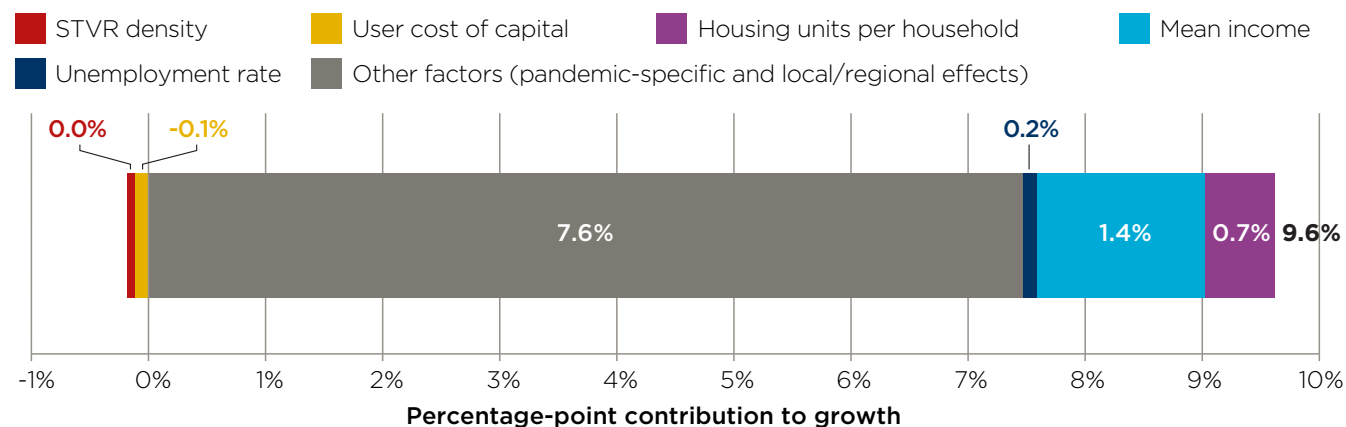
The emergence of the “donut effect” was attributed to four key factors: the economic impact of the virus; restricted access to urban amenities during lockdowns; apprehension towards densely populated areas due to virus transmission concerns; and the ability to work remotely. The latter, which is likely to have a lasting impact beyond the pandemic, enables individuals to reside in more spacious homes outside city centers while maintaining their job productivity.²⁸

Consequently, a thorough evaluation of the impact of short-term vacation rentals focussed on this period was deemed necessary. This period coincided with a period where the growth in STVR density reversed to some extent; STVR density fell to 5.5 listings per 1,000 dwellings in 2020 from 6.1 listings per 1,000 dwellings in 2019.

Between 2019 and 2021, housing prices increased by 9.6% in real terms whereas rental prices increased by 3.3%.

Our modeling indicates that the contribution of STVRs to housing price and rental price growth over this period was largely negligible.

Fig. 14: Drivers of growth in US home prices between 2020 and 2021 (inflation-adjusted growth)



