CALIFORNIA COASTAL COMMISSION
SAN DIEGO DISTRICT OFFICE
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CA 92108-4402
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W14f

LCP-6-SAN-21-0046-2 (Short Term Rentals)

March 2022

CORRESPONDENCE 2

The City of
SAN DIEGO
Planning Department

March 4, 2022

California Coastal Commission
San Diego District Office
7575 Metropolitan Suite 103
San Diego, CA 92108-4402

Subject: **March 2022 City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals) City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)**

Dear California Coastal Commission Commissioners,

After careful consideration of the significant public input received, the City Council adopted the Short Term Rental Ordinance, which strikes a balance in improving neighborhoods, ensuring the adequate provision of critically-needed housing - especially in the higher-resourced portions of the City's Coastal Zone - and providing visitor accommodations to increase overall coastal access in accordance with the public access and recreation policies in Chapter 3 of the Coastal Act.

We would like to thank Coastal Commission staff for their thorough and thoughtful review of the City's Short Term Rental Ordinance, and are supportive of staff's proposed recommended modifications to apply within the City's Coastal Zone.

Sincerely,

Heidi Vonblum
Interim Planning Director

9485 Aero Drive, MS 413
San Diego, CA 92123
sandiego.gov/planning/

T (619) 235-5200
sandiego.gov

OFFICE OF COUNCILMEMBER JENNIFER CAMPBELL

March 7, 2022

California Coastal Commission
7575 Metropolitan Dr. #103
San Diego, CA 92108

Dear Commissioners,

I am writing to ask for your support in passing the Short-Term Vacation Rental (STVR) Ordinance through the California Coastal Commission. San Diego has suffered without the regulation and enforcement it will provide. This will also create more housing for residents that we are in dire need of. As of 2019, there were 22,000 unregulated and unlicensed STVR's (85% of which were whole home) which were not contributing to the City's revenue and were negatively impacting the quality of life for our residents, especially in our beach cities, in a big way.

There was an extensive, collaborative effort involving several City departments where we worked to develop a transparent and equitable process. We listened to the concerns elevated by our constituents and believe that the ordinance strikes a very fair balance between the community and stakeholders.

This is a crucial moment to ensure access to affordable accommodations at the beach. The ordinance is also written to support good actors in the vacation rental space and will finally put to rest one of San Diego's most challenging issues.

I would like to thank Coastal Commission staff for their thorough and thoughtful review of the City's Short-Term Rental Ordinance, and I am supportive of staff's proposed recommended modifications to apply within the City's Coastal Zone.

Please do not hesitate to contact me with any questions or for further comments.

Sincerely,

Jennifer Campbell

JENNIFER CAMPBELL
Councilmember, District 2
San Diego City Council

City Administration Building | 202 C Street, 10th Floor, MS #10A | San Diego, CA 92101

JenniferCampbell@sandiego.gov | 619.236.6622 | sandiego.gov/CD2

February 21, 2022

California Coastal Commission
San Diego District Office
7575 Metropolitan Dr. Ste. 103
San Diego, CA 92108

Commissioners:
In 2019 the board of the Mission Beach Town Council established a bi-partisan committee of seven long term Mission Beach residents who had diverse perspectives and experiences with STRs. Each committee member had deep experience with the pros and cons of STRs.

The committee developed an outline of proposed STR regulations which was a compromise between community factions representing the Mission Beach residents opposed to STRs and STR participants such as owners and management companies.

The outline was approved by the Board of the Mission Beach Town Council on 5/15/2019 and by the General Membership of the Mission Beach Town Council on 6/12/2019.

A copy of the board and membership approved outline is attached as exhibit (1).

One key component of the MBTC outline on STR regulations that has been included in the city of San Diego's STR ordinance is the limit of 30% of dwelling units to be allowed to be used as STR's in Mission Beach.

Another key component of the MBTC outline that has been included in the city of San Diego's STR ordinance is limiting STR licenses to one per host.

A key component of the outline that has not been included in the city of San Diego's STR ordinance is that our outline recommended a minimum night stay of three (3) nights while the city of San Diego's STR ordinance requires only a two (2) night minimum.

The Mission Beach Town Council urges the Coastal Commission to require the proposed ordinance changed to a three (3) night minimum stay.

The other key component of the MBTC outline not included in the city of San Diego's Ordinance is requiring a minimum of one (1) legal parking spot per STR unit. We would urge that this requirement be required.

Larry Webb
President
Mission Beach
Town Council

Mission Beach Short Term Rental Ordinance Proposal
Quantity, Regulations, Permitting & Enforcement
(Approved by the MBTC Board 5/15/2019 & full Membership 6/12/2019)

MBTC Board & Membership Approved

Why Needed:

Mission Beach, while having a history of Short Term Rentals (STRs), is also the San Diego community that has been the most impacted by the Short Term Rental (STR) industry due to a rapid increase supported by the popularity of listing platforms in the last 5-years. While it is unclear how many active STR's exist in our community, approximately 45-50% percent (and growing) of the available dwelling units are being used as STRs. We believe that with a reasonable quantity of STRs, proper management, regulations and enforcement, STRs can operate cohesively within our community.

Our Committee:

The Mission Beach Town Council (MBTC) intentionally formed a committee made up of long-term Mission Beach residents that have diverse perspectives and experiences with STRs.

Each committee member has deep experience with the pros and cons of STRs. This outline presents a compromise between community factions representing the Mission Beach residents opposed to STRs and STR participants such as owners and management companies.

What We Did:

Our committee reviewed various California city ordinances already in place and STR laws that are being approved by other cities and the California Coastal Commission, and focused on the input from Mission Beach residents and stakeholders.

This outline is intended to provide a list of regulations (that will need detailed drafting) and suggestions for the application, permitting and enforcement process. While the outline reflects the compromise reached in Mission Beach, many proposals may be suitable for implementation City wide and/or allowing each community to establish their own STR regulations such as the number of dwelling units that may be permitted as STRs.

I. <u>STR OWNER PERFORMANCE STANDARDS – REGULATIONS</u>

1. Application Requirements to obtain a STR permit (details in Section III);
2. Nuisance Response Plan (details in Section IV);
3. Owner shall post signs readable from both the front and back of property containing: i) The STR permit number;
   ii) 24-hour contact;
   iii) Physical address of the STR; and
   iiii) Maximum occupancy;
4. The STR unit must comply with all applicable building codes and ordinance;
5. Applicant must agree to allow the city to inspect the property at will;

6. Primary rental occupant must be an adult, age 25 years or older, who must be present on rented unit or property;
7. Minimum stay of three (3) nights required;
8. 8. Occupancy is limited to two (2) persons per legal bedroom, plus two;
9. All STRs must POST:
   - At least one (1) "Good Neighbor Policy" brochure inside the STR;
   - A notice inside the STR stating that the STR is part of the San Diego City STR program and subject to STR ordinances;
10. Owner must regulate trash and recycling to ensure the containers can be closed (never overloaded), remove trash and recycling within fourteen (14) hours of receiving notice of an overload and make containers available for scheduled collection(s);
11. Upon receipt of a nuisance complaint the owner or manager shall take immediate corrective action in accordance with the nuisance response plan that is filed as part of the permit application;
12. The owner or manager must maintain a log, either hard copy or digital, that is subject to inspection and records all nuisance complaints and the response taken by the owner or manager;
13. Violations of any STR ordinances in the application process or management thereof shall result in strict penalties including monetary fines and revocation of the STR permit.
    - Fraud in the application results in $1,000 fine and notice of pending revocation and right to appeal.
    - Three (3) verified violations of any STR regulations including nuisance response within a nine (9) month period from the first violation will result in a notice of pending revocation and right to appeal.
    - 1st verified violation - $1,000; 2nd verified violation - $2,500; 3rd verified violation - $4,500, plus notice of pending revocation and right to appeal.
    - Any assessed monetary penalty must be paid as a condition of having the right to appeal.

14. STR permits do not convey with the sale or transfer of a STR unit or property. However, a transfer between parent(s) and child(ren), whether death or gift, will be allowed.

MBTC Board & Membership Approved

COMMUNITYWIDE STR PERFORMANCE STANDARDS – REGULATIONS

1. Community Density

   a. The quantity of STRs in the Mission Beach community is to be limited:

      i. For all single family, multiple family, apartments & condominiums, the maximum allowed quantity of STR units in Mission Beach shall not exceed thirty (30%) percent of the total dwelling units (Unit total to be based on SANDAG). http://datasurfer.sandag.org/howto;
      ii. Excluded from the thirty (30%) percent STR limit are the following:

         A. STRs within a commercial zone; and

         B. STRs that are part of an owner occupied property.

   b. Existing Transient Occupancy Tax (TOT) certificate holders with a payment history will receive one (1) year from the enactment of the new ordinance to submit an application and become compliant with the new regulations.

   c. New STR permits will only be issued when the number of existing STR permits is less than thirty (30%) percent of the dwelling units in Mission Beach, excluding STRs in commercial zones or owner occupied properties with STRs.

   d. Following a two (2) year evaluation period from enactment of the new STR regulations, the City shall review the number of issued STR permits, the community quantity and how the new regulations are impacting the total quantity of STRs.

