

## **Meeting Summary**

### **Short Term Rental (STR) Advisory Committee**

12/8/2021 | 8am- 10am | Meeting #3

Town of Truckee Trout Creek Room

#### *Committee members in attendance*

John Falk-Realtor representative

Peter Fenolio-Contractor/ Building representative

Countney Henderson- Vice Mayor

Laura Lindgren-Member at Large

Melanie Meharchand-STR independent operator (part-time resident)

Aaron Nousaine-Economist

Dave Polivy- Councilmember

Matt Warren-Employer representative

Jim Winterberger-STR property manager

#### *Facilitator*

Hilary Hobbs – Assistant to the Town Manager

Seana Doherty- Housing Program Manager

#### *Town Staff*

Laura Dabe – Assistant Planner

Rosie Johnson – Administrative Analyst II, STR program

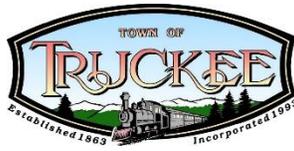
Angela Martin - Administrative Analyst I, STR program

Christine Picard – Code Compliance Officer

Isaac Landman – Housing CivicSpark

#### Topics in this summary:

1. Update of Committee's progress along policy development timeline
2. Check in on Committee goals
3. Review of scholarly literature on connection between STRs and LT housing market
4. Discussion of STR Management Tools
5. Multifamily Management
6. Discussion of an incentive program
7. Discussion of how to engage with the broader community



## Meeting Summary

---

### 1) Progress along the Policy Development Timeline

Staff reviewed with committee members the role that STR Committee Meetings have played to move the policy development and recommendation process along. Staff went over how the 3 Committee Meetings have helped to direct staff research on STRs, and the ways in which Committee members have begun to prioritize and narrow down policy options they view as being viable options to bring to Town Council.

### 2) Committee Goals

The committee affirmed the overall goal of the STR ordinance update process of proactively managing the short-term rental registration program as a tool to help maintain the supply of housing that is affordable to the regional workforce.

Committee members agreed that they would provide high level input on policy ideas and would avoid getting into nitty gritty details; the task of figuring out specifics (e.g. exact numbers, percentages etc....) of policy implementation is to be left to staff and council.

Committee members reported they felt largely on track in their contribution to the overall goal of the ordinance update. One committee member advocated that the process of instituting regulation be taken slowly to avoid unintended adverse effects on the economy, which would be more challenging to undo rather than ramping up slowly.

### 3) Review of Scholarly Literature

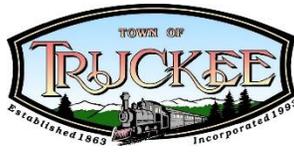
Aaron Nousaine, of Bay Area Economics, presented key findings from his research for Placer County on Short Term Rentals. Aaron's review focused on the takeaways from peer reviewed scholarly articles looking at the connection between STRs and long-term housing. See Aaron's research findings [here](#) (page 25) in Placer County's recent staff report.

### 4) Discussion of Potential STR Management Tools

Committee Members were asked by staff to evaluate regulatory tools at a high level – staff asked for input from committee members on, if instituted, how aggressively each policy should be used.

#### Tool Proposal #1: Town-wide cap on STR registrations

Committee members were most supportive of the institution of a cap on the number of STRs town-wide. Committee members viewed the idea of a cap as the most effective tool to regulate STRs; they said that a cap would help to strike a balance between workforce housing and options for tourists. Committee members also discussed how a cap would be the most enforceable policy tool for the



town, making it one of the most attractive options to bring to council. While each committee member had their own opinion regarding how aggressively to set the cap (i.e. what number to set as the cap), there was consensus that limiting the number of STRs to somewhere between the current amount and slightly lower made sense.

