

# SLT revamps vacation home rental ordinance

By Kathryn Reed

After hours of talk Tuesday by South Lake Tahoe staff and electeds, plus comments from 22 members of the public, the politicians went forward with a new vacation home rental ordinance.

Prior to that, during the temporary arts and crafts show discussion, Councilman Tom Davis said it was important to enforce the rules on the books before making changes. Members of the audience smiled and said "right on". Enforcement – or the lack of it – has been a recurring theme in the VHR debate.

Davis, though, could not be part of the VHR discussion July 21 because he is part owner of Tahoe Keys rental agency. And therefore he could not be asked to apply the same line of thinking to the VHR issue.

The ordinance becomes the law 30 days after the second reading; so, most likely in early September.

The real estate community and vacation rental agencies believe the new rules will hurt the industry. They claim people are not buying houses in the city limits because it will become more cumbersome and expensive to obtain a VHR permit. Agency reps say the turnover in the VHR market is excessive and with the process more onerous it will send business across the state line or into the county, or even to the North Shore.

Agencies collect more than \$20 million a year in revenue in the city limits off vacation home rentals.

The trickle down effect on ancillary businesses like house cleaning and home repairs could also be affected, according to

opponents of the ordinance.

Jim Morris with Lake Tahoe Accommodations has already filed a lawsuit against the city regarding the current ordinance.

For those who support stricter regulations, they said without them it is possible lawsuits will be filed and the issue taken to the voters. They contend neighborhoods are being ruined and that these are businesses that have no right to be in residential areas.

Two-thirds of the vacation rentals in South Lake Tahoe are in residential neighborhoods. Prior to the city's contemplating the ordinance changes there were 1,600 VHR permits. That number is now closer to 2,000.

Many asked the city to enforce the current rules and wait until the city-initiated socio-economic study is done next year before making changes. The council said no to those requests, instead voting 4-0 to adopt the ordinance as presented.

The ordinance changes how occupancy is counted, pools must comply with county rules (spas are not included), people in a 300-foot radius will be notified of pending applications, properties must be inspected, and marketing material must be truthful.

The community development department will be in charge of permits. Today the police department handles them.

In addition to the permit fee that is on the books and ranges from \$150-\$800 based on maximum occupancy, there will be a \$544 fee. If someone wants to challenge a denied permit, it will cost \$3,400 for a hearing before the Planning Commission.

All current VHRs will also have to go through a one-time building inspection upon renewal of the permit. A checklist will be devised so people will know what will be looked at.

However, if inspectors see some other violation, then they legally must note it. The applicant will have the opportunity to correct the issue and continue the process.

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**In other action:**

- A Verizon cell tower is going in at Bijou Golf Course. The city will make \$18,000 per year off of it. The fee could go up based on the consumer price index. There is a possibility of contract extensions for a total contract of 20 years.

- The city is looking at revising the sign permit. It will come back to the council in September. This would dramatically reduce the cost of the permit.

- SnowGlobe, the three-day outdoor music festival at Lake Tahoe Community College, will be allowed to have amplified music until 11pm in the Sierra tent on Dec. 29-30 and until 1am Jan. 1. This is to better disperse the crowd so everyone doesn't leave at once and have to stand in the cold for an inordinate period of time waiting for a bus.