



City of Sebastopol
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APPROVED MINUTES

PLANNING COMMISSION
CITY OF SEBASTOPOL
MINUTES OF May 10, 2022

PLANNING COMMISSION:

The notice of the meeting was posted on May 5, 2022.

1. **CALL TO ORDER:** Chair Fritz called the meeting to order at 6:00 P.M. and read a procedural statement.
2. **ROLL CALL:**
 - Present:** Chair Fritz, Vice Chair Oetinger, and Commissioners Burnes, Fernandez, and Kelley
 - Absent:** Commissioner Douch (excused)
 - Staff:** Kari Svanstrom, Planning Director
John Jay, Associate Planner

3. **COMMENTS FROM THE PUBLIC ON ITEMS NOT ON AGENDA:** None.

4. STATEMENTS OF CONFLICTS OF INTEREST:

Commissioner Fernandez indicated that he would recuse himself from Item 5.A., Vacation Rental Policy Update, as he currently possesses a permit for a vacation rental in the City of Sebastopol.

5. REGULAR AGENDA ITEMS:

A. Vacation Rental Policy Update – Introduction of and discussion with Consultant

Director Svanstrom introduced the item.

Consultant Allen Atamer of Harmari presented the staff report.

Chair Fritz asked for Planning Commission questions of the consultant or staff.

Kathy Oetinger, Vice Chair

You mentioned that we might be interested in what is just outside our City limits and I am quite interested in those numbers, because that has a big impact on our City and may be able to take some of the burden when neighborhoods feel that there are just too many vacation rentals in town.

Paul Fritz, Chair

You have the share of total housing units. Is that taking the 20% off number that you mentioned for hotels and things like that, or is that just the total without the 20% reduction you mentioned?

Allen Atamer, Consultant

When I say the 20% discount I'm actually referring to this chart, which is raw listings. It's an Airbnb link, so that's the atomic unit that I've posted there. It's not the lowest possible atomic unit, because we haven't fully identified all the cities. It would be nice to be able to do that if the cities hired us, but for now what I'm saying is across the board we can say if you want to convert listings to dwelling units you can discount each of these numbers by 20%. This is just housing units, dwelling units per U.S. Census data. That's not going to be discounted, because those are the lowest atomic units for those metrics.

Paul Fritz, Chair

On the table to the right, to come up with the percent of housing units are you using the 20% discounted number or are you using the total number from that first table?

Allen Atamer, Consultant

That is listings. It's not been discounted.

Paul Fritz, Chair

So it can be a little bit lower than that? Obviously, the rankings would still be the same.

Allen Atamer, Consultant

Yes, correct. Whether it's 2.4 or 3.0, Sebastopol is still going to be ranked third across eight cities. It would have been nice to be a bit more proportional by population per se, but the fact that it's one of the smaller towns in that list—Windsor and Sonoma are relatively more populated—makes more sense. Sonoma city is the namesake of Sonoma County, so I was expecting a bit more tourism attractiveness there. Windsor is doing a lot of condo-based development, so a lot of multi-family dwelling units, a lot of condos going up for short-term rent if they're basically vacant a lot of the time. It's a bit of an aberration, but that's based on the choice of a lot of condos and multi-family dwellings there. That's my little anecdotal analysis of this chart.

Linda Kelley, Commissioner

What is the breakout of how many of these units are ADUs?

Allen Atamer, Consultant

Let me dive a little more into the identification work, and then I can get a definitive answer on the ADU usage. Kari, do you have any background on historically what percentage of ADUs is being operated?

Kari Svanstrom, Planning Director

I don't know the percentage. I do know that we had a few permits out there before 2018, and before 2017 the City started waiving fees for ADUs, and our current code treats those ADUs a little bit differently because they paid all the impact fees and were subject to design review. I don't think we've issued very many permits for any new ADUs since 2018 since the regulations changed, but yes, that's something we'd probably have to take a closer look at. Commissioner Kelley, I do also know that we have a few people who are renting the main house and living in the ADU; sometimes it's a younger couple who wants to be able to buy a house, but to make the mortgage they're going to live in the smaller unit until they

start a family and get a little further along in their careers. That's a little bit my sense, but we'd have to take a closer look with Allen to get the definitive numbers on that.

Linda Kelley, Commissioner

Of the old pre-2017 ADUs, do we happen to have a percentage of how many of them have essentially become vacation rentals?

Kari Svanstrom, Planning Director

We don't have it right now, but since I've been here I don't think I've issued any permits for ADUs. We have issued a couple where the person is living in the ADU and the main house is rented. It should just be the number of ADUs we have that are being rented. I don't know of a single post-2018, because that would have been a use permit coming to the Planning Commission.

Deborah Burnes, Commissioner

Are primary residents required to have a business license, and are they paying taxes on the money that is earned from the rentals?

Kari Svanstrom, Planning Director

Anyone who wants to do a short-term rental of any type in the City, either hosted or non-hosted, does need to get a Planning permit so that we can track it. We have started assigning them numbers and requiring them to post their license or permit number in any postings they have on Airbnb and whatnot, but they do also need to get a business license, and yes, they do pay the TOT tax. I believe those who are with Airbnb do it to Airbnb, and unfortunately we do not get the specific information from Airbnb, we just get the payments from them, but people can also remit it on an individual basis as well.

Kathy Oetinger, Vice Chair

When we're discussing the primary residence, that would be for hosted rentals, wouldn't it? If it's not hosted, it doesn't need to be a primary residence, obviously.

Paul Fritz, Chair

If I want to rent my house out while I'm on vacation I would be non-hosted, because I wouldn't be there, but it would be my primary residence.

Kari Svanstrom, Planning Director

I think there is one other instance where a member of the public who did non-hosted rentals, I think she already has a license, but she was a consultant who traveled a lot and so she rented her home while she was out of town, but it was still her primary residence. So there are ways as we look at non-hosted rentals, like what Paul noted, where they're gone or on sabbatical, but they're still the primary resident, or they're out of town a lot and are renting it when they're not there, that's a way of parsing the non-hosted rentals.

Allen Atamer, Consultant

Can I jump in with a counter-anecdote, Kari? We provide the service that you're seeing there for the City and County of Denver, Colorado, and there are counter-examples of what was mentioned. For example, we found a STR permit holder that indicated that they are a primary resident there to obtain the permit, but we also found subsequently a homesteaded property in Florida. When we dig into the story we find that the husband had to relocate for work and the wife and kids stayed in Florida and both names are on the deed, and so they both claimed homestead in Florida and that's a no-no for the primary residency rule. So for him to unravel that he would have to take his name off the deed or at least not declare homestead and then be able to rent out his primary residence, and then that will be his true

primary residence in Denver. So there are certain lines that can't be crossed, but for the individuals that you mentioned where they're traveling on a regular basis for work rather than relocating somewhere for more than half a year and then staying there, those are kind of lines that are being crossed that it's not a primary residence anymore. Just a concrete example of somebody for whom the primary residency rule would potentially be revoked.

