WASHOE COUNTY

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STAFF REPORT
BOARD MEETING DATE: February 26, 2019

DATE: January 31, 2019

TO: Board of County Commissioners

FROM: Dave Solaro, Arch., P.E., Assistant County Manager
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THROUGH: John Slaughter, County Manager

SUBJECT: 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. (All Commission Districts.)

SUMMARY

The Washoe County Board of County Commissioners (Board) is being asked to provide policy direction to staff relating to regulation of transient lodging (short term rentals) within Unincorporated Washoe County. Currently Washoe County staff has identified that two areas within Washoe County Code (WCC) are in conflict with each other and have caused uncertainty for staff and residents of the County. Outstanding code compliance cases are being held pending direction from the Board related to this confusion.

Chapter 110 (development code) contains an applicability section:

Section 110.100.05 Applicability. All development and subdivision of land within the unincorporated area of Washoe County shall be subject to the provisions of the Development Code. **Any use not specifically enumerated as permitted in a regulatory zone pursuant to the Development Code**, or interpreted by the Director of Community Development as permitted in a regulatory zone pursuant to Section 110.304.10, Authority and Responsibility, **shall be considered to be prohibited in any regulatory zone for which the use is not enumerated.**

This portion of the code was adopted by the Board in May of 1994 by Ordinance 899, further the development code does not enumerate the use of transient lodging in any regulatory zone.

Subsequently on July 10, 2007 the Board adopted Ordinance 1337 which defined transient lodging in Chapter 25 of WCC allowing the Reno Sparks Convention and Visitor Authority (RSCVA) the authority to tax the transient lodging use. This action has been interpreted as allowing transient lodging as an approved use.

AGENDA ITEM # _____

Washoe County Strategic Objective supported by this item: Safe, secure and healthy communities.

PREVIOUS ACTION

July 10, 2007 - the Board adopted changes to Washoe County Code chapter 25 as it relates to Transient Lodging.

BACKGROUND

The Board has, as described in the summary section of this report, provided policy direction related to transient lodging at different times over the years that has created confusion for county staff and residents. Some high level background is provided for the Board and public in the first part of this background section to be followed by specific discussion for the Board to provide policy direction.

WCC Chapter 25 defines both transient guest and transient lodging:

> 25.150 "Transient guest" defined. "Transient guest" means any individual occupant who has or shall have the right of occupancy to any room for dwelling, lodging or sleeping purposes in a transient lodging facility for less than twenty-eight consecutive days.
>
> 25.1501 "Transient lodging" defined. "Transient lodging" means any facility, structure, or portion thereof occupied or intended or designed for occupancy by transient guests who pay rent or other consideration for dwelling, lodging, or sleeping purposes, and includes, without limitation, any hotel, resort hotel, motel, motor court, motor lodge, bed and breakfast, lodging house, rooming house, resident hotel and motel, guest house, tourist camp, resort and "dude" ranch, cabin, condominium, timeshare properties, vacation home, apartment house, recreational vehicle park/campground, guest ranch, or other similar structure or facility, or portion thereof.

WCC Chapter 110 has several sections which are pertinent to short term rentals. First, Article 304 (use classification system) provides the definition for residential use types. Single family detached dwellings are considered a residential use type. The code does not enumerate the use of transient living accommodations within any residential use type.

> **Section 110.304.15 Residential Use Types.** Residential use types include the occupancy of living accommodations on a wholly or primarily non-transient basis but exclude institutional living arrangements providing twenty-four-hour skilled nursing or medical care and those providing forced residence, such as asylums and prisons.

Chapter 110 allows rentals on a non-transient basis, specifically room or house rentals which are longer than 28 consecutive days. Renting of a room or a house usually does not require a business license. Non-transient rentals also do not require an RSCVA transient lodging tax permit.

Policy Discussion:
To begin the discussion staff is requesting that the Board affirm the interpretation that by adopting changes to WCC Chapter 25 in 2007 to allow transient lodging, and the imposition of taxes on transient lodging that the use is allowed within Washoe County.

Depending on the answer to the interpretation staff will guide the discussion in one of two ways, a discussion around completely banning short term rentals within Washoe County, or discussion and direction to staff related to ordinances creating regulations for short term rentals and suspension of code compliance actions until ordinances are adopted.

Short Term Rental Ban:
If the interpretation is incorrect County staff will proceed with creating an ordinance to clearly define within WCC that short term rentals are not an approved use within Unincorporated Washoe County. Staff will also continue with outstanding code compliance actions based on this direction.

Short Term Rental allowance:
If the interpretation is correct, staff would appreciate discussion and direction from the Board for the creation of regulations to properly administer short term rentals within Unincorporated Washoe County.

Feedback from the community:
Commissioners Berkbigler and Lucey met with residents of Incline Village on January 21, 2019 in an effort to gather information from residents about their experiences with short term rentals within Incline Village. Much of the discussion revolved around the impacts of these rentals to neighborhoods, many of which can be resolved with appropriate regulation and enforcement of those regulations.

Suggestions from the community include having a host for each rental that is responsible and accountable for the behavior of the occupants, instituting a registration system that has a tiered penalty system resulting in three strikes and the registration is revoked, and clear criteria for the safety and use of the rental. All of these suggestions would need to be clearly defined and enforcement options defined for success.

FISCAL IMPACT

Any fiscal impact associated with direction from the Board will be defined in future staff reports for Board action. Direction at this time will result in the use of staff time to create proper ordinances. This item is a priority item of Commissioner Berkbigler, is linked to the Economic Impact strategic goal, and has been factored into the current work plan.

RECOMMENDATION

It is recommended the Board of County Commissioners provide policy direction to staff on Short Term Vacation Rentals within Unincorporated Washoe County to bring back ordinances regulating short term rentals ranging from a complete ban to licensing and placing conditions on such uses, and direction on the suspension of code compliance actions until completion and adoption of regulations.

POSSIBLE MOTION

Should the Board agree with the interpretation that short term rentals are allowed within Unincorporated Washoe County, a possible motion would be: "provide policy direction to staff on Short Term Vacation Rentals within Unincorporated Washoe County to bring back ordinances regulating short term rentals placing conditions on such uses, and to suspend the code compliance actions until completion and adoption of regulations."

Should the Board disagree with the interpretation that short term rentals are allowed within Unincorporated Washoe County, a possible motion would be: "provide policy direction to staff on Short Term Vacation Rentals within Unincorporated Washoe County to bring back ordinances banning short term rentals, and move forward with the current code compliance actions."