

SLT council solidifies vacation rental rules

By Kathryn Reed

Vacation rentals are a \$20 million business in South Lake Tahoe – and then some.

That's just how much is collected each year by property managers. It's a big business that was brought to light at Tuesday's South Lake Tahoe City Council meeting. People and entities are profiting greatly from this somewhat controversial industry.

The city collects a 10 percent hotel tax on those properties. That amounts to \$2 million a year.

Some property managers – the middlemen between owners and renters – take 40 percent off the top.

House cleaners, repair people, hot tub cleaners and others are ancillary businesses benefiting from the vacation home rental (VHR) market. Then there are the businesses and employees in and around the neighborhoods that provide services and goods to the tourists.

This economic pyramid was brought to light April 7 during the course of the several-hour discussion about how the VHR ordinance should or should not be changed.

On the flip side were those who are furious about having residential areas being turned into lodging rows, where it's not about having neighbors, but instead being party central every weekend. It's about having strangers populate the street on a regular basis.

Some wondered why permitted lodging establishments must meet Americans with Disabilities Act requirements and other laws,

while VHR properties don't.

An unknown is whether the proliferation of VHRs is contributing to the low occupancy rate at hotels in the city.

In all, 30 people spoke at the meeting. The city received 57 letters. The room was packed, with about another two dozen in the lobby watching the proceedings on television. (Councilman Tom Davis was outside the chambers because he is not allowed to participate because of his ownership in Tahoe Keys Resort.)

Enforcement of the rules already on the books was a constant refrain. Property managers were quick to point to the 162 complaints the city received from the 22,000 rentals – saying that is minuscule. What the industry doesn't disclose is how many complaints are made to them that the city – aka public – never knows about.

At the end of the day, the council agreed:

- To have future VHR permit applicants follow a process similar to getting a special use permit, which will include notifying neighbors of the desire to use the structure as a vacation rental. Exact details will be brought back to the council this spring.
- Occupancy should be limited to two people in a studio, four in a one-room, then two per bedroom plus four others for two-bedroom and larger places.
- To have two ordinances – one dealing with rentals in neighborhoods, one for those in tourist areas that would include places like Marriott and Lakeland Village. This is because the commercial areas have different rules already for things like trash, and health and safety regs.
- No noise is permitted after 10pm.
- Trash mandates would be deferred to the Waste Management JPA, which expects to have rules in place for its three

jurisdictions – South Lake Tahoe, El Dorado and Douglas counties – in the coming months.

- To not deal with individual room rentals in a residence.
- Renters and owners who violate the ordinance will face fines, with the fourth infraction in a 12-month period resulting in revocation of the VHR permit.
- To hire people to make the program work – including more and better enforcement.