Linda Kelley, Commissioner

This is building on my prior question about the pre-2017 ADUs. Do we know if there is a primary person living in the other residence, or is it allowed? Say it was a rental in front and then the ADU was used as a short-term rental? Or is it allowed to have both of them be used if it was pre-2000, and so then it would be a totally unhosted. Is that allowed now?

Kari Svanstrom, Planning Director

That would not be allowed now, or it would have to come before the Planning Commission as a non-hosted, and I don't think we'd allow that because it would be a non-hosted multi-family. I do think there is one, not an ADU but a duplex on Healdsburg Avenue, that has a permit to rent both units, but otherwise our permits for ADUs are yes, either the owner or a long-term renter is in the main unit.

Linda Kelley, Commissioner

Of our current FPRs, are they required now to do a yearly define back up with the City, or how is it now?

Kari Svanstrom, Planning Director

When you go through the Planning permit requirements for hosted or non-hosted it does continue and it's valid, but we're checking for hosted to make sure that they have the parking and that it's a legal unit. We have seen a couple where it turns out they had illegally built an ADU by putting in a sink and wet bar basically, and so we resolved those, but if they meet all the requirements for the permit, then we would issue the permit. They need to get a business license that they need to keep valid every year. If they sell the property the vacation rental license does not run with the land, it runs with the person who applied for it, because they have all of the requirements that they need to meet as an operator. I know we had one that was a non-hosted rental. It was actually that little yellow house on the corner right across from Palm Drive Hospital; it's now a much nicer color and it is now turned back into a long-term home. Allen, as you can see, we have a very small town, so it's easy to track these things.

Deborah Burnes, Commissioner

As part of this process do we look at if the ADUs used as rental units impacts people looking for long-term rentals, because there's such a housing crisis here, and especially for lower-income housing? Additionally, do we look at the impact of having the hosted rentals with more people coming in and out of the town, the traffic, the parking, and the environmental impact? Are those two components analyzed at all during this process, or is that something separate?

Kari Svanstrom, Planning Director

We aren't looking at traffic as part of this project, and I haven't asked Allen to look at the economic impacts or the impacts regarding long-term rentals.

Allen Atamer, Consultant

I think what's not on the bullet points here is I did want to throw statistical analysis input into my model with respect to economic impact. One of the easiest ones I can throw in there is median family income or work location, basically things from the U.S. Census data

that I can easily plug into mathematical models. One of the things I was hoping to do as well is some sort of regression analysis to see what are the drivers of short-term rental inventory or STRs per capita. It's a statistical analysis and I'd rather talk more about it once I have a good working model. I just need some time to get the math in order, but I am going to be looking at economic impact as a potential driver for housing topics like this.

Kari Svanstrom, Planning Director

I did see something recently that wasn't specific to Sebastopol, but may be of interest. It looked at the impacts to housing prices and also rental prices, and I'll try to find that study and give that to the Commission.

Paul Fritz, Chair

I know it's been discussed with this Commission previously, but you had that heat map at the beginning. Is there a way to define overconcentration, like how many rental units per neighborhood is good or not good? I don't know if you've done that in other places or if there's a way to make sense of that.

Kari Svanstrom, Planning Director

That's something that we have found very amorphous when we've been reviewing them, like what does that mean?

Allen Atamer, Consultant

If we're talking about a living/working large population City, you're generally looking at a short-term density of around 0.5-1%. If it's a destination city and there's a like a beach, then the number gets a little bit higher. If you're talking about a ski community or a cottage community, then the number could end up being 15% or some way disproportionate number. I wish there was an owners guide or users manual of what's a healthy proportion of STRs, but if people are living and working in the city you want to keep the proportions lower, i.e. less than 5% generally speaking. The numbers I showed earlier about the STRs per 1,000 people or STRs per total housing, if I were to weigh Sebastopol against the comparables in the County, I would probably expect to see it a little less.

Paul Fritz, Chair

My question would be more like in terms of how are they concentrated within the City? Are they all in one neighborhood? We don't want to have 50% of a neighborhood be short-term rentals and one neighborhood have none, so I guess is there a way in terms of how it's allocated throughout the City? And if we wanted to come up with a way to say no more than X-percent per 1,000 residents or something like that and we have to break the City up into some geographic areas in order to do that, have you seen that done before?

Allen Atamer, Consultant

Yes, I've seen that in different locations throughout the country. San Diego is trying to do that with the Mission District where they are giving a little bit of leeway within a certain segment of the city, but it's kind of hard to compare San Diego to Sebastopol. My gut feeling is that the neighborhood's context is maybe too granular for the City. Maybe downtown Sebastopol is not that big to be able to break it up with the neighborhoods like New York City ends up being broken up with the neighborhoods, or San Francisco is an international destination city. Sebastopol is still kind of hip to hang out and visit, but may not have a Haight-Ashbury neighborhood, there's no such Haight-Ashbury in Sebastopol.

Paul Fritz, Chair

We've probably seen this on our Housing Element data, but what is the total number of housing units in Sebastopol?

Allen Atamer, Consultant

I can get that data in a separate report. I can get the raw Census data, but I think the value is marrying the SDR data to the Census data and showing proportions, but I'll get you absolute numbers of housing units.

Paul Fritz, Chair

You talked about the intermittent rentals, and it would be good to see more specific information about that, because like the situation I was describing, if I go away on vacation and I rent out my house for two weeks, that would be an intermittent rental, and in terms of the context of this discussion I feel it's a minor issue. So if we have a lot of people who are doing that versus something else, I would be curious to have that portion of intermittent rentals versus full-time rentals.

Kari Svanstrom, Planning Director

John, have you issued one or two of those recently where it's 30 days or less per year?

John Jay, Associate Planner

One for sure, and I think I've had a couple of inquiries about that type of system. Yes, I think even breaking that out as a separate category could maybe be an option to explore.

Kari Svanstrom, Planning Director

Which we already have separately in our code. Do we need to change that at all?

Kathy Oetinger, Vice Chair

I'll just make a comment that if we're going to eventually look at putting caps on the number of hosted and non-hosted or total STRs in Sebastopol, then it concerns me that we have so many "active listings" and unlicensed rentals. Is the next step to research those and shut them down? You can't do one and just ignore it. If we're going to come up with policies we have to enact them, so I'm asking how do we enforce that? It looks like that's Allen's company that helps with that process. Do we want neighbors to turn in their neighbors, or how do we do that? Are there other ways to do that?

Kari Svanstrom, Planning Director

I can talk about what we've done previously. We did have another company previously identify rentals similar to what Harmari is doing. Staff goes through and can verify and make sure that there's not a license on file that we missed when we sent them our list of licensed, because it is kind of difficult because we don't have a good tracking system for the pre-we-issued-a-permit-planning-permit, so there's sometimes a business license that we may or may not know about. We'll tend to look and see whether it's a hosted rental that they could potentially legalize versus a non-hosted. The last time we did this we had the moratorium in place and we basically said you have a non-hosted rental, you can't do this, and I think Council provided some direction. We wanted to give a little bit of leeway so if people already had bookings they didn't have to cancel them, but then they had to stop. I think most did it with the first letter and were in compliance. We did find some where the people said they hadn't rented the home for a number of years, but Airbnb, for whatever reason still had the ad up even though it didn't show any availability, and so that was a weird ghost thing and we worked with them to remove that listing. I've been taking a quick look at what Allen has given to us so far in his identification. I have seen one or two that we had sent compliance letters to and they stopped at the time, but it looks like they may be now doing it again, so there is a need to continually monitor at some level.