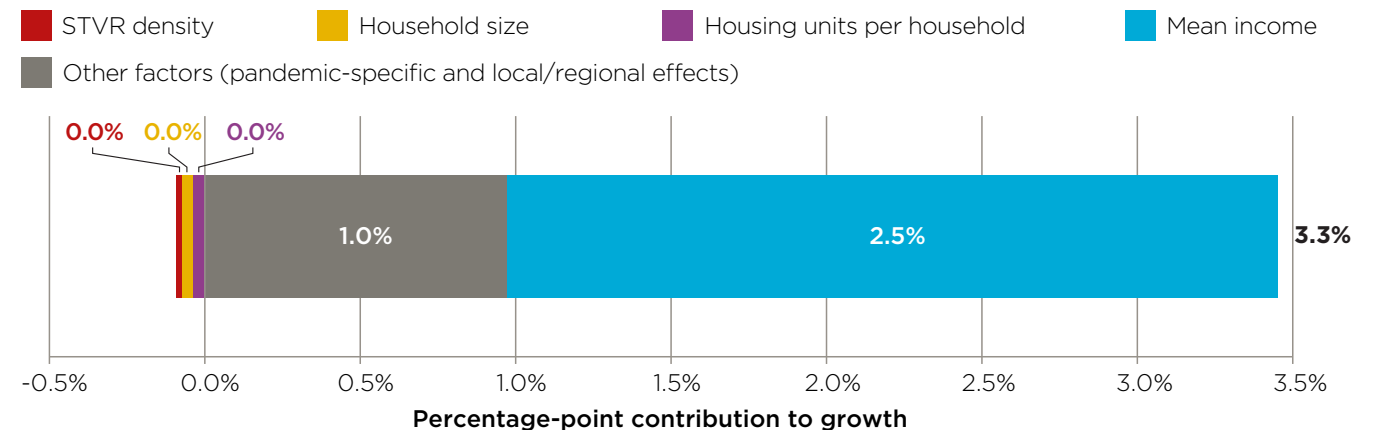
Source: Oxford Economics

²⁶ Bloomberg “How the ‘rise of the rest’ became the ‘rise of the rents’”, 8 September 2022 (last accessed May 2023).

²⁷ Arjun Ramani and Bloom, Nicholas. “The Donut Effect of COVID-19 on Cities,” National Bureau of Economic Research, Working Paper 28876 (2022).

²⁸ Ramani and Bloom, “The donut effect: How COVID-19 shapes real estate”, January 2021 (last accessed June 2023).

Fig. 15: Drivers of growth in US housing prices between 2014 and 2021 (inflation-adjusted growth)



Source: Oxford Economics

Further, our modeling also indicates that only a small fraction of the increase in housing prices—less than 2.1% of the 9.6% growth in prices—is explained by more traditional economic and housing market specific factors such as average income levels, unemployment rates, housing supply and inventory, or the cost of borrowing.

A majority of the growth in housing prices between 2019 and 2021 are due to other factors not included in the model, such regional and local factors such as changes in zoning laws, building codes, and other regulations and changes in housing preferences. For example, the pandemic has shifted preferences towards larger housing and housing in suburban and rural areas through the necessity of remote work and the desire for living outside crowded urban centres.

This trend is evident in the higher prices of spacious suburban homes, as well as the increased preference for single-family housing over multifamily construction.²⁹

In the rental market however, the increase in household income levels contributed 2.5% to the 3.3% growth in rents between 2019 and 2021.

STVRs’ contribution to housing price and rental price growth was negligible, according to our model results. Nearly 78% of housing price growth and 26% of rental price increase in 2020-2021 was attributed by our model to pandemic-specific factors or other local or regional factors.

Translating the above results into impacts on housing prices and rents, we find that changes in conventional economic factors since 2019 contributed around \$5,000 to housing prices and \$24 to monthly rents in real terms in 2021, i.e., less than a quarter of the growth in housing prices and almost three-fourths of the growth rental prices in real terms between 2019 and 2021.

²⁹ Federal Reserve Bank of Dallas, “Why House Prices Surged as the COVID-19 Pandemic Took Hold”, December 2021 (last accessed May 2023).

