

Mono County Short-Term Rental Study

Board of Supervisors Meeting - February 20, 2024



Introduction

*Wendy Sugimura,
Community Development Director – Mono County*



Background

- **May 3, 2022:** Emergency moratorium adopted on new short-term and transient rentals in all single-family residential units in any land use designation.
- Moratorium extended to **April 29, 2024.**
- Board directed staff to
 - 1) study the impacts of nightly rentals on housing availability, and
 - 2) return with a moratorium on nightly rentals in multi-family residential units for Board consideration.
- The Board disapproved a moratorium on multi-family residential units in October 2023.



Photo credit: Mono County Tourism and Film Commission

Introduction – Short Term Rental Study

The Board approved the budget for the STR study in September 2023, and then the study scope in October 2023.

Board Presentation Outline:

1. The consultant team will present the results of the study.
2. Staff will present the results of the community survey.
3. Staff will present next steps.

Today's purpose:

Receive general policy direction from the Board of Supervisors for further public feedback.

Report Summary

*Shawna Brekke-Read,
Project Director - MIG*



Overview

- **Part 1:** Background
- **Part 2:** Literature Review
- **Part 3:** Policy Analysis
- **Part 4:** Economic Analysis
- **Part 5:** Stakeholder Engagement
- **Part 6:** Conclusions and Options



Photo credit: Mono County Tourism and Film Commission

Part 1: Background



Background

- STR regulations dating back to 2012 and earlier
- Multiple revisions of the code, with community input
- Three moratoriums, latest in May 2022



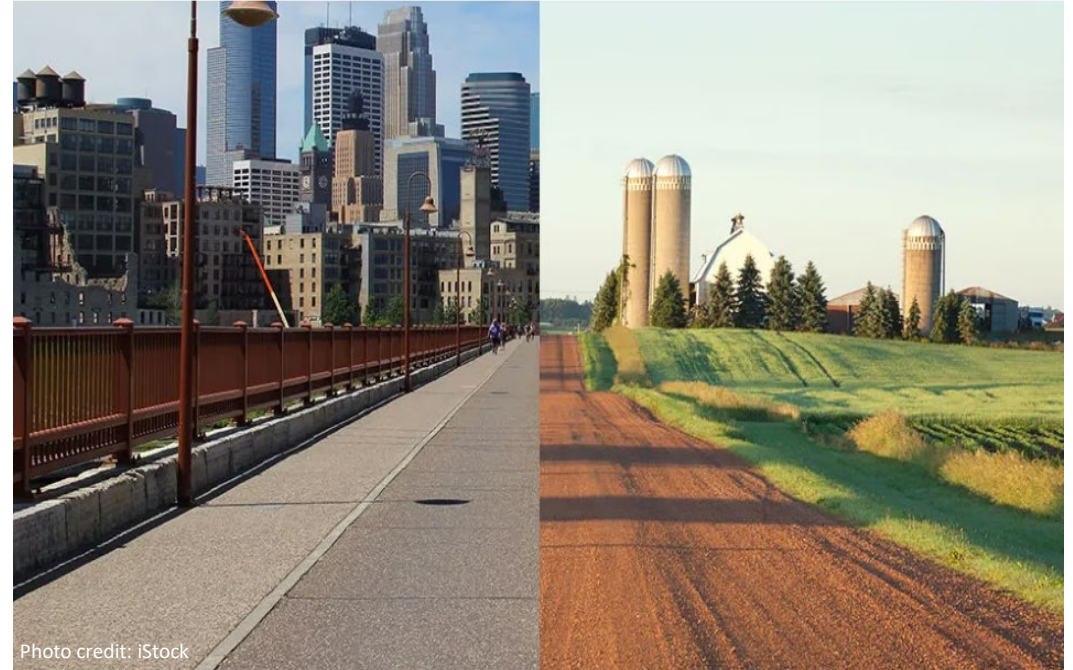
Photo credit: Mono County Tourism and Film Commission

Part 2: Literature Review



Literature Review – Works Cited

- 50+ academic articles and industry publications
- Impact of STRs on Tourist Accommodations and Housing Markets
- Most research focused on urban markets - rural or less dense case studies were included



Literature Review – STRs and Housing Market

- Impact varies
 - Stronger
 - Less owner-occupied housing, and
 - Smaller inventories of motel/hotel
 - Weaker
 - Smaller number of STRs compared to total housing stock
- “Hotelization” – revenue stream from housing



Photo credit: Jay Haeske

Literature Review – STRs and Tourist Accommodations

- Likely impact on hotel/motel in same market
 - Occupancy
 - Price



Photo credit: Mono County Tourism and Film Commission

Part 3: Policy Analysis



Policy Analysis -Overview

19 “mountain resort” communities identified:



Policy Analysis - Summary

- Most have:
 - Permit/license requirements
 - Standard operational requirements
 - STR regulations based on land use, with more residential restrictions
- About half include workforce housing as policy rationale
- Majority do not have permit caps



Photo credit: Matthew Thayer

Policy Analysis – Mono County Comparison

- Housing Mitigation Fee
- Stricter Process for STRs in residential land uses
 - Two permits
 - BOS approval
- Only Jurisdiction
 - Differentiates STR vs VHR permits
 - Limits one permit/individual
- More Stringent - “Occupied” or “Hosted” STRs



Photo credit: Mono County Tourism and Film Commission

Part 4: Economic Analysis

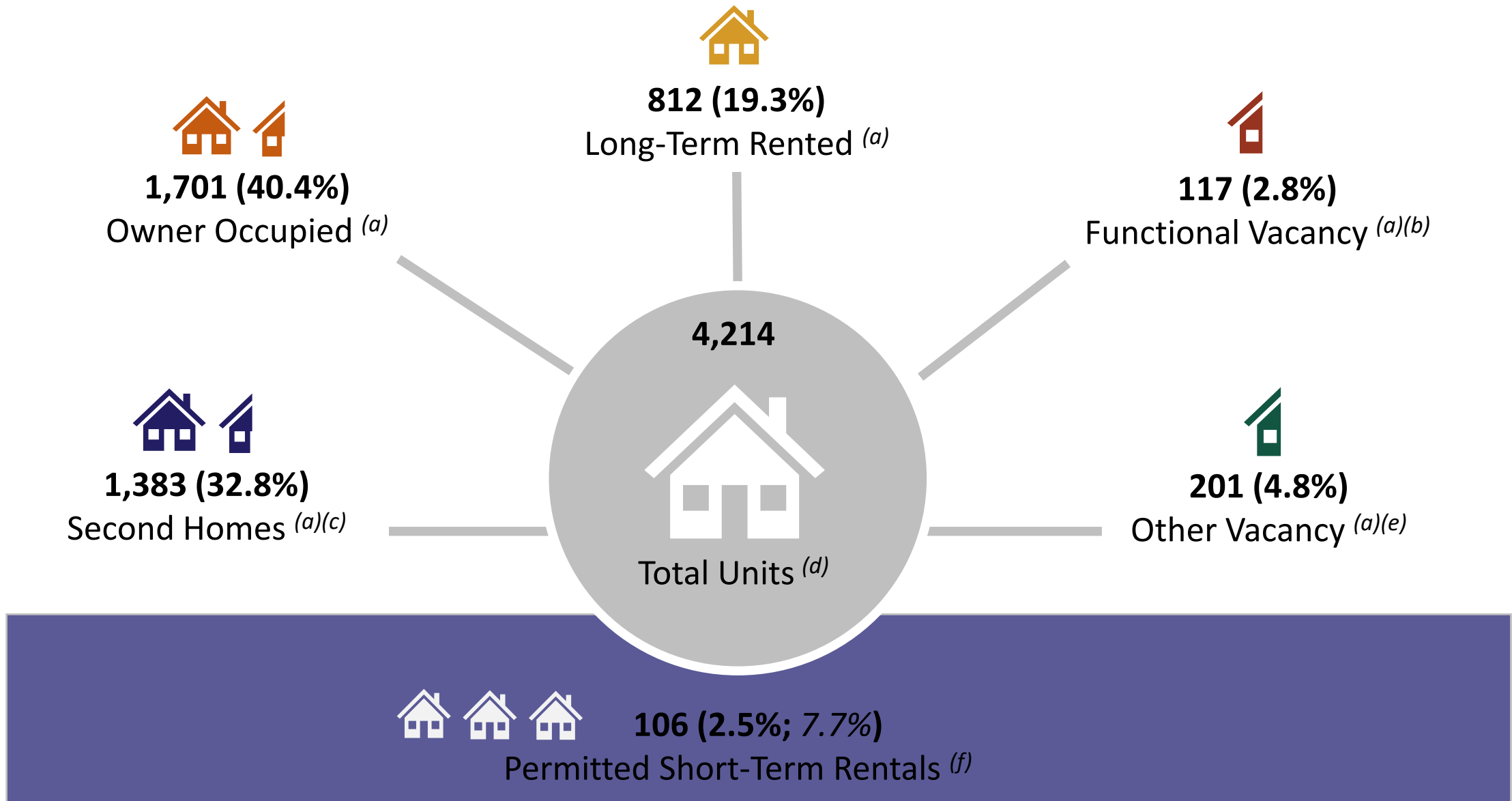


Mono County Housing Stock

- 13,912 units countywide
- 4,214 unincorporated area
- ~60% full-time occupied
 - 2/3 owner-occupied
 - 1/3 rented
- ~40% “second homes”



Photo credit: Mono County Tourism and Film Commission



Housing Stock Utilization, 2023 est.

Home Sales and Prices – Unincorporated County

Single-Family Residences

- Majority of Sales 2019-2023
- Most in Long Valley, Bridgeport, June Lake, and Antelope Valley Planning Areas

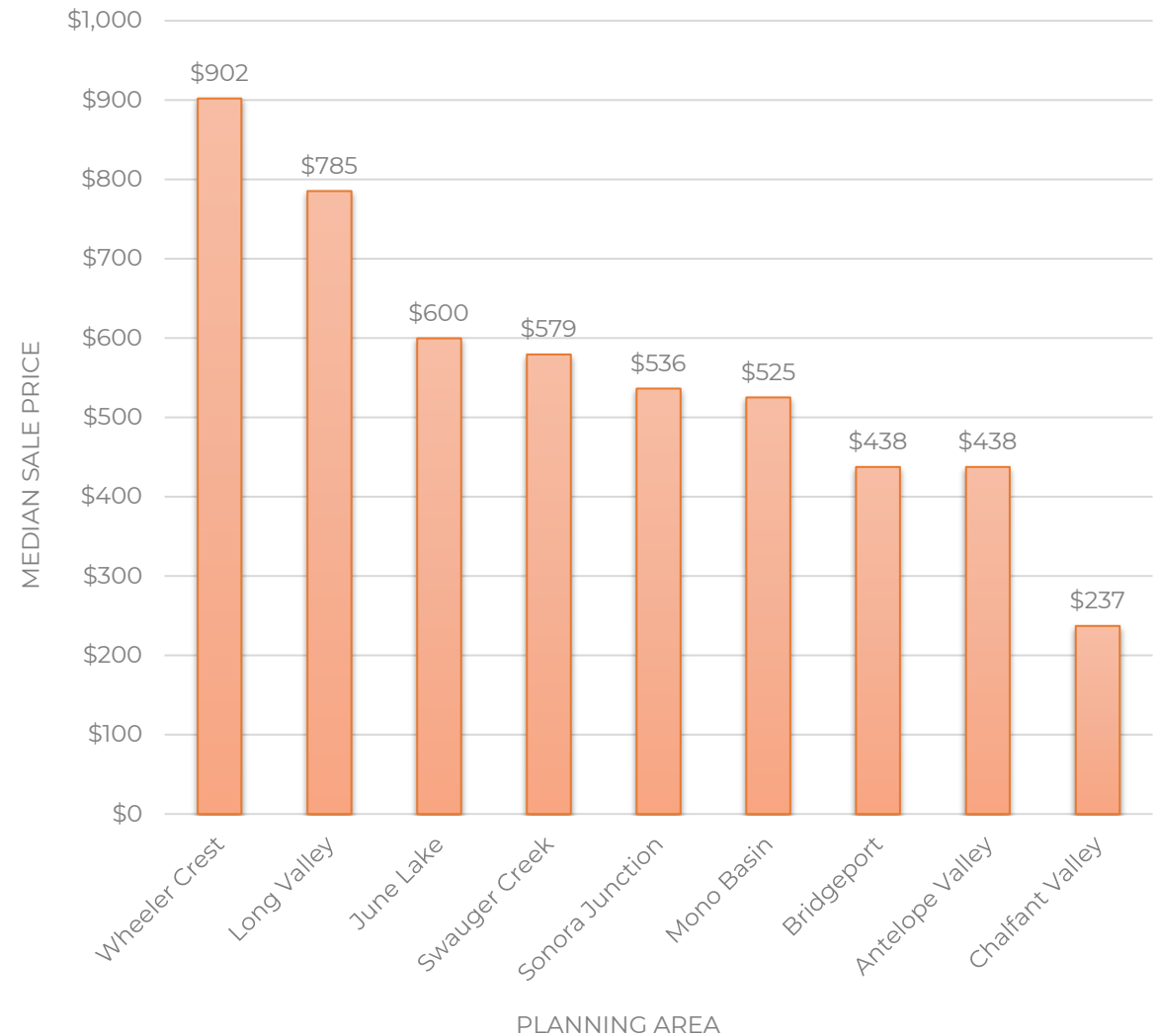
Condominiums Had Higher Average Sales Price

