From: <u>Amanda Hagar</u>

To: <u>City Council Public Comments</u>

Subject: [EXTERNAL] Agenda Item Number 12.5

Date: Tuesday, July 25, 2023 1:37:35 PM

Dear council members,

I am writing this email as a resident and homeowner in Sonoma County that favors the support and ongoing use of short term rentals in our community. I believe that the permitted, responsible owners of these properties offer a valuable contribution to the growth and well being of our community as a whole. With that said, I request that the council leave the TOT/BIA tax fines as they are (they already exist), not allow permits to be revoked forever for violations, allow more time for appeal, & allow for a tiered fine structure for violations. Why are we not taking into account the levels of severity of violations? Administrative violations should not hold the same weight as ordinance violations or non permited violations. Instead, a more reasonable solution could be a suspension for a determined amount of time depending on the type of violation.

This has been frustrating process to watch. I feel that STRs are being disproportionately targeted. The income that many owners use from their STRs is a lifeline for many. Let us please be reasonable and share ideas and create solutions, & not keep imposing more restrictions on these responsible owners. Please, do not create a culture that makes it impossible for the responsible owners to operate under.

Thank you & sincerely,

Julianne Linares (Sonoma County resident since 2008) From: <u>Julianne Linares</u>

To: <u>City Council Public Comments</u>

Subject: [EXTERNAL] Agenda item number 12.5

Date: Tuesday, July 25, 2023 1:41:22 PM

Dear council members,

I am writing this email as a resident and homeowner in Sonoma County that favors the support and ongoing use of short term rentals in our community. I believe that the permitted, responsible owners of these properties offer a valuable contribution to the growth and well being of our community as a whole. With that said, I request that the council leave the TOT/BIA tax fines as they are (they already exist), not allow permits to be revoked forever for violations, allow more time for appeal, & allow for a tiered fine structure for violations. Why are we not taking into account the levels of severity of violations? Administrative violations should not hold the same weight as ordinance violations or non permited violations. Instead, a more reasonable solution could be a suspension for a determined amount of time depending on the type of violation.

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Thank you & sincerely,

Julianne Linares (Sonoma County resident since 2008)

From: <u>Maureen Linde</u>

To: <u>Santa Rosa Govdelivery</u>; <u>PLANCOM - Planning Commission</u>; <u>CityCouncilListPublic</u>

Subject: [EXTERNAL] Short term rentals effect on housing market

Date:Wednesday, July 26, 2023 8:48:27 AMAttachments:The effect of STR"s on housing market.pdf

Good article on the negative effects on housing stock from non-hosted short term rentals.

California Regulations, or Lack Thereof, for AirBnB and Other Short-Term Rental Apps, Explained

The 'vacation rental' boom has disrupted the housing market and driven neighbors crazy.

BY JONATHAN VANKIN PUBLISHED OCT 16, 2021 12:00 A.M.

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Local cities and counties struggle to regulate the exploding short-term rental industry. Haciendal A Jacaranda / WIKIMEDIA COMMONS C.C. S.O. SHARE-ALIKE LICENSE

In the 1990 thriller *Pacific Heights*, a strange man played by Michael Keaton rents an apartment in a young couple's picturesque San Francisco house, and then refuses to leave, causing a disturbing, ultimately horrifying situation for the fictional homeowners. In real life, a similar scenario played out for a California couple in 2020. Avinash Jha and Ami Shah rented their Fremont home to a young family on a one-year lease, only to check on the house 10 months later and find complete strangers living there. And they couldn't get the "squatters" out.

As it turned out, the tenants—despite a clause in their lease that prohibited them from subleasing—had turned the couple's home into a hotel, listing the property on the online vacation rental service AirBnB and bringing in 200 short-term tenants in 10 months, despite the COVID-19 pandemic gripping the United States.

How could this fiasco happen? A combination of factors, some of them well-intentioned even if in this and numerous other cases it doesn't work out that way. It starts with AirBnB itself, which does little to investigate or screen rental listings or the people offering properties for rent. According to travel-safety-experts. Asher and Lyric Ferguson, AirBnB says it performs background checks on hosts and guests *if*, and it's a big *if*, those users provide their correct names and dates of birth.

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California's homelessness numbers continue to rise despite new spending on housing, services. Here's where the fight to end the crisis stands. That seems like an obstacle unethical renters and guests could easily get around.

AirBnB itself offers the caveat that it does not "run background checks as a matter of course," and runs them only in the United States and India anyway. Even if the company is able to run a background check, "you shouldn't rely on them as a guarantee that the user has no criminal background or other red flags." Nor does the company ever run checks on any additional guests accompanying the person making the booking.

In the case of Jha and Shah's home, the lax AirBnB vetting policies combined with California's renter-friendly regulations that grant the

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figured out what was going on, the AirBnB guests living in their home had indeed been there for more than 30 days. That meant that the homeowners could not kick them out without going through the state's arduous eviction process, a process made even more difficult by the eviction moratorium in effect during the pandemic. They were stuck with complete strangers camping out in their home.

Short-Term Rentals: More Than Just a Neighborhood Nuisance

AirBnB debuted in 2009, and in the ensuing decade-plus—along with chief competitors VRBO and HomeAway, among numerous others—the app has created an exploding and largely unregulated, unsupervised market in short-term rentals of 30 days or fewer.

Operating in 85,000 cities worldwide, AirBnB alone booked more than 100 million nights, just in 2017. The exponential growth in short-term rental app use not only has spawned hundreds of "horror stories," but has also disrupted entire neighborhoods. Loud parties fueled by drugs and alcohol are among the common complaints against guests who have no reason to care about being friendly neighbors to people they'll never see again once they leave.