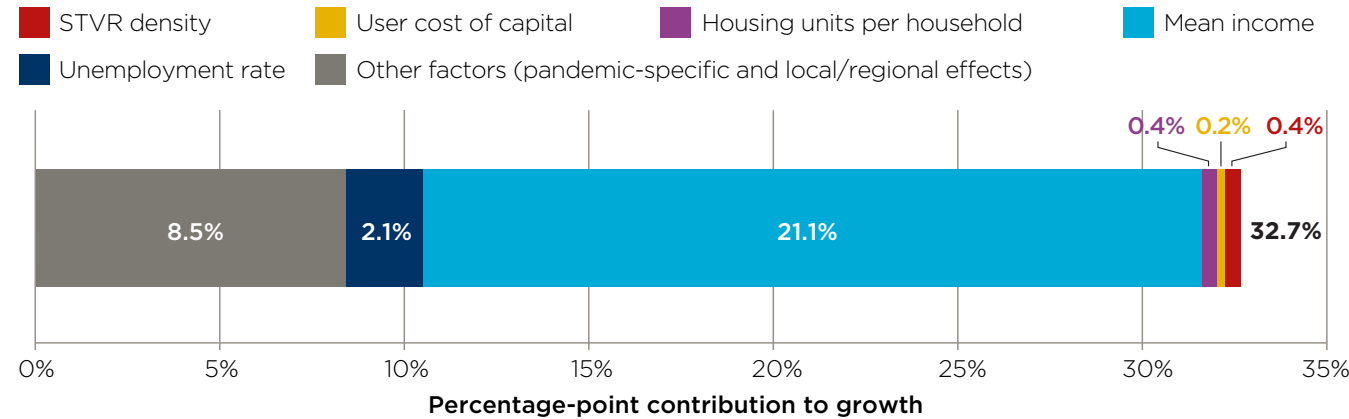
BRINGING IT TOGETHER: STVRs AND THE HOUSING MARKET BETWEEN 2014 AND 2021

The modeling horizon for this study comprises two periods with distinct dynamics in the housing market, i.e., the five years leading up to the pandemic (2014-2019) and the two years since the pandemic (2020-2021). These periods saw different trends in housing market and economic variables

linked to the pandemic and associated behavioral changes. It is too early to say whether the extent to which these changes are likely to persist in the future. In this section, we present the results based on a model covering the entire 2014-2021 period and the associated economic trends.

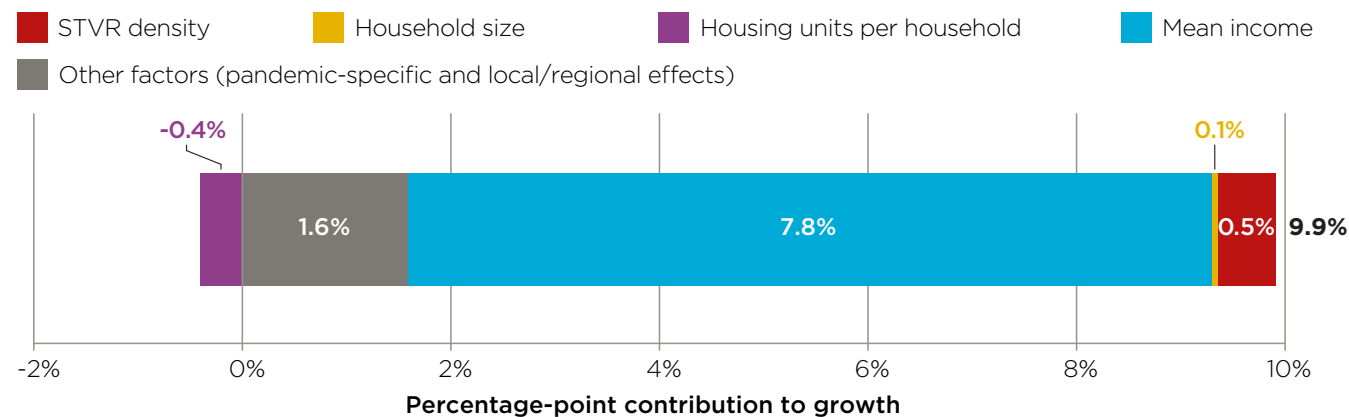
During this period, housing prices increased by 32.7% whereas rental prices increased by 9.9% in real terms. Of this growth, our modeling indicates that the increase in STVR density contributed 0.4% to housing price growth and 0.5% to rental price growth.

Fig. 16: Drivers of growth in home prices in the US between 2014 and 2021 (inflation-adjusted growth)



Source: Oxford Economics

Fig. 17: Drivers of growth in rents in the US between 2014 and 2021 (inflation-adjusted growth)



Source: Oxford Economics

Over the period of 2014 to 2021, the growth in housing prices by 32.7% was largely influenced by a 23.8% contribution from the increase in income levels and the decrease in unemployment. The remaining growth was attributed to a complex interplay of factors, including pandemic-related behavioral changes and region-specific regulations.

Similarly, the rise in rental costs by 9.9% during the same period was largely due to a 7.8% increase attributable to income levels, with the remaining largely being influenced by pandemic-related factors and region-specific regulations.

Our modeling shows that **without any increase in STVR density since 2014, the average home price of around \$232,000 in 2021 would have been only \$800 lower in real terms, and the average monthly rent of around \$1,000 would have been lower by only \$5 in real terms.**

Considering that most households do not pay the full price of a house upfront, but rather apply for long-term mortgages, we estimate the average annual mortgage payment in 2021 would have been \$40 cheaper if STVRs had remained at their 2014 levels.