- \$626,800 average sale price
- Typical HOA Dues - \$400 - \$650/month



SFR Housing Sales

- Highest median single-family home prices in 2023 (January-November):
 - Wheeler Crest,
 - Long Valley (only owner-occupied STRs allowed),
 - June Lake (depends on location), and
 - Swauger Creek
- Lowest median sales prices:
 - Antelope Valley (STRs allowed)
 - Chalfant Valley



Rental Rates Summary

- Limited Number of Rentals
- Relatively Affordable Rents
- Rentals Likely Go to Higher-Income Households



Labor Force Trends

- 8,162 employed persons (avg)
 - **87% live in Mono County**
 - 13% commute from other counties
- 8,095 employed residents (avg)
 - **88% work in Mono County**
 - 12% commute to other counties



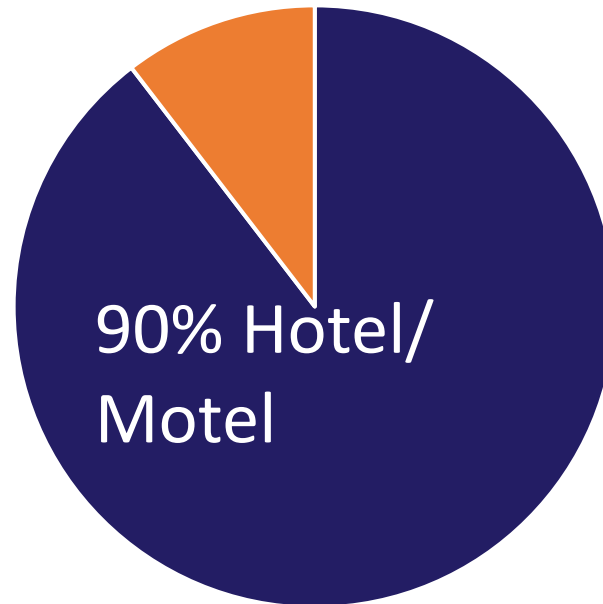
Labor Force Trends

	Mono County	Town of Mammoth Lakes
2015-2019	Stable Work Force	Downward Trend in Unemployment
2018-2019		Stabilized unemployment at .05%
April 2020	28.5%- unemployment high	
Early-mid 2021	3-4% unemployment – <i>similar to pre-pandemic trends</i>	~0% unemployment

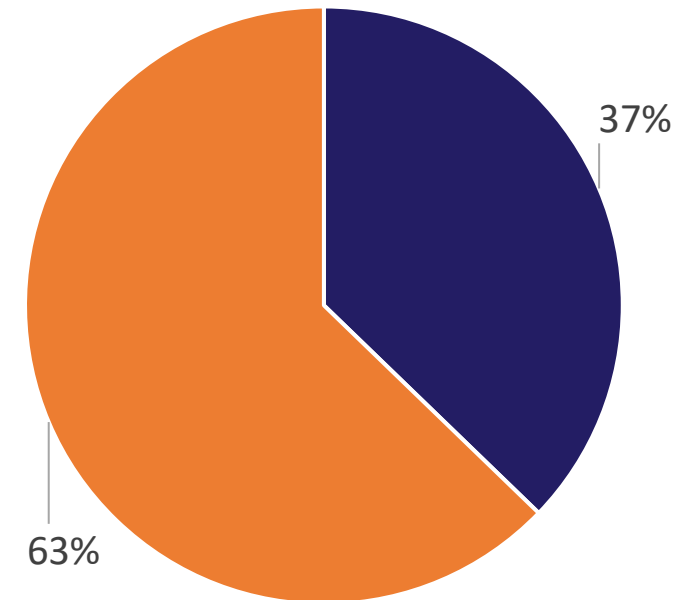
Tourism Accommodation Industry Trends

- Tourism is primary economic driver
- 911 tourist accommodation units (TAUs)
- Short-term rentals (STRs) - ~10% of all TAUs -

Uninc. Mono County



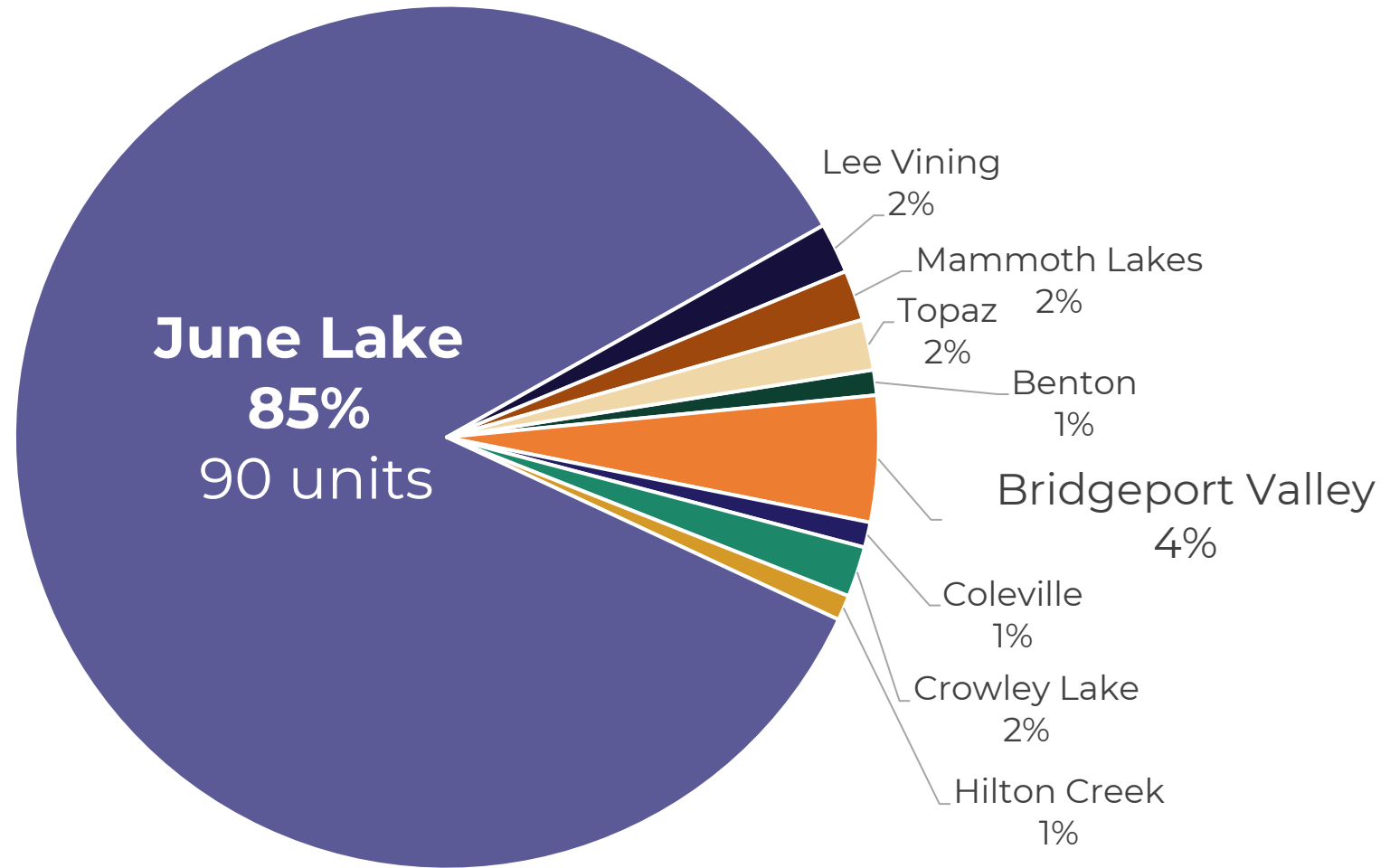
Mammoth Lakes



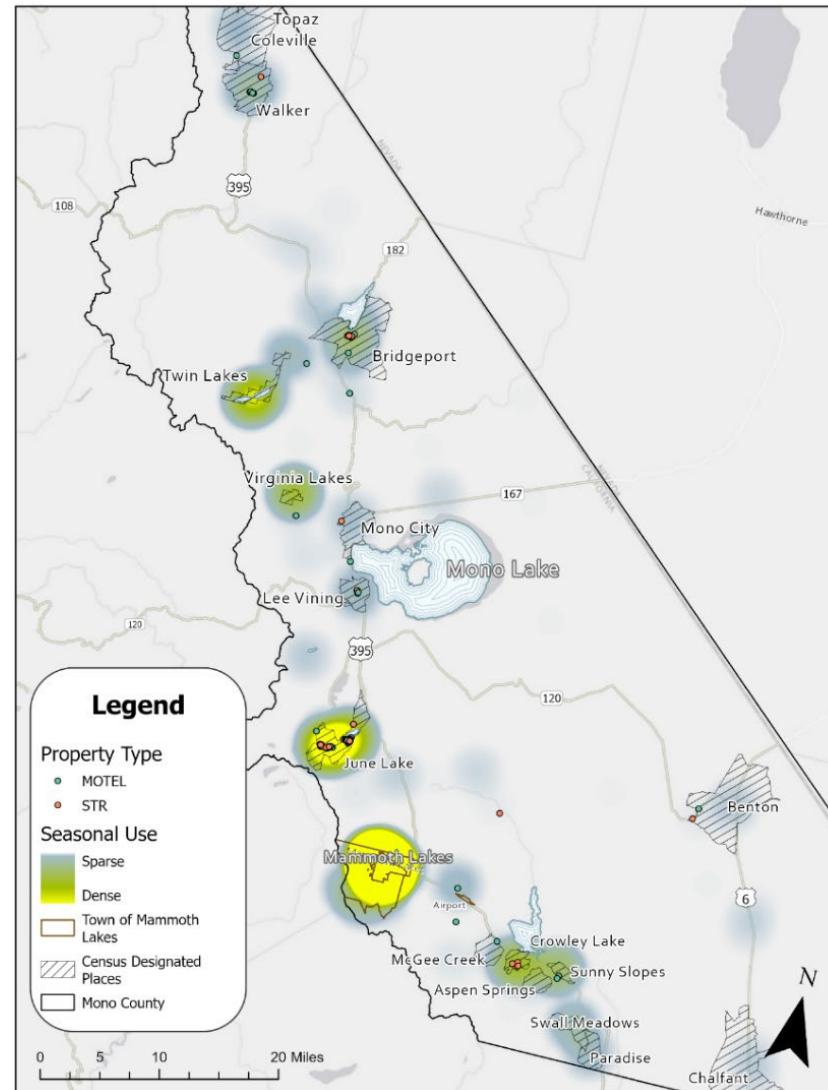
■ Hotel/Motel ■ STR

STRs by Location

106 Units

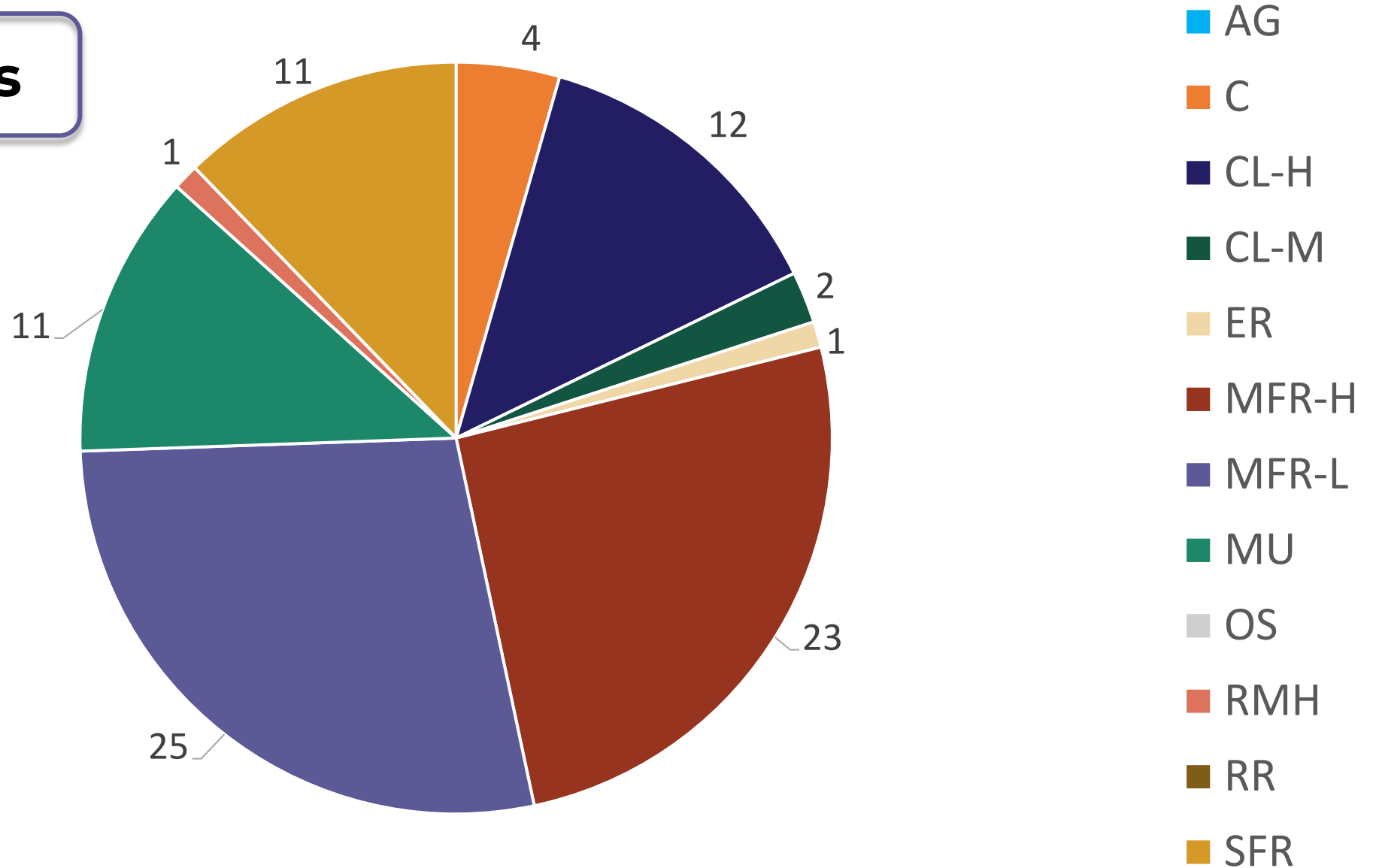


Seasonal Vacancy



June Lake STRs by Land Use Designation

90 Units



Occupancy and Revenue Generation

Area	Average Occupancy Rates	Average Daily Rates
Coleville-Walker	39%	\$105
Benton	91%	\$138
June Lake	60%	\$414
Lee Vining	64%	\$252

