

13.10.690 Hosted rentals.

(A) The purpose of this section is to establish regulations applicable to bedrooms in a dwelling unit that are rented as hosted rentals for periods of less than 30 days at a time. These regulations are in addition to all other provisions of this title. This section does not apply to Pajaro Dunes where hosted rentals are governed by an existing development permit.

(B) Hosted rentals are allowed in any legal dwelling unit in any zone district where a residential use is allowed without the requirement for any other use. Habitable and nonhabitable accessory structures, accessory dwelling units, legally restricted affordable housing units, balconies, porches, and sheds shall not be used for short-term commercial lodging. Tents and recreational vehicles shall only be used for short-term commercial lodging on parcels appropriately zoned and permitted for such uses and are not allowable as a hosted rental use.

(C) For the purposes of this section, “hosted rental” means a dwelling unit, where a long-term resident acting as host occupies one bedroom in a dwelling unit while one or two legal bedrooms are rented for the purpose of overnight lodging for a period of less than 30 days.

For the purposes of these regulations the following are not considered to be hosted rentals: (1) ongoing month-to-month tenancy granted to the same tenant for the same space, (2) a single short-term commercial stay of up to seven days per year, (3) permitted vacation rentals in which the entire home is rented while no host is present, and (4) short-term rentals of up to five bedrooms within a home, which meet the requirements of bed and breakfast inns per SCCC [13.10.691](#) and are permitted as such.

(1) “Existing hosted rental” means a dwelling unit that was used as a hosted rental prior to December 5, 2017, and for which transient occupancy tax was paid for any hosted rental activity that took place during the three years preceding December 5, 2017.

(2) “New hosted rental” means a dwelling unit that was not used as a hosted rental prior to December 5, 2017, or for which transient occupancy tax payment was not made for activity in the three years preceding December 5, 2017.

(D) Permit Requirements. A hosted rental permit and transient occupancy tax registration, or proof of registry with a verified online platform, are required for each hosted rental. Each permitted hosted rental shall comply with the requirements of this section. Permits are valid for a period of five years at a time. Approval of a hosted rental permit does not legalize any nonpermitted use or structure. Hosted rental permits are issued to property owners for a specific property and are not transferable between owners or

properties. Hosted rental permits are subject to revocation as provided for in SCCC [18.10.136](#), and subject to the violation provisions of subsection (l) of this section.

(E) Relationship of Hosted Rental Permit to Vacation Rental Permit. If a property owner has obtained a hosted rental permit in a location that is subject to limits on vacation rental permits, pursuant to SCCC [13.10.694](#), the hosted rental permit does not confer the ability to obtain a vacation rental permit where the limited number of vacation rental permits have already been issued.

(1) Existing Hosted Rental. At the inception of the Hosted Rental program, the County established a low-barrier method for recognizing and permitting then-existing hosted rentals. The term is retained here as an historic reference, but no longer has regulatory distinction and all hosted rentals are now considered to be either new or renewal hosted rentals.

(2) New Hosted Rentals. Permits will be made available to new hosted rentals based upon waiting list procedures, on a first come, first served basis, at such time that availability occur when the total number of issued permits falls below 250; however, availability and issuance will also be subject to area and block limitations within Designated Areas (LODA, SALSDA, and DASDA). If permits issued to existing hosted rentals exceed 250, no permits shall be issued to new hosted rentals until the total number of active hosted rental permits falls below 250 through attrition. For applications for new hosted rentals no public hearing shall be required and action on these applications shall be by the Planning Director or designee with no notice provided.

(a) In the Live Oak Designated Area ("LODA"), the Seacliff/Aptos/La Selva Designated Area ("SALSDA"), or the Davenport/Swanton Designated Area ("DASDA"), as defined in SCCC [13.10.694](#)(C), no new hosted rental shall be approved if parcels with permitted vacation rentals and/or hosted rentals on the same block total 20 percent or more of the total parcels on that block that allow residential use, excluding those parcels in the Mobile Home Park Combining District; except that in the following areas the percentage of parcels that may have vacation rentals and/or hosted rentals is not limited:

(i) Pot Belly Beach Road;

(ii) Las Olas Drive;

(iii) Those residentially zoned parcels in the Rio Del Mar flats consisting of parcels fronting on Stephen Road, Marina Avenue, and Venetian Road between its intersection with the Esplanade and Aptos Beach Drive to its intersection with Lake Court and Stephen Road;

(iv) Those parcels fronting on or gaining access from Cliff Court or fronting on or gaining access from Rio Del Mar Boulevard between its intersection with Aptos Beach Drive and Beach Drive to its intersection with Kingsbury Drive, Cliff Drive, and Beach Villa Lane;

(v) Beach Drive; and

(vi) Via Gaviota.