Kathy Oetinger, Vice Chair

I can see that that would be ongoing, and yet it's important because our main goal here is that people want to live in communities, not in business districts, and if neighborhoods start crossing that line, then nobody is happy anymore and we haven't been successful, so I think it's important to remember that whatever policies we create, and whatever implementation programs we have, the goal is to let people know what the rules are to reduce the instinct for more people to be buying properties for this purpose, and enforcement is going to be a really important part of doing this. I would really like to see that information on properties just outside the City, because a lot of people don't know themselves whether they're in the City or out of the City unless they have to get a permit. A lot of our streets are based on terrain and traditional rural developments, and so a very short road could have a couple of Airbnbs and those few people are impacted quite a bit by the crowds that would be coming there versus other neighborhoods that are not as congested but more open to through-traffic and whatnot, where there isn't as much intimacy and people don't perceive the greater numbers. I'm hoping we can look at policies that require a certain amount of spacing of Airbnbs so that a whole block doesn't get taken over by them. I don't think it's necessary to require them to be scattered all over the City either, I can see how hard that is, granular as you were saying earlier in deciding how to protect the neighborhoods, which is why I think if there's already an Airbnb on that street we need to start looking at requiring a use permit so we can decide whether that street is already impacted too much by Airbnbs or whether another one would be appropriate there. I don't know if we can work on policies like that, but knowing how close Airbnbs are and having a more specific map would help us look at that.

Paul Fritz, Chair

To your first question, I know when I had my house listed on Airbnb I had no dates available, and then if we'd go on vacation I would open them, and I did get a letter from the City saying we see you have an unlicensed vacation rental. I talked to Kari about it, and I learned that on Airbnb you could still have your listing up there. My listing is still technically on their site, but you can't find it now, so maybe people are doing similar things. They put listings up and they don't have any availability and they don't have a license because they're not activity doing it. I haven't done it for years, so mine hasn't been active, and it's probably hard to tease some of that stuff out too; it's kind of complicated. And that's just Airbnb, and there are all these other sites too, so I'm sure it's pretty complicated to monitor all that.

Allen Atamer, Consultant

What you just categorized with the listing being up and not bookable forever and ever, that's a "zombie listing" in our definition. It's relatively easy to find zombies because the calendar hasn't been updated for more than a year and the last review was more than a year ago, so that's usually the definition. Essentially the account has been abandoned by the host. Maybe they moved out, maybe they stopped listing and they've just left the calendar blocked. Are they in violation if their calendar is completely unbookable? Arguably yes or no. People might direct message them and still book it short-term unbeknownst to anybody, so the only way to be sure is deactivating the account.

Paul Fritz, Chair

Do those show up as intermittent listings in your data, or they don't show up at all?

Allen Atamer, Consultant

No, those show up as active, because the listing is up, it's just not bookable, and we generally have a compliance policy where you can say "Ignore not bookable," in the compliance notes where the customer tells us just ignore these guys, we don't want you

chasing the not bookable properties, or yes, please chase the not bookable properties and deactivate their account, and that way you're guaranteed that no bookings are taking place.

Paul Fritz, Chair

Are some of those zombie listings then part of the 70 units in Sebastopol that you found?

Allen Atamer, Consultant

No, in that filter it was active and intermittent. We have a specific category for zombie listings. I doubt that there would be much of that activity given that we haven't been monitoring the City for that long, so it will take a little longer for us to see that trend, because it needs to be unbookable for at least a year for us to categorize it that way. I wanted to see if I could share the inventory map, because we actually work for the County as well and we have a map of unincorporated Sonoma that I wanted to briefly share.

Kari Svanstrom, Planning Director

I think this might address Vice Chair Oetinger's question.

Allen Atamer, Consultant

What we're looking at here is the map of Sonoma County, and it's an interface map view. I've displayed a shapefile that represents unincorporated Sonoma County and I've turned on the heat map. It's not going to show like glaring red like you saw in those other files, because it's normalized across the entire County so it's probably not as dense in the suburbs of Sebastopol as it would be in other parts of the County, for example, CDPs like Cloverdale or Guerneville or Forestville and so on. You'll see circle maps maybe that give you the STRs in this area, or what you'll see here in annexed land from I guess Santa Rosa.

Kari Svanstrom, Planning Director

Yes, those are Santa Rosa's wastewater irrigation fields. There is no one there.

Allen Atamer, Consultant

I would summarize and say that there is a smattering of short-term rentals in the unincorporated regions immediately surrounding the City. There are some artifacts of data in the City. I can send you the heat map of in-City, but this is unincorporated, which is the opposite, and I can make this available to Kari and the team if that helps with the analytics.

Kathy Oetinger, Vice Chair

What it shows to me is that there are plenty of places for people to stay just outside the City, and there probably will be more and more over time, so I don't feel too badly about the industry if we protect our neighborhoods a little bit more. There is much less impact when you're on a rural property than when you're in a neighborhood that's already a little bit crowded with urban development and infill.

Deborah Burnes, Commissioner

Kari, is the new hotel coming in town still happening, and do we know what was the occupancy rate at the other hotel that no longer exists?

Kari Svanstrom, Planning Director

The Sebastopol Inn, now Elderberry Commons, was a hotel that was purchased and is now permanent housing. That hotel was a 31-room hotel. I don't know what their occupancy rate was. I can probably find out what it generally was, because I have one hotel economic study. The new hotel, named Sebastopol Hotel, is moving forward and is from Piazza Hospitality. It will have 66-rooms, a number of junior and senior suites, and also 12 or so hostel rooms, so there will be a range of pricing for that presumably.

Paul Fritz, Chair

Do we know the occupancy rate for the other hotel in the south end of town, whatever that's called?

Kari Svanstrom, Planning Director

It used to be the Marriott, now it's the Fairfield Inn & Suites. I do not know what their occupancy rate is. I do know from the TOTs and the third quarter that came out, the latest from the Sonoma County Tourism Board, things are getting back to normal on that front.

Deborah Burnes, Commissioner

How many rooms does the Fairfield Inn & Suites have?

Kari Svanstrom, Planning Director

I can find that out. Just give me a minute.

Linda Kelley, Commissioner

Regarding the proposed parking analysis or requirements— this in on Attachment 3 and I think it's page 1 of 4, the one on our staff report—I'm seeing that the word meaning a parking space or parking spaces shall be provided. What if the guests decided to park along the street? Some streets are very limited parking anyhow. How does the neighborhood deal with that kind of impact if the host says they are meeting the requirements and they don't have to park onsite, so maybe using it for a larger gathering in the evening?