Induced Workforce Housing Demand

- Most (75%) Destination-Related Jobs in the County - hotel, motel, vacation rental overnight visitors
- Short-Term Rentals in Mono County Supports Jobs
- Each New Short-Term Rental in Mono County Requires Workforce Housing



Part 5: Stakeholder Engagement



Interviews - Overview

- Six interviews
 - Five in-person
 - One virtual
- 45-minutes; four questions
- Housing
- Local Business
- Hotel and Motel
- STR Owners and Managers
- Housing Ad Hoc



Interviews – Key Takeaways

- **Data Needed**
- Time and Resources – **Current Short-Term Rental Regulations vs. Immediacy of Housing Issues**
- The Issue of Scale – **More Development vs. Incremental Change**



Interviews – Key Takeaways

- Equity Lens vs. Property Owner Rights – **County's Role**
- **Location-Specific Solutions**
- **Longstanding Issue – Housing Availability**



Part 6: Conclusion and Options



Conclusion

- No obvious correlation between STRs and housing, county-wide
- June Lakes area may have stronger correlation
- Possible influence from Mammoth Lakes
 - Mammoth Lakes STRs pushing workforce into the County for housing
 - ~0.85 new jobs/STR - need workforce to support



Options - Policy Objectives

1. Limit or decrease the number of existing STRs.
2. Prevent neighborhood impacts and nuisances.
3. Discourage business investment in or commodification of housing.
4. Preserve and encourage workforce housing units.
5. Increase available bed base without affecting long-term rental availability.
6. Encourage development of new workforce housing units.
7. Adjust to the market and STR trends.
8. Create an equitable permitting process.
9. Engage with regional partners.

1. Policy Objective:

Limit or decrease the number of existing STRs.

Set a numeric cap on STR permits countywide.

Set a numeric cap on STR permits in a specified geographic location.

Change the General Plan and Zoning Code and prohibit STRs in some or all residential areas.

2. Policy Objective:

Prevent neighborhood impacts and nuisances.

Retain existing permitting requirements.

Increase violation fees.

Increase compliance staffing.

3. Policy Objective: Discourage business investment in or commodification of housing.

Implement a waiting period before any new property owner can apply for an STR permit.

Prohibit STR permits for a specified period where an eviction has occurred on properties in the previous two years.

Amend language in the code regarding property rights to state STR permits do not run with the land.

Amend definition of short-term rentals of residential properties to include fractional ownership and/or time shares.

Prohibit new STRs.

4. Policy Objective: Preserve and encourage availability of workforce housing units.

Require the same approval process for MFR units as SFR units.

Require a minimum STR size (floor area) for new STR permits.

Partner with an organization to create a renter-owner matching program (non-profit, partnership).

5. Policy Objective: Increase available bed base without affecting long-term rental availability.

Allow “hosted” STRs and change county definitions and regulations for “occupied” STRs.

Exempt hosted rentals from a permit cap (if adopted) or allow in zones that don’t otherwise allow STRs.

Allow a long-term renter to occupy an ADU on a property while allowing short-term rentals in the main home.

Allow an ADU to be an STR if the main unit is occupied by the owner or a long-term renter.

6. Policy Objective: Encourage development of new workforce housing units.

Publicize the County's pre-approved Accessory Dwelling Unit (ADU) plans.

Highlight State housing laws that ministerially allow 100% affordable housing developments.

Offer loans and/or grants for building or rehabilitating or preserving long-term housing.

Allow one new STR to be permitted for three new workforce housing units, based on the job generation rate.

Partner with Sierra Business Council or create a new position to help housing development applicants through development review and permitting process.

7. Policy Objective:

Adjust to the market and STR trends.

Consolidate STR permitting and tracking and create a universal tracking system.

Collect code compliance data.

Track and report on STR Transient Occupancy Tax revenue.

Track and report on STR permit activity and trends in the County's annual report.

8. Policy Objective:

Create an equitable permitting process.

Consolidate the permitting process into a single unified procedure with a single set of terms and requirements for all permits, regardless of land use designation.

Continue to require annual renewals for all STR Permits.

9. Policy Objective:

Engage with regional partners.

Encourage the Town of Mammoth Lakes to regulate STRs.

Thank you.



County Survey

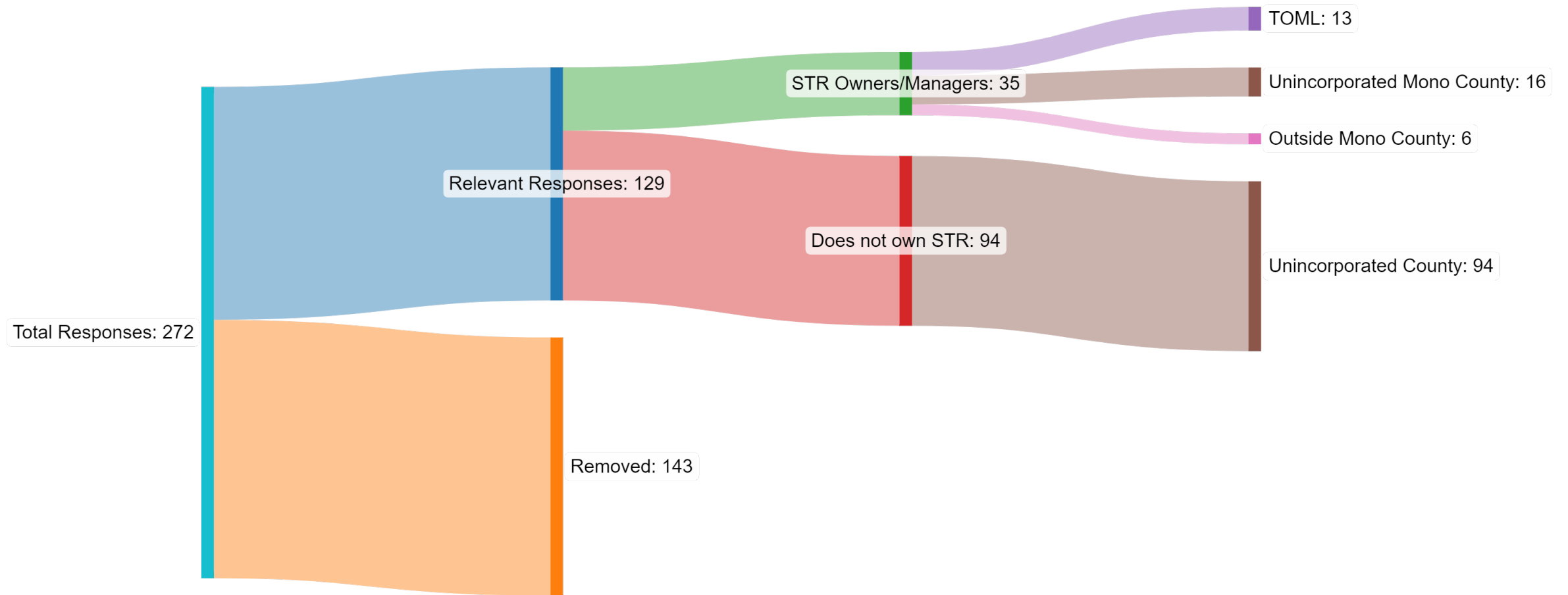
*Aaron Washco,
Planning Analyst – Mono County*



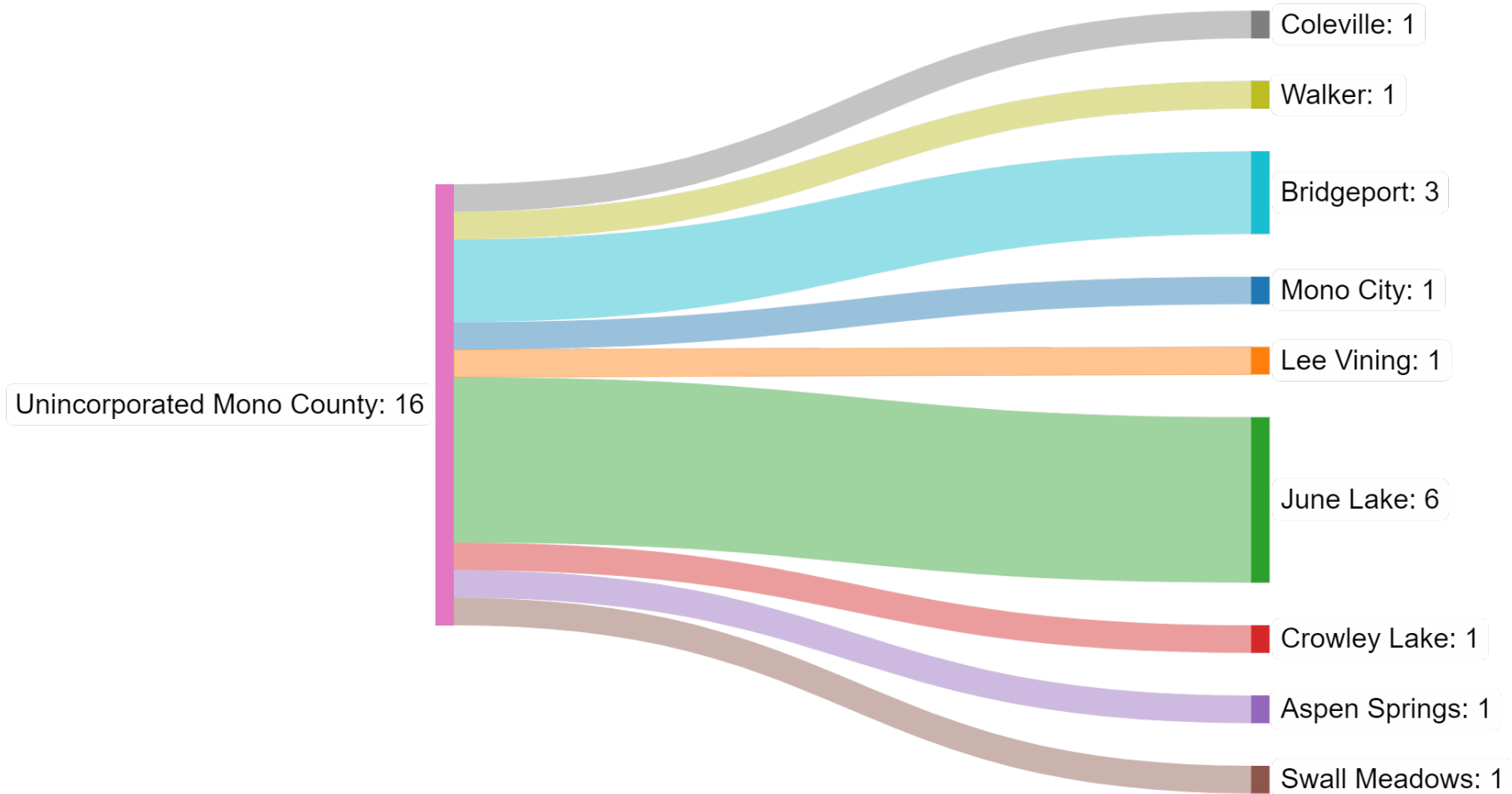
The Data Set

- 272 total responses
- The following groups of responses were removed from the data set:
 - Live in TOML/own STR in TOML
 - Live in Mono County/own STR is TOML
 - Lives in TOML/doesn't own any STRs
 - Lives outside county/owns STR in TOML
 - Didn't say where they live/doesn't own any STRs
 - Didn't say where they live/owns STR in TOML
- 129 responses remain in the data set, from the following groups:
 - Lives in TOML/owns STR in unincorporated county
 - Lives in unincorporated county/owns STR in unincorporated county
 - Lives in unincorporated county/does not own any STRs in unincorporated county
 - Lives outside county/owns STR in unincorporated county
 - Didn't say where they live/owns STR in unincorporated county