The app-driven proliferation of short-term rental properties also has a direct effect on local economies by consuming housing that might otherwise be used as permanent homes, or residential long-term rentals. According to a 2017 study at the USC Marshall School of Business, for every 1 percent increase in AirBnB listings within a specific ZIP code, rental rates rose by 0.018 percent, and housing prices ticked up by 0.026 percent.

Those numbers might seem insignificant at first glance, but they add up, because AirBnB listings expand by a lot more than one point per year. The median year-to-year increase in the ZIP codes studied in the USC paper was 28 percent.

"AirBnB contributes to about one-fifth of the average annual increase in U.S. rents and about one-seventh of the average annual increase in U.S. housing prices," the study's authors wrote in the *Harvard Business*



EXPLAINER

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A USC study shows the economy recovered fully from the 2008 recession—except for housing.

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NEWS

The Bay Area Housing Crisis Is About To Become a Disaster—How We Got Here

The coronavirus pandemic has added a new level of urgency as residents struggle to pay some of the highest median rents in the U.S.

Review. But another USC professor, at the Price School of Public Policy, said that the study actually soft-pedals the damage AirBnB and other short-term rental apps cause to the housing market.

"The impact of moving a whole unit from long-term occupancy to short term is equivalent to a demolition," <u>said Prof. Dowell Myers</u>. "You just subtracted a housing unit from the rental stock."

In California, with its ongoing housing shortage, "we can't afford to give up a single unit," Myers added. In other words, the short-term rental app market both eliminates available housing and drives up the price of the housing that remains available.

Regulations Vary Widely From City to City

With a newly emerging sector of the economy that is both driving up the price of housing and driving neighbors up a wall, it seems like a nobrainer for the state to step in and impose some sort of regulation. But that hasn't happened. Instead it's been mostly up to individual cities and counties to bring the vacation rental outbreak under control.

While short-term rentals have proliferated most everywhere, traditional tourist destinations not surprisingly have seen a concentration of listings. In <u>California</u>, the <u>Lake Tahoe area</u> has seen, according to a <u>San Francisco Chronicle</u> report, its "quiet communities" twisted into "year-round party zones for out-of-towners." South <u>Lake Tahoe responded with strict new regulations on where short-term rentals can be legally located, rules that are expected to whittle the city's 1,400 short-term rental properties down to just 400 by the end of 2021. The chief weapon is the city's Measure T, approved by voters in 2018, which <u>bans new vacation rental permits</u> in any residential area.</u>

Placer County in 2019 put in place its <u>first permitting program</u> for short-term rentals and assembled a database of 3,500 properties, mainly to make it easier to respond to neighborhood complaints. Though property owners often live outside the area, Placer County now requires every property to list a local contact who could address complaints within 60 minutes.

<u>Truckee</u>, where there are an estimated 1,400 short-term rental units listed, also put a new permitting process in place on Jan. 1, 2021, along with an ordinance outlining noise, trash and other restrictions.

In the state's largest city, <u>Los Angeles</u>, a new law took effect in 2019 intended to stop property owners from running what amounted to unregulated hotels, buying or sometimes constructing entire buildings solely for the purpose of renting them out via AirBnB or other, similar apps. The law was supposed to ban short-term rentals anywhere but in a host's personal home. Prospective hosts were required to register with the city.

But according to a *Los Angeles Times* report some 6,000 listings, or about 42 percent of all the short-term rentals in the city, simply ignored the new requirements. The city in late 2019 began sending out warning

letters to rental hosts and issued 650 citations with \$500 fines. The enforcement seemed to be working. According to the *Times* report, the number of listings dropped by 62 percent from November of 2019 to August the following year.

From No Laws at All to a Complete Ban: a Legal Hodgepodge

The city where AirBnB's corporate headquarters is located, San Francisco, in 2015 went in the other direction, ending what had been a ban on short-term rentals altogether. New rules <u>loosened those severe restrictions</u>. Hosts are now, at least according to the citiy's administrative code, permitted to rent out only their own primary residences to AirBnB and other short-term clients, and must register with the city. The properties may not be rented more than 90 nights per year, under the San Francisco rules.

Down in San Diego, the planning commission decided in December 2020 to cut the number of AirBnB and other short-term rentals <u>by 50</u> percent in 2021. The city estimates that it has 13,000 vacation rental units within the San Diego city limits. Permits for those rental units would now be doled out via a lottery system.

Palm Springs, another tourist getaway spot, has rules in place that are seen as "a model for strict enforcement, according to a report by the <u>Desert Sun</u> newspaper, including a "three strikes" policy under which a permit holder can lose that permit for two years. Despite a 150 percent increase in citations issued to vacation rentals from 2019 to 2020, Palm Springs has no plans to update its ordinance.

In the Bay Area, while the city of Berkeley restricts short-term rentals only to a host's main residence, neighboring Oakland has <u>no laws at all directly regulating</u> short term rentals. In Marin County, on the other hand, Sausalito has <u>banned them completely</u>. The city considered loosening that rule in 2019, but public outcry forced officials to change their minds and keep the ban in place.

This hodgepodge of local laws is confusing—and make it easier for unscrupulous or just plain lazy rental hosts to get away with ignoring rules governing short-term rentals.

As San Bernardino County Board of Supervisors Chair Curt Hagman said at a recent meeting to discuss the problem, "You can make all the rules you want, but if you aren't out there enforcing it, no one is going to pay attention to the rules."

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