II. APPLICATION REQUIREMENTS – DATA & SUBMITTALS

To obtain a STR permit for any unit, the applicant, whether new or existing TOT holder, must submit a written application that contains the following required data:

1. Owner's name, social security number and contact information;

2. 24/7 on-call contact information for owner or manager, as applicable;

3. A Social Security # of an owner who owns at least 25% of the dwelling unit whether personally or through an entity such as a corporation, LLC or partnership (allowing for one SS# to qualify only one STR), excluding STRs in commercial zones or owner occupied properties with STRs.

4. Inspection: If the City Permit Director has reasonable grounds to believe that prohibited activities are occurring at the Property, the Director may require an inspection of the Property on 24-hour advanced notice to the Owner, Property Management Company, or other agent or local contact person for the Owner.

MBTC Board & Membership Approved

5. The trash and recycling containers that are allocated for use by the STR, identified by the City's issued identification number or, if not applicable, the STR's address affixed onto the containers by the owner.

6. Proof of ownership including, but not limited to deed for STR property.

7. The STR application and its attachments must be submitted and signed by the applicant "Under the Penalty of Perjury".

Submittals to accompany STR application, copies of:

1. Existing TOT certificate, if already issued;
2. "Homeowner Exemption" if an owner occupied dwelling;
3. Proof of Insurance;
4. The written nuisance response plan;
5. Photographs of trash and recycling containers for the STR depicting the City identification number or owner generated identification numbers reflecting STR address; and
6. STR unit and premises drawings that depict the following (scale not required):
   - On-site parking location (there must be one (1) legal parking space per STR).
   - Unit floor plan showing all legal bedrooms, bed sizes and configurations.
   - Storage location of trash and /recycle containers.
   - Location where contact signage will be posted on STR building

Application & STR Permit, in general:

1. Any STR permit is for a one (1) year period only and annual renewal is required;

2. Application must be submitted, reviewed for compliance and, if in compliance, the STR permit is issued. Note, if STR unit does not already have a TOT number, the number is issued upon approval;

3. A non-refundable application processing fee of $250.00 is suggested. If the application is approved, the processing fee is credited towards the annual permit fee;

4. Annual STR permit fee, per unit, is $950.00 (To partially fund costs of enforcement);

5. Permits are issued on a non-calendar year basis from the date of the STR permit's issuance.

MBTC Board & Membership Approved

III. ENFORCEMENT – FALSE APPLICATIONS, VIOLATIONS & PENALTIES

An owner or the designated manager has responsibility for compliance and enforcement of the STR regulations. However, the owner will be held accountable for lack of enforcement through robust fines and revocation of the STR permit. This "self-policing" requirement is intended to reduce the City and police department's participation in enforcement activities and minimize their involvement.

Components related to accomplishment of the goals:

1. Owner/Manager Responsibilities:
   - Display the required signage on the STR property readable from the sidewalk, alley and/or street;
   - Maintain a complaint log that includes;
     - Complaint date and time;
     - Response time for each incident;
     - Tenant/guest name;
     - Name and contact information of the person making or submitting the complaint.

   - Required minimum nuisance response plan:

     - 1st complaint – The owner/manager shall contact the guest within thirty (30) minutes of a complaint and document the contacts made in the log;
     - The complainant must wait thirty (30) minutes before making a second call to the owner/manager;
     - 2nd complaint- The owner/manager must go to the STR within one (1) hour; and
     - 3rd complaint- If the source of the complaint continues after two (2) hours from the first (1st) contact to the owner/manager, the complainant may then call the City enforcement hot line to request a verified violation.

2. City Enforcement:
   - Provide STR complaint hot line and website;
   - Following a complaint to the City hot line, the City will review the owner/manager complaint log and records, and the complaining party's photos/video and phone records;
   - Certification of three (3) verified complaints, the City shall issue a verified violation and levy fines as follows:
     - 1st verified violation- $1,000;
     - 2nd verified violation- $2,500; and
     - 3rd verified violation- $4,500 and a notice of pending permit revocation and right to appeal;
   - Verified violations are counted over a continuous nine (9) month period from date of the first violation.
   - The Owner of a revoked STR permit may reapply after 2 years.

MBTT Board & Membership Approved

MBTC STR Committee:

Kimberly Wise – Chair of the STR committee, MBTC Executive Board member since 2015 and a Mission Beach business owner since 2000. Kimberly has lived in MB since 1992 with her husband, Michael (MB resident since 1988) and teenage son in North MB.

Greg Knight – Mission Beach property owner and resident for over 30 years.

Blaine Smith – Owner of 710 Beach Rentals and Mission Beach stakeholder since 2005.

Larry Webb – I've resided in Mission Beach since the early 80's. My wife and I own a four-plex in South Mission where we raised our four children. Currently the four-plex has two short term rentals and two long term rentals which we hands on manage. We reside in an additional condo we own in South Mission.

Scott Morrison – Mission Beach property owner and resident since 1982 (37 years).

Bob Semonsen – 5 year resident and property owner. Bob worked on San Luis Obispo county vacation rental ordinance in 2000.

Cathy Ives - Pacific Beach and Mission Beach resident since 1954 and stakeholder since 1996. Self-Employed blogger on Environmental Issues with a focus on oceans and beaches.

MBTC Board & Membership Approved

Via Electronic Mail (SanDiegoCoast@coastal.ca.gov)

March 4, 2022

California Coastal Commission
455 Market Street, Suite 300
San Francisco, CA 94105

Re: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Dear Chair Brownsey, Vice Chair Hart, and Honorable Commissioners:

On behalf of Airbnb, thank you for the opportunity to offer our thoughts on the City of San Diego's ("City") proposed Local Coastal Program Amendment(s) ("LCPA"), which will regulate short-term rentals ("STRs") in the City's coastal zone (the "SD Coastal Zone"). For the last 12 years, Airbnb has worked closely with communities around the world to help them realize the significant benefits that vacation and other short-term rentals ("STRs") provide to travelers, hosts, and local economies. STRs offer unique affordable access opportunities, particularly for families and groups of individuals, in communities throughout California, including on the Coast, where traditional hotel accommodations are in limited supply, often prohibitively expensive, or both.

Airbnb commends the California Coastal Commission ("Commission") for its continued efforts to protect access to the California coast and advance policies that offer the opportunity to experience this distinct and valuable public resource. We also recognize and appreciate the City's efforts to adopt a LCPA that will balance the need for STRs to preserve Coastal access with other City priorities. We further recognize Commission staff's efforts to suggest modifications to the LCPA to protect against unintended and unforeseen impacts to access.

Given the critical role STRs play in California coastal access generally and San Diego coastal access specifically, we recommend the Commission propose and approve both the suggested modifications by Commission staff and the additional minor modifications proposed in this letter. The proposed modifications are consistent with the City's proposed LCPA implementation approach and will help the San Diego coast remain open and affordable to the millions of visitors it receives every year.

STRs Play a Crucial, Sustainable Role in Advancing the Coastal Act's Access Mandate

As reported by the California Coastal Conservancy ("Conservancy") in 2019, Californians took over 40 million overnight trips to the coast in 2016. However, the Conservancy also acknowledged that many Californians continue to face barriers to access:

> [T]he majority of those surveyed said that they do not stay overnight at the coast. This result was particularly pronounced among younger people, low-income

> households, and people of color… ***Respondents cited financial concerns as the primary reason they do not stay overnight at the coast***.[1]

These concerns are not surprising. Between 1989 and November 2016, Commission staff reported that the state had lost 24,720 "economy" rooms.[2] Given the dramatic loss of economy rooms over the last three decades, STRs—and the technology that facilities their utilization—have played a significant role preserving affordable and equitable access to the coast, particularly for groups and families. As recently summarized by Commission staff:

> [STRs] provide a significant supplement to traditional visitor-serving overnight accommodations, promoting public access and visitor-serving opportunities to coastal communities. The provision of overnight visitor-serving accommodations, such as short-term lodgings, serves a significant purpose as a subset of visitor-serving uses that promotes public coastal access and provides California residents and visitors opportunities to access and recreate along the coast. Overnight visitor-serving accommodations allow public members who do not reside within a day's journey to the coast an opportunity to enjoy the coastline. Depending on site-specific circumstances, short-term lodging units, provide a lower cost option than a traditional hotel.[3]

Also, importantly, the vast majority of hosts in California ***utilize their existing homes to provide overnight accommodations***. By sharing their existing spaces, the hosts can more sustainably provide overnight accommodations without the need for new construction. And, as noted, these accommodations are direly needed.