Kari Svanstrom, Planning Director

Right now we do require, if you're a hosted rental, one parking space for the host and then one for each room that is rented, with a maximum of two rooms. For either non-hosted or hosted we have a maximum allowed of two rooms being rented for a short-term rental. For a non-hosted, you have to have the same number as you do rooms, but we don't have any requirements that they park in the driveway or in the garage. What we do have, however, is an agent and a good neighbor policy. If we got a lot of complaints from the neighbors that people are having way more people than they're allowed to have, which we do have a maximum occupancy of two people per room, and someone is using it as a party house, then we would enforce on exceeding maximum occupancy and other issues if we got complaints. We have not gotten that in Sebastopol. I don't know if it's because we limit the number of rooms to two. I know I've rented a house closer to Bodega Bay where it was a much larger house and there were probably six of us, but there were a lot more rooms in that house than what Sebastopol allows.

Linda Kelley, Commissioner

Under nuisances, is there a way to make sure that there's information provided to the guests about our Wood Burning Ordinance and also that we have air district banned burning days too? Those kinds of things are part of the nuisance issue and don't want to highlight it in particular, but it can be very, very uncomfortable to a small neighborhood with air inversions.

Kari Svanstrom, Planning Director

We don't currently have that as a requirement in the good neighbor policy or the rules we require people to provide to their guests. I think we have added that one for use permits that have come to the Commission though.

Linda Kelley, Commissioner

So we could do that, but I don't want to do it here in the questioning period.

Kathy Oetinger, Vice Chair

I noticed in the staff report the County had a limitation on the total number of guests on top of the number of residents. I think they had a maximum number for the house and then guests to the house was on top of that, and they had a finite number. I think that could address some of the parking issues. We need to consider that if you're got a large group of people coming to town and one house is rented and all the people in town gather at that one house, that could be an issue, and I don't know whether that's something we need to address or if we just stipulate the number. I know when I've stayed at beach houses there are a certain number of parking spaces, and then all the other relatives show up, and then suddenly there are cars all up and down the street, and we just don't have room for that here at most sites, so I wonder whether we need to stipulate the number of guests.

Kari Svanstrom, Planning Director

We do have the maximum overnight occupancy, but we don't have additional guests maximum, which Sonoma County is proposing in their proposed Vacation Rental Ordinance that they're working on. Right now I think it's going through hearings of the Planning Commission. I'll make a note that that seems like a reasonable requirement.

Kathy Oetinger, Vice Chair

I think it could help with the fact that people do gather then at this house, especially if it's designed and set up for crowds, even though two bedrooms doesn't seem like it's a crowd, but if there's a nice back yard it could easily become the site where everyone gathers.

Chair Fritz asked for further questions from the Commission. Seeing none, he opened public comment.

Carl Rashad Jaeger

I see a lot of jurisdictions go through this. One of the most important things to focus on is noise, nuisance, and safety regulation. When you focus in on that and regulate it really well and put the right consequences in place, a lot of the problems that neighborhoods have go away. I hear a lot of discussion about caps and banning and doing away with things, but most of the issues that people face have to do with noise, nuisance, and safety, so why not use the limited efforts we have to focus in on that? When you start proposing caps and moratoriums and all this other stuff, it creates a lot of work for a lot of people in the town. Focus in on what actually matters. The other thing I would say is when you start talking about caps and bans, you have to understand the economic impacts of the decisions that you're making. If you own a restaurant, café, or shop in Sebastopol that's barely made it through COVID, you need visitors in your town. I think if you focus in on noise, nuisance, and safety you keep the economic visitors that you need to have a vibrant town, and you're small businesses, and the jobs that they provide, get to stick around. It's also really important to understand hosted versus non-hosted rentals when making policy. In a hosted rental situation someone is home to help with noise, nuisance, and safety, and most of the time the host wants to go to sleep too. I have a lot of questions about this data, because I think we've really co-mingled hosts and non-hosted in this data. I'd need to see the underlying data to see, because when you have hosted rentals you have people that most of the time are renting a room in their home, it's something to help them get by, whether they're retirees, whether they need some extra income, they are people who use this income to stay in Sonoma County, so think about why this income is important for hosted rentals.

Woody Hastings

I'm looking at all policies through the climate lens and the City has adopted a Climate Emergency Resolution. Relative to the issue of tourism, I wasn't clear what the first bullet in the Next Steps meant, because it said tourism draws visitors, but if we're looking at it through a climate lens Sebastopol shouldn't be emphasizing tourism as something the City depends on for its economic vitality. The other issues I care about are the housing stock and available affordable rental units, particularly for low-income folks, and the issue of community character. We want to live in neighborhoods where we know the people around us are part of the community, so we should cap limits on the actual numbers of homes that are converted to non-hosted rentals. A next step I didn't see was the Planning Commission recommending the City Council reinstate the moratorium on accepting and processing new applications for non-hosted rentals while this is being worked out.

Charles

I'm wondering why the hosted and non-hosted rentals were bunched together on the chart that had Sebastopol at #3 in STR concentration? My experience is that hosted rentals have the owner on premises to ensure everything is okay with the neighbors and guests. I'm also surprised the presenter didn't know the number of units in Sebastopol, because how did he come up with the figures? The U.S. Census says there are 3,465 units in Sebastopol, and I believe in your date you said there are five non-hosted rentals in Sebastopol, so non-hosted takes up 0.1 percent of the total units of housing stock in Sebastopol, so why were hosted and non-hosted put together? In other parts of the County and in the cities hosted rentals haven't been a problem and grouping the hosted and non-hosted together seems to be inflating the situation.

June

Are there numbers available on how much tax revenue Sebastopol receives from short-term rentals, and is that broken out by hosted and non-hosted? I'd also like to know how much resource the City puts into administrating the permitting and enforcement of short-term rentals. It seems the first step begun in 2019 was enforcing what is already out there. The chart showing the difference in full house rentals versus rooms doesn't match our reporting on hosted rentals. It also seems the City needs to get a handle on ADUs. It seems to be a waste of time and resources to have the City look into tourism draws to each county so as not to have delays as we get more information. It seems like we really do need a moratorium, because the 45-day moratorium has lapsed and now we have permits coming in for conditional use permits that take up City time. While we compare Sebastopol to other places, it's really about what do we want here? We look at becoming reliant on tourism, especially for non-hosted rentals, but I would like to see a ban on non-hosted rentals beyond 30 days per year, because we didn't have a need for that during COVID, which is a lesson that that's not something that's stable for our community, and COVID and the climate crisis with fires coming show us that we shouldn't rely on tourism, which is a high greenhouse gas driver that's causing a lot of the problem, and we don't need to gin up a future of more hosted short-term rentals.

