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FOR IMMEDIATE RELEASE

Supervisors Will Update Vacation Rental Laws to Cut-Off Illegal Listings and Support Affordable Rents, Homeownership

September 24, 2024 – On Tuesday, the Santa Cruz County Board of Supervisors voted to evaluate updates to the County’s vacation rental ordinances. Supervisors Manu Koenig and Justin Cummings will lead efforts to draft new regulations that address the negative impacts unhosted vacation rentals are having on the local housing market. The updates will focus on establishing caps on un-hosted rentals outside of the existing designated areas, improving compliance with local laws, protecting tenant rights, and safeguarding housing for residents.

“Young voters I’ve talked to are dismayed at seeing more and more homes converted into vacation rentals and pushing their chances of owning a home further and further into the distance,” said Supervisor Manu Koenig. “We need to restructure our vacation rental laws to support homeownership rather than real-estate speculation.”

The number of vacation rentals in the unincorporated area has gone from approximately 300 in 2011 to 841 today - nearly tripling since the County’s vacation rental ordinance was first passed. Of those, 665 (79%) are un-hosted rentals, where the owners live off-site and frequently out of the county. These short-term rentals reduce the number of homes available for people who live and work in Santa Cruz, driving up rents and home prices.

The updated ordinance will aim to reverse the current law’s bias to favor hosted rentals instead. Hosted vacation rentals are ones where the owner lives onsite and is likely just trying to make ends meet. The updates will also hold hosting platforms like VRBO and AirBnb accountable to make sure that all of their listings are permitted. Today, there are 70 un-permitted and illegal listings in unincorporated Santa Cruz County. While the County can and will go after them individually, the fastest way to get compliance is if they are simply taken down.

Supervisor Cummings sits on the powerful Coastal Commission, which ultimately must approve any updates to the county’s Vacation Rental Ordinance. In the past, the Commission has forced the County to increase its number of vacation rentals, but recently some commissioners suggested that they may have gone too far. “At a time when we are facing an unprecedented affordable housing crisis in our community, we need to do everything we can to help preserve our precious housing stock for the people who call Santa Cruz home,” said Supervisor Cummings. The Board of Supervisors will consider updated regulations no later than March of 2025.

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