STRs Play a Critical Role in Providing Access to the San Diego Coast

San Diego is one of the largest markets for coastal tourism in California and plays an oversized role in the State's coastal access opportunities. The San Diego coast is not only relatively accessible in quantity/area, it also has developed relatively robust infrastructure and amenities to facilitate broad coastal access. STRs—particularly those in the SD Coastal Zone—are an important component of this access. Nearly 40% of San Diego's STR listings fall within the SD Coastal Zone, and over 40% of vacation stays occurred in the SD Coastal Zone. These listings experience high occupancy—nearly 80% on average for the year and nearly 90% in the summer months. The SD Coastal Zone offers an important destination for families, accounting for approximately 25% of trips.[4] Given its oversized role, the Commission's decisions impacting access to SD Coastal Zone

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[1] California Coastal Conservancy, *Explore the Coast Overnight* (Mar. 2019), p. 14, *available at* https://scc.ca.gov/webmaster/ftp/pdf/sccbb/2019/1903/20190314Board04E_ETCO-Report.pdf (Attachment B).

[2] *See* California Coastal Commission, *Staff Report on Coastal Development Permit Application No. 5-20-0181 (B&J Capital Group Investments)* (Jan. 2021), p. 10 (Attachment C): "In its report to the Commission in November 2016, staff found that out of six 'cost' categories ranging from 'economy' to 'luxury,' ***a total of 24,720 economy rooms were lost,*** compared to 11,247 rooms of the remaining five classes. Economy rooms have been lost over the same time period at over twice the rate of all other cost categories combined. ***Thus, all told, nearly 70% of all rooms that have been lost since 1989 have been economy rooms*** …" (emphasis added).

[3] California Coastal Commission, *Staff Report on City of Newport Beach Local Coastal Program Amendment No. LCPA 5_NPB-20-0070-3 (Section 21.48.115 Short Term Lodging)* (Oct. 2021), p. 13 (Attachment D).

[4] "Family Trips" are defined as having a Child (2-12) or Infant (0-2) count of > 0 (using Airbnb data). *See* Attachment A.

will have broad implications to coastal access in California in general. Any LCPA implementing STR restrictions in San Diego must adequately take this into account.

Commission Staff's Suggested Modifications to the LCPA and Minor Additional Proposed Modifications

As noted in the Staff Report, City staff has formulated a stratified and weighted lottery approach for the allocation of STR permits. This proposed lottery will be stratified by distributing licenses to "community planning area[s] in proportion to the percentage of the overall applicable pool each community planning area represents."[5] Coastal staff's suggested modification to the LCPA "adds ordinance language requiring that Tier III licenses distributed by lottery must be proportionate to community planning area participation in the lottery application to ensure adequate distribution of STRO licenses to the [SD Coastal Zone]."[6] Commission staff also suggests a modification to add a sunset clause given the risks the LCPA will have "the unforeseen consequence of reducing the [STR] volume even further." Commission staff notes that the sunset clause will, at the end of seven years, allow "all parties .. to review the available data to determine if the amendment met expectations and should proceed further, or if further amendments are required to ensure a proper balance between public access and community character."[7] We support these suggested modifications.

As reflected in the Staff Report, Exhibit 6, in addition to distributing licenses via community plan area demand, City staff has formulated a weighted lottery approach for the allocation of STR licenses that takes into account, among other things, the host's prior booking activity. This is an important consideration. Given the fact the LCPA will reduce the number of available STRs by approximately half, any license allocation approach must provide for a sufficient number of STR "nights" going forward.[8] We appreciate that the City's proposed lottery system does contemplate prioritization of license issuance to property owners with a demonstrated histories of offering their STRs a meaningful number of nights. However, given the importance of maintaining as many nights as possible from the remaining STRs in the SD Coastal Zone post-LCPA adoption, we recommend also including the prioritization concept in the LCP itself.

We also recommend that the LCPA include a provision directing the City to provide annual updates to the Commission to facilitate the City's and the Commission's review of the LCPA's effects on coastal access. Given the potential for "unforeseen consequences" associated with the LCPA, annual updates prior to the LCPA's sunset will help ensure the LCPA's implementation maintains consistency with the California Coastal Act—in particular the goals of maintaining and encouraging lower-cost visitor accommodations in the SD Coastal Zone where demands for such accommodations are high.

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[5] City of San Diego, *Staff Report re An Amendment to the City's Municipal Code and Local Coastal Program to Impose a License Requirement and Operating Regulations for Short Term Residential Occupancy etc.* (Feb. 2021), p. 3 ("We are also working to comply with the Coastal Commission's requirement to provide low cost accommodations on the coast") (hereinafter *City STR Staff Report*) (Attachment E).

[6] *Id.*, p. 4.

[7] *Id.*

[8] *See, e.g.*, *City STR Staff Report*, pp. 5, 10 ("We are also working to comply with the Coastal Commission's requirement to provide low cost accommodations on the coast"); SDMC §510.0107(c).

Accordingly, we recommend the following additional language (shown in **bold double-underline**) to the LCPA. Note Commission staff's currently proposed modification language to this LCPA section is shown in blue italic.

510.0104 Short-Term Residential Occupancy Regulated

[...]

(d) Tier Three License: Whole Home Short-Term Residential Occupancy Outside of Mission beach Community Planning Area.

[...]

(5) Tier Three licenses issued on a lottery basis shall be issued to each Community Planning Area in proportion to the Community Planning Area's percentage of the overall Tier Three applicant pool. **The Tier Three lottery shall provide prioritization for applicants with proof of booking activity of more than 90 days per calendar year and proof of operation during the calendar year prior to the lottery.**

Section 510.0104(e) shall be modified as follows:

510.0104 Short-Term Residential Occupancy Regulated

[...]

(e) Tier Four License: Whole Home Short-Term Residential Occupancy Within Mission beach Community Planning Area.

[...]

(5) Tier Four licenses issued on a lottery basis shall provide prioritization for applicants with proof of booking activity of more than 90 days per calendar year and proof of operation during the calendar year prior to the lottery.

510.0112 Sunset **and Reporting** Clause

The provisions of Sections 510.0102 and 510.0104 that are part of the City of San Diego's certified Local Coastal Program shall be in effect in the Coastal Overlay Zone until January 1, 2030. This section may be amended prior to the expiration date, however, if not amended by January 1, 2030, then the licensing requirement for STROs will no longer be in effect in the Coastal Overlay Zone. The January 1, 2030, deadline may be extended for good cause by the Executive Director of the Coastal Commission. **Beginning one year from the effective date of LCP-6-SAN-21-004-2, and annually thereafter, the City shall provide the Executive Director with a report detailing the number of Tier 3 and Tier 4 licenses (along with the nights rented by license)**

issued to properties within the Coastal Overlay Zone and an assessment of the impacts of the regulations set forth in this section on the availability and affordability of overnight accommodations in the Coastal Overlay Zone.

Conclusion

At Airbnb, we have seen that technology-enabled, people-to-people home sharing promotes healthy and sustainable tourism and travel—tourism and travel that benefits the hosts who share their homes, the guests who are seeking authentic, affordable experiences, and the local residents whose cultures, customs and economies are respected, observed, and supported. We have also witnessed our hosts offering thousands of families opportunities to experience the California Coast in an affordable, sustainable way, and we look forward to facilitating this access for decades to come.

With that, we recognize and appreciate San Diego's efforts to find an appropriate balance between access and other local interests and to develop and implement a licensing system designed to preserve STRs in SD Coastal Zone. We do, however, believe that the Commission should consider and approve both Commission staff's suggested modifications and our proposed modifications to protect against the potential unintended or unforeseen access consequences.

Thank you again for the opportunity to comment on this matter. We look forward to working with the Commission in the future on these important issues.

Sincerely,

John Choi

Policy Manager

A

TRAVEL TECH
The Travel Technology Association

September 22, 2021

San Diego City Council
202 C Street, 10th Floor
San Diego, CA 92101

Dear Council President Jennifer Campbell:

This information is provided in response to a request for data on the short-term rental (STR) industry in the City of San Diego. This data was acquired from Transparent Intelligence (Transparent), a leading, independent data intelligence provider for the short-term rental industry. All data points, except where otherwise noted, reflect analysis inclusive of Airbnb and Vrbo.

The number of short-term rentals in any given market can fluctuate over time, including year over year. Fluctuations are caused by a number of potential factors, including health mandates and COVID restrictions, other types of government regulations, and market trends. These numbers are a snapshot of listings available for booking as of September 1, 2021.