In contrast, growth in conventional economic factors since 2014 is estimated to have contributed around \$47,000 to housing prices and \$72 to monthly rents in real terms in 2021, i.e., around three-fourths of the growth in housing prices and rental prices respectively in real terms between 2014 and 2021.

THE IMPACT OF STVRs IN VACATION DESTINATIONS

Is the impact of STVRs on prices and rents different in traditional vacation markets such as counties in the mountains or in coastal areas? In both the housing prices and the rental model, we find that, in the long run, the effect of STVRs on the dependent variable is similar in these highly seasonal areas. STVRs contributed around 0.2% out of the total housing price growth of 43.4% in mountain counties and 27.7% in coastal areas, as shown in Fig. 18.

As far as the rental market is concerned, in vacation markets, homes are less likely to be rented on a long-term basis. That means that STVRs have an even smaller effect on rents in

these markets. As shown in Fig. 19, STVRs have contributed 0.5% or less to rental price growth in mountains and coastal areas.

In the homeowners' market, by their very definition, vacation-destination housing markets have higher vacancy rates that reflect more volatile seasonal housing demand. The impact of STVRs on house prices is found to be similar in these areas, as home owners have been renting out their properties long before the advent of internet platforms offering STVRs (through agencies and brokers) and therefore the value from such rental revenue has long been priced in the value of homes in these localities.

Fig. 18: Impact of STVRs on housing prices in mountains and coastal areas

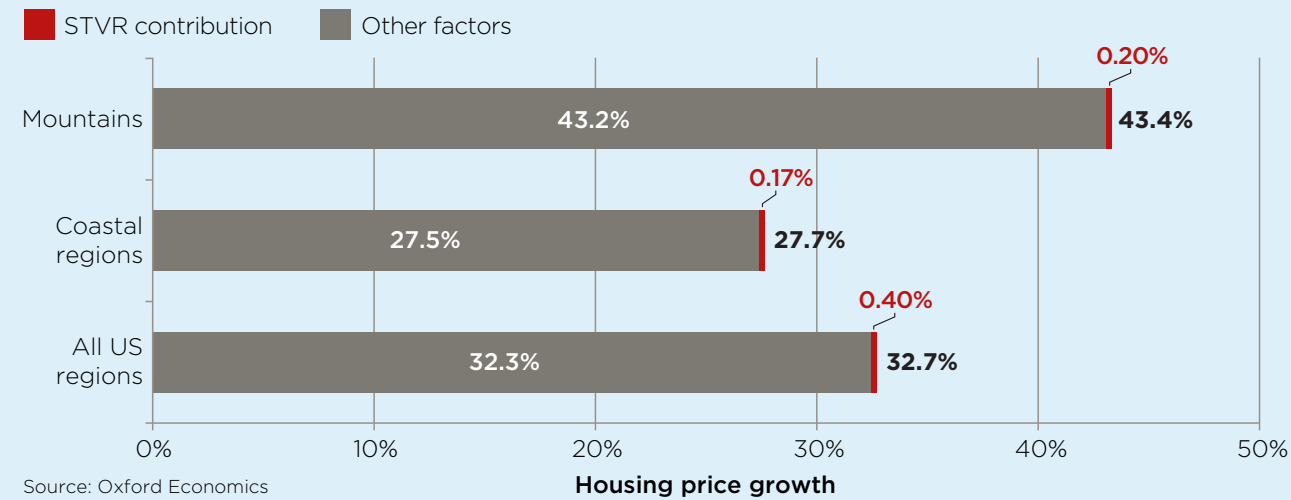
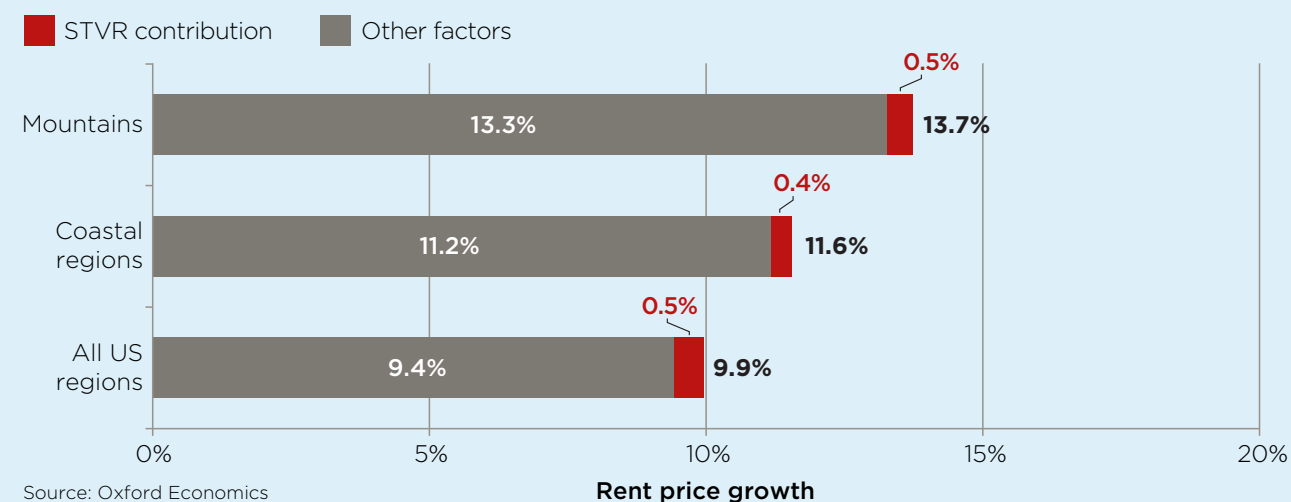


