

ATTACHMENT B

Excerpt of Feb. 26, 2019
BCC meeting minutes

**BOARD OF COUNTY COMMISSIONERS
WASHOE COUNTY, NEVADA**

TUESDAY

10:00 A.M.

FEBRUARY 26, 2019

PRESENT:

Vaughn Hartung, Chair

Bob Lucey, Vice Chair

Marsha Berkbigler, Commissioner

Jeanne Herman, Commissioner

Kitty Jung, Commissioner

Nancy Parent, County Clerk

John Slaughter, County Manager

Paul Lipparelli, Assistant District Attorney

The Washoe County Board of Commissioners convened at 10:00 a.m. in regular session in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Following the Pledge of Allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

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19-0137 **AGENDA ITEM 18** Discussion on Short Term Vacation Rentals within Unincorporated Washoe County and policy direction to staff to bring back ordinances regulating short term rentals ranging from a complete ban to licensing and placing conditions on such uses, and possible direction on the suspension of code compliance actions until completion and adoption of regulations. Manager. (All Commission Districts.)

Commissioner Lucey stated both he and Commissioner Berkbigler requested a discussion about this item since it affected a number of residents in Commissioner Berkbigler's district as well as the revenue collected by the Reno-Sparks Convention and Visitor's Authority (RSCVA), for which he was the Chair. He explained the intent of this item was to discuss what a future ordinance about short-term rentals might include. He stressed the policy would not be specific to one area but rather it would pertain to all unincorporated County areas. The Board would not vote on details of the ordinance at this meeting.

Chair Hartung noted he received several requests to delay the item but he said the Board was merely developing a framework and not taking a vote. Commissioner Lucey pointed out there would be a long process with multiple public meetings to obtain greater input.

Assistant County Manager David Solaro stated he sought input regarding vacation rentals since two chapters of the Washoe County Code were in conflict with each other. He stated code enforcement staff enforced Chapter 110, the development code, but there was a statement within that chapter that anything not enumerated in the code was essentially prohibited. Since there was no code dealing with rentals shorter than 28 days, the practice was interpreted as being illegal. However in 2007 the Board of

County Commissioners granted the authority to the RSCVA to collect a use tax on rentals of fewer than 28 days. There were no regulations to make these rentals safe.

Mr. Solaro remarked the first step was for the Board to verify the policy that transient lodging was allowed according the provisions in Chapter 25, which was created in 2007. He could proceed based on the Board's answer.

Assistant District Attorney Paul Lipparelli indicated he had met with several Commissioners and Mr. Solaro to discuss the concept of a regulatory scheme for transient lodging. Regarding Mr. Solaro's breakdown of the development code, Mr. Lipparelli said there was language describing the primary use being residential, so in his opinion there was room to have transient lodging in residential zones. He said the major point was for the Board to set the public policy on transient lodging. This was the opportunity to give staff direction about whether to regulate noise, parking, frequency, and proximity.

Mr. Lipparelli pointed out the instances of transient lodging already happening were revenue generators for the RSCVA, so reducing or eliminating that type of lodging would have an impact on that agency's funding. It would also affect the County, who received a portion of the room tax collected by the RSCVA. He opined the Board needed to balance the wishes of the community with the fact that it was already an existing revenue stream.

Mr. Lipparelli opined Board inaction on this topic would result in a lawsuit, either from someone operating transient lodging who was told they could no longer do so or from a neighbor who felt transient lodging did not belong in their neighborhood. He felt a lawsuit should not be the way to resolve the issue.

County Clerk Nancy Parent mentioned she received a letter from Mr. Paul Smith from Incline Village which she placed in the record.

Commissioner Lucey expanded on Mr. Lipparelli's comments and thought the Board needed to decide whether properties in residential areas which offered this kind of lodging needed to be changed to commercial use. He mentioned fire inspection was an important discussion as was the role of property managers. He stated this was not just an issue at Lake Tahoe as individuals in the North Valleys, Spanish Springs, and Palomino Valley could also have reasons to rent out their properties. He acknowledged the RSCVA collected a transient lodging tax but he expressed the desire for a fine structure for absentee lessors. He noted the City of Henderson was considering an initial policy and Washoe County could use that policy as a starting point in discussions.