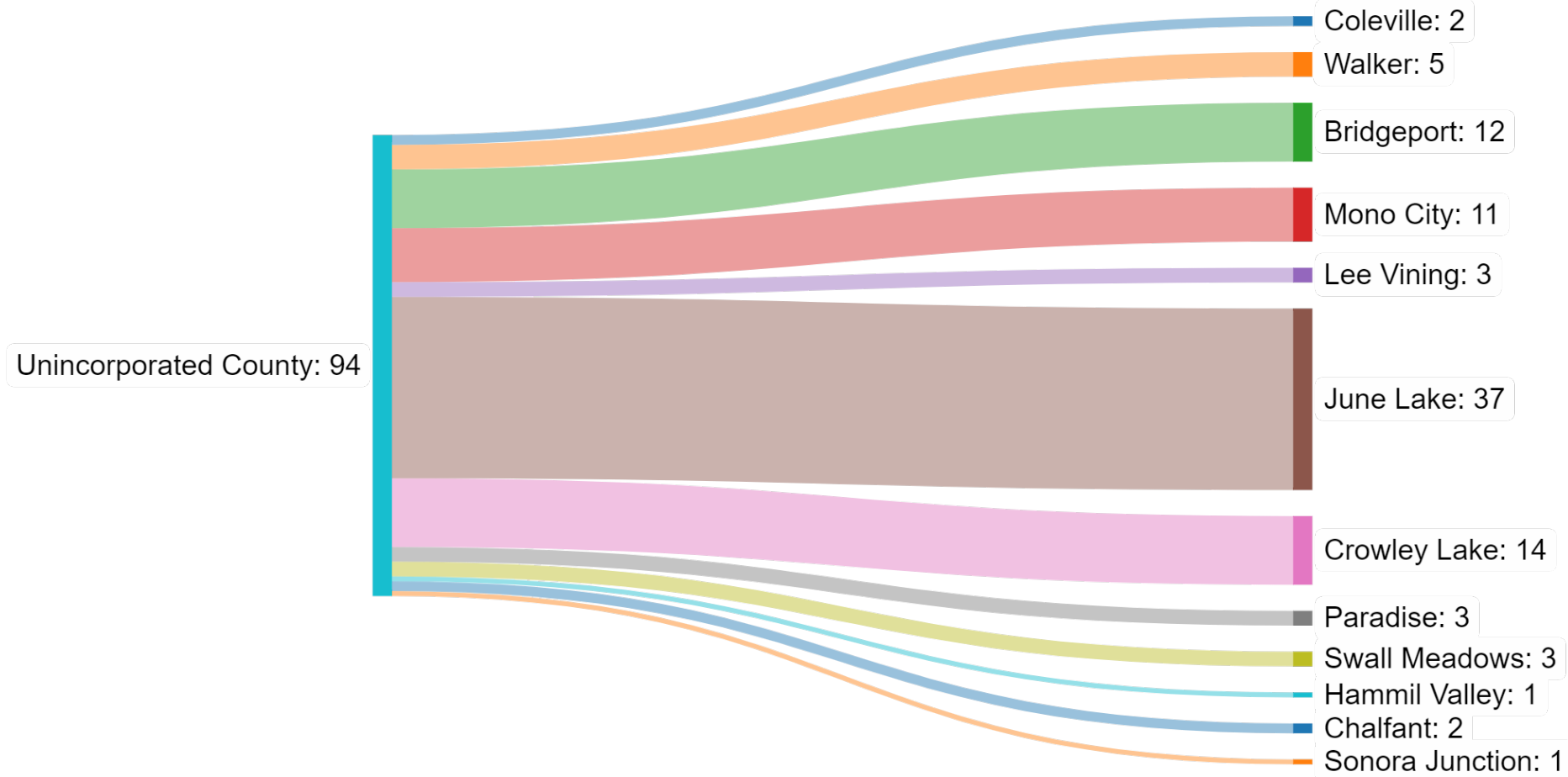
The Data Set



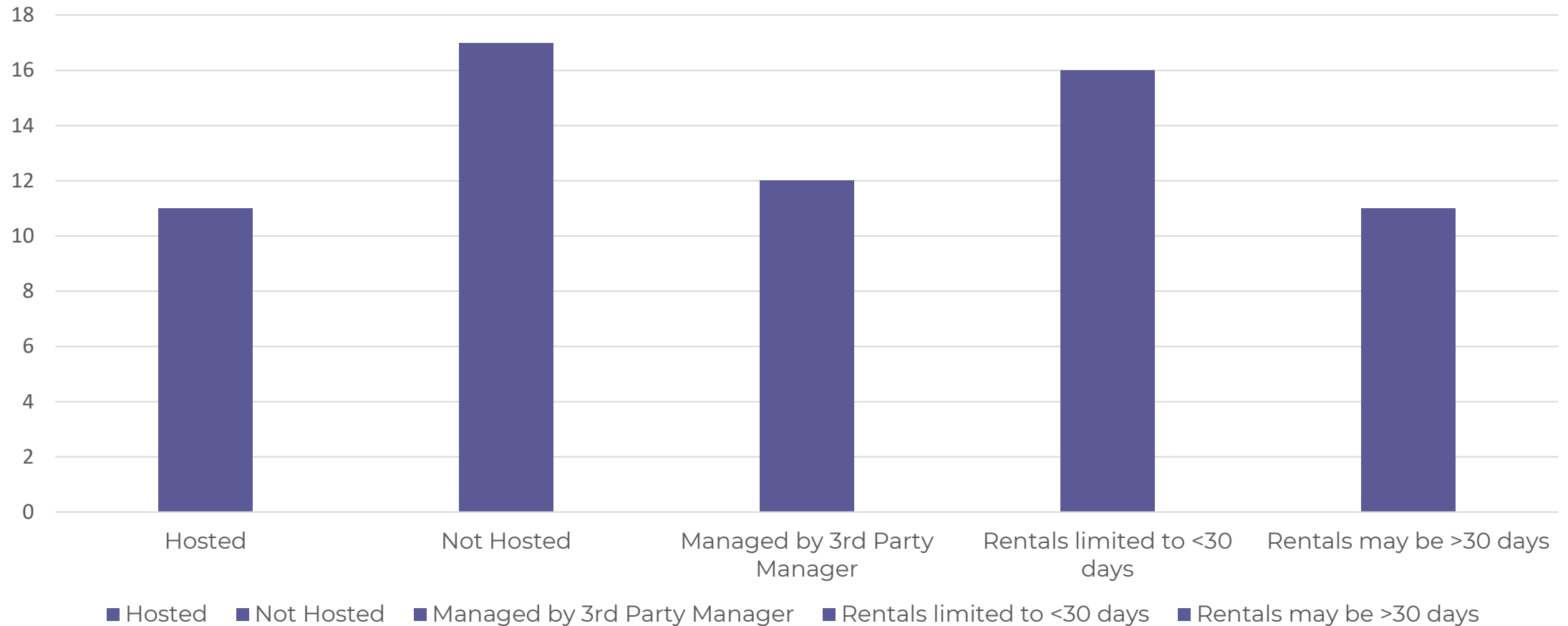
The Data Set – STR Owners/Managers



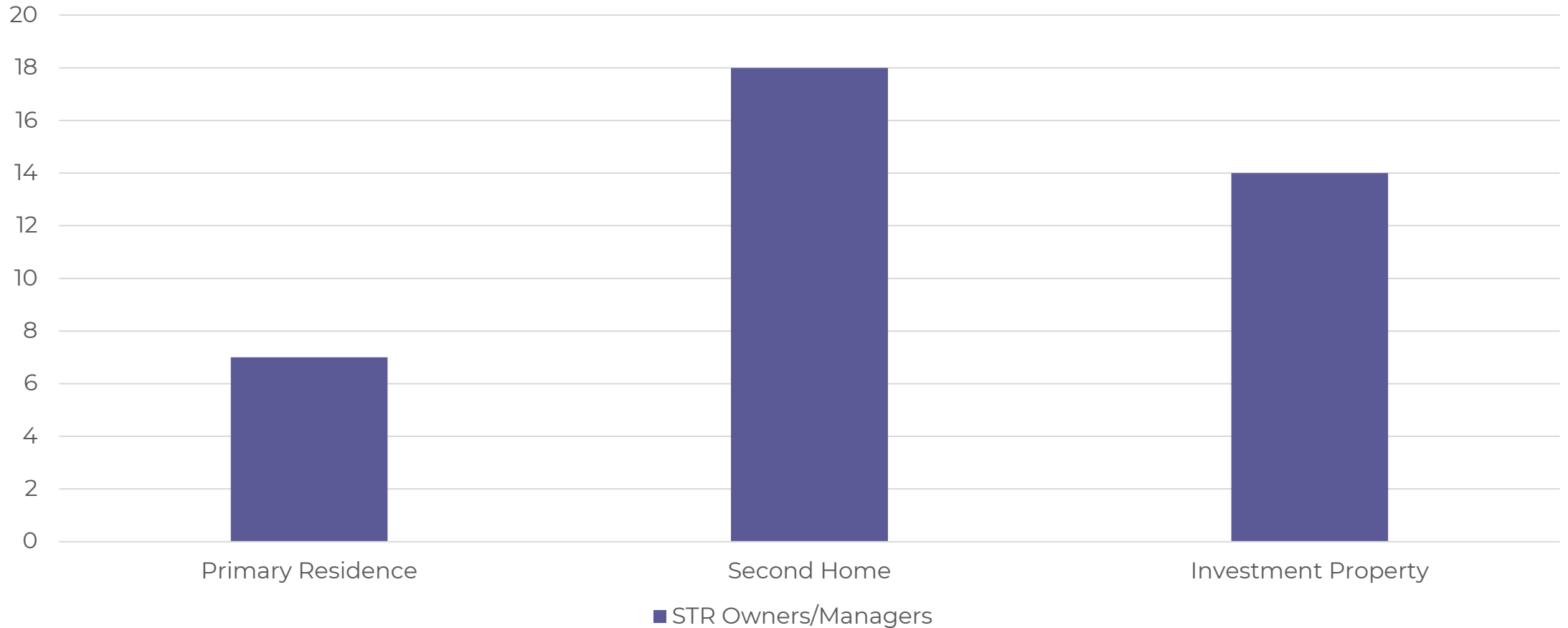
The Data Set- Does Not Own or Manage STR



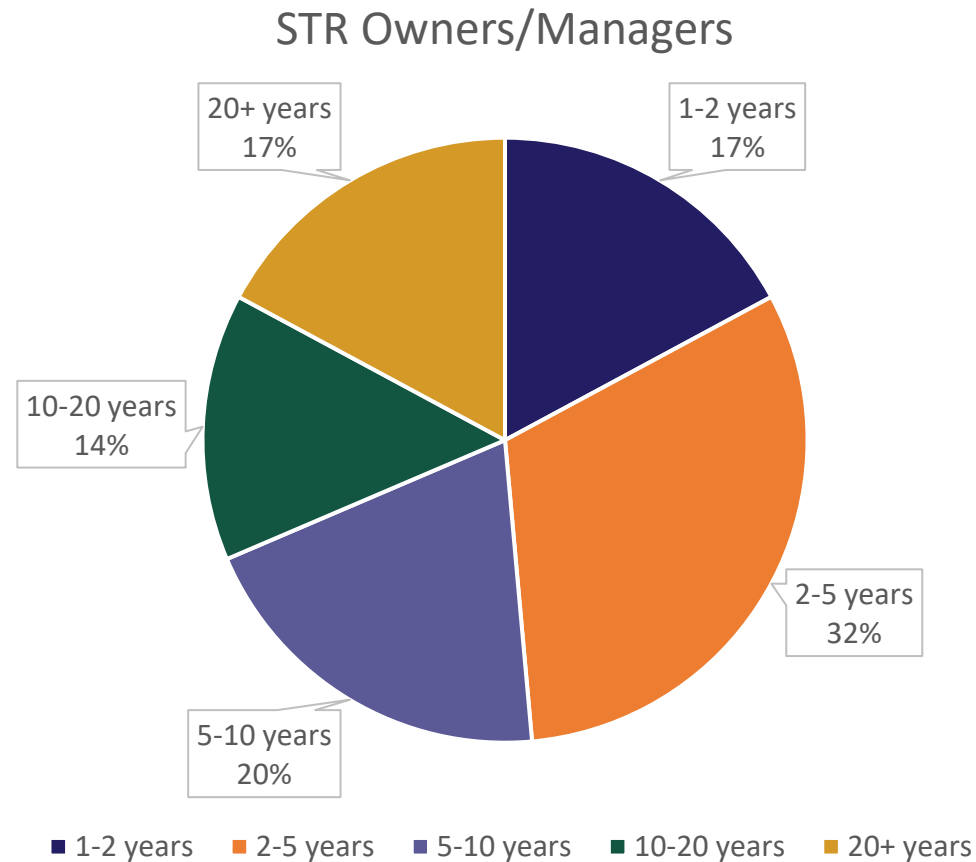
What best describes your STR or TOT licensed property? (select all that apply)