### **Tool Proposal #2: Limit/cap on the number of nights STRs can be rented per year**

Committee members viewed the idea of placing a limit on the number of nights a property can be rented as an ineffective policy tool. There was near consensus that such a tool would be overly challenging to regulate and would leave too much opportunity for abuse in the program. Just one committee member advocated for the institution of such a tool, saying that a cap on the number of nights would be enforceable and would have a positive effect on the overall housing market. Most committee members also agreed that STR permit holders who report no rentals in a year should not be allowed to renew their permit, given the committee's recommendation to cap the number of permits.

### **Tool Proposal #3: Waiting period/cooling period following property ownership transfer in which the property is not eligible for an STR permit**

Committee members supported the idea of a waiting period following the sale or transfer of a property, delaying the property owner's eligibility to apply for an STR permit. Committee members had varying opinions as to the appropriate length of time of a cooling period, ranging from 6 months to 2 years. It was agreed that the effect of a waiting period would be to influence home investor behavior, and to prevent people from purchasing homes they could not afford without STR permits/from relying upon STRing as a means to pay for a property. One committee member advocated that a cooling period would have to be instituted in conjunction with a cap on the number of STRs.

### **Implementation**

To round out discussion on policy tools, the committee agreed that the most promising regulatory tool was a cap on the total number of STRs. A cooling period was viewed as a helpful secondary policy that would pair well potentially with a cap on total number of STRs. A cap on the number of nights an STR can be rented per year was the least popular policy tool because it was viewed as challenging to enforce.

## **5) STRs in Multifamily Homes**

Staff asked the committee to consider how STRs are regulated in multifamily type dwellings. Committee opinion varied on the subject. While the majority of committee members were in favor of disallowing STRs in multifamily dwellings, one member advocated that an exemption for primary residents was important. Another committee member expressed their view that STRs should remain allowable in townhomes but be prohibited from condos and apartments.

## **6) Proposal of an incentive program**



Committee members were asked to evaluate the idea of an incentive program through which the Town of Truckee could hold a certain number of additional STR permits that could leveraged as an incentive for the development or procurement of new workforce housing units. While ideas for the parameters and implementation varied, committee members agreed that the prospect of a program designed to incentivize “positive off-sets” through STR permits was novel and intriguing. Committee members recommended that such a concept be recommended to Town Council for consideration.

## **7) Community Input Strategies**

Finally, staff asked committee members for input on how best to poll the broader community for comments on the STR ordinance update process. Outreach ideas included a video in conjunction with a follow-up survey and virtual townhall meetings. The committee agreed that a survey and background explanation of the process (web page and/or video) was the best approach.

A committee member asked that the second homeowner perspectives be considered and asked about as part of the survey; other committee members mentioned the importance of providing background info to the community to best inform them of the rigorous STR study and update process that the committee completed to inform their recommendations

# STR Advisory Committee

December 8, 2021

Meeting #3

# AGENDA

- I. Welcome & meeting goals
- II. Where we are in the process?
- III. STR literature review
- IV. Management Tools review
- V. Incentives
- VI. Community Input
- VII. Close & next steps

# PROCESS TIMELINE

## ✓ Meeting 1 (*October*)

- Background
- Questions to be explored
- What we know today- preliminary research
- What stands out? What's missing? Additional information needs

## ✓ Meeting 2 (*November*)

- What we know today- research update
- STR management tools & new ideas
- Prioritize tool options

## • Meeting 3 (*December*)

- Committee recommendations

## • Recommendations to Town Council (*January*)

## STR UPDATE PROCESS GOALS

*Primary goal of 2022 update:*

To **proactively manage** the short-term rental registration program as **a tool** to help maintain the **supply** of housing that is **affordable to the regional workforce**.

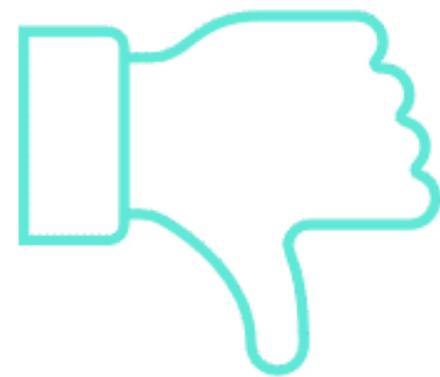
*Existing STR program goals:*

- Maintain neighborhood and community character
- Address nuisance issues associated with STRs within neighborhoods
- Maintain a healthy economy, including visitation-related sectors

# CHECK-IN



How is the process going so far?