Commissioner Lucey emphasized he did not want to see any kind of ban on rental properties in the County. He pointed out Lake Tahoe was a good draw for people to visit the community and home owners should not be excluded from sharing their homes. He indicated short-term rentals improved air quality and sacrificing short-term rentals could have a negative impact on tourism, resulting in financial suffering. He

pointed out there was only one hotel in the area and, without short-term rentals, people would not have a place to stay. He summarized the discussion should be about the Board drafting good policy which laid out how the County would interact with owners and renters.

Commissioner Lucey stressed the revenues were collected by the Washoe County Assessor and a number of agencies received a portion of the revenues, including the Cities of Reno and Sparks, Washoe County, and Incline Village. He wondered whether there would be a way to direct those room tax fees directly to the Affordable Housing Trust Fund; they were currently going into the general fund.

Commissioner Jung asked how many people in the unincorporated County were renting their homes. Mr. Solaro said the RSCVA was tracking those numbers and the County's third-party consultant would also start tracking online rentals. He wanted to have direction from the Board before spending too much time on research. He stated the RSCVA estimated there were almost 400 rentals in the unincorporated County.

Commissioner Jung asked for legal advice about the Board proceeding before an issue in South Lake Tahoe was decided in the courts. Mr. Lipparelli felt it was worth beginning the process because it would take a lot of work to identify available options.

Commissioner Jung requested a map where the rentals identified by the RSCVA were located as well as which agencies were receiving complaints. She recommended owners wishing to rent their homes should verify their safety in terms of smoke detectors, carbon monoxide detectors, and working windows.

Commissioner Berkbigler stated the issue was most prominent in Incline Village and around Lake Tahoe. She mentioned the Tahoe Regional Planning Agency (TRPA) received heavy pressure from people on the California side of the lake to implement regulations for vacation rentals. She expressed concern about the County abdicating its responsibility for its constituents and leaving decisions in the hands of the TRPA. She stated more than 100 people attended an open-forum meeting she and Commissioner Lucey held and it was believed a ban could not be enforced.

Commissioner Berkbigler agreed and stressed regulations were necessary because otherwise the County could get sued. She expressed concern that if the Board of County Commissioners did not resolve the issues, the TRPA would create their own fix-all, which she did not want to see. She listed several issues that needed to be addressed: parking, the number of people staying in residences, trash that attracted bears, and noise.

Commissioner Berkbigler recalled a request that guests could not use hot tubs after 9:30 p.m., to which she pointed out any change made to renters would also affect residents who owned hot tubs. She felt the solution was putting restrictions on the amount of noise allowed and giving the Sheriff's Office (SO) the ability to cite offenders. She suggested not only collecting fees through licenses paid by people who wanted to

rent out their properties but also issuing fines when regulations were not followed. She further suggested any renter who had residents commit multiple offenses could be issued heftier fines or be prohibited from renting for a certain period of time. She stated enforcement was the biggest issue. She did not think fire sprinklers should be required but she agreed smoke alarms, fire extinguishers, and exit maps should be provided.

Commissioner Berkbigler noted she reviewed and liked the regulations from the City of Henderson, as well as those from Mammoth Mountain and ski resorts in Colorado. She remarked communities with full bans on rentals, such as Clark County, still saw online rentals in those areas. She said bans did not work and she was not a proponent of them. While she described herself as someone who generally favored less government, she felt regulations were needed to protect citizens.

Chair Hartung pointed out his daughter's boyfriend lived across the street from a house which was rented for many big events. He said he supported an escalating fine structure that could also result in a loss of permit, saying it would create an impetus for homeowners to ensure regulations were followed. He added he received many emails from people who said they offered rentals as a source of income and it would be a detriment to take that away.

Commissioner Lucey agreed most rentals were at the lake but he issued a caution that the Board could not write codes specific for just those dwellings. He stated fire was indiscriminant. He indicated the Henderson regulations included a provision that owners would be self-inspected for compliance to fire codes. He reiterated the need for codes to be consistent for all residents. He underscored the importance of enforcement measures having weight, including issuing fines and giving the SO enforcement power. He recommended having a way for issues to be reported without using 911.

Commissioner Lucey commented one constituent rented out a single room, which would constitute a short-term rental in code. He cautioned against thinking of these as only vacation rentals; they were short-term rentals. He noted many owners were renting portions of their property to offset property taxes or mortgages and he felt the code needed to be drafted with this in mind.

Commissioner Berkbigler stressed all citizens needed a chance to review the draft regulations so another public meeting could be held to obtain input.