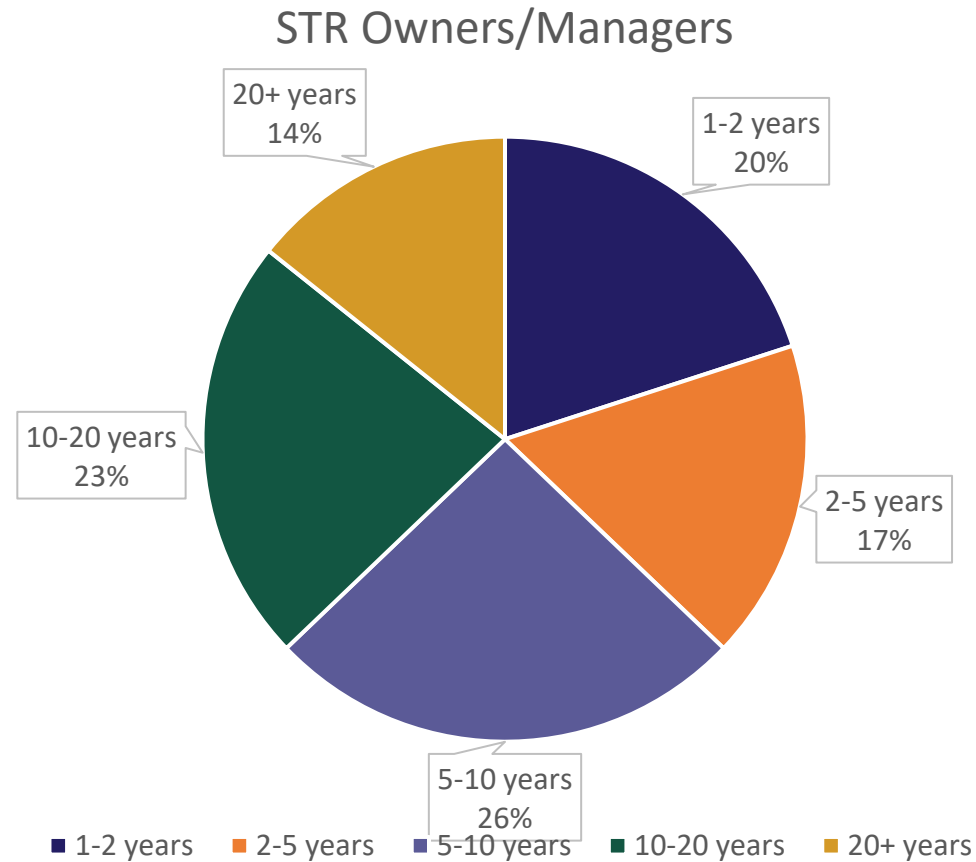
How else is your STR or TOT licensed property used? (select all that apply)



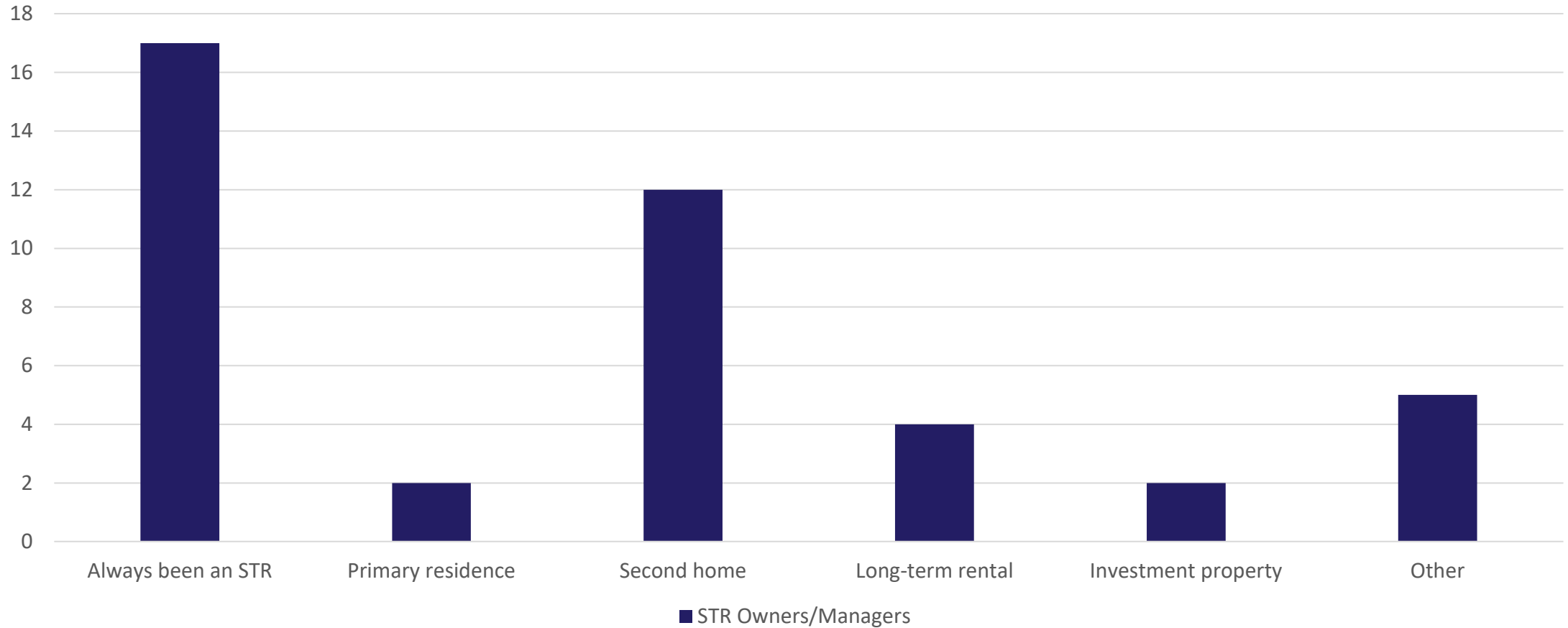
On average, how long has your STR been under current ownership?



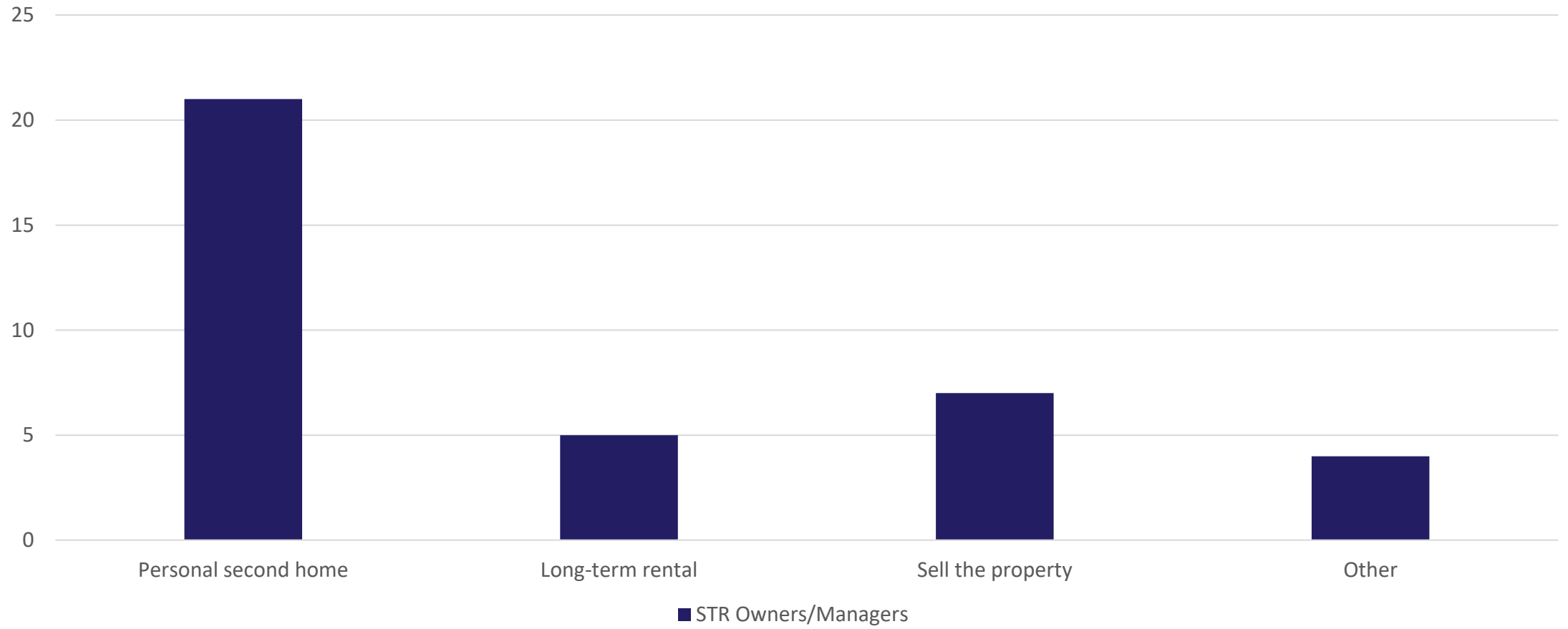
On average, how long have the properties been operating as tourist accommodations?



How was the property utilized prior to being rented as an STR or TOT licensed property?

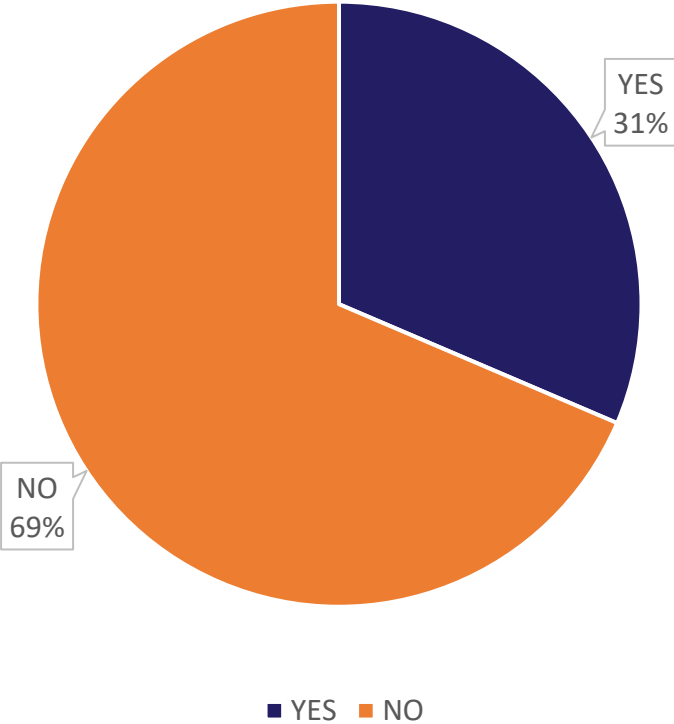


If the property couldn't be used as an STR, what would be a viable alternative?



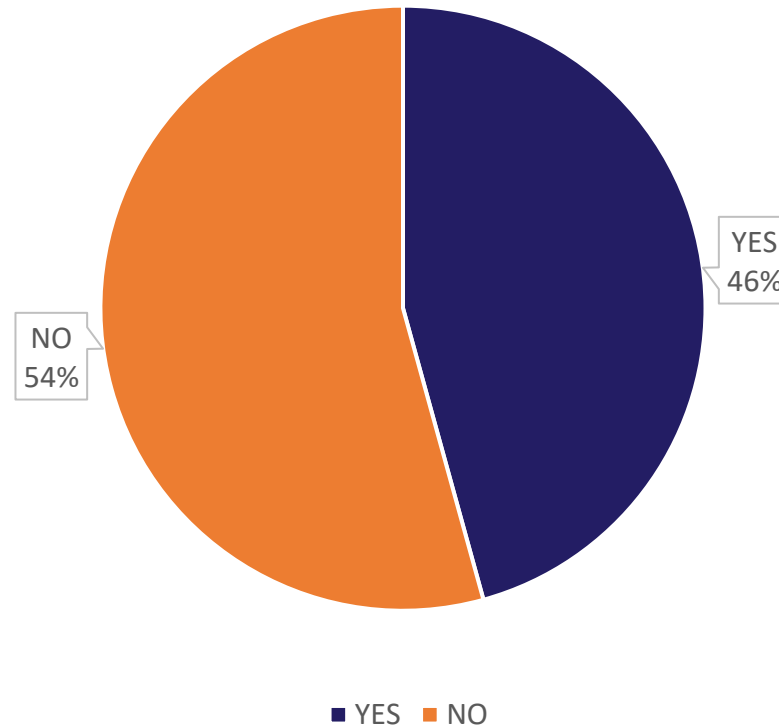
Have you ever rented the property long term?