Sandra Luce

I am the owner of a hosted Airbnb rental. I support hosted rentals, because we are very conscientious and concerned about parking. I live in an impacted neighborhood and provide off-street parking for my Airbnb, and most people I've talked to are in that situation, so I want to alleviate some of the fear I heard from some Commissioners about that. My big concern is with the statistics that were provided in the slides, as a 20% deviation seems very large. I also agree that not having the total number of units in Sebastopol, what is being used for comparison? I would agree that 70 units that are being rented through short-term rentals doesn't seem like very many. I know we're concerned about increasing that

number, but is that number accurate? I don't think good decisions can be made without good data to back it up. I don't necessarily think that we need to study why people are coming. I've rented to many people and they came to visit for all different kinds of reasons. Also studying other cities seems like a waste of time, because we are concerned about our City, and we are unique.

Chair Fritz asked for further public comment. Seeing none, he closed public comment and moved on to Commission deliberations and questions of staff.

Paul Fritz, Chair

Kari, can you answer any of the questions that were brought up?

Kari Svanstrom, Planning Director

A couple of people commented regarding the moratorium and why we didn't just institute that. Under state law you can do a moratorium for a certain amount of time. You can do the first one for 45 days, the next one is six months, and the next one is a year. We did extend the moratorium for the length that state law allows us to. I think it ran out in the middle of COVID and so there obviously wasn't the same kind of pressure since we weren't allowing short-term rentals at all because of the shelter in place that we were under. That has run out and we can't do it again. because we've already used that portion of the code. However, both John and I do talk frequently with people and let them know that the likelihood of something being permitted or approved by the Planning Commission is pretty low for a non-hosted rental. The bar would be pretty high in terms of proof that a living unit makes more sense as short-term rental than as a housing unit in the City's eyes. I think the only non-hosted rental license application that we have gotten since the moratorium has expired was for the historic bed and breakfast on Morris Street across from The Barlow, which the Commission approved, but that's why we don't have it in place right now, just because it's the time limit. The question on the numbers that Charles had, Allen might be able to help me with this, but the number of non-hosted rentals wasn't five, it was more around 100, which is about the 3% that Allen was showing on the charts from the 3,465 housing units in the City. In terms of the tax revenue, I get a report from the Sonoma County Tourism Board that talks about tax revenue on a quarterly basis, but it does not separate out for the hotel from rentals, and it also doesn't separate out hosted versus non-hosted, so we don't have a good sense of what that is. I don't have access to the City's specific stuff; only the City Manager and the Finance Director have that. I don't know if they can share with us what the short-term rentals' non-commercial TOT is. For the last quarter it was like \$150,000 for all rentals, hotels, and others.

Paul Fritz, Chair

I was confused about some of the statistics as well, because there's the first one where I thought you said there were 70 active and intermittent rentals in Sebastopol, but Kari just said there are 100, so I'm not sure where the 100 came from, because 100 does make it about 3%, 70 makes it about 2%, and of the 70, if some of them are intermittent, it seems like in terms of a regular basis there are quite a few less, so I don't know if that number can be tightened up at all. I agree with the comment that if we're trying to make some policy based on this data, we should make sure that the data is accurate and we fully understand what we're looking at.

Allen Atamer, Consultant

To address the discrepancy or perceived discrepancy in the numbers, the 100 is listings and the 70 is dwelling units, so when I'm doing a comparative between the different cities I don't have the STR dwelling units for those other cities, so I can't compare apples to apples unless I'm comparing listings to listings. Within the Sonoma Compliance and Monitoring

slide I'm talking about 70 dwelling units, and then within those 70 there are the 12 noncompliant that were already found and we're trying to chase down the remainder. There's always a little element of uncertainty whether the remaining unidentified listings map to unique dwelling units, or if there are duplications of they could be binned in a different way and we've just not done that analysis to give you the definitive line in the sand. But just to make it clear where the 100 is, 100 is listings and 70 is dwelling units, and then the comparative is we're comparing listings of Sebastopol against listings in the other cities in the County.

Paul Fritz, Chair

Setting the comparison part aside, I'm just trying to understand how many dwelling units in Sebastopol are being utilized for short-term rentals. It sounds like it's 70 units that are being occupied, and some of those may be intermittently occupied, so it seems like the total for Sebastopol it might be closer to 2% of our housing stock is being occupied by short-term rentals. I'm just trying to parse that out, and setting the comparison aside I just want to understand where we are in terms of that number. Just some general comments and questions about where our current ordinance is, there's a finding as part of our current ordinance that seems kind of impossible to make. It's the last one and it reads, "For accessory dwelling units, the approval of the permit would not result in a reduction to the City's affordable housing stock." It seems like an ADU is probably an affordable housing unit, and if we're letting that be used for a short-term rental or by a resident that's renting the full house as a short-term rental, then that ADU is being taken off the market and is therefore decreasing the affordable housing stock, so it seems like that would be a finding that's always impossible to make.

Kari Svanstrom, Planning Director

I think there are probably special circumstances for that one. For instance, if someone was renting it to a student and the student was gone during the summer, or a teacher who was in town and out on sabbatical for a period of time, and they wanted to rent this short-term and either not charging that person rent or charging them less rent or whatever it is, that's the type of instance where I think you could make that case for an ADU rental. That would be more than 30 days a year, and that's where it comes back to it still has a primary resident, because I think as long as there is a primary resident, because they're there for nine or ten months, that is a way that that finding could be met. But you're correct; otherwise an ADU is pretty difficult to meet. We do have some assessment of what our ADUs rent for, but yes, they're much more affordable by design than a larger home.

Paul Fritz, Chair

So if someone has a house, their kids are grown up, they have an ADU on the property and they say I'm going to move into my ADU and rent out my house as a short-term rental, they have to come to the Planning Commission to get a use permit?

Kari Svanstrom, Planning Director

Right now they don't, and that's actually something that I think needs to be clarified.

Paul Fritz, Chair

In that table that's part of the ordinance it says, "An accessory dwelling unit, hosted or unhosted, needs a conditional use permit."

Kari Svanstrom, Planning Director

Right now we have traditionally considered a single-family with an ADU to be considered a hosted rental. If you're living in the ADU and renting the main house, then that finding

about the accessory dwelling unit doesn't apply, and you would be considered a hosted vacation rental under the City's current regulations if you as the primary resident lived in an ADU and rented the main house.

Paul Fritz, Chair

Can you explain this Table 17.260-1 to me?

Kari Svanstrom, Planning Director

A hosted vacation rental can be either a room in a house, or in some cases if someone has a guesthouse or an ADU and you're living in the ADU and renting the main house. A non-hosted vacation rental, that's a whole house rental, or if it's multi-family it's the full condo or the full apartment, and that requires a conditional use permit. For accessory dwelling units, this is for units built after July 1, 2017. If it were hosted, that would be if the main house were occupied by a primary resident that is also the agent. A non-hosted ADU would be where both the main house and the ADU are being rented short-term.

Paul Fritz, Chair

But doesn't it say an accessory dwelling unit, hosted or unhosted, needs a conditional use permit if it's after July 1, 2017?

Kari Svanstrom, Planning Director

Correct.

Paul Fritz, Chair

So if someone built an ADU after July 1, 2017 and they decide to move into it and rent the main house, they have to get a use permit, and then we have to make that finding that we can't make.

