



# County of Monterey

Item No.

## Board Report

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

Legistar File Number: RES 25-118

August 05, 2025

Introduced: 7/21/2025

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

- a. Consider adopting a resolution amending Article IX - Land Use of the Monterey County Fee Resolution to add two new "Each" fees for Vacation Rental Operation License renewals, which will be established at \$135 for a no change renewal and \$357.50 for a change renewal; and
- b. Provide direction to staff.

**Project Title:** REF 100042 & REF 130043 - Vacation Rental Ordinances

**Proposed Location:** Countywide

**Proposed California Environmental Quality Act (CEQA) action:** Find the establishment of a license fee statutorily exempt from CEQA pursuant to Section 15273 of the CEQA Guidelines.

### RECOMMENDATION:

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

- a. Amend Article IX - Land Use of the Monterey County Fee Resolution to add two new "Each" fees for Vacation Rental Operation License renewals, which will be established at \$135 for a no change renewal and \$357.50 for a change renewal; and
- b. Provide direction to staff.

### SUMMARY:

On August 27, 2024, the Board of Supervisors (Board) adopted a resolution of intent to amend Title 20 (coastal zoning) of the Monterey County Code (MCC), adopted an ordinance amending Title 21 (inland zoning) to create a regulatory program for vacation rentals. On September 10, 2024, the Board adopted an ordinance amending Title 7, which added a new chapter to create the vacation rental operation license regulatory program (business taxes, licenses, and regulations). The Board also adopted a resolution amending Article IX - Land Use of the Monterey County Fee Resolution to establish an initial Vacation Rental Operation License (VROL) fee, that became effective on September 10, 2024.

Today, staff returns to establish the renewal fees for the Vacation Rental Operation License (VROL), the ministerial license that is required for Homestays, Limited Vacation Rentals, and Commercial Vacation Rentals, as defined in the MCC. Housing and Community Development (HCD) proposes two new fees for the annual renewal of VROLs, which have not been set. The two new renewal fees will be differentiated, one for applicants not changing anything on their existing VROL and one for applicants making changes to their existing VROL. The no change renewal fee of \$135 will be for VROLs without revisions to their existing VROL. The change renewal fee of \$357.50 will be for VROLs that have revisions to their existing VROL, which will require more in-depth review and will require additional staff processing time.

During the above described August 27th and September 10th Board hearings, it was requested that staff return to consider potentially establishing a lower initial VROL fee for Limited Vacation Rentals. The current VROL fee is appropriately set to recover staff costs based on an analysis of staff time required to process VROLs for Limited Vacation Rentals. These associated staff costs include processing VROL applications and associated planning, monitoring, and enforcement activities performed by HCD. Any reduction in the fee amount would mean each Limited Vacation Rental VROL would not be recovering the associated staff costs of processing it.

The Board Report and Attachments from August 27, 2024, public hearing can be found at this link:

<https://monterey.legistar.com/LegislationDetail.aspx?ID=6836676&GUID=96AA4932-85C4-49E5-BF12-7E9180E29FDB&Options=&Search=>>.

The Board Report and Attachments from September 10, 2024, public hearing can be found at this link: <https://monterey.legistar.com/LegislationDetail.aspx?ID=6846705&GUID=D21BD1E1-869A-438B-B8A3-2AE213C59464&Options=&Search=>>.

#### DISCUSSION:

The existing initial fee for VROLs of \$965 dollars, not including other reviewing departments or other fees charged as a percentage of the overall application, was established on September 10, 2024. This fee was based on the estimation that it will take five HCD-Planning staff hours and one HCD-Front Counter Processing hour to process the VROL.

The fee established for each VROL has accurately captured the staff effort of processing the initial VROL, which has been set as \$965, not including other reviewing departments or other fees charged as a percentage of overall applications. Based on this estimation and the existing staff time data for processing VROLs, staff proposes adding two new VROL renewal fees. Staff expects that a no change renewal fee will take one and a half Front Counter Processing hours, resulting in a cost for each no change renewal of \$135. Staff expects that the change renewal fee will take a half Planning staff hour and three Front Counter Processing hours, which will mean that each change renewal will cost \$357.50. Additionally, staff requests that these renewal fees not include the General Plan Update and Implementation (GPUI) fee of 10%, which is applied to the total permit fee assessed toward each application. Staff recommends exempting renewal VROLs from the GPUI fee of 10% of the total permit fee to minimize the cost to applicants.

#### *Initial Vacation Rental Operation License (VROL) Fee*

At the August 27, 2024 hearing, the Board recommended staff return with an option to reduce the initial VROL fee for Limited Vacation Rentals. Since October 14, 2024, staff has reviewed, processed, and approved VROLs. The initial VROL fee of \$965 accurately reflects the staff time required to review and process all types of VROLs. The review and processing time for each VROL does not differ between Homestays and Limited Vacation Rentals. If the VROL fee were reduced for Limited Vacation Rentals, VROLs for Limited Vacation Rentals would not operate on a cost recovery basis. This would mean that all Limited Vacation Rental VROLs would need to have a General Fund subsidy to cover the difference between the associated staff time processing costs and revenue to ensure HCD does not operate at a loss for every Limited Vacation Rental VROL.

Therefore, staff recommends that all VROLs have the same fee due to the amount of staff time it takes to process each VROL and to ensure that VROLs operate on a cost-recovery basis.

CEQA:

The establishment of the VROL fee is statutorily exempt from CEQA pursuant to Section 15273 of the CEQA Guidelines, as the establishment of the VROL renewal fees will assist HCD in meeting operation expenses

OTHER AGENCY INVOLVEMENT:

HCD staff worked with the Office of County Counsel.

FINANCING:

Staff time to develop the draft ordinances is included in the Fiscal Year 2025-26 Adopted Budget for HCD, Appropriation Unit HCD002, Unit 8543. Permit fees are established with the expectation of cost recovery for staff costs. The permit fees for the two proposed VROL renewal fees as proposed are based on the expected time it will take staff to review and approve the VROL renewals.

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

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

Attachment A - Draft Resolution Amending HCD's article in the Monterey County Fee Resolution

Attachment A - Attachment A - Proposed Fee Articles Red Line

Attachment A - Attachment B - Proposed Fee Articles Clean

Attachment B - Vacation Rental Operation License Fee Detail

cc: Front Counter Copy; Planning Commission; REF 100042 & REF 130043 Public Distribution List; County of Monterey Treasurer-Tax Collector; Monterey County Regional Fire; County of Monterey Health Department Environmental Health Bureau; California Coastal Commission; Monterey County Land Watch; Keep Big Sur Wild; Liz Gonzales, Permit Center Manager; Sarah Wikle, Principal Planner - Current Planning; Karen Riley-Olms, Management Analyst II; Josh Bowling, Chief of Building Services; Evan Nuckles, HCD Building Services Manager; Melanie Beretti, Chief of Planning; Craig Spencer, HCD Director