STR Owners/Managers

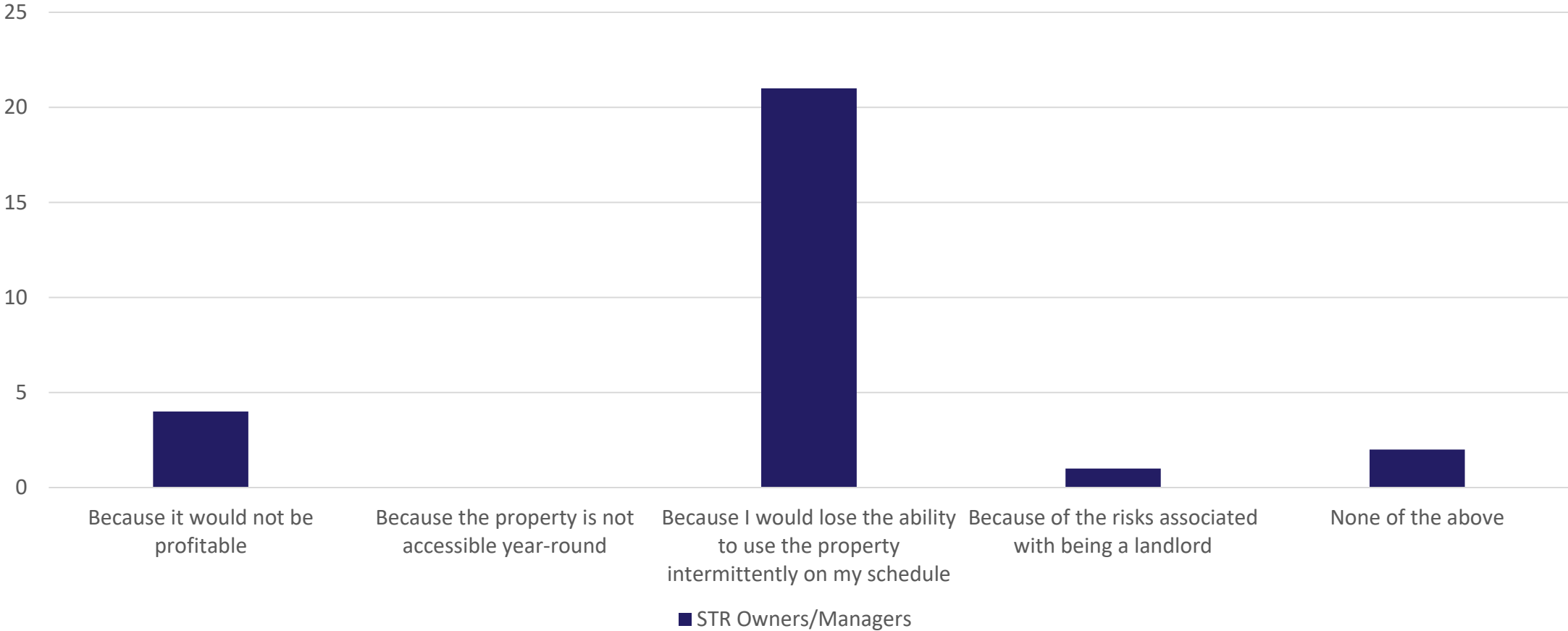


Do you own or manage any other properties, separate from your STR(s), that are rented on a long-term basis?

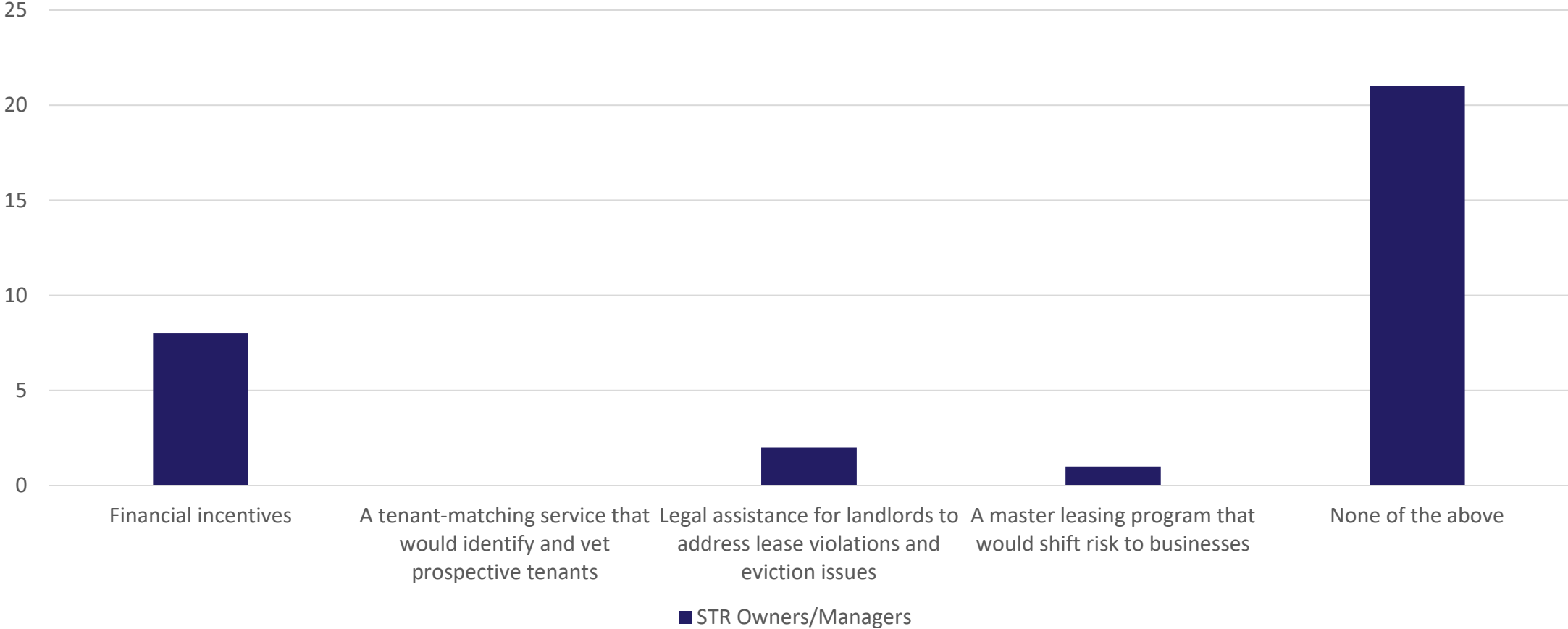
STR Owners/Managers



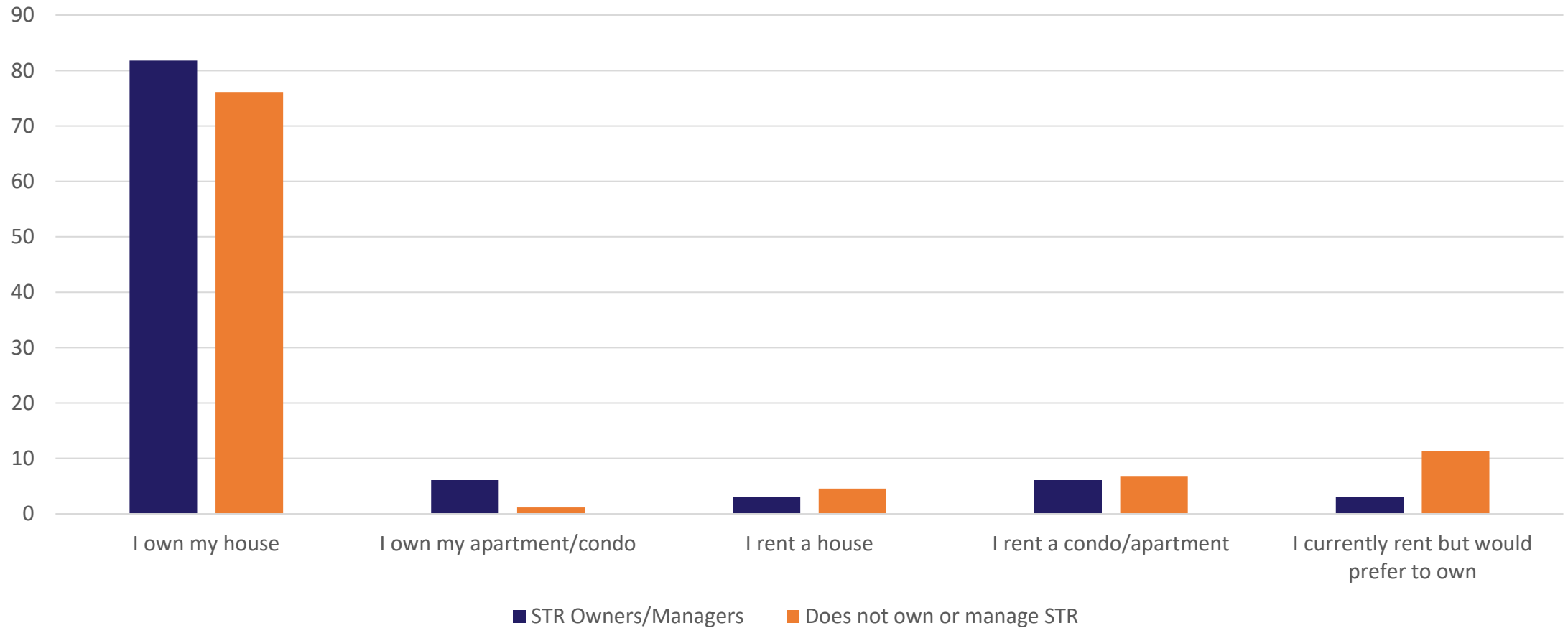
Why do you rent your property short term instead of to long-term tenants?



What incentives, if any, could entice you to rent your property long term?



How would you describe your personal housing situation?



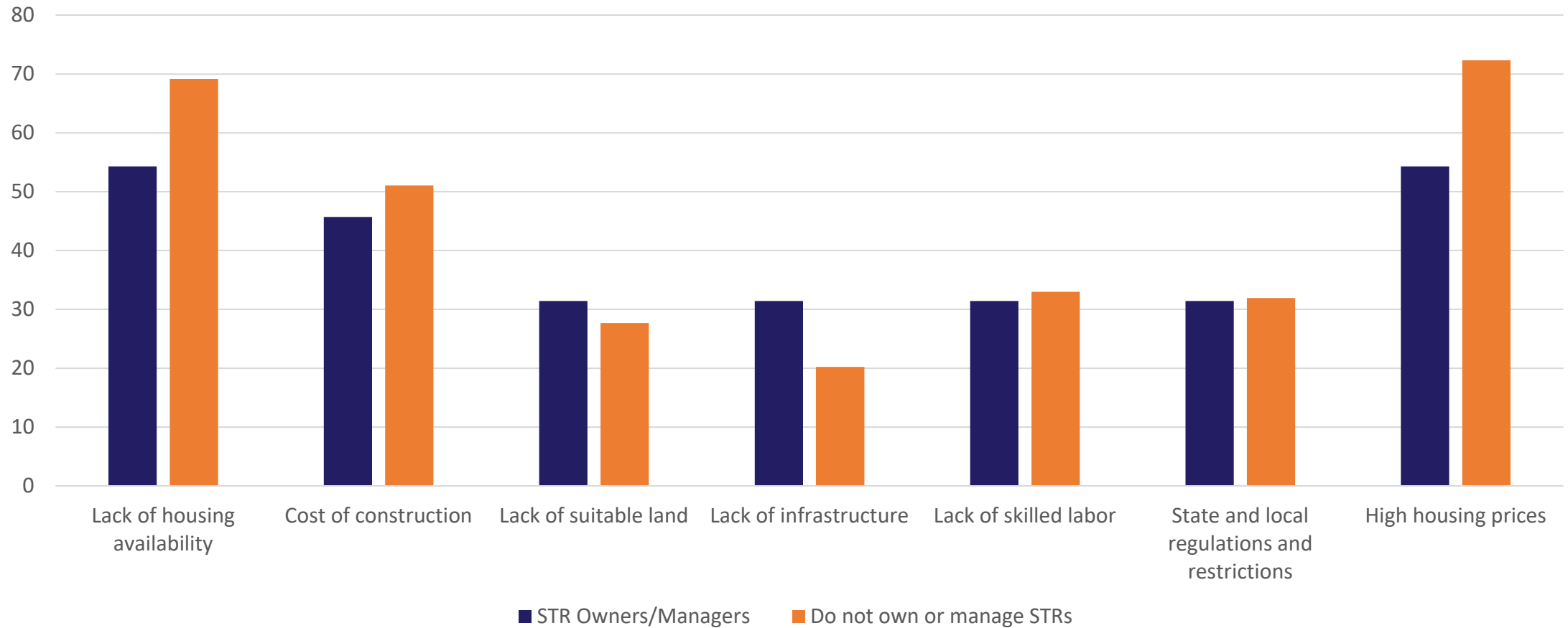
How would you describe your individual annual gross income?



How much do you pay from your gross income on housing?