# STR Literature review

Key findings~ Aaron Nousaise, BAE Urban Economics



# STR Management Tools Review

# PRIORITIZATION EXERCISE RECAP

## Management Tool Concept

Town-wide cap or registration certificates

Cooling period after sale

Cap on Number of days rented per year

Cap or prohibition by neighborhood

Restrict or prohibit in multi-family units

Distance requirement/buffer between units

Tiers by occupancy limit

Tiered system/ residency requirements (i.e. special permit for fulltime residents)

Zoning restrictions

Prohibition or cap based on home size (i.e. not allowed in 3 bedroom or smaller)

PRIORITIZATION  
EXERCISE RECAP

*SELECTED FOR  
FURTHER  
CONSIDERATION*

Management Tool Concept	Votes received
Town-wide cap or registration certificates	6
Cooling period after sale	6
Cap on Number of days rented per year	3
Cap or prohibition by neighborhood	2
Restrict or prohibit in multi-family units	2
Distance requirement/buffer between units	2
Tiers by occupancy limit	2
Tiered system/ residency requirements (i.e. special permit for fulltime residents)	1
Zoning restrictions	0
Prohibition or cap based on home size (i.e. not allowed in 3 bedroom or smaller)	0

*Strategy 1*

# TOWN-WIDE CAP ON STR REGISTRATIONS

## *Purpose:*

- To maintain a vibrant economy through a policy that balances both visitor and workforce housing needs
- To preserve community character by striking the appropriate balance between fulltime, part-time and visitor lodging

## CAP LEVEL EXAMPLES

- Current # of permits (e.g. 1,255)
- Fixed #, lower than current count (e.g. 1,000)
- Fixed #, higher than current count (e.g. 1,500)
- % of STR-eligible housing stock (e.g. 8%)

## Strategy 2

# CAP NIGHTS RENTED PER YEAR

### *Purpose:*

- To reduce the incentive to purchase a home for the primary purpose of STR-ing
- To bring STR revenue potential more in line with LTR revenue potential
- To preserve neighborhood and community character

### CAP LEVEL EXAMPLES

- 180 days/ year (50% vacancy)
- 90 days/ year (75% vacancy- rental is an incidental use)

*Strategy 2*

CAP NIGHTS  
RENTED PER YEAR

## QUESTIONS

- Can these goals be achieved through different, more enforceable tools?
- Are these limits sufficient to have an impact on housing?
- Are these limits sufficient to have an impact on neighborhood character?
- Do all homes fall under the same cap?

*Strategy 3*

## WAITING PERIOD AFTER PROPERTY TRANSFER

### *Purpose:*

- To reduce the incentive to purchase a home for the primary purpose of STRing
- To reduce the inflationary pressure of STR revenue potential in the real estate market