- Overall, in San Diego there are roughly 12,300 listings, with 84% entire homes vs 16% private or shared rooms, and the average listing has a capacity of 4.8.
- 39% of San Diego listings fall within the Coastal Zone, which is itself more weighted toward entire home listings (93%), and the average listing is larger, with a capacity of 5.8.
- City-wide, 74% of listings are apartments or houses, 8% are hotels, 1% are hostels, with all other listing types making up 17%. In the Coastal Zone, these values are 78%, 7%, 1%, and 15% respectively.
- In San Diego, the ADR is $216. Within the Coastal Zone, this increases to $306.
- Overall, San Diego hosted roughly 1.7M nights in the past 12 months, with the average listing hosting 160 nights. 85% of these nights occurred in Entire Home listings.
- The Coastal Zone accounted for 42% of these Nights, and the average listing there hosted 172 nights. 94% of these nights occurred in Entire Home listings.
- In San Diego, summer is the busiest season, with June, July and August receiving the highest nights booked. Overall occupancy is roughly 75% for the year, but increases to 83% in June, July, and August.
- The same is true within the Coastal Zone, however occupancy is uniformly higher: 78% overall, and 86% in peak months.
- The average trip was 4.4* nights for San Diego and 4.2* nights within the Coastal Zone.
- 18%* of trips in San Diego were Family Trips**. In the Coastal Zone this was even higher at 22%*.

Notes about these data points:
- Family Trip % determined using Airbnb data only
- "Family Trips" are defined as having a Child (2-12) or Infant (0-2) count of > 0
- ADR calculated using the base price taken from the calendar view of listings, exclusive of fees, long-term discounts, and taxes.

TRAVEL TECH
The Travel Technology Association

Sincerely,

Stephen Shur
President

About Travel Tech
The Travel Technology Association (Travel Tech) is the voice of the travel technology industry, advocating for public policy that promotes transparency and competition in the marketplace to encourage innovation and preserve consumer choice. We represent the leading innovators in travel technology, including Global Distribution Systems, online travel agencies and metasearch companies, short-term rental platforms, and travel management companies

3033 Wilson Blvd., Suite 700, Arlington, VA 22201-(703)-842-3754
www.TravelTech.org

B

Due to size, attachment B - Coastal Conservancy Overnight Accommodation Survey - has been placed at end of public comments.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:30 AM
To: SanDiegoSTR@Coastal
Subject: FW: CCC Vote on STRs

From: Brenden Wesley <brenden.wesley@gmail.com>
Sent: Thursday, March 3, 2022 6:00 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: CCC Vote on STRs

Regarding short-term rentals - I just want to say that while I am in agreement that this industry needs oversight and regulation, I believe that it is an absolute vital component of our local economy and that those who are doing things properly, should not be punished. I think it's no surprise how much of a cash injection vacation rentals provide to local businesses. This is something we absolultely need. Especially after the last two years. There is a way to operate STRs that is in accordance with the values of the community. We just need to look to those who already are doing so for guidance.

I am a local resident of Ocean Beach and own two houses, 4714, and 4716 Narragansett Ave. One right behind the other. While it is technically one property, I live in one house and rent out the other. I am dependent on the rental income to get by. I am what is referred to as a “Superhost“ by Airbnb as I have hundreds and hundreds of five-star reviews and provide outstanding hospitality to my guests. I take my job very seriously and am involved in every aspect of my rentals. I am very discerning in regards to whom I rent to. I only rent to those with a high rating and previous positive reviews on Airbnb. Parties or large gatherings of any kind are strictly forbidden and we have quiet hours from 9 PM to 9 AM. Respect and consideration for my neighbors is at the top of my priorities and I like to think I do a good job at running things in a respectful, considerate manner over here. I do not get complaints from my neighbors - in fact, the contrary.

I’m not saying that I think every host needs to live at, or directly behind the house they rent out, as I do, but they certainly should be closely involved in all aspects of the rental and keep their neighbors' comfort at the top of their list. I like to think that I provide opportunities for families to affordably visit the Ocean Beach area while simultaneously making sure our community is protected and respected. This is something I feel all hosts have the ability and responsibility to do.

Thank you,

Brenden Peck

--
Brenden

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 1:14 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment for March 2022: Agenda Item Wednesday 14F

-----Original Message-----
From: Emily Morris <emmorri@gmail.com>
Sent: Friday, March 4, 2022 12:14 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Cc: Chung Sul Kim <chungsul32@gmail.com>; M akela Angel <makelaevan@gmail.com>
Subject: Public Comment for March 2022: Agenda Item Wednesday 14F

Dear Members of the Coastal Commission-

As America's Finest City, with untold beauty of the California Coast, we recognize San Diego as an attraction to visitors and families. Short-term rentals have provided an affordable opportunity to visitors for decades who otherwise would not or may not have this chance. Isn't this a primary goal for the California Coastal Commission?
I urge you to pass the San Diego's Short Term Rental Ordinance.

Emily Morris
2595 Ocean Front Walk #5
San Diego, Ca. 92109

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 1:14 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Todd Lempert <tlempert@coastradiology.com>
Sent: Friday, March 4, 2022 12:15 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>; Todd Lempert <tlempert@coastradiology.com>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

My name is Todd Lempert, MD and I have owned and managed two short term rentals in La Jolla for 13 years.
It is my hope that you approve the City of San Diego's Local Coastal Plan Amendment with the specific minor modifications outlined in the staff report.

The rentals that I have managed have never come under scrutiny for noise ordinance violations or any other problems expressed by neighbors.
The visitors have enjoyed the scenic beauty of La Jolla and environs, dined in local restaurants, shopped in nearby establishments; all contributing to the tax base and reputation of our city.
I want to thank Councilmember Campbell and her leadership in helping forge a plan of compromise. We also appreciate City staff's hard work to shepherd this process.
I am eager to see the short-term vacation rental program begin, as it will resolve many years of shared uncertainty for hosts, platforms, and community members.

I personally know many hosts who depend on rental income to supplement their retirement benefits.
Real estate is part of an intelligent diversified portfolio especially now with extreme volatility in world events.
Owners are aligned with the City of San Diego in wanting to provide an excellent experience for visitors, embellish the reputation of San Diego, and respect our neighbors and communities.
Thoughtful pre-selection criteria and enforcement of rules by hosts ensures compliance for guests and a harmonious visit.
I urge you to follow staff's recommendation to approve the City of San Diego's local coastal plan today.

Thank you.

Todd E. Lempert, MD

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 10:47 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

-----Original Message-----
From: Sharon Del Duca-France <sharonddf@aol.com>
Sent: Friday, March 4, 2022 10:14 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Dear Committe Members:

My Name is Sharon Del Duca-France and I have owned a short term rental in San Diego for three years. I respectfully request that you approve the City of San Diego's Local Coastal Plan Amendment with the specific minor modifications outlined in the staff report. This short -term rental ordinance has been carefully and thoughtfully debated by the City for a number of years, with input from hosts, industry. elected officials and community members.

I wish to thank Council member Campbell and City staff for all of their work and effort to forge a plan of compromise.

Implementing this short-tern vacation program will resolve many years of shared uncertainty for hosts, platforms and community members.

I urge you to follow staff's recommendation to approve the City of San Diego's local coastal plan today.

Thank you.

Sharon Del Duca-France
sharonddf@aol.com
602-319-6929

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 10:47 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment for March 22 Agenda Item Wednesday

-----Original Message-----
From: Audrey Peck <audreypecknh@gmail.com>
Sent: Friday, March 4, 2022 9:55 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment for March 22 Agenda Item Wednesday

I am Writing as a family member who has an Air BNB in Ocean Beach!
We are responsible and responsive to the Community.
Air BNB's provide a relatively inexpensive place for other Californian's (who live East of the Ocean) to have family vacations and enjoy cool Summer Breeze's. Rather than flying somewhere they can drive to the beaches and for a few hundred dollars (instead of a few thousand dollars) they can bring their inland families to the shore to create family memories that last a lifetime!
Every visitor that arrives in Ocean Beach is a consumer. Whether it be the coffee house's, breakfast, lunch, dinner establishments, small family owned shops, ice cream parlors, grocery and drug stores! They all contribute to the economic health of Ocean Beach as they help small businesses stay afloat and help the State by paying sales tax!

Those against this are the same 'Not In My Neighborhood' people (whether they are renters or home owners)who feel the need to tell other people how to manage their properties!

This is Anti American us!
Public Education is coming under attack from the same kind of people! They feel it's 'their right' to prescribe how teacher's teach and what teachers can and cannot say in the classroom. Please Do Not allow this to happen to homeowners as this may very well be their only source of income.

Libertarians have become a forceful group in NH and their gaining a stronghold throughout the Nation. They are clearly only interested in their own freedoms!

Please allow small owners to keep OB free from large Hotel Chains! This is good for the Economic Health of OB Citizens!

Audrey Peck
audreypecknh@gmail.com

Sent from my iPhone

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 10:47 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: I LoveLucy <delduca@cox.net>
Sent: Friday, March 4, 2022 9:48 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Cc: Pam Del Duca <delduca@cox.net>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

To whom it may concern,

My name is Pam Del Duca and I have owned two short term rentals in Mission Beach for three years.

I respectfully request that you approve the city of San Diego's local Coastal Plan amendment with aspecific minor modifications outlined in the staff report.