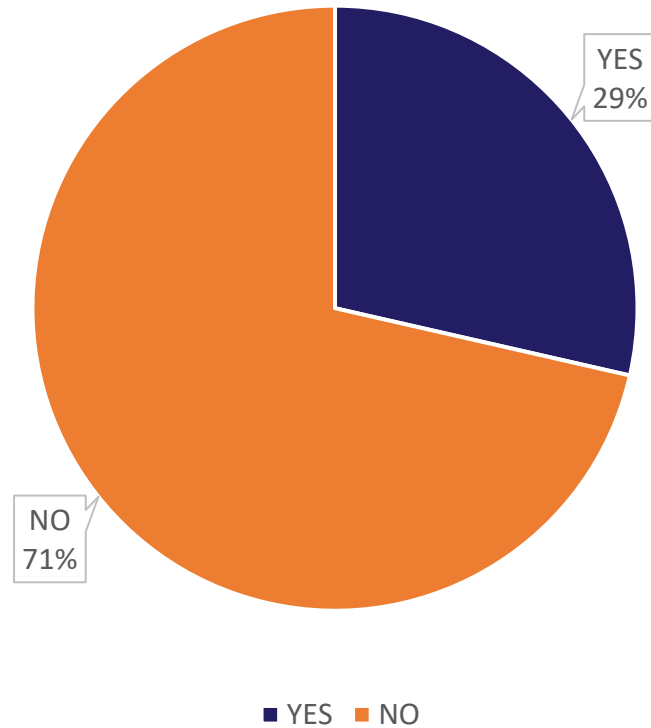


What do you see as Mono County's main community housing challenges? (select all that apply)

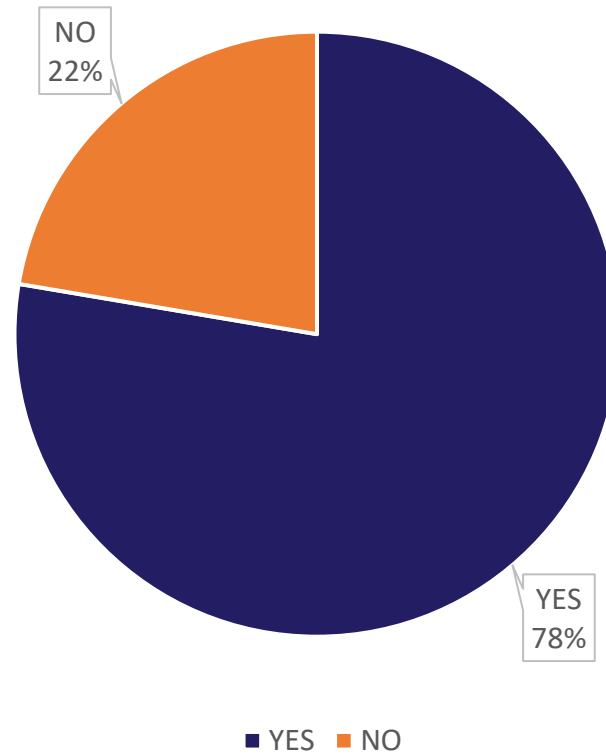


Do you believe that STRs impact housing availability and affordability?

STR Owners/Managers

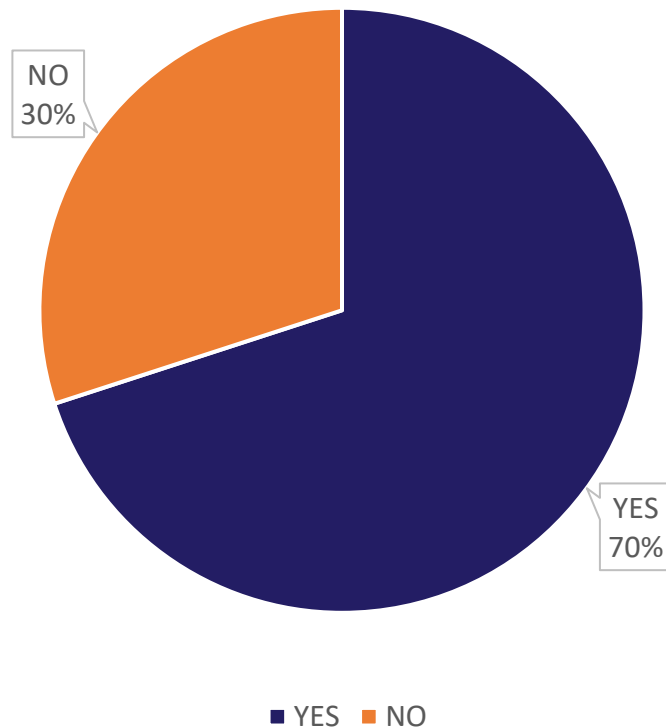


Does not own or manage STR

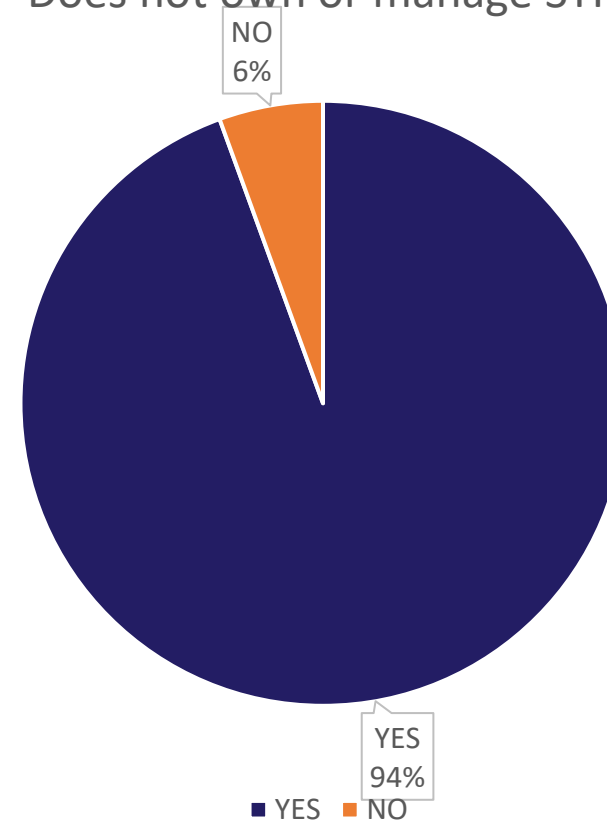


If you answered yes to the last question, would you support additional regulation or mitigations of STRs that offset potential impacts?

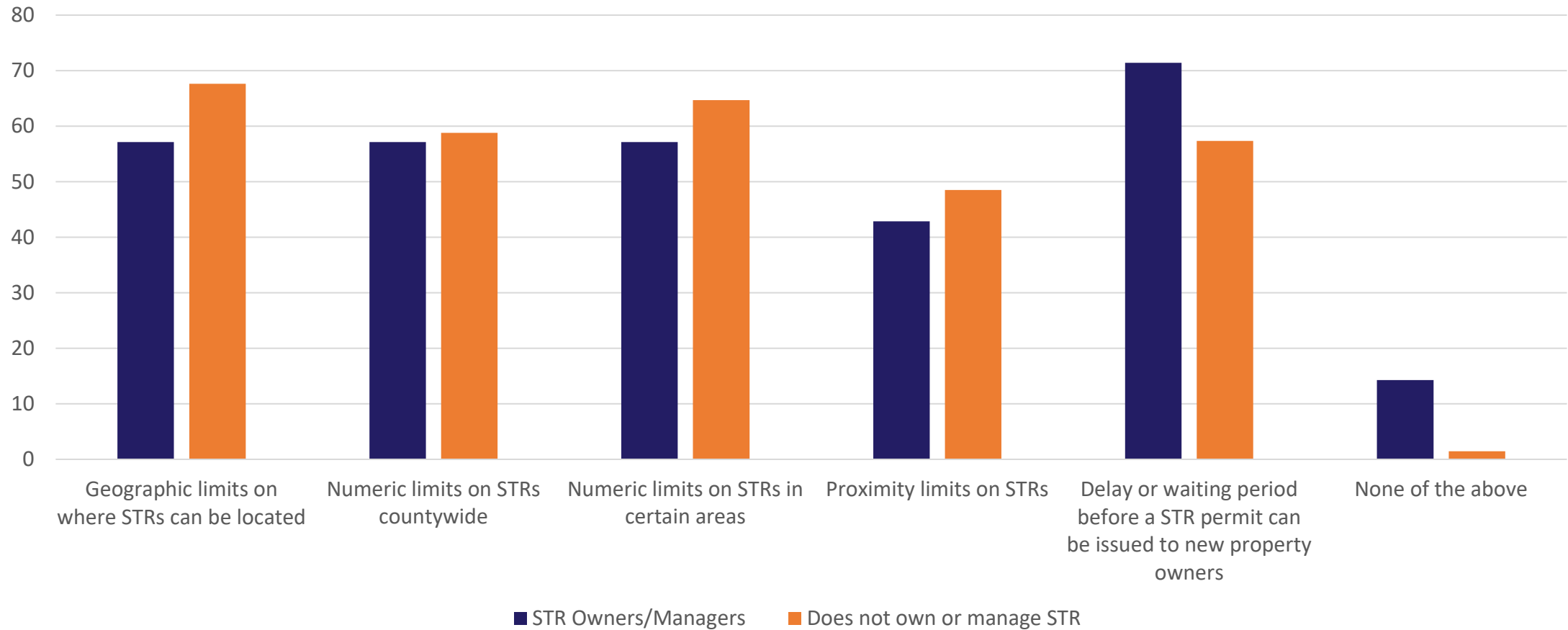
STR Owners/Managers



Does not own or manage STR

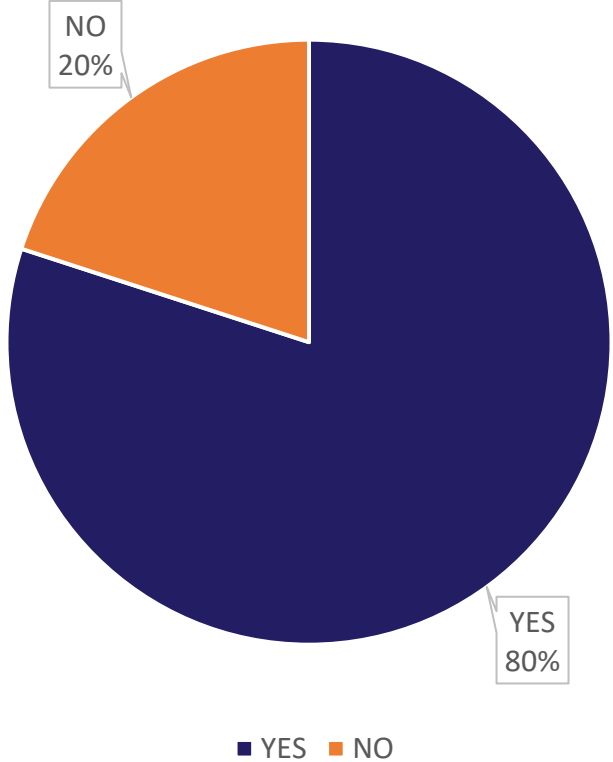


If you answered yes to the previous question, what types of regulations or mitigations might you support?

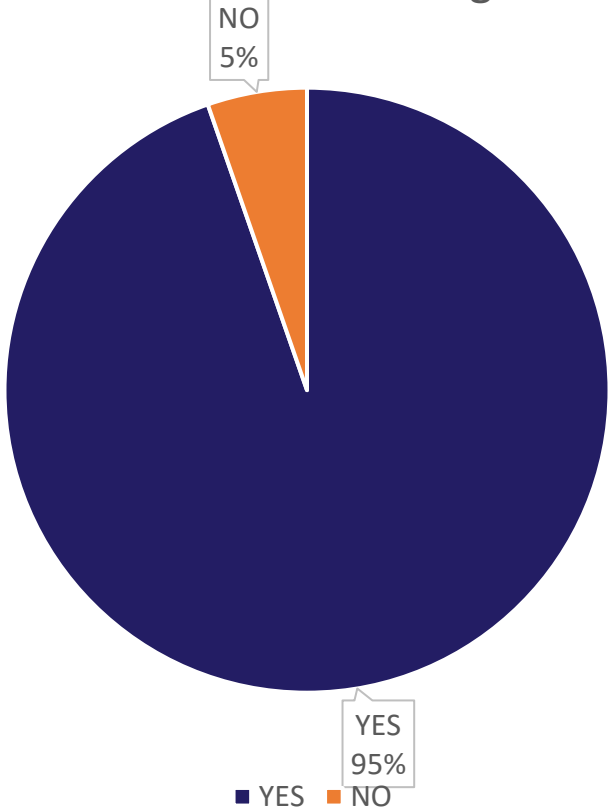


Would you support programs or incentives that support the creation or preservation of housing for local workforce?