Fig. 19: Impact of STVRs on rents in mountains and coastal areas



6. CONCLUSION

In evaluating the impact of short-term vacation rentals (STVRs) on the growth of housing prices, rents, and affordability between 2014 and 2021, we find that:

- STVRs had a minimal impact on US housing prices and rents. Growth in STVR density contributed to 0.4% of the 32.7% growth in house prices and 0.5% of the 9.9% rise in rents during the 2014-2021 period.
- In other words, housing prices would have been only \$800 lower and monthly rents would have been only \$5 lower in real terms if STVR density had not increased between 2015 and 2021.
- Changes in economic factors—such as unemployment and income levels—since 2014 are estimated to have contributed around \$47,000 to housing prices and \$72 to monthly rents in real terms in 2021, i.e., almost three-fourths (3/4) of the growth in housing prices and rental prices in real terms between 2014 and 2021.
- Analysis focussed on the pandemic and post-pandemic era reveals a notable transformation in market dynamics. Changes in housing preferences—such as an increase in demand for homes with dedicated offices spaces for remote work and outdoor areas for recreation—had a substantial impact on prices and rents since March 2020.
- A model extension suggests that the effect of STVRs on both housing prices and rents is similar in vacation destinations to that of other regions.

The findings have important implications for policymakers who have been focusing on STVRs as both the primary cause of high home prices and its solution. Over-regulating STVRs could harm local economies, reducing visitor spending, and limiting tourism income. Additionally, areas with high rates of second-home ownership that heavily rely on tourism may not experience an immediate increase in long-term rental availability. Finding a balance between STVR regulation and economic vibrancy while addressing housing concerns is crucial.



APPENDIX: METHODOLOGY AND DATA

ECONOMETRIC METHODOLOGY

Housing prices (or rents) in the current period might be affected by past trends in housing prices (or rents), as well as housing supply and general economic conditions. In such cases, dynamic panel methods, such as the Arellano Bond estimator (also known as Difference GMM) and Blundell Bond estimator (System GMM), would allow us to account for the presence of such “dynamic effects.” Difference GMM estimation starts by transforming all regressors, usually by differencing, and uses the generalized method of moments (GMM). This work employs Difference GMM.

Dynamic panel models have become increasingly popular in many areas of economic research, and their use has provided new insights. Using dynamic panel models allows us to find overall (long-run) coefficients for the explanatory variables as well as the contemporaneous (or short-run) ones.

The advantages of dynamic models include:

- controlling for the impact of past values of housing prices (or rents) on current values;
- estimation of overall (long-run) and contemporaneous (short-run) effects; and

- use of past values of explanatory variables as instrumental variables to mitigate the bias due to two-way causality between economic conditions and the housing market, omitted variable bias and measurement error.

