

TOWN COUNCIL STAFF REPORT

Title: Waive the reading and adopt the ordinance terminating the moratorium on the issuance of Short-Term Rental Certificates.

Meeting Date: March 20, 2024

Prepared by: Rob Patterson, Town Manager

RECOMMENDATION:

Adopt the ordinance lifting the current moratorium on the issuance of new short-term rental registration certificates pursuant to the Town of Mammoth Lakes Municipal Code Title 5.

BACKGROUND:

The Town Council adopted Ordinance 23-10 imposing a moratorium on the issuance of new Short-Term Rental (STR) certificates in defined zoning areas within the Town of Mammoth Lakes on October 18, 2023. The action was taken as an urgency ordinance making the moratorium effective for 45 days. On November 29, 2023, the Town Council conducted a public hearing to extend the initial 45-day moratorium through May 31, 2024 to receive recommendations from the STR Advisory Committee on key updates necessary to address housing issues and STR administration.

The STR Advisory Committee work included the creation of sub-committees for a more detailed discussion of issues. The three subcommittees created were Certified Properties – Focused on STR administration, Zoning – Focused on a review of zoning opportunities, and Carrots and Sticks to review housing initiatives and STR limitations. These subcommittees met weekly for most of December and early January to bring proposals back to the entire STR Advisory Committee for final review. The STR subcommittee work was completed on January 23, 2024 and the STR Advisory Committee met one more time on January 30, 2024 to finalize recommendations for the February 7, 2024 Town Council meeting.

The recommendations from the STR Advisory Committee included an immediate implementation of Certified Properties and long-term analysis of recommendations for additional programs in the Housing NOW! initiative and development of a dedicated funding source for these programs. As there were a number of adjustments to the STR program and other housing initiatives like The Parcel coming into play, the STR Advisory Committee did not recommend any caps or limits on the number of STRs in Town. That decision may be revised in the future as the benefits of the current work program are realized.

ANALYSIS:

The results of the Committee work provided crucial edits to the STR administration program Certified Properties for immediate implementation. Staff began work updating Municipal Code Section 3.12 and 5.40, both of which govern STR activities in the Town. The recommended updates to these codes addressed a number of problems with the existing STR administration and fundamentally changed the registration process, removing TOT certificates and adding individual property certifications. The updates also altered the requirements of owners, in certifying the properties for STR business transactions. New requirements included:

- Required Inspections – expanding on the current inspection program and requiring a new inspection every four years.
- Emergency Contact – 24-hour emergency contact that either needs to be a business in Town or Owner Operator living within 60 minutes of the Town.
- Cleaning Services – Required to be a licensed business in the Town of Mammoth Lakes.
- Educational Materials posted within the unit and provided to the transient renter at the point of check in.
- Review of Occupancy Limits – Re-approval of all exemptions to standard occupancy limits.
- Enhanced Penalties to address either nuisance issues from operations that need to be addressed for quality of life to more egregious activities like fraudulent tax reporting that may suspend the certified properties authorization.
- Updated fees for annual administration of Certified Properties.

Based on the comprehensive updates to the Municipal Code governing STRs, staff are recommending the moratorium remain in place until such time these new code updates are effective. Staff are bringing the first reading of Code 3.12 and 5.40 to Town Council on March 6, 2024 with a second reading and adoption occurring on March 20th. These code updates will be in place 30-days later on April 22, 2024.

Staff has coordinated this ordinance update to occur in conjunction with these updates and will therefore be effective April 22, 2024 barring any unforeseen challenges with adoption.

OPTIONS ANALYSIS

Option 1: Staff is requesting the Town Council adopt an ordinance lifting the current moratorium on the issuance of new short-term rental registration certificates pursuant to Town of Mammoth Lakes Municipal Code Title 5.

Option 2: Make an alternative suggestion for staff to address lifting of the moratorium.