The San Diego short term rental ordinance has been carefully and thoughtfully debated by the city for a number of years, with input from host, the industry, elected officials and community members.

These years of careful consideration have resulted in a balanced compromise that will effectively regulate and control the growth of short term rentals, while preserving an increasingly preferred lodging option for families visiting Mission Beach.

I want to thank Councilmember Campbell and her leadership in helping forge a plan of compromise. We also appreciate city staffs hard work to shepard this process.

I am eager to see the short term vacation rental program begin as it will resolve many years of uncertainty for hosts, platforms and community members.

The ordinance allows for a greater number of short term rentals in Mission Beach as compared to other areas of the city. Mission Beach has a long history of providing short term rentals to visitors looking for convenient coastal access. The San Diego short term rental ordinance appropriately recognizes that.

I urge you to follow staffs recommendation to approve the city of San Diego local coastal plan today. Thank you.

Sincerely,

Pam Del Duca

Offer a smile or kind word
to a stranger and see what happens!

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Monday, March 7, 2022 3:14 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Susie Gehrke <susangehrke@gmail.com>
Sent: Monday, March 7, 2022 2:55 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Dear California Coastal Committee Members,

I have been a Short term rental owner in South Mission beach since 1999. Before the rental platforms and the internet were prevalent. I rented to students for 9 months, then had new guests (repeat and by word of mouth). I finally went full time vacation rentals about 3 years ago, after being capped due to student parties, complaints from neighbors, and underage drinking. With full time vacation rentals I am able to vet my guests, give families an affordable place to enjoy the beach, cook and stay. Mission beach is a family place for people to come and visit for about 50 + years.

Please let me continue to do this, as I approach my retirement ,trying to stay where I live, San Diego.

Thank you for your time,

Susan Gehrke

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Monday, March 7, 2022 9:45 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Cate <cate@foundimage.com>
Sent: Friday, March 4, 2022 3:39 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Hello,

My name is Aurelia Bell and I have owned and managed a short-term rental in San Diego for 8 years.

I respectfully request that you approve the City of San Diego's Local Coastal Plan Amendment with the specific minor modifications outlined in the staff report.

The San Diego short-term rental ordinance has been carefully and thoughtfully debated by the City for a few years, with input from hosts, the industry, elected officials, and community members. These years of careful consideration have led to a balanced compromise that will effectively regulate and control the growth of short-term rentals while preserving an increasingly preferred lodging option for families visiting San Diego.

I thank Councilmember Campbell and her leadership in helping forge a plan of compromise. I also appreciate City staff's hard work to shepherd this process.

I am eager to see the short-term vacation rental program begin, as it will resolve many years of shared uncertainty for hosts, platforms, and community members. It will be nice to have clarity and guidelines.

I rely on the income from my short-term rental (a studio on the property where I live), to pay living expenses.

Thank you,

Aurelia Bell

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 5:03 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Paul Becker <pbecker@bwvh.com>
Sent: Friday, March 4, 2022 4:59 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Dear California Coastal Commission,

My name is Paul Becker. I am a native San Diegan who grew up in east county and stayed in vacation rentals with friends and family throughout my childhood. For over 13 years, I have run a vacation rental agency and host guests from all over the country in second homes when they are not being used by the owners.

I respectfully request that you approve the City of San Diego's Local Coastal Plan Amendment with the specific minor modifications outlined in the staff report.

The San Diego short-term rental ordinance has been carefully and thoughtfully debated by the City for a number of years, with input from hosts, the industry, elected officials, and community members.

These years of careful consideration have resulted in a balanced compromise that will effectively regulate and control the growth of short-term rentals while preserving an increasingly preferred lodging option for families visiting San Diego.

I want to thank Councilmember Campbell and her leadership in helping forge a plan of compromise. We also appreciate City staff's hard work to shepherd this process.

I am eager to see the short-term vacation rental program begin, as it will resolve many years of shared uncertainty for hosts, platforms, and community members.

The ordinance allows for a greater number of short-term rentals in Mission Beach as compared to other areas of the city. Mission Beach has a long history of providing short-term rentals to visitors looking for convenient coastal access. The San Diego short-term rental ordinance appropriately recognizes that.

I urge you to follow staff's recommendation to approve the City of San Diego's local coastal plan today.

Thank you,

Paul Becker

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:29 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Tony Renda <rendatony@yahoo.com>
Sent: Friday, March 4, 2022 7:36 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

We are in strong support of sustaining and continuing short-term vacation rentals for coastal properties in, La Jolla and San Diego. We feel the massive tax revenue and additional income it creates for the city is vital to supporting, San Diego overall.

San Diego has always been a popular and recognized tourist city and the most beautiful destination for everyone, anywhere to share and enjoy. Tourism is so vital to San Diego and having options for accommodations for larger families and travelers is super important for tourists.

Short-term accommodations invite tourists to choose our city vs. traveling to an alternate destination. Once the city loses their customers (the tourists from around the globe) it will nearly be impossible to get them to return again.

There are so many benefits that heavily out-weight any opposition including, supporting and sustaining tourism, increased tax revenue to the city/county, massive revenue to local businesses and job creation and the multiple benefits to homeowners when gaining increased income. There are multiple plusses even on the other side of the debate-spectrum that, increased income to hosts further secure all banks and lenders (mortgages) as it relates to, general costs such as property taxes and household upkeep.

As they say, revenue and rental income cures all.

For these positive reasons and so many other benefits, I strongly support short-term rentals for coastal properties in, La Jolla and San Diego.

Kind regards,

Anthony Renda
5212 Chelsea Street
La Jolla, CA 92037

858-344-3333 Mobile
858-488-9900 Office
rendatony@yahoo.com

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:28 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

-----Original Message-----
From: Lance Murphy <lmurphy@cox.net>
Sent: Thursday, March 3, 2022 10:35 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

I can't resolve two basic impacts of short term rentals on the existing neighborhoods. Simply put:

1. A short term rental is clearly a commercial activity that more closely resembles a hotel than any residential rental alternative. The existing owners of the nearby homes purchased and lived in their homes with the expectation that their other neighbors would have similar living habits, clearly not those habits that characterize the inhabitants of a short term rental. It maybe as simple as parking etiquette or as infuriating as complete disregard for the homes that surround the rental.

2. These short term rentals have made the inventory of traditional long term rentals literally dry up. The shift has removed viable properties from a very limited pool in communities that need affordable housing. We all know there is a shortage of affordable housing, not hotels. I can't believe it could be more obvious or subversive. This must end for the sake of working families that wish to live in the community they serve, and for the communities to manage their services in a reasonable labor pool.

In summary:
It is a simple fact that many short term rental properties are purchased and owned as an investment designed to capitalize on the hotel-like profit of this disruptive business model. If required to be situated among other commercial properties I have no doubt the market and the conversion would disappear. Can you imagine a short term rental succeeding in a mini-mall? They belong there more than in a residential zone.

This "experiment" has resulted in actions (greed) and outcomes (increased displaced housing) that were obvious from the beginning. San Diego's proposed compromise is weak, but far better than any alternative.

Lance Murphy
Point Loma

Sent from my iPad

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:28 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Teresa Stephenson & Richard Kemp <beachmtndesert@gmail.com>
Sent: Thursday, March 3, 2022 8:06 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Dear Commissioners,

We, Richard and Susan Kemp, have owned our property in Mission Beach for over 40 years. As have others for decades in Mission Beach, we have provided, for the past 11 years, affordable lodging for large families and groups of friends ----- affording those groups exceptionally convenient coastal access.

Through the concerted and thoughtful efforts of community groups, San Diego City Staff, rental platform representatives, rental hosts and the SD City Councilmembers, we now have an STR Ordinance and implementation plan that, we believe, fairly addresses the concerns and needs of the community as a whole.

We urge you to approve the City of San Diego's Local Coastal Amendment, including the modifications submitted in the Staff report, so that the City can move forward with the implementation of this program to appropriately regulate short-term rentals throughout San Diego.

Thank You,
Richard and Susan Kemp

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:27 AM
To: SanDiegoSTR@Coastal
Subject: FW: Hosting

From: Erika Z <erikazaizar@gmail.com>
Sent: Thursday, March 3, 2022 6:44 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Hosting

Please allow us to continue hosting! We depend on this income to survive and support our family.
Thank Erika

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:26 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Donna Medrea <donna@donnamedrea.com>
Sent: Thursday, March 3, 2022 5:20 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Cc: Donna Medrea <donna@donnamedrea.com>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

To Whom it may concern,

Hello, my name is Donna Medrea and I have owned, short-term rentals in San Diego for 15 years.

I respectfully request that you approve the City of San Diego's Local Coastal Plan Amendment with the specific minor modifications outlined in the staff report.

The San Diego short-term rental ordinance has been carefully and thoughtfully debated by the City for a number of years, with input from hosts, the industry, elected officials, and community members.

