



CITY OF CAPITOLA VACATION RENTAL INFORMATION

CITY OF CAPITOLA COMMUNITY DEVELOPMENT DEPARTMENT
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Vacation Rentals

A vacation rental is a residential home or portion of a home that is rented for less than 30 days. They are also referred to as "short-term rentals" or "transient rental uses".

Locations Vacation Rentals Are Permitted

The City of Capitola has a Vacation Rental Use (VRU) overlay district. Homes located within the VRU overlay may operate a vacation rental as long as the property has a current vacation rental permit. The Vacation Rental Use overlay district is primarily in the Capitola Village, as shown in the [image](#) below.



Application Requirements and Cost

Applicants must submit a [Vacation Rental Permit Application](#), a [Business License Application](#), and necessary fees as established in the City's adopted [Fee Schedule](#).

Time and Cost

A Vacation Rental Permit typically takes up to 30 days to process. The cost for a CUP is listed in the [Fee Schedule](#) under Planning Fees.

Permit Review Process

City staff will process the Vacation Rental Permit concurrently with the Business License application. Once submitted, the applications will be circulated through the planning department and the finance department. Planning staff will review the application for completeness and compliance with zoning regulations. The Finance Department will process and issue your business license.

Vacation Rental Code Requirements

Vacation Rental Uses are subject to the development and operation standards identified in [Zoning Code Section 17.40.030](#). The requirements include registration, tax reporting, parking (either onsite or with a valid parking permit), identifying the responsible party, sign standards, permit display, internet rental permit number, and safety standards.

Non-compliant Vacation Rentals

The City of Capitola has been taking inventory of non-compliant vacation rentals using online hosting platforms since June 2015. Notifications of non-compliance are periodically sent out. If you receive this notice and are not operating a non-compliant rental please contact us immediately to take you off our inventory. Property owners who rent vacation rentals outside the VRU zone or without proper permits will be ordered to cease their vacation rental operation and may be subject to daily fines if the use continues.

Ongoing Permits and Documentation

A Vacation Rental Use Permit will remain valid if the following documentation is kept up to date:

1. Business License must remain active and renewed annually.
2. [Transient Occupancy Tax \(TOT\) Report](#) must be submitted monthly, including months with no occupancy.