### WAITING PERIOD LENGTH EXAMPLES

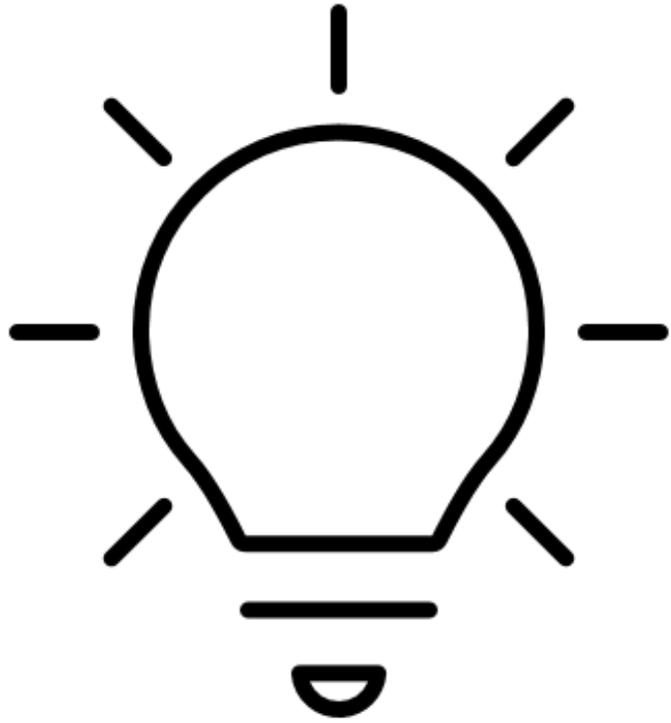
- 6 Months
- 1 Year
- 2+ Years
- Based on bedroom count (e.g. any home that is  $\leq 3$  bedrooms can't get a permit for 2 years)

*Strategy 3*

## WAITING PERIOD AFTER PROPERTY TRANSFER

### QUESTIONS

- Should there be exemptions for primary residents?



# Implementation

- Management tool recommendations for Town Council

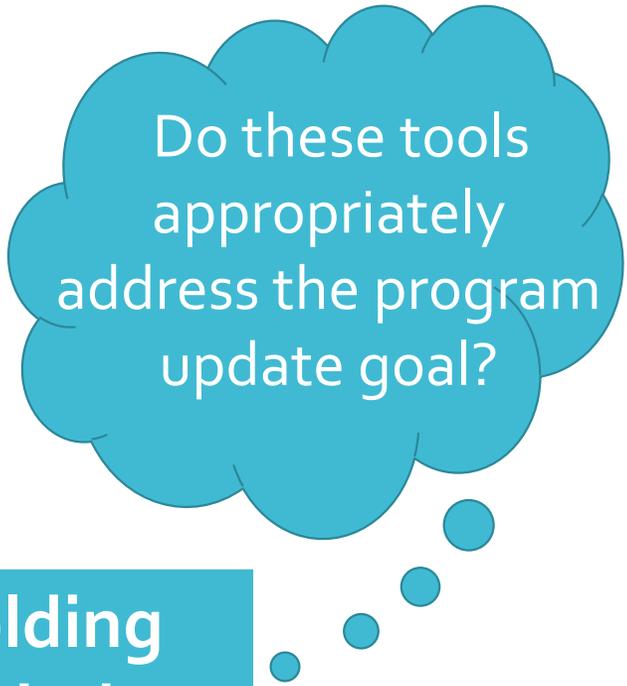
PULSE CHECK



# MANAGEMENT FRAMEWORK RECOMMENDATIONS

Does the committee recommend...

- A cap on # of permits?
- A cap on # of nights?
- A holding period?



	Permit Cap	Night Cap	Holding period
A	1,000	n/a	1 year
B	Current #	180 nights	2 years
C	1500	90 nights	3 years

# MULTI-FAMILY MANAGEMENT OPTIONS

## Multi-family management examples

- STRs allowed; No special permitting requirements
- STRs not allowed in apartments or condos, permitted in townhomes
- STRs not allowed
- STRs not allowed in new multi-family construction
- Separate cap for multi-family unit permits

# INCENTIVES

- Does the committee recommend that Council consider an incentive program?
- High level recommendations for types of “special community benefit” that should be considered for an incentive

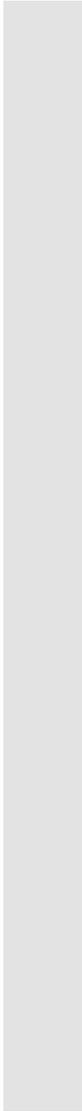
# COMMUNITY INPUT

- How would the committee like to share its recommendations and receive input from the community?

## NEXT STEPS

### Town Council, January 25, 2022

- Report on committee process and recommendations
- Council check-in and direction on ordinance update
- Home fractional ownership regulations framework



**THANK YOU!**