The need for a dynamic model: Wooldridge test for serial correlation

The Wooldridge test allows us to test whether the errors are serially correlated; if these are found to be autocorrelated, we may infer that there is a need for a dynamic model.⁴⁰ The disadvantage of a dynamic panel model, however, is that it can add considerable complexity to the modeling process. A simpler static model might therefore be a preferable approach if the Wooldridge test does not suggest a dynamic panel is necessary.

Use of instruments

Instruments are used to control for potential endogeneity in a regression. We have found median incomes (rent model), permits per household, housing supply per household and STVR density (house prices model) to be endogenous variables, and therefore the instrumental variable method was used to estimate their impact.

MODEL RESULTS

As explained, our model specification is known as Difference GMM; such approach, by virtue of being a dynamic model, has both a short- and long-run impact. To obtain the long-run impact, we used the Delta method and discounted the short-run impact by one minus the coefficient on the lagged dependent variable.

CONTRIBUTION ANALYSIS

The modeling results shown in Fig. 20 and Fig. 21 tell us about the sensitivity of rents and prices to changes in their macroeconomic determinants. But these results can also be used to find out which of the determinants were responsible for past changes in the dependent variables. For instance, Fig. 20 shows that the number of housing units per household has a significant negative effect on rents. But while rents may be sensitive to changes in the supply of housing stock, if there was no (or little) change in the housing stock over the study period, then this variable will not have influenced housing prices during that period.

The “contribution” of a given variable in explaining changes in housing prices or rents is therefore a combination of both the estimated sensitivities and the change in that variable over the period under analysis.

Fig. 20: Model results: rents

Variables	Full study sample (2014-2021)	Pre-pandemic period (2014-2019)
Lagged log real median rents	0.8272*** (0.0117)	0.8034*** (0.0134)
STVR density	0.0008*** (0.0002)	0.0011*** (0.0003)
Log mean income	0.1371*** (0.0149)	0.1276*** (0.0156)
Log housing units per household	-0.0681*** (0.0069)	-0.0728*** (0.0076)
Log household size (rental)	0.0455*** (0.0069)	0.0454*** (0.0074)
Constant	-0.3890*** (0.1306)	-0.1165 (0.1424)
Observations	28,026	21,798
Number of counties	3,114	3,114

Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. Note that the contributions for the 2020-2021 period are calculated using the coefficients from the 2014-2019 period to illustrate the extent to which economic relationships changed due to the pandemic and associated factors.

Source: Oxford Economics

Fig. 21: Model results: housing prices

Variables	Full study sample (2014-2021)	Pre-pandemic period (2014-2019)
Lagged log real median home prices	0.9842*** (0.0073)	0.9400*** (0.0063)
STVR density	0.0000 (0.0001)	0.0001 (0.0001)
Log mean income	0.0679*** (0.0072)	0.0744*** (0.0067)
User cost of capital	-0.2115*** (0.0150)	-0.4573*** (0.0144)
Log housing unites per household	-0.0795*** (0.0093)	-0.1071*** (0.0143)
Unemployment rate	-0.0011*** (0.0002)	0.0047*** (0.0003)
Observations	20,475	17,769
Number of counties	2,708	2,650

Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. Note that the contributions for the 2020-2021 period are calculated using the coefficients from the 2014-2019 period to illustrate the extent to which economic relationships changed due to the pandemic and associated factors.

Source: Oxford Economics

MODELS WITH INTERACTIONS

Is the impact of STVRs on prices and rents different in traditional vacation markets? The model coefficients described so far measure the average impact of STVRs on the dependent variables (prices and rents). Our baseline model looks as follows (in the example of prices):

$$Housing\ prices_{it} = \alpha\ STVR_{it} + \beta\ X_{it} + \gamma\ Housing\ prices_{it-1}$$

However, in order to isolate vacation markets, we added an interaction term to our models, defining them based on whether the counties were coastal or mountainous regions.³⁰ The model is now specified as follows:

$$Housing\ prices_{it} = \alpha\ STVR_{it} + \alpha_2 + (Vacation * STVR_{it}) + \beta\ X_{it} + \gamma\ Housing\ prices_{it-1}$$

Without the interaction term, α would be interpreted as the total effect of STVRs on prices. But the interaction means that the effect of STVRs on prices is different for vacation markets and less touristic areas. The effect of STVRs on prices in non-touristic counties is equal to α_1 . However, in vacation markets the effect is equal to $\alpha_1 + \alpha_2$.

