

## Realtor® Update- Town of Truckee STR Ordinance General Framework Established by Town Council on Feb. 8, 2022.

**Report:** The Town Council received a Short-Term Rental (STR) overview of the ad-hoc “stakeholders” working group, its discussions, debates, and recommendations. Town Staff also provided much of the relevant background data the working group had requested, fleshing out the current state-of-affairs regarding STRs in Truckee, as well as historical info and trends. The Town Council Agenda Packet for the meeting of Tues., Feb., 8, 2022, contained the voluminous 208-page packet (127 pages of STR info alone); with great graphical representations of the key metrics, we were seeking. The agenda packet can be reviewed and downloaded as an Adobe Acrobat PDF file:

[637795728581607922 \(townoftruckee.com\)](https://www.townoftruckee.com/637795728581607922)

**Status:** The Town Council directed staff to develop a long-term (i.e., Not Urgency) Ordinance to include the following six (6) features:

- A Cap on STR registration certificates, town-wide, using the current number of issued STR Certificates to Operate (Permits);
- A Phase-out STRs in multi-family units and Accessory Dwelling Units. Meaning, no new registration certificates will be issued for these types of units; but current certificate holders will be permitted to renew so long as they own the property. Upon sale (transfer of title), this housing would NOT be eligible to participate in the STR program. It's a way of getting these generally smaller footprint homes to leave the STR pool over time through attrition as units sell;
- A one-year “waiting period” or “cooling off” period after a property sells before it is eligible to be considered for an STR Permit to Operate. This provision is obsessively designed to dissuade would-be investors from purchasing homes exclusively for the purpose of utilizing them as a revenue generating mechanism via STR bookings year-round;
- An Increased set of financial penalties for violations (bad actors, or folks STR-ing their property without proper permitting in-place). There is also the addition of a new fee for inspections following a verified citation.
- Establishing December 31<sup>st</sup> as the deadline for all permit renewals. This renewal process is yearly. The date-certain and annual requirement for permit renewals is to allow those on the formal (yet-to-be-established) waitlist to then be offered the opportunity to apply for an STR Permit; and
- Directing Town Staff to conduct a formal review of the STR program and its impacts on housing, visitors, revenue generated that goes to both local

government (such as TOT – Transit Occupancy Taxes, and overall business health and jobs, housing numbers, workforce housing goals...). The purpose of this, which we suggested, is to afford the Council an opportunity to review and reconsider aspects of the ordinance of artificial scarcity. The review of the restrictive ordinance’s effects for the better or for worse will be set in the new Ordinance. The first such report will be produced and introduced to the Council in the summer 2023; thereafter, every two years another updated report and trend analysis will be put before the Council and the public.

**Next Steps:** Town staff will, with the above-mentioned Council policy directions in mind, begin to draft the official/formal ordinance that will set out the framework to establish, implement, and enforce these revised restrictive provisions to the practice of Short-Term Renting one’s home within the city limits. It is expected that the existing health, safety, informational, and “good neighbor” policies and practices will be wrapped into this revised approach to STR permitting within Truckee. The actual date of formal introduction and the first of two formal “readings” (and public hearings) for this proposed set of major revisions to the Town’s STR program is not yet set. It is anticipated that the revised/new STR Ordinance will be rolled out (i.e., formally set on a regular Council agenda for hearing) most likely in the Spring of this year (March-May loose timeframe).

**Other Aspects to-be-developed:** If there is some good news to come out of these STR Ordinance discussions, it is in relation to incentives. TSBOR was/is by-and-largely *Opposed* to such restrictive measures; we voiced this standing political policy positioning repeatedly at both the “stakeholders” working group meetings (on which we sat as an invited member), and at Council discussions and hearings, orally and in writing. As a matter of principle, we never come to the table with only criticisms of a given proposal that we oppose; we offer up alternatives to meet the desired objective or end-state (in this case, more affordable and increased availability of housing for our local workforce – in both the “for-rent” and “for-sale” market segments). TSBOR pushed hard for a range of alternatives that preserve, protect, and advance private property rights (and value), personal liberties and freedoms, free-market economics, and the pursuit of revenue augmenting opportunities for both full-time and second-home owners that is wholly in-keeping with the underlying land use zoning – namely Residential.