Kari Svanstrom, Planning Director

But their short-term rental is the main house. We consider that a hosted vacation rental, the first line, and the reason for that is that after 2017 ADUs have much reduced setbacks and potential privacy issues. They can be 4 feet from the property line versus the main house, which is going to be anywhere from 5-10 feet from the side property lines and usually 20-30 feet from the property line. This is just sort of logic and makes sense to me. ADUs built after 2017 also did not pay any traffic impact. They paid a lot of reduced fees to the City, and now if it's 840 square feet or less they don't pay any impact fees, or 750 or less square feet or whatever it is. So to use that as a short-term rental, the whole point of not having the fees is to produce housing, not to make it easier to create short-term rentals. That's my understanding of why it is that way. I do know from our past discussions that that was something the Commission did want to look at in terms of should that be considered a hosted or non-hosted and how should we deal with that?

Paul Fritz, Chair

I also am a little confused about how we limit the rental to two bedrooms. If you had a four-bedroom house and you were living there by yourself and you have three bedrooms available, or if you were living in the ADU and you had a whole three-bedroom house you wanted to rent, you could only rent two bedrooms of your three-bedroom house?

Kari Svanstrom, Planning Director

Correct. We have run across this before. Someone wanted to do a three-bedroom house. They had one of the bedrooms locked up and it was a personal space for when they were there, but yes, it is a difficult metric to me. But then the other side of it is if you have a really large house it doesn't make it a party house just by the nature of it. But yes, they

would have to secure one of the rooms, or if it's being used as a genuine office, then it's not a bedroom, and they do sign that they are only doing the two bedrooms, and so if we saw a listing advertising three bedrooms or more we automatically know that that's a licensed rental in the City of Sebastopol and we would enforce on that immediately.

Paul Fritz, Chair

The Pacaso kind of arrangements were brought up in the staff report, and I don't know if we've had any applications for this or how we would find out, but has that ever been addressed or dealt with, or how would we know about that?

Kari Svanstrom, Planning Director

The unincorporated county has a couple outside the City of Sonoma, and St. Helena is actually in a lawsuit with Pacaso with some rentals. We do not have regulations right now that are related to that. We have not received any, and I don't think they've bought any property in town. I do know that our City Council, at least some of the folks, did talk about that when we last spoke with the Council, or just unsolicited emails I've been sent by the Mayor requesting that if there's any way we can deal with these, and I think that is something that I know this Planning Commission has also said that part of the history of requiring the use permit is also to make sure we don't have a corporation coming in and buying up a bunch of housing and turning them into rentals. Allen, I don't know if you can speak at all to best practices on how to limit these types of things, if it's limit rentals per entity or individual, if you can limit them. This will probably go to our City Attorney as well, because it does get into some legal areas.

Allen Atamer, Consultant

Actually, I met your colleague, Jane Riley, last week at the NPC in San Diego and she told me about the Pacaso phenomenon where, just for context for the audience, they basically designed a community of timeshares such that it's essentially a short-term rental of timeshares, and timeshares are considered exempt under many short-term rental ordinances, so they've done an end-around.

Kari Svanstrom, Planning Director

And they've also defined it in a way where it's not a timeshare, which is what St. Helena's requirements were. They basically said it's like a timeshare, we have a timeshare regulation, and we're regulating it. What they do is they actually purchase a home and sell shares of the home to individual owners, and then they no longer own it, so that's where they say we don't own a rental, it's owned by these people and they each get a month or whatever it is, and then Pacaso manages the cleaning and upkeep and all that kind of stuff for them for a very hefty monthly fee.

Allen Atamer, Consultant

This probably needs to be tackled with some careful wordsmithing with the City Attorney. I don't have any model language, because I just heard about it a week ago, so it's something that's being tackled as we speak. The industry is always coming up with creative ways to be everything to everybody, but then that leads to some duplicity.

Kari Svanstrom, Planning Director

I do know that the County is working on this because of the ones near Sonoma, and I know the City of Sonoma is tracking it quite well. We're all watching the St. Helena litigation very closely as it moves forward to see what the result of that is, because there actually have been certain places where the I think someone challenged Los Angeles' permanent residency law and it was struck down, so there have been quite a few challenges back and forth in the industry on those types of things.

Paul Fritz, Chair

I hear some of the other Commissioners talking about parking concerns. You all know I don't share people's parking concerns. I think we have a lot of parking in Sebastopol. I actually feel like my neighborhood is fairly impacted, because the other side of my street is a big hill and no one has a driveway and no one uses their garages. I don't have a garage and I don't park in my driveway. I park on the street, most of my neighbors park on the street, and there is still 20-30 spaces available every night on my street. I don't think we have a parking problem in Sebastopol. I know this comes up a lot and other people disagree with me. People can park on the street; I don't care. I also wanted to say there are a lot of properties in my neighborhood that have multiple units on them, and almost all of them are long-term renters. There are a couple of houses in my neighborhood where I know people do short-term rentals, but by and large almost all of the multi-unit properties in my neighborhood are for long-term renters. I know that's very anecdotal, and I don't know if other Commissioners have other experiences where they feel like there are a lot in their neighborhoods, but I certainly see in terms of people having multiple units on a property, most of them are still electing to have long-term renters. I know probably financially you can make more money from short-term rentals, but it's kind of a big hassle to have short-term renters; you've got to do a lot of work. I've talked to some of my neighbors who have considered doing it and decided against it just because they'd rather have a more stable person than having to deal with people coming in and out all the time. There is concern out there about short-term rental impacts on our housing stock and housing affordability, and I think while there may be a very small piece of our housing affordability issue that may be caused by short-term rentals, I think the big issue with our housing affordability is that we have not been building housing for decades, and I think we need to do what we can as a city and a community to encourage more housing construction, because that's going to address our housing cost issue. If these 70 or 100 units all were converted to long-term rentals tomorrow, we're still living in a very unaffordable community. I don't think that's going to solve the problem, and so I don't want to scapegoat it either as we're having this discussion, because I don't think that's really the issue. It's an easy scapegoat, and so I think that's why a lot of people jump on short-term rentals, and some places it may be an issue, but again, with 70 or 100 units in Sebastopol I don't think that's what's driving our housing affordability crisis. Also, while I appreciate some peoples' concerns about the impact of tourism in terms of climate change and environmental impact, I will say that when tourists are located in town, especially closer to downtown, and from the heat map we saw of Sonoma obviously there are a lot of short-term rentals right downtown, that's where you want the short-term rentals, because those people are going to be walking in your community and patronizing your downtown businesses and restaurants and bars and doing it in an environmentally conscious way because they're walking or biking or something else. When we start pushing the short-term rentals out to the County and surrounding areas, all those people are driving to town to do things in town, so I would err on allowing some short-term rentals in the core of our community, because that's where people can get around in a more environmentally sound manner.