In both the housing prices and the rental model, the interaction term for vacation markets is not statistically significant, suggesting that the effect of STVRs on the dependent variable is the same as other regions in these potentially tourism-heavy areas.

DATA

The table below shows the data used in our model and the corresponding sources.

Variable	Source
Active listings	AirDNA
ZHVI all homes price index	Zillow
Rents by property size	US Census Bureau and the Department of Housing and Urban Development
Mean and median income	Oxford Economics databank
Number of housing units	Census Bureau
Number of households	Oxford Economics databank
Unemployment rate	Bureau of Labor Statistics
Tourism GDP	Oxford Economics databank
Building permits	US Census Bureau
Household size	American Community Survey
User cost of capital (see note below)	
Property tax rates	American Community Survey (5-year estimates)
Depreciation rates	US Bureau of Economic Analysis
Inflation expectations	Federal Reserve Bank of Cleveland
Effective interest rate	US Federal Housing Finance Agency
Effective mortgage rate	Federal Reserve Economic Data
Mortgage interest deduction rate	Internal Revenue Service, American Community Survey, Tax Foundation

Source: Oxford Economics

38 ³⁰ The dummy variable takes a value 1 if the county is coastal or in a mountain region, and 0 otherwise.

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Oxford Economics was founded in 1981 as a commercial venture with Oxford University’s business college to provide economic forecasting and modeling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world’s foremost independent global advisory firms, providing reports, forecasts and analytical tools on more than 200 countries, 100 industries, and 8,000 cities and regions. Our best-in-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social, and business impact.

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ABOUT THE VACATION RENTAL MANAGEMENT ASSOCIATION

Founded in 1985, the Vacation Rental Management Association (VRMA) advances and advocates for the short-term vacation rental property management and hospitality industries. Headquartered in the United States, membership includes professional property managers, owners, and suppliers in countries throughout the world—in addition to housekeeping and maintenance professionals through its partnership with the Vacation Rental Housekeeping Professionals (VRHP). VRMA provides news and research, education and networking opportunities, certification and accreditation, promotes the value of the vacation rental experience, and drives industry growth.

VRMA engages in advocacy efforts to promote favorable legislative and regulatory environments for the short-term vacation rental industry, and supports fair and reasonable regulation. VRMA works with lawmakers and government agencies to educate them about the benefits of vacation rentals, emphasizing the contributions made by its members to local economies. VRMA also conducts and underwrites research to generate insights that help its members make informed business decisions and advocate for their community. To learn more, visit www.vrma.org and www.vrmaadvocate.org.

June 2023

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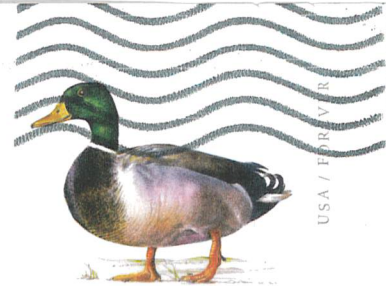
October 18, 2023

To: Humboldt County, Planning Dept.
RE: Short-Term Rental ordinance
Hello,

We are County residents (McKinleyville), and have two operating STRs in our immediate area. We have no complaints so far about these operations, BUT, we notice in our reading of news coverage of the matter of a necessary new ordinance, that one requirement is in the "mix." That is, the need for a 2-way street or road to allow the obvious: for an emergency vehicle to get in, and possibly other vehicles to get out at the same time. Please consider this a public comment, and that this requirement be kept in any final language to the ordinance. One STR very near to us has only an unpaved alley that is one-lane, and has no shoulder on either side. This would be a disaster in an emergency with any number of vehicles involved—much less a fire truck!!

EUREKA CA 955

19 OCT 2023 PM 1 L



County of Humboldt
Planning Department
3015 "H" Street
Eureka, CA 95501