While we obviously were not able to “carry the day” on the larger policy front, we were able to introduce some considerations for more reasonable and equitable treatment of property owners. Additionally, to offset some of these restrictive measures we advocated for a potential suite of incentives for the interested

property owner to consider. In concept, such a system would involve setting up a well-funded and diverse program of incentive-based options, to assist in the provision of much needed workforce housing. This, in turn, then opens up opportunities and alternatives for the individual so inclined to participate in the STR program to secure a revenue augmentation opportunity, while concurrently enhancing some aspect of the community's interests (e.g., seasonal workforce housing with Town subsidies; perhaps with Town or preferably local outside contractors -professional property managers- being the lead in qualifying applicants, insuring against damages, and ensuring compliance with rental provisions). A number of conceptual ideas have been floated to see which might have "traction". Bottom line, the Town Council and Town Staff are interested in developing an incentive program as a balance to the regulatory framework that it to be imposed (some carrot, some stick). Town staff intends to flesh out such an incentive program this summer, and present it to the Council for possible adoption.

**Differentiating what Council "accepted" and what was "rejected":** A final note of the long and wide-ranging Town Council deliberations on a number of topics, and final direction to staff for the initial construction of the Draft STR Ordinance to be considered for adoption this Spring. It can be difficult, even for a trained and seasoned legislative professionals such as myself, to follow the outcomes of various topics and subtopics introduced during Council deliberations. So, to clarify what's "in" and what's "out" for introduction into the initial ordinance, the six (6) bullet points at the very top of this Status Report are the components to be included in the Ord. language.

**"In"... (1) Cap on STR registration certificates, using current permit numbers as the ceiling; (2) Phasing-out STRs in multi-family units and Accessory Dwelling Units; (3) One-year "waiting period" after a property sells before it is eligible to be considered for an STR Permit; (4) Increased financial penalties for violations; (5) December 31<sup>st</sup> as the deadline for all STR permit renewals; and, (6) Town Staff to conduct a formal review of the STR program - its impacts, with the first report to be given to the Council in the summer 2023; thereafter, every two years an updated report and trend analysis will be put before the Council and the public.**

While any number of ideas were bantered about during the course of the Town Council's discussion, some provisions were NOT accepted for inclusion in the initial draft STR Ordinance. By my count, over 11 other concepts were introduced informally during Council deliberations; of these, four (4) had enough "traction", or at least one Councilmember that strongly supported the inclusion of additional provisions into the staff draft ordinance, to merit being called out. It is these four

that are touched upon below as an FYI; also to distinguish what was NOT included in the Council's final direction to staff.

**"Out" – Items discussed, considered, but Not to be included in the Ord...** These four (4) rejected topics were: **(1)** Establish minimum number of nights the unit is actually rented to be eligible for certificate renewal (i.e., "use it or lose it"); **(2)** Use a lottery rather a waitlist to distribute STR Certs to Operate; **(3)** Offering specific exemptions to the cap (e.g. properties registered prior to 2020, but stopped renting due to Covid, demonstrated financial hardship, or other circumstances; *and*, **(4)** A Primary resident exemption from the cap.

**Final Thoughts:** As the Ordinance language becomes available, or the incentives concept is fleshed out, your advocate will attempt to keep you up-to-speed on the nature of the concepts, as well as to inform you of the date for formal inclusion or either in a Council agenda.

As always, if you have additional questions, suggestions, or concerns please feel free to contact me to discuss these matters. If this Town STR proposal further confuses you as to how STRs will be treated in Truckee compared to Eastern Placer County, you're not alone. I field many questions about which ordinance applies where, and when it went into effect, or will go into effect. Placer's STR Ordinance is farther down the approval pipeline than is the Town of Truckee. Placer County has held its first formal introduction and reading of the proposed ordinance, along with its first of two public hearings. TSBOR took issue with many aspects of Placer's approach, which does differ in some ways from Truckee's (e.g., NO waiting period after sale to apply to an STR permit...), participated on its "stakeholders" working group, and delivered correspondence as well as oral testimony at the first hearing. Once each jurisdiction's ordinance is actually finalized (approved by vote of the Council-Town, or Supervisors-Placer, after its second public hearing), we will send out a synopsis of, and/or hotlink to that actual ordinance that was adopted, along with its effect date.

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