These years of careful consideration have resulted in a balanced compromise that will effectively regulate and control the growth of short-term rentals while preserving an increasingly preferred lodging option for families visiting San Diego.

I want to thank Councilmember Campbell and her leadership in helping forge a plan of compromise. We also appreciate City staff's hard work to shepherd this process.

I am eager to see the short-term vacation rental program begin, as it will resolve many years of shared uncertainty for hosts, platforms, and community members.

If from La Jolla: The ordinance allows for a greater number of short-term rentals in La Jolla as compared to other areas of the city. La Joll has a long history of providing short-term, Luxury rentals to visitors looking for convenient coastal access. The San Diego short-term rental ordinance appropriately recognizes that.

I urge you to follow staff's recommendation to approve the City of San Diego's local coastal plan today. Thank you.

Respectfully,
Best,
Donna

DONNA MEDREA
OCEANFRONT &
Luxury Homes
Pacific Sotheby's
INTERNATIONAL REALTY

858.204.1810
Donna@donnamedrea.com
www.donnamedrea.com

DRE# 00922764

Download Oceanfront Luxury Homes
Available on the App Store
GET IT ON Google Play
HomeStack

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:26 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Tony Renda <rendatony@yahoo.com>
Sent: Thursday, March 3, 2022 5:06 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

We are in strong support of sustaining and continuing short-term vacation rentals for coastal properties in, La Jolla and San Diego. We feel the massive tax revenue and additional income it creates for the city is vital to supporting, San Diego overall.

San Diego has always been a popular and recognized tourist city and the most beautiful destination for everyone, anywhere to share and enjoy. Tourism is so vital to San Diego and having options for accommodations for larger families and travelers is super important for tourists.

Short-term accommodations invite tourists to choose our city vs. traveling to an alternate destination. Once the city loses their customers (the tourists from around the globe) it will nearly be impossible to get them to return again.

There are so many benefits that heavily out-weight any opposition including, supporting and sustaining tourism, increased tax revenue to the city/county, massive revenue to local businesses and job creation and the multiple benefits to homeowners when gaining increased income. There are multiple plusses even on the other side of the debate-spectrum that, increased income to hosts further secure all banks and lenders (mortgages) as it relates to, general costs such as property taxes and household upkeep.

As they say, revenue and rental income cures all.

For these positive reasons and so many other benefits, I strongly support short-term rentals for coastal properties in, La Jolla and San Diego.

Kind regards,

Anthony Renda
5212 Chelsea Street
La Jolla, CA 92037

858-344-3333 Mobile
858-488-9900 Office
rendatony@yahoo.com

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:25 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Susan <susanpriceadams@gmail.com>
Sent: Thursday, March 3, 2022 4:09 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Hello, my name is Susan Adams and I have owned/managed 1 short-term rentals in San Diego/ Rancho Bernardo for 9 years.

- I respectfully request that you approve the City of San Diego's Local Coastal Plan Amendment with the specific minor modifications outlined in the staff report.
- The San Diego short-term rental ordinance has been carefully and thoughtfully debated by the City for a number of years, with input from hosts, the industry, elected officials, and community members.
- These years of careful consideration have resulted in a balanced compromise that will effectively regulate and control the growth of short-term rentals while preserving an increasingly preferred lodging option for families visiting San Diego. Many of my guests are grandparents coming to spoil their grandkids.
- I want to thank Councilmember Campbell and her leadership in helping forge a plan of compromise. We also appreciate City staff's hard work to shepherd this process.
- I am eager to see the short-term vacation rental program begin, as it will resolve many years of shared uncertainty for hosts, platforms, and community members.

Sincerely,
Susan Adams
SuperHost, Airbnb
| M 619-972-2227

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 4:04 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

-----Original Message-----
From: Amy Hall <amyhall@san.rr.com>
Sent: Thursday, March 3, 2022 2:59 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

As a responsible Mission Beach STR owner, I would recommend you approve the city's recommendations for regulations. Thx

Sent from my iPhone

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 4:04 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Jim Thomas <jimthomas321@gmail.com>
Sent: Thursday, March 3, 2022 2:41 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

I've owned and operated a STVR for over 20 years in the La Jolla Shores area.
And I feel we are ready for the reviews and changes. I support the current design and I hope you all can as well.
Please support and adopt the current plan.
Kind regards
JIM THOMAS

Jim Thomas
President
Healthy Commerce
HospitalGiftShop.com
c: 858-395-4546
f: 858-997-1876

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 4:04 PM
To: SanDiegoSTR@Coastal
Subject: FW: "Public Comment for March 2022: Agenda Item Wednesday 14F."

From: Evan Tyrrell <etyrrell@f45training.com>
Sent: Thursday, March 3, 2022 2:36 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: "Public Comment for March 2022: Agenda Item Wednesday 14F."

To whom it may concern,

I Urge the commissioners to pass San Diego's STR ordinance.

These STRs help provide an opportunity for visitors and families to affordably visit and enjoy the San Diego coastal community.

Kind Regards

EVAN TYRRELL

Managing Director
PH +14242889645
E: etyrrell@f45training.com
LA JOLLA, SAN DIEGO
Hermosa Beach, Los Angeles
East Hillcrest, San Diego
Pacific Beach, San Diego
7743 Fay Avenue
La Jolla, San Diego CA 92037
www.f45training.com

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 4:03 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Blaine <blaines12@gmail.com>
Sent: Thursday, March 3, 2022 3:31 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

The ordinance allows for a greater number of short-term rentals in Mission Beach, as was overwhelmingly supported and approved by the Mission Beach community via the Mission Beach Town Council vote. Mission Beach has a long history of providing short-term rentals to visitors looking for convenient coastal access. The San Diego short-term rental ordinance appropriately recognizes that.

Please support the ordinance!

Thank you,
Blaine Smith
Mission Beach

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 4:03 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment for March 2022 Meeting

From: Sharon Kearns <sharonlkearns@aol.com>
Sent: Thursday, March 3, 2022 3:54 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment for March 2022 Meeting

With reference to the Wednesday March 2022 meeting, Agenda Item 14F, I would like to urge the California Costal Commission to certify the City of San Diego's ordinance for short term rentals.

I have run a vacation rental in Ocean Beach since 2006. I've operated it without a single complaint from neighbors or incident involving the police.

Many of my families return year after year to enjoy the beaches, farmers' market, stores and restaurants that make Ocean Beach special. Viaitors spend their vacation dollars in our unique community. Our prices are more reasonable than many other resort areas, so families are able to visit and enjoy our San Diego costal community more affordably.

Parties on all sides have worked tirelessly to reach a compromise. I urge the CCC to certify the SDRs ordinance

Sharon Kearns
1739 Ocean Front St.
San Diego, CA 92107

Sent from my iPhone

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 2:21 PM
To: SanDiegoSTR@Coastal
Subject: FW: STRs

From: Kevin Dougherty <kevin@kevindougherty.com>
Sent: Thursday, March 3, 2022 2:09 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Cc: getinvolved@airbnb.com
Subject: STRs

City of San Diego,

I am currently an STR host and have been for many years. I live in a very quiet neighborhood. We have never had an issue with noise, partying, or any complaints from the neighbors. Its so simple to control the quality of your guests and the success of the rental by putting very clear rules and regulations right in your advertisement, charging a substantial deposit, and make it clear that if they break the rules, they don't get their deposit back. Guests are always motivated by the almighty dollar. Its proven to be a very successful process with perfect results. There are already policing measures in place. Please approve the least restrictive STR ordinance possible and enforce the rules against the bad actors without punishing us, the responsible property owners providing short term housing for so many to enjoy our community. Thank you.

Best regards,

Kevin Dougherty, Broker / Owner
Reef Realty | 1714 Soledad Way | San Diego, CA 92109
Direct: (619) 977-7777 | Office: (858) 483-0187
CA Lic: 01316207
WA Lic: 26049
HI Lic: RB-23559
www.Reef-Realty.com

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 2:20 PM
To: SanDiegoSTR@Coastal
Subject: FW: STR's

-----Original Message-----
From: James Thomson <thomsonjs1@aol.com>
Sent: Thursday, March 3, 2022 2:00 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: STR's

Do NOT restrict STR’s in San Diego’s beach areas.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 12:59 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment for March 2022: Agenda Item Wednesday 14F

-----Original Message-----
From: Jpcinsd <jpcinsd@yahoo.com>
Sent: Thursday, March 3, 2022 12:47 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment for March 2022: Agenda Item Wednesday 14F

Hello,
As an Airbnb Host living in the coastal area of Point Loma, l feel it's essential to continue to permit home owners to rent out their homes or portions of their homes for Airbnb use. From the many, many reviews we've received from Airbnb guests, they value the space, pricing, access to the ocean/views and privacy that Airbnb rentals provide over expensive hotels with small rooms, exhorbitant resort fees & minimal privacy. Guests coming to San Diego, especially coastal areas, should have options in where to stay & not be priced out of being close to the ocean & public beaches by being limited to expensive hotels & resorts. Keeping STRs in San Diego is essential to our tourism & our economy. Passing the STR provision is important. Please do so.
John

Sent from my iPhone

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 12:59 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

-----Original Message-----
From: Jef Karchin 619 940 <jefkarchin@gmail.com> On Behalf Of JEF KARCHIN
Sent: Thursday, March 3, 2022 11:29 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

City council has taken what was a neighborhood noise complaint and turned it into a means to force ocean front property owners to lower their rents and sale prices to make the Mission Beach area affordable to city workers. Property values are so high in Mission Beach that many owners simply can't afford to own an ocean front property without renting it out as a STVR. This is especially true on Ocean Front Walk. Mission Beach has always been a vacation spot. Forcing owners to lower rents and sales prices by regulating STRT is just wrong and it does nothing to improve beach access.