Kathy Oetinger, Vice Chair

I do agree with you on a lot of your points, Paul, but I also disagree with you on some. I think even if you're three blocks from downtown you're in a neighborhood and your visitors are going to get in their car anyway, because that's what they're used to doing; they're not that familiar with how close it really is. My big concern is right now we might have 70 that are active or intermittent, and some we don't know about, but if we don't put limits on it how do we know what is the tipping point? At what point do neighborhoods stop feeling like neighborhoods when you don't know your neighbors, and every weekend there's a group in the back yard partying? I know people party, but they don't do it every weekend in the back

yard, so they might not be the best neighbors to create neighborhoods. You want to know the people on your block, and that's why I think it's so important that the issue of overconcentration has a trigger, because it gives us an opportunity to look at the neighborhood and listen to the people and see how many already are there and make good decisions about whether we want more. If people understand that this what we're doing it creates an instinct for them to not be speculative and make investments in neighborhoods and then be disappointed, so it keeps people from purchasing houses where they can share the cost of the mortgage by renting it in a neighborhood that is already impacted by STRs. I think it's a real important part of whatever mechanisms we create in this policy, and I think it's more important than caps, but I still think caps are important, whether it's percentage or not or a finite number. I think that in a large town where people are spread out that 1% doesn't have much of an impact, but in a small town where we have little old fashioned houses next to each other on small streets, that 1% can add up pretty quickly in smaller neighborhoods where everyone uses the same streets to get to the collector streets. I think it's much more difficult to feel like you're looking at your neighbors in that situation versus if you're just driving around square grids in a larger town. I think if we do have caps we should have a separate cap for the hosted versus the non-hosted. I'm concerned about the non-hosted, because I like the fact that if it's a neighborhood someone is living there, and I think that's really important for this community. I think there are plenty of hotels and places for people to rent besides using housing. We talked earlier about allowing denser homes along the corridors where we have higher density to allow a hosted, or it might be a non-hosted rental unit among those, because it is along the highway and in a higher designation neighborhood where you're prepared for parking and things like that. I'm glad you brought up the Pacaso issue, because a lot of people are concerned right now because homes are being purchased in town by corporations and then rented out for, I assume long-term, but we're not seeing as much individual home ownership because the corporations are buying the property and not living there. Homes aren't being bought by residents anymore, and I think that's a sad state but it's probably something that this can't change, but as long as our policy is that we have limits on conversions of housing to STRs I think we have a better chance of keeping our community full of neighbors rather than businesses, and I think that's the main point here. I think all the nuisance ordinances should comply with our regular laws, except the fact that visitors tend to party more on a regular basis than a normal neighbor would make it more important that proximity and fencing to other neighbors is an important consideration when we're allowing a property to become a rental unit, even with a hosted rental, and that maintaining the character of neighborhoods is going to be important, particularly if we don't have limits on how many are in one area. I recognize it's hard to monitor the number of days, and so I am not so concerned about that.

Paul Fritz, Chair

It looks like we've lot Deborah.

Kari Svanstrom, Planning Director

Yes, we did. She was starting to feel the effects of her vaccine, so she needed to check out, but she did say she'd watch the rest of this when she is feeling better, and I will certainly get any thoughts from her that she hasn't already expressed.

Linda Kelley, Commissioner

I tend to agree with most of what Vice Chair Oetinger said. I have concerns with increasing the amount of non-hosted rentals in neighborhoods. The hosted are not as problematic to me, but I do think how we deal with the overconcentration is very important. I disagree with Chair Fritz on parking issues. My neighborhood is totally filled at night. So not only would we have people parking outside the neighborhood or taking up the resident's parking, what we also didn't talk about is the state subdivision legislation where a certain size parcel

can subdivide into two duplexes with an ADU. Hopefully that will not pass the courts, but who knows.

Kari Svanstrom, Planning Director

On that legislation, if someone does that they cannot rent any of those units short-term.

Linda Kelley, Commissioner

Perfect, thank you. Our Wood Appliance Ordinance doesn't let you do back yard fireplaces unless you're cooking hotdogs or something. Even one wood stove blowing in your house towards you and you have central heating, it starts sucking it all in and now you're having problems. Also, the owner needs to be responsible for letting their tenants know when it's a No Burn Day, and that's state law. But like I said, my major concern is the non-hosted and just don't think we should have commercial businesses in our neighborhoods.

Paul Fritz, Chair

Do we get many complaints of short-term rentals in terms of noise or parties or problems?

Kari Svanstrom, Planning Director

I don't think we've had a whole lot. John, you'd probably be more likely to field the call.

John Jay, Associate Planner

I haven't received any as far as noise or partying complaints or anything like that, but the ones that I have experienced are if they have a licensed rental or not within the City of Sebastopol and if they meet those guidelines, and that's something that I would have to check for them and go off of that, but I haven't received any direct complaints about too much noise or too many cars as of yet.

Kari Svanstrom, Planning Director

I have received some regarding parking in a few neighborhoods; I know Florence Avenue was one of them. They have very tight parking over there and it's also close to commercial land. Obviously they have the tourism already and folks looking at the Patrick Amiot sculptures along there, but I've heard of a couple where parking was a concern, and I think in one of those case someone was renting one more room than they were allowed to.

Paul Fritz, Chair

I talk a lot about partying and party houses, but I wondered is that really a thing? Does that happen and do we get problems with that? I've rented a lot of Airbnbs and I've never thrown a party in any of them. Maybe other people do, I'm not sure.

Kari Svanstrom, Planning Director

I can check with the police to see if they've gotten noise complaints. I don't know if they would necessarily know if it's a short-term rental or not, because we don't require or necessarily want them identified other than we send out a notification to residents when we permit one so they're vetted, but I can see if there are any certain known problem party houses in town.

Linda Kelley, Commissioner

I didn't talk about my concerns regarding changing the ADU requirement. I don't even like it being by use permit, because I think that was meant for housing. I'm not as concerned about the affordability issue, because Sebastopol is expensive no matter if you're in an ADU, house, apartment, or condo. My concern is availability of housing for families.

Kari Svanstrom, Planning Director

Let me just summarize a couple of things. 1) I'm definitely hearing a desire to understand overconcentration and what it means, that you can't have every other house be one so that they surround you and you don't have any actual neighbors, so how we define that is something we should be working on. 2) That there is a desire to limit the non-hosted. We'll work with Allen to sharpen up the numbers of what the non-hosted are, and I did warn him that that was primarily the concern of our Commission and our Council. 3) The Pacaso or other similar corporate entities, and that's maybe not Allen so much as myself and the City Attorney here in terms of any limits we can look at. 4) Looking through the ordinance to see if there is a maximum number of visitors and making sure that the code for revisions makes sense. If we limit two people per bedroom but a maximum of ten per non-hosted rental, we're going to need to change that language and clean that up. 5) I did hear some comments from the public about why people were coming here. It didn't feel like something we needed to understand more. We know why they're coming here: it's Sonoma County, it's a destination for going out to wineries and the coast. 6) There was some interest in looking at the primary residency issue. 7) The impact of the non-hosted rentals in particular on long-term rental pricing and availability.

Paul Fritz, Chair

I'd like to understand the data more clearly. I feel like I was a little cloudy on exactly what's hosted, what's non-hosted, what's being rented on a regular basis, what's being rented intermittently. I'd like to have a better grasp on that, because I don't feel like I have a very good handle on the data points right now.