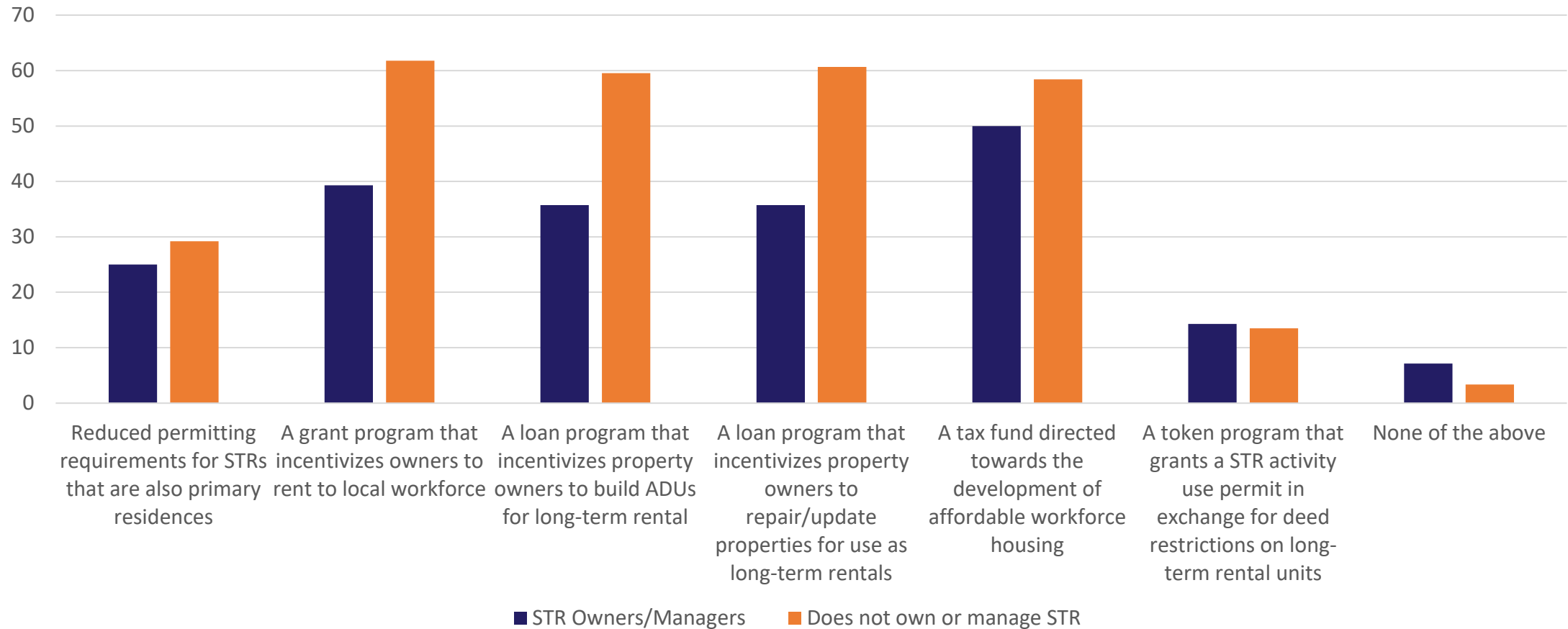
STR Owners/Managers



Does not own or manage STR

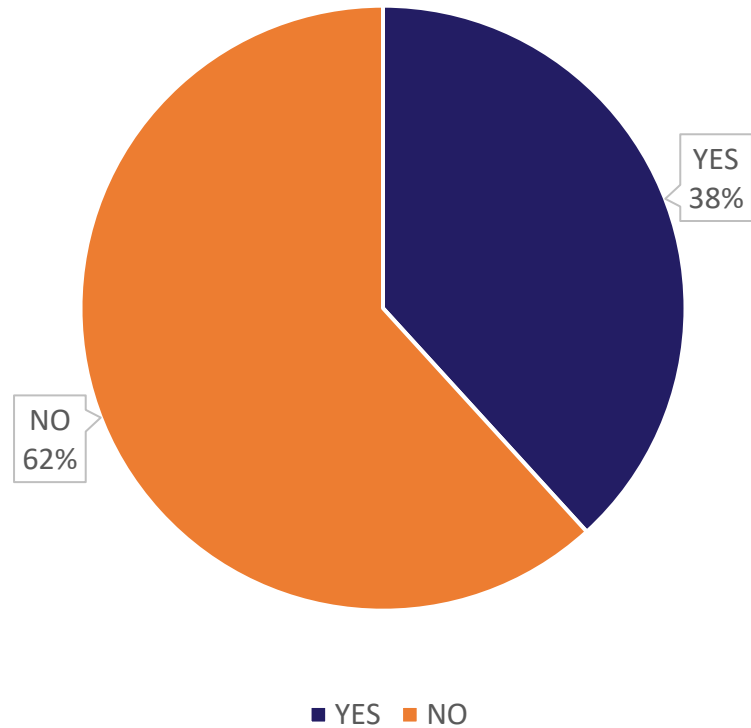


If you answered yes to the previous question, what programs or incentives might you support?

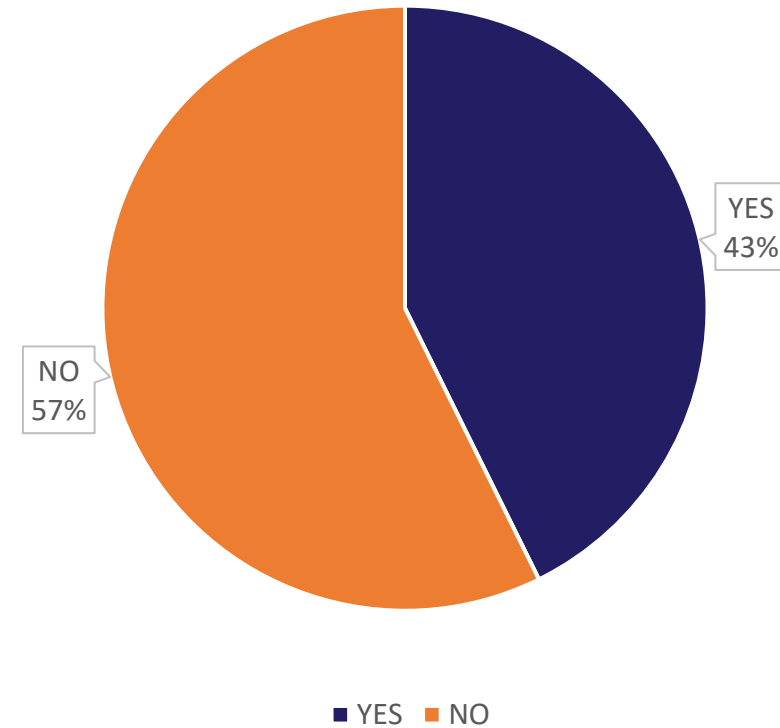


Have you had problems or challenges finding, securing, or maintaining adequate affordable housing?

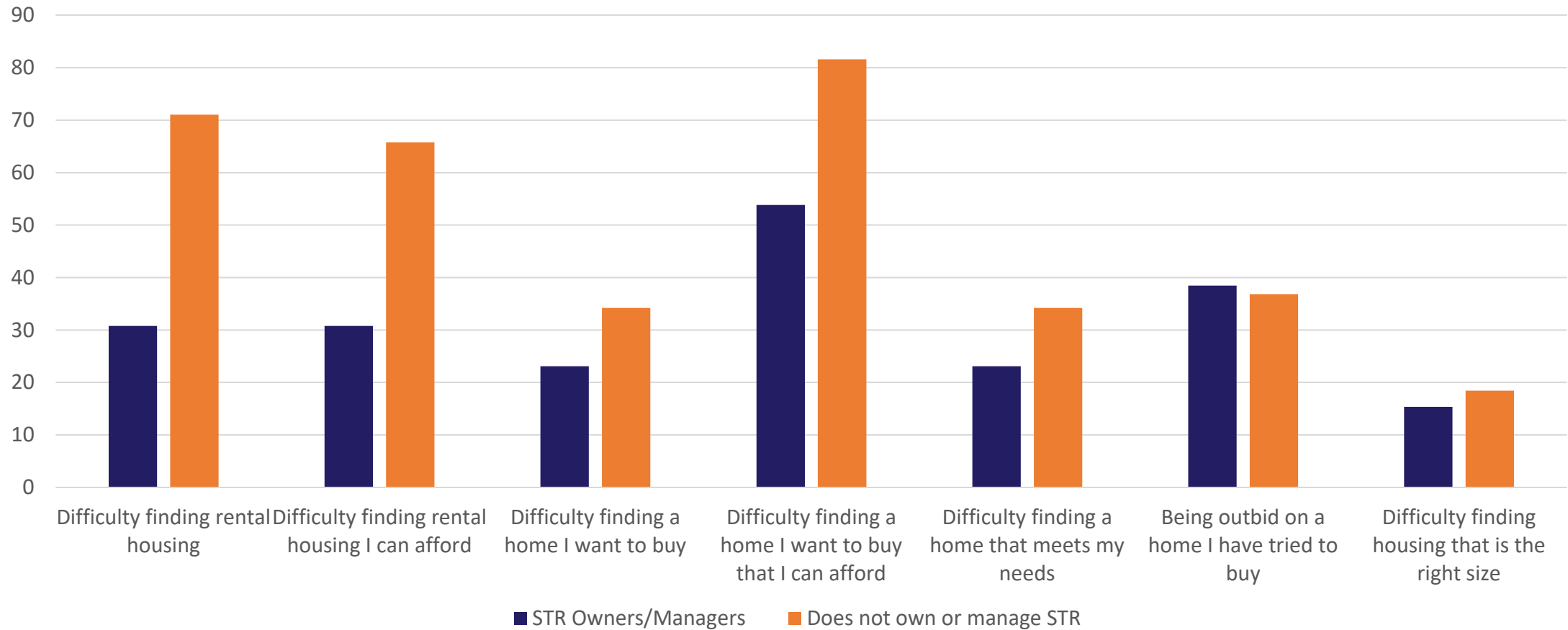
STR Owners/Managers



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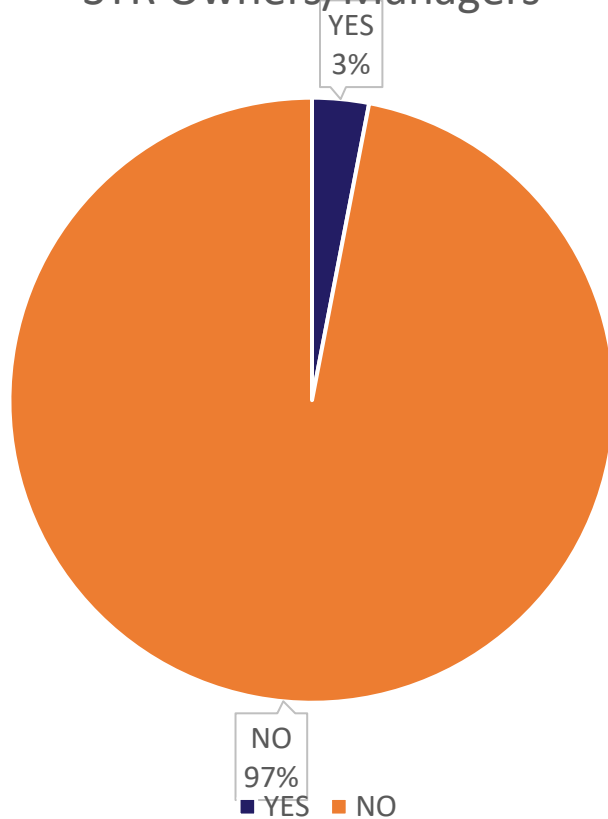


If you answered yes to the previous question, what types of challenges have you faced? (select all that apply)

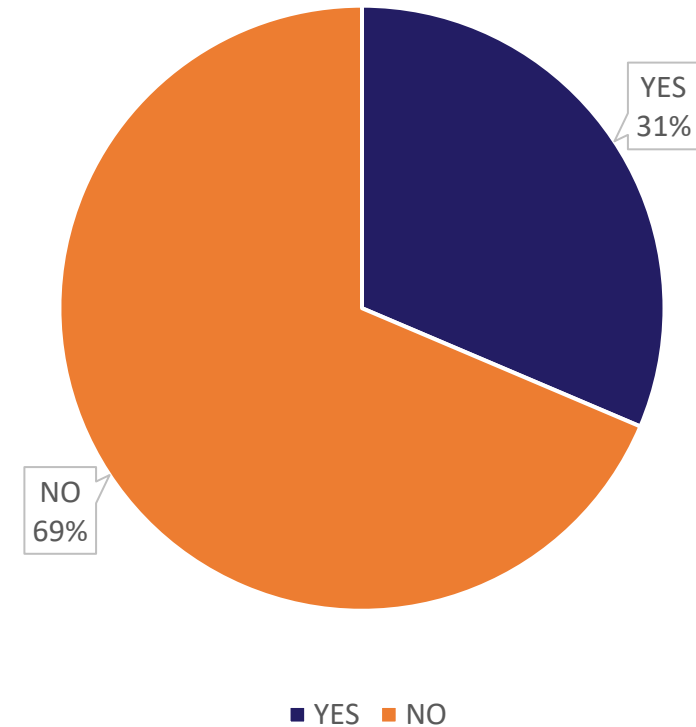


Was your housing situation impacted at some point because of an STR?

STR Owners/Managers



Does not own or manage STR



Next Steps

*Wendy Sugimura,
Community Development Director – Mono County*



Next Steps

1. Present the study and initial policy direction for further public feedback:
 - **March 6** – June Lake Citizens Advisory Committee
 - **March 7** – Antelope Valley Regional Planning Advisory Committee (RPAC)
 - **March 13** – Mono Basin RPAC
 - **March 14** – Bridgeport Valley RPAC
 - **March 21** – Planning Commission
 - **March 21** – Long Valley RPAC
2. **April 2** – Potential workshop with Board on recommended policy and strategy for termination of the moratorium.
3. **April 16** – Consideration by the Board of a recommended action on STR policy and the moratorium.

Questions and Discussion.



Additional Slides ~