

Planning Commission Recommended Ordinance

Below are Cayucos's comments on the Planning Commission revision to the Vacation Rental Ordinance. However it is our contention that the VRO does not address the issues critical to Cayucos. One of the major problems is that legal vacation rental availability is declining rapidly, about 25% or more in the last year. This is due to two things: vacation rental licenses held onto and not used, and unlicensed rentals.

Many people who bought second or retirement homes in Cayucos acquired and used a VR permit. Then when they moved to Cayucos full-time, they held onto the license, renewing it yearly, even though they had no intention of ever renting their homes again. Others secured for a license, which they never intended to use, to keep others on their street from licensing and actually using their homes as vacation rentals. Both of these things cause the number of vacation rentals to be overestimated. The lack of active vacation rentals has a great impact on tourism, which is Cayucos' primary industry, and also on revenue to the County from the TOT.

It is suggested that there may be solutions to this issue, none of which is addressed in the Ordinance. One would be to charge a substantially higher fee for renewing a VR license. Another would be to charge each vacation rental a minimum TOT it must pay yearly, based on something like the average TOT for an active rental in Cayucos. And a third would be to refuse to renew a VR business license if it has not been active for a particular period, such as two years.

The issue of unlicensed rentals continues to be a huge problem. There appears to be consistent lack of code enforcement for identified unlicensed rentals. This only encourages others to use their homes as rentals without adhering to County ordinance. These unlicensed rentals also cause more noise and congestion problems than others because there is no responsible party to contact when an issue arises. Without strong action taken on those who own these unlicensed

rentals, their number will continue to grow and the ordinance will continue to impact those who are trying to follow the rules.

As for the current revision of the Ordinance, we have the following suggestions:

Location: It would be helpful if the density requirement could be lifted for condominiums and multi-family residences. One large complex in Cayucos has voted to allow vacation rentals but the density requirements would only allow a few rentals in the entire building.

Local Contact Person: Regarding the notification requirements on the application for the license, we think it would be more effective if the County sends out the notification, as they do for any variance or building notification. They could charge a fee for this service. Requiring each owner or manager to compile a list of addresses and send out a letter for each and every person in the 200 ft radius is an added burden. The County has software to identify the affected parties and, if a fee were charged, this could be an income-producing service.

Transient Occupancy Tax: Please eliminate or grandfather the requirement that the certificate number appear on all advertising. Those owners with existing legal rentals will need to spend additional money to alter their advertising and promotional material, and the illegal rentals will continue to operate.

Complaints. Unclear on what happens if the complaining person does not follow the correct procedure. Also nothing is said about feedback to the complaining person from either Code Enforcement or the Sheriff.

Once again, we feel that the Ordinance will not be helpful in regulating Vacation Rentals in Cayucos until the issues of inactive permits and illegal rentals can be addressed