



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 25-020

February 18, 2025

Introduced: 1/31/2025

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Adopt a resolution to:

- a. Amend the budget for Housing and Community Development (HCD) - Fund 001, Appropriation Unit HCD002, Unit 8543 to add the following four positions: two Code Compliance Inspector II, one Permit Technician III, and one Associate Planner;
- b. Authorize Auditor-Controller and County Administrative Office to incorporate the approved position changes in the FY2024-25 HCD Adopted Budget; and
- c. Direct Human Resources Department to implement the changes in the Advantage HRM system.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Amend the Housing and Community Development (HCD) - Fund 001, Appropriation Unit HCD002, Unit 8543 to add the following four positions: two Code Compliance Inspector II, one Permit Technician III, and one Associate Planner;
- b. Authorize Auditor-Controller and County Administrative Office to incorporate the approved position changes in the FY2024-25 HCD Adopted Budget; and
- c. Direct Human Resources Department to implement the changes in the Advantage HRM system.

SUMMARY/DISCUSSION:

The Board of Supervisors (Board) on August 27 and September 10, 2024, passed and adopted regulations for vacation rentals in the inland area of unincorporated Monterey County and directed staff to submit the regulations for vacation rentals to the California Coastal Commission for consideration of certification. The staff report and attachments for the vacation rental ordinances Board hearing on August 27, 2024 are provided as a clickable link in **Attachment E**. As detailed in the staff report and detailed discussion presented to the Board on August 27th, staff proposed adding four new positions to support the implementation of the vacation rental ordinances. These four positions would ensure that there would be no impact on the existing levels of service currently provided by HCD.

The four positions requested include:

1. One Associate Planner;
2. Two Code Compliance Inspector II; and
3. One Permit Technician III.

On October 30, 2024, the Budget Committee considered supporting HCD's request for the four additional positions. The Budget Committee did not take action on HCD's request and recommended that this request be brought before the full Board for consideration. The staff report and attachments

for the Budget Committee hearing on October 30, 2024, are provided as a clickable link in **Attachment F**.

Associate Planner (one position):

This position is requested to assist with processing Use Permits/Coastal Development Permits for commercial vacation rental applicants; renewal of these permits, which are granted for a seven year period pursuant to the adopted regulations; and monitoring of compliance with conditions of approval on these permits. The Planner will also coordinate with the Permit Technician on issuance of Vacation Rental Operator Licenses associated with an approved Use Permit/Coastal Development Permit. Based on information available about current vacation rental operations and limits within the adopted regulations, it is estimated that the HCD could receive an influx of up to 300 Use Permit/Coastal Development Permit applications, but we anticipate fewer applications due to the cost and uncertainty associated with the adopted rules. On average, a planner processes approximately two to three Use Permit/Coastal Development Permit applications per month. One planning position is insufficient to handle the anticipated workload on their own initially. HCD will attempt to absorb the remaining workload with existing staff resources and/or consulting services as needed. Without the added position, the public will be impacted by extended permit processing times as existing staff prioritize substantial workloads based on Board priorities and previously submitted applications. This will impact all development permits, not just vacation rentals. HCD expects that the Associate Planner position will be underfilled with an Assistant Planner position.

Code Compliance Inspectors (two positions):

The two Code Compliance Inspector II positions will be assigned to enforcement of the adopted vacation rental ordinances as their first priority. Enforcement includes coordinating with the Planner, Permit Technician, and Treasurer/Tax Collector's Office on tracking and monitoring compliance for permitted vacation rentals and monitoring and tracking advertisements for unpermitted vacation rentals. Code Compliance Inspectors will investigate and monitor vacation rentals throughout the unincorporated areas, which is geographically large and diverse. HCD staff opened 707 cases during the calendar year 2023 and has a current backlog of 2,672 cases, with 1,293 being Priority One cases. Staff classifies cases as Priority One - Three, with Priority One cases being Health, Life, and Safety. The HCD Code Compliance team has nine Code Compliance positions, with two inspectors assigned to Cannabis Compliance Inspections and two inspectors splitting their time between investigating noise complaints and vacation rental complaints; that leaves the other five positions the task of addressing all other types of complaints. Moving two inspectors to full-time enforcement of the new vacation rental ordinances will cause Priority One and noise complaints to go unaddressed, which will frustrate the public when their concerns are not addressed promptly.

Permit Technician III (one position):

All three types of vacation rentals (Commercial, Limited, and Homestays) require approval of an annual Vacation Rental Operation License (License). The License is a ministerial permit with review limited to ensuring the objective criteria are met. This is an entirely new function within HCD. The Permit Technician III position would be responsible for reviewing all Licenses annually and maintaining a comprehensive list of permitted vacation rentals by type. It is anticipated that HCD could receive as many as 800 license applications annually. Without this position, this work would need to be absorbed by existing staff at the permit center, which will impact the public by increasing wait times at the permit

center counter, extending permit process times as work gets prioritized, and potentially having reduced hours at the permit center while existing staff attempts to manage the new and existing workloads.

It is HCD's opinion that if these staff positions are not approved, levels of service for all permit processing will be impacted, enforcement efforts will be impacted, and oversight of the vacation rental ordinances will not meet public expectations. Therefore, HCD submitted the Requests to Classify (RTC) to Human Resources and is bringing this budget request to the Board today to formally request these additional positions.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office has reviewed this report, the Office of County Counsel has reviewed as to form, and the Human Resources Department has approved the RTCs, which are attached as **Attachment B**.

FINANCING:

The recommended additional positions will result in additional yearly salary and benefits expenses of approximately \$148,748 for FY 2024-25, assuming the positions are hired in April 2025. Currently, HCD anticipates absorbing the expense by using salary savings due to vacancies since July 1, 2024, and additional revenues from Use Permits, Coastal Development, and License applications. The positions will result in ongoing annual salary and benefits expenses estimated at \$594,993 for FY2025-26 in Appropriation Unit HCD002, Unit 8543. The additional positions will be subsequently incorporated in the upcoming budget preparation cycle. Increased revenues associated with implementing the vacation rental ordinances are expected to offset these expenditures, with no additional GFC need anticipated. The additional revenue will consist of the newly adopted Board fee for the License and the fees for the Use Permits and Coastal Development Permits for commercial vacation rentals. Staff also included projections for the vacation rental ordinances program implementation, which include a projection for expenditures and revenues over a nine-year and seven-year period, which is attached as **Attachment C**.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The new positions support the Board of Supervisors' Strategic Initiatives for Administration by ensuring that HCD can continue to offer responsive and strong customer service while implementing the newly adopted Vacation Rental regulations and that the existing level of service provision is not impacted.

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer service, accountability and transparency.

Health and Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and health environments in collaboration with communities.

Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Taylor Price, Senior Planner (Working out of Class), 831-784-5730

Reviewed by: Melanie Beretti, AICP, Chief of Planning, 831-755-5285

Approved by: Craig Spencer, HCD Director

The following attachments are on file with the Clerk of the Board:

Attachment A - New Positions - Housing and Community Development

Attachment B - Request to Classify

Attachment C - Projected Expenditures and Revenues for the Vacation Rental Ordinances
Implementation Program

Attachment D - Draft Resolution

Attachment E - Clickable link to the August 27, 2024, Staff Report and Attachments

Attachment F - Clickable link to the October 30, 2024 Staff Report and Attachments