(b) Designated Area Caps. Within the LODA, SALSDA, and DASDA, a maximum number of vacation rental permits and hosted rental permits may be issued as established by SCCC [13.10.694](#)(D)(2)(a), excluding those parcels in the Mobile Home Park Combining District.

(i) Notwithstanding the 20 percent block maximums, each block in the LODA, the SALSDA, or the DASDA that has parcels that allow residential use, excluding those parcels in the Mobile Home Park Combining District, may have at least one parcel with a vacation rental and/or a hosted rental if the applicable vacation rental and hosted rental regulations otherwise allow for issuance of a vacation rental and/or hosted rental permit (i.e., the overall Designated Area limits on numbers of vacation rentals and numbers of hosted rentals within each of the Designated Areas, are not exceeded and applications for available vacation rental and/or hosted rental permits are being accepted for processing by the County Planning Department).

(ii) A single parcel may hold permits for both a hosted rental and a vacation rental.

(c) Applicants for a permit for a new hosted rental shall provide the following to the Planning Department:

(i) Completed application form.

(ii) Nonrefundable application fee as established by the Board of Supervisors.

(iii) Affidavit verifying the legality, safety and habitability of the guest room or rooms including the presence of an egress door or window in the sleeping area, access to facilities for sanitation, and the proper number and location of working carbon monoxide detectors and smoke detectors in the residence.

(iv) Copy of a rental/lease agreement, which shall include, but not necessarily be limited to, the performance standards listed in subsection (F) of this section.

(v) Copy of County of Santa Cruz transient occupancy tax certificate number, or proof of registry with a verified online platform, for the purpose of the operation of a hosted rental.

(vi) Hosted rental permits expire on the first business day on or after the date five years after the date of approval of the initial permit unless an application for renewal has been received by the Planning Department.

(3) **Renewal of Hosted Rental Permits.** Hosted rental permits must be renewed every five years. An application to renew a permit for a hosted rental shall be made no sooner than 180 days before the expiration date of the existing permit, and no later than the date of expiration of that permit. Determination that the application is complete shall stay the expiration of the existing permit until final action is taken on the renewal application. Except as provided in SCCC [18.10.124\(B\)](#), no public hearing shall be required and administrative action on permit renewal applications shall be by the Planning Director or designee, with no public notice of the proposed action required.

(a) Applicants for renewal of a permit for a hosted rental shall provide the following to the Planning Department:

(i) Completed application form.

(ii) Nonrefundable application fee as established by the Board of Supervisors.

(iii) Proof of payment of transient occupancy tax (or proof of registry with a verified online platform) for the use of the dwelling as a hosted rental and a summary of the dates the unit was used as a hosted rental between the time of issuance of the existing permit and the date of application for the renewal. Renewal applications must show significant rental use for three out of the previous five years. Significant rental use shall be interpreted to include no fewer than 10 percent of weekend nights in a given year, or a minimum occupancy of five weekends or 10 nights per calendar year.

(b) Approval or renewal of a hosted rental renewal permit shall be based on affirmative findings as set forth in SCCC [18.10.230\(A\)](#), and with consideration of factors identified in the applicable hosted rental violations provisions below. Denial of an application for renewal shall be based on one or more of the required findings not being able to be made, as set forth in

SCCC [18.10.230](#)(A), and with consideration to factors that would support non-renewal of the hosted rental permit.