Has the coastal commission looked at how much bay and ocean front hotels have dramatically increased their room rates? These very high hotel rates make it very attractive to rent a STVR at the beach, providing easy access at a reasonable price. By severely restricting STVR these rents will also go up dramatically to make up for the loss of income to those who loose out on the lottery.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 10:43 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment for March 2022: Agenda Item Wednesday 14F

-----Original Message-----
From: Erin Judson <justerinjudson@gmail.com>
Sent: Wednesday, March 2, 2022 10:19 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment for March 2022: Agenda Item Wednesday 14F

Many responsible hosts are the welcoming touch point and initial contact for out of town visitors and guests. It is this positive relationship and experience that often leads tourists to return to San Diego again and again. Vote to keep STRs that have a proven record of responsible hosting in place; we are an important piece of the personal experience our guests enjoy when they visit America's Finest City.

Erin Judson
STR host since 2014

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 10:42 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment for March 2022: Agenda Item Wednesday 14F

From: Benjamin Brown <benjamsb@gmail.com>
Sent: Wednesday, March 2, 2022 9:23 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment for March 2022: Agenda Item Wednesday 14F

To the California Coastal Commission,

It is imperative that you allow honest, hard-working homeowners the opportunity to continue offering their primary residences as short-term rentals. With San Diego's high cost of living and comparatively limited job opportunities that provide wages to meet those costs, Airbnb has been an invaluable resource for many to continue calling San Diego their homes.

I have no issue with disallowing short-term rentals for non-primary residences. Thank you for your time and consideration and I welcome you to contact me anytime.

-Ben

--
Benjamin S. Brown, MBA, M.Ed.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 10:42 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment for March 2022: Agenda It Wednesday 14F

From: Amna Saleem <amnasaleem@me.com>
Sent: Wednesday, March 2, 2022 9:48 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment for March 2022: Agenda It Wednesday 14F

Hello,

I am sending my comment in with the hope that my voice makes a difference. Short term rentals help provide an opportunity for visitors and families to affordably visit and enjoy the San Diego coastal community — a key goal of the Coastal Commission. I am humbly requesting the commissioners pass San Diego's STR ordinance; to keep San Diego a vibrant city where families can afford to stay.

Thank you.

Regards,
Amna Saleem

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:27 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Robert Brown <robbrownvegas@gmail.com>
Sent: Thursday, March 3, 2022 6:16 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

First off I want to let you know I'm a very active community member in Mission Beach. This email is SOLELY my own personal opinions and personal views, and this does not represent the views of the Mission Beach Town Council where I now serve on the board, of the Mission Bay Real Estate Association where I was president in 2021 and I'm now on the board as Past President, or of the Mission Beach Precise Planning Board where I now serve as a board member.

- Hello, my name is Robert Brown and I have owned/managed 4 different short-term rentals (never more than 2 at once) in San Diego for 15+ years. I currently own one ocean front short term rental and live in the other condo in my 2 unit building...owner occupied rental of sorts although 2 different condos. I own the whole building because I own both of the 2 condos.
- I respectfully request that you approve the City of San Diego's Local Coastal Plan Amendment with the specific minor modifications outlined in the staff report.
- The San Diego short-term rental ordinance has been carefully and thoughtfully debated by the City for a number of years, with input from hosts, the industry, elected officials, and community members.
- These years of careful consideration have resulted in a balanced compromise that will effectively regulate and control the growth of short-term rentals while preserving an increasingly preferred lodging option for families visiting San Diego.
- I want to thank Councilmember Campbell and her leadership in helping forge a plan of compromise. We also appreciate City staff's hard work to shepherd this process.
- I am eager to see the short-term vacation rental program begin, as it will resolve many years of shared uncertainty for hosts, platforms, and community members.
- If from Mission Beach: The ordinance allows for a greater number of short-term rentals in Mission Beach as compared to other areas of the city. Mission Beach has a long history of

providing short-term rentals to visitors looking for convenient coastal access. The San Diego short-term rental ordinance appropriately recognizes that.

--

Rob Brown, MSRE
Fantastik Realty
Owner | Broker
CA DRE Lic# 01796328
NV NRED Lic# 1000818

San Diego Office: 3635 Ocean Front Walk, San Diego CA 92109
Las Vegas Office: 9890 S. Maryland Parkway, #200A, LV, NV 89183

Cell 858.397.3108 | Fax 800.508.2012
RobBrownVegas@gmail.com

http://www.FantastikRealty.com

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 4:04 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Bob Chicca <bobchicca3@gmail.com>
Sent: Thursday, March 3, 2022 3:16 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

To whom it may concern-

Hello, our names are Bob Chicca and Vanessa Chicca and we have owned a short-term rental in San Diego for 23 years and have always paid the taxes.

We respectfully request that you approve the City of San Diego's Local Coastal Plan Amendment with the specific minor modifications outlined in the staff report. The San Diego short-term rental ordinance has been carefully and thoughtfully debated by the City for a number of years, with input from hosts, the industry, elected officials, and community members. These years of careful consideration have resulted in a balanced compromise that will effectively regulate and control the growth of short-term rentals while preserving an increasingly preferred lodging option for families visiting San Diego.

We want to thank Councilmember Campbell and her leadership in helping forge a plan of compromise. We also appreciate City staff's hard work to shepherd this process. We want to thank Councilmember Campbell and her leadership in helping forge a plan of compromise. We also appreciate City staff's hard work to shepherd this process.

The ordinance allows for a greater number of short-term rentals in Mission Beach as compared to other areas of the city. Mission Beach has a long history of providing short-term rentals to visitors looking for convenient coastal access. The San Diego short-term rental ordinance appropriately recognizes that. Mission Beach is where our short term rental is located.

Thanks,
Bob & Vanessa Chicca

Bob Chicca
bobchicca3@gmail.com

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:28 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Jonathan Roper <jonroper1@gmail.com>
Sent: Thursday, March 3, 2022 9:08 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Hello California Coastal Commissioners, my name is Jon Roper and I have owned/managed 7 short-term rentals in San Diego for 3 years.

I respectfully request that you approve the City of San Diego's Local Coastal Plan Amendment with the specific minor modifications outlined in the staff report.

Visitors to San Diego are critical to our local economy and STRs are important for helping these visitors feel at home in our great city. I have three kids (6,4,1) and we love to travel. We exclusively stay in STR's because they allow us to experience new places while also enjoying the comforts of home.Being a STR host has been an incredible experience for our family.

The San Diego short-term rental ordinance has been carefully and thoughtfully debated by the City for a number of years, with input from hosts, the industry, elected officials, and community members.

These years of careful consideration have resulted in a balanced compromise that will effectively regulate and control the growth of short-term rentals while preserving an increasingly preferred lodging option for families visiting San Diego.

I want to thank Councilmember Campbell and her leadership in helping forge a plan of compromise. We also appreciate City staff's hard work to shepherd this process.

I am eager to see the short-term vacation rental program begin, as it will resolve many years of shared uncertainty for hosts, platforms, and community members.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 4:04 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Sohela De Rozieres <sderozieres@yahoo.com>
Sent: Friday, March 4, 2022 3:55 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Hello,

My name is Sohela de Rozieres and I have owned and managed 2 STR in Mission Beach, San Diego for 5 years.

The city of San Diego and its citizens (hosts, the industry, elected officials, and community members) spent innumerable hours of thought and debate working out the current STR rental ordinance. I respectfully request that you approve the City of San Diego's Local Coastal Plan Amendment with the specific minor modifications outlined in the staff report.
These years of careful consideration have resulted in a balanced compromise that will effectively regulate and control the growth of short-term rentals while preserving an increasingly preferred lodging option for families visiting San Diego.
I want to thank Councilmember Campbell and her leadership in helping forge a plan of compromise. We also appreciate City staff's hard work to shepherd this process.
I am eager to see the short-term vacation rental program begin, as it will resolve many years of shared uncertainty for hosts, platforms, and community members.
The ordinance allows for a greater number of short-term rentals in Mission Beach as compared to other areas of the city. Mission Beach has a long history of providing short-term rentals to visitors looking for convenient coastal access. The San Diego short-term rental ordinance appropriately recognizes that.