Kari Svanstrom, Planning Director

Allen, I don't know if you want to summarize what you heard, things you might need us to look into in terms of your decision-making. I'll say it looks like having to do with some of those like the non-hosted and not overconcentration pieces of it.

Allen Atamer, Consultant

I think Kari's question is more focused on what I presented earlier regarding verifying primary residency with document-based or tangible proof of another residency that has not been disclosed, so performing that task of verifying that the STR registrant or the permit holder is indeed using his or her primary residence, so that is the analysis that I was proposing as a next step, and I believe Kari wanted some direction from the Commission on whether that is a prudent use of time and resources.

Kari Svanstrom, Planning Director

Yes, part of it is right now our non-hosted, you don't have to be a primary resident, or hosted you have to be there when they're renting it, which is pretty obvious, as most of those generally are.

Paul Fritz, Chair

We do have unhosted that are permitted, correct?

Kari Svanstrom, Planning Director

Yes, absolutely, I think about 15-18 or so.

Paul Fritz, Chair

But we don't have a current requirement. If it's unhosted, it's not going to be someone's permanent residence, right?

Kari Svanstrom, Planning Director

Correct. By default it's generally not. When I say 15-18, that's more than 30 days per year, so as John said, we've recently issued one for less than 30 days, and I don't think we need to study whether that one that was just issued a permit to make sure that they are a permanent resident there. I guess the question is is that a direction the Commission would want to go in terms of any of the policies that you'd want us to do some additional thought on how that would work? For instance, Los Angeles has a requirement that to do any non-hosted rental you still would need to be the primary resident.

Paul Fritz, Chair

I don't understand how you would have an unhosted rental and be the primary resident at the same time. It seems like you would be there.

Kathy Oetinger, Vice Chair

That is a confusing thing for non-hosted, but if we're limiting the non-hosted I was going to say we should make sure that the other primary resident who is renting it as opposed to somebody else who is claiming to be the resident and renting it, is that an issue? Is that person actually a corporation that owns 40 of them?

Kari Svanstrom, Planning Director

I think we've been really cautious, because we require the permits in the last three years, so we definitely have some LLCs where it's clear they own more than X number of rentals, two or three that I know of. That happened before we put the new regulations in place, and I want to make sure we make clear in our ordinance that a non-hosted license, especially if you do a cap, is not something that goes with the land. Otherwise, you're sort of inflating the property value of that particular thing for those who want to do a short-term rental, and the people who live next to it are going to therefore be potentially forever stuck with a vacation rental next door. And in fairness for those who might want to do it and be waiting for such a permit to become available, in that case if those particular properties that are owned by corporations are sold at some point they would lose those licenses and the next people would be under the current regulations, which would require the use permit. So I think other than the legacy, this is almost more of a proactive ordinance to clarify any future conversions to non-hosted rentals, so I think a lot of it is what's the right number of a cap and how does that impact things for the non-hosted? What I did hear tonight that I hadn't thought about previously was the overconcentration for the hosted as well, just because that can be a lot more activity in a neighborhood.

Paul Fritz, Chair

I guess I'm not clear on what advantage there would be to researching permanent ownership at this point, because if what we are permitting are hosted rentals the host has to be there.

Kari Svanstrom, Planning Director

I think maybe for those who don't have a hosted versus non-hosted, or they have a number requirement, a day limit, that goes hand-in-hand, the number of days you can rent versus are you actually a permanent resident? I think that's where a lot of the complaints and issues might tend to come in. So it sounds like this is all we need to focus on then.

Allen Atamer, Consultant

Can I jump in? The purpose of primary residency verification is to make sure that the registrant who claims he or she is hosting is truly hosting. If we find some evidence to the contrary that it's not their primary residence we can say that the property is not hosted despite the fact that the registrant claims otherwise, so the point of the exercise is to prove

the opposite of what is represented by the host. It's going to be that exact situation that I told you about in Denver where the registrant claimed primary residence, then we found some documents that that resident also claimed a homestead in Florida, which would not be considered appropriate for somebody who has obtained a hosted permit in Sebastopol.

Kathy Oetinger, Vice Chair

The other example of that is a person who claims to be hosting the rentals, and then when they have an extra large crowd they actually go somewhere else and stay in someone else's house, and I know this happens a lot, because they can rent their own room and make that available to the renters so that they can have overflow, and it's possible to actually own the house and say you live there but spend all the time with the boyfriend so you're really not there, and no one is really living there, so that's something else that I think should be looked at.

Allen Atamer, Consultant

Just to be more emphatic about my point, what you just mentioned is this anecdotal one party that happened where the host did not live there that for that weekend. I'm talking about like the other 51 weekends. I'm talking about the guy is never there and the person is claiming they're hosting a short-term rental and the evidence is proving that 51 weeks out of the year you're not there, and the evidence could be anything. It could be a drivers license, it could be a vehicle registration, it could be voter registry, it could be the homestead in another state; this is evidence that really points to more of an egregious misrepresentation.

Paul Fritz, Chair

Okay, let's do it. And I agree, I don't think we need to study why people are coming here. I think we know why people come here. Anything else you think would be helpful from us?

Linda Kelley, Commissioner

I agree that we need to make sure that is the primary resident, and so I would suggest that we recommend that to the City Council as part of this.

Kari Svanstrom, Planning Director

Thank you. And thank you, Allen, for clarifying that. I was thinking about Los Angeles, which requires any rental to have a primary resident no matter how you do it, but you're right, the hosted needs to actually be hosted.

Paul Fritz, Chair

All right, we're done with this item. Thank you, Allen, for your work and I'm sure we'll be hearing from you again.

Allen Atamer, Consultant

Thanks for the commentary. I took a whole bunch of notes, so we'll get going with the rest of the analysis.

Commissioner Fernandez returned to the meeting.

6. REGULAR AGENDA ITEMS:

A. Planning Commission Training

Due to time constraints and Commissioner Burnes' absence, the Planning Commission training was postponed.

7. SUBCOMMITTEE UPDATES

A. Appointment of Liaison to Climate Action Committee (with merging of Zero Waste and Climate Action Committees)

Director Svanstrom provided a presentation.

Chair Fritz asked for nominations for Planning Commission liaison to the Climate Action Committee.

Vice Chair Oetinger nominated Commissioner Fernandez as liaison to the Climate Action Committee.

Chair Fritz seconded the nomination.

AYES: Chair Fritz, Vice Chair Oetinger, Commissioner Fernandez,
Commissioner Kelley

NOES: None

ABSTAIN: None

ABSENT: Commissioner Burnes

B. Other Updates – None.

8. PLANNING DIRECTOR'S REPORT

Director Svanstrom provided updates.

The Commission asked questions of Director Svanstrom.

9. ADJOURNMENT: Chair Fritz adjourned the meeting at 8:47 p.m. The next regularly scheduled Planning Commission meeting will take place on Wednesday, May 24, 2022 at 6:00 p.m.