(F) All permitted hosted rentals shall comply with the following performance standards for their operations:

- (1) Number of People Allowed. The maximum number of guests allowed in a hosted rental shall not exceed three people per hosted bedroom. Children under eight are not counted toward maximum occupancy. Rental to unaccompanied minors under the age of 18 is prohibited.
- (2) Posting of House Rules. Hosted rental house rules shall be included in the rental agreement and also posted inside the hosted rental in a location readily visible to all guests. The house rules shall include, but not necessarily be limited to, the following: number of guests allowed, number of vehicles, noise limits, rules for pets, prohibition on events and outdoor parties, no illegal behavior or disturbances including an explicit statement that fireworks are illegal in Santa Cruz County, directions for trash management (e.g., trash to be kept in covered containers only), and emergency evacuation instructions.
- (3) Noise. All hosted rentals shall comply with the standards of Chapter [8.30](#) SCCC, Noise, and a copy of that chapter shall be posted inside the hosted rental in a location readily visible to all guests. No use of equipment requiring more than standard household electrical current at 110 volts or activities that produce noise, dust, odor, or vibration detrimental to occupants of adjoining dwellings is allowed within the hosted rental room.
- (4) Food. No cooking shall be allowed in any guest room or in any bathroom. Food service, if provided, shall be limited to breakfast served to guests only, and shall be subject to applicable regulations of the Santa Cruz County Environmental Health Department.
- (5) Pets. Pets, if allowed by the owner, shall be secured on the property at all times. Continual nuisance barking by unattended pets is prohibited.
- (6) Events Prohibited. No weddings, outdoor parties, or similar activities are authorized under a hosted rental permit.
- (7) Habitability. The hosted rental shall provide facilities for sleeping, bathing, and toileting inside of a permanent dwelling that is suitable for human occupancy. Rental of sleeping space in or on balconies, porches, tents, sheds, vehicles, RVs, or outdoor areas is prohibited as a hosted rental.

(8) Management. The long-term resident of a hosted rental is responsible for ensuring that the property does not become a nuisance due to short-term rental activity.

(9) Signs. On-site advertising signs or other displays indicating that the residence is being utilized as a short-term rental are prohibited.

(10) Parking. Neighborhood parking impact shall be mitigated by limiting guests of hosted rentals to bringing only one car per hosted bedroom to the hosted rental property. These cars may be parked on site or in legal street parking close to the host property.

(11) Advertising. All advertising for hosted rentals shall include the hosted rental permit number in the first two lines of the advertisement text, and where photos are included, a photo containing the permit number shall be included.

(G) Transient Occupancy Tax. Each hosted rental shall meet the regulations and standards set forth in Chapter [4.24](#) SCCC, and as administered by the County Tax Collector including any required payment of transient occupancy tax.

(H) Transfer of Property with Hosted Rental Permit. When any property transfer triggers reassessment pursuant to the California Revenue and Taxation Code Section [60](#) et seq. as determined by the Assessor, the hosted rental permit associated with the property shall expire and shall become nonrenewable at the time of property transfer. Availability and issuance of a hosted rental permit for any property within the Designated Areas (LODA, SALSDA, DASDA) shall be subject to the waiting list procedures of the vacation rental regulations of SCCC [13.10.694](#).

(I) Violation. It is unlawful for any person to use or allow the use of property in violation of the provisions of this section or any conditions of approval contained in a hosted rental permit. The penalties for violation of this section are set forth in Chapter [19.01](#) SCCC, Enforcement of Land Use Regulations.

A violation of any of the requirements to obtain a hosted rental permit may be grounds for denial of a new hosted rental permit application. Further, violations of hosted rental regulations, or of any other provisions of the Santa Cruz County Code, may be grounds for denial of a renewal application or revocation of an existing vacation rental permit after consideration at a Level V public hearing by the Zoning Administrator (or by the Planning Commission upon referral).

If more than two significant violations occur on a hosted rental property within a 12-month period, a permit shall be noticed for a Level V public hearing to consider permit revocation. "Significant violations" are: citations for violation of Chapter [8.30](#) SCCC (Noise); violation of any specific conditions of approval

associated with the permit; mis-advertising the capacity and limitations applicable to the hosted rental; written warnings, or other documentation filed by law enforcement; violations of State or County health regulations; non-compliance with a public health order or emergency regulation issued by State or local authorities which may limit use and occupancy of vacation rentals; delinquency in payment of transient occupancy taxes, fines, or penalties; non-responsive property management, including failure by the host or local property manager (as defined in SCCC [13.10.694](#)(E)) to respond to calls within 60 minutes; and failure to maintain signage in compliance with this section. In the event a permit is revoked, the person or entity from whom the permit was revoked shall be barred from applying for a hosted rental permit for the same parcel without prior consent of the Board of Supervisors.

(J) It is unlawful to make a false report to the Sheriff's Office regarding activities associated with hosted rentals. [Ord. 5366 § 7, 2021; Ord. 5346 § 7, 2020; Ord. 5266 § 7, 2018].