Commissioner Jung asked what the Cities of Reno and Sparks were doing so continuity throughout the County could be achieved. She opined students might move into unincorporated housing because it would be cheaper than on-campus housing. She requested staff research how annual inspections were enforced since she thought this was appropriate for people renting out portions of their real estate; otherwise the County might not know whether homes were compliant. She ultimately deferred to subject matter experts as to how often inspections would need to be done to ensure accountability even in the absence of complaints.

County Manager John Slaughter mentioned he had previously told Commissioner Jung the County did not receive room tax money. He corrected that statement, saying it received \$472,000 in 2018, only one percent of the total room tax collected in the County.

Commissioner Lucey reflected about the meeting hosted by Commissioner Berkbigler, noting citizens began the meeting favoring a ban. After the discussion, there was a consensus that protection was needed for residents of Incline Village as well as for the lake itself. He said there was no consensus on a ban.

Commissioner Jung requested information about how much money the County received from the RSCVA over the prior 10 years and where those funds went.

Mr. Solaro said he received notification during the meeting from the North Lake Tahoe Fire District that they were tracking 960 properties in Incline Village and Crystal Bay. He thought the discrepancy might have been caused by single locations being advertised on multiple websites.

On the call for public comment, Mr. Blane Johnson, owner of Sun Bear Realty and Management in Incline Village, said he was involved with the realtor community and the fire department. He stated good education helped his efforts with inspections. He stated all properties had inspections performed at least every year for safety, addressing many of the concerns voiced at the meeting. He voiced his support for vacation rentals at Lake Tahoe.

Mr. Mike Young, a realtor at Lake Tahoe and a property manager with Chase International, said renting a house was a basic property right. He felt a person could do three things with their home: live in it, sell it, or rent it. He stated he understood the County's need to remedy conflicting portions of the code and also neighbors' right to feel secure in their homes. He pointed out the issues mentioned were not unique to rentals and owners could also cause disruptions. He requested realtors be a part of the conversation to find common ground.

Ms. Katherine Snedigar said there were numerous homes near her with detached cottages which the owners wanted to rent out; the Board had not addressed that scenario. She thought it was a personal right to allow someone to rent a portion of their space. She said the Health Department and the Fire Department oversaw the safety of homes and claimed code enforcement always assumed property owners were wrong. She suggested neighbors contact owners with complaints and not the police.

Ms. Catherine Oppio said she rented her home in Crystal Bay for five years and she imposed her own time rules for her renters. She stated she was noisier than any of her renters and did not see vacation rentals as a problem. She stated she moved away from the lake for health reasons but kept the property so she could rent it. She said she only ever received one complaint and evicted those renters. She said she should be in control of her own property.

Commissioner Jung requested first responders and fire districts be involved with the development code team to provide input. She recommended seeing what South Lake Tahoe did in the court system first.

Commissioner Lucey agreed permanent residents were often problematic and renters unduly received much of the blame. He cited complaints about permanent residents in Incline Village parking boat trailers year-round. He said policy which targeted one individual should not be considered by the Board. Parking affecting one person should not matter but parking that prevented emergency responders from passing by should.

1:32 p.m. Commissioner Herman left the meeting.

Commissioner Lucey felt there were challenges with short-term leases longer than 28 days as well. He mentioned Palm Springs had a ban on short-term rentals yet properties were being leased for three months and a similar desire existed in Incline Village. He thought the conversation needed to be about being a good neighbor and addressing nuisance issues.

Commissioner Berkbigler agreed that issues were not always caused just by renters. She commented the problems were not as significant in Incline Village and Crystal Bay as they were in South Lake Tahoe. She felt nothing could be addressed without regulations. She stressed she did not want to make it too difficult for people to rent out their homes, but issues such as noise, disruption, and trash needed to be addressed. She said the County needed to work with realtors. She wondered whether it would be worthwhile to include a provision where an owner either needed to be within a two-hour drive of the property or have a local host. She moved to begin the process of drafting an ordinance or some regulations.

Commissioner Lucey seconded the motion with the caveat that the Board suspend any current co-compliance actions until adoption of policy regulations that addressed short-term rentals. The mover agreed, saying co-compliance was the County's problem.

Chair Hartung concurred and said regulations that were too complex were unenforceable.

Mr. Lipparelli sought clarity that the suspension of code enforcement was only related to transient lodging. The mover and seconder agreed it was.

On motion by Commissioner Berkbigler, seconded by Commissioner Lucey, which motion duly carried on a 4-0 vote with Commissioner Herman absent, it was ordered that the process of drafting an ordinance or regulations begin and the enforcement of any code ordinance related to transient lodging be suspended.