Sincerely,
Sohela de Rozieres

Llerandi, Alexander@Coastal

From: Diane Fons <dianefons@gmail.com>
Sent: Tuesday, February 22, 2022 11:19 AM
To: SanDiegoSTR@Coastal
Subject: City of San Diego Short term rental ordinance

To all Commissioners,

Please approve our San Diego ordinance AS IS for short term rentals. While short term rentals have drastically changed our beach community by closing schools, decreasing church support, fewer rentals for locals and MANY more parties in our neighborhoods; this ordinance is a long fought battle in which neither side is happy. In other words, it is a compromise put together by San Diegans for San Diego. There truly is no infrastructure for more population at the beach. Quotas, while not evenly dispersed throughout San Diego neighborhoods, are necessary and the ones presently in place will work. Please approve this without changes.

Thank you,

Diane Fons

Llerandi, Alexander@Coastal

From: wonacott <wildcatwonacott@gmail.com>
Sent: Friday, February 18, 2022 8:39 AM
To: Llerandi, Alexander@Coastal
Subject: Affordable Beach Access

Alex:

Excerpts taken from the Mission Beach Precise Plan. Hopefully I have not taken these out of context. I was reading through the Mission Beach Precise Plan trying to better understand what defines the character of Mission Beach and how the current STR industry in Mission Beach is impacting community character. I gathered from the Plan that much of the character is based on social distinctions, friendships, sports and or club organizations, crime rates, and proportion of customers known to store and restaurant personnel. I also noted that for all time access to and parking in Mission Beach has been a perplexing problem.

I think with the magnitude of 30 percent being considered, then all of the above community character elements would be under attack.

One comment that got my attention is that access is not just a Mission Beach issue, but a Pacific Beach, Mission Beach and Mission Bay issue. I know the City has performed a number of studies of access and traffic in PB, but to my knowledge, no access studies have been considered for all three. This discussion was in the context of the minimum weekly rentals in the summer months, but this is not referenced in the affordable beach access discussions. Virtually all of the affordable beach together, which in my opinion is necessary before STR regulations are implemented. Beach access is in the context of affordable housing or condominiums to purchase and access seems to be in the context of day visitors more than 2-4 day visitors.

It seems to me that the Coastal Commission recommendations in Manhattan Beach are more in line with the idea of setting aside types of construction, i.e., multifamily, that is more affordable. I am not sure how it would b e done, but it seems that Mission beach if it is considered in the context of Pacific Beach and then STRs would not be allowed in more affordable multifamily properties might be possible.

I have included a couple papers below for your consideration.

https://www.washingtonpost.com/business/interactive/2022/housing-market-investors/

https://research.pej.pt/2022/02/the-short-term-rental-market-and-housing-affordability/

Housing

10. The City shall submit to the Commission a citywide coastal housing component. Certification of the housing policies of the land use plan for Mission Beach is hereby deferred pending Commission certification of said housing component. Said housing component shall address the need to protect, encourage and, where feasible, provide housing opportunities for persons of low- and moderate-income, in the context of both community-specific

and citywide housing policies. Community-specific and/or citywide policies applicable to the community of Mission Beach shall include, but are not limited to, the following:

(a) A policy to prohibit the demolition of existing rehabilitable units which provide low- or moderate-income housing opportunities unless comparable replacement housing will be provided. "

(b) A condominium/cooperative conversion policy which addresses the need to protect the existing rental stock, or alternatively, to provide rental or ownership opportunities for persons of low and moderate income

The Commission is, however, more persuaded by addressing this issue on an intercommunity perspective. In the City'soverall planning effort for the Mission Beach, Mission Bay and Pacific Beach areas, the siting of bona fide hotel/motel uses has always been encouraged in Pacific Beach and Mission Bay where there is greater accessibility, an increased planning area and larger lot sizes. These two other communities already provide the bulk of most overnight accommodations and are proposed to continue to do so in their respective segments. These communities lie within minutes of the Mission Beach community. Further, the residential stock in Mission Beach does serve, as destination point accommodations through temporary rental at minimum weekly intervals of its apartments and condominiums, a valuable visitor-serving function.

Shoreline Access

1. In conjunction with development of the Comprehensive Access Component for the Mission Beach/Pacific Beach/Mission Bay area, the City shall evaluate all plan policies relating to the improvement or alteration of Mission Boulevard (including restriping to two lanes and removal from the 52-mile scenic drive system). The Comprehensive Access Component may include the same Mission Boulevard access and parking policies advocated in the plan, provided the City can demonstrate that the policies will serve to maximize public access to coastal recreational resources. Accordingly, Commission action on all plan policies effecting alterations to Mission Boulevard vehicular access and parking is hereby deferred pending Commission certification of the Comprehensive Access Component. The subsequent Commission-approved Comprehensive Access Component shall be automatically incorporated in the Mission Beach Precise Plan as the access policies for this segment of the City's Local Coastal Program.

2. The Comprehensive Access Component shall propose and prioritize access and parking projects suitable for inclusion in the Capital Improvements Program and shall include specific target dates for completion.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 2:19 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Raymond Klein <Ray.Klein@Dal.Ca>
Sent: Friday, March 4, 2022 1:45 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Greetings,

The short message is "please pass this ordinance without amendments." My wife and I (homeowners in the Windansea area of La Jolla) believe that the current draft ordinance is fair to individual homeowners like us. We spend a good part of the year in our La Jolla home and make it available for vacationers via a reliable management company when we are not here. We fear that the amendment process is risky.

A longer rationale can be found in the message we sent back in 2019 which is reproduced below.

Sincerely,

Raymond and Marilyn Klein
292 Bonair St, La Jolla 92037

Greetings from a La Jolla homeowner,

I understand that the Senate Judiciary Committee, of which you are a member, will be considering legislation that affects short-term rentals in the San Diego area. There are so many reasons why this is bad legislation. I sent the note below to members of the California State Assembly but it seems to have fallen on deaf ears. Legislation that prevents companies from buying up properties and then renting them out would be okay, but many homeowners like my wife and I purchased our home before we were ready to move in permanently and we can't afford to keep it without the income from short term vacationers (STVRs). We currently spend 3-4 month/year in our home and plan to spend more each year.

As you will see when you read our letter, we fell in love with San Diego when we rented in the area during visits to see our daughter and her family while she was in school at UCSD. That's when we decided to retire here. Importantly, all of our visits were spent in homes that were managed by responsible companies like Seabreeze which now manages our property when we are not there. We would have visited many fewer times if we had been restricted to stay in hotels.

This is our future retirement home, but we are not fully retired…yet. Imagine what would happen to home values in neighbourhoods like ours (Windansea) if many homeowners like us would have to sell. I know that one proponent of the bill describes it as an "experiment". Sometimes an experiment is a good idea (I'm a scientist, so I know this). But, in this case it could be disastrous. It will be realized after a year or so that the law was a disaster both for tourism and

home values. And after regular people like us have to sell our homes at a great discount - companies expecting the law to be overturned will buy them up and one problem the law (no longer in effect) was designed to solve would be exacerbated. Don't let this experiment take place. It is a disaster waiting to happen.

Sincerely,
Raymond Klein

Dear San Diego lawmakers in California,

While our daughter was in school at UCSD my wife and I used short term rentals for our visits which increased in frequency when our grand daughter was born! We so enjoyed the La Jolla area that we purchased a second "retirement" home in La Jolla 3 years ago. We are dual citizens and plan to retire to our home in La Jolla once both of us are retired (but one of us is still employed in Canada).

When we are not living in our home we employ a local, well-run, management company to handle short term rentals for us. It would be difficult for us financially to own this home if we are not able to rent it out for short term rentals in our absence. We currently return at least twice a year for between 2 weeks (anytime) and four months (of the winter) each year. We employ many local folks like gardeners, roofers, painters, carpenters, rug cleaners, etc to maintain our home.

We believe STRs are beneficial to La Jolla and San Diego in many ways. When visiting, families need more space and access to a proper kitchen than is available in hotels/motels . A business person is more likely to bring the family along if suitable accommodations are available. These visitors will spend money in many retail shops, restaurants, and especially the wonderful recreational activities like the zoo, Balboa Park, museums, aquarium etc.

I attended the Dec., 2017 meeting of San Diego Council at which public testimony was heard from a broad cross-section of our community. I listened carefully and my thoughts then remain pertinent now.

1) The housing shortage in SD should be addressed directly by encouraging the private sector to build what is needed to overcome the shortage and not by regulations that interfere with what resident homeowners do with their homes.

2) SD should be a leader and not a follower. And it is in many respects (e.g., free internet at the airport; Uber and Lyft). We can lead by accepting and fostering the sharing economy now.

3) Homeowners should have the right to rent out all or part of their homes for as long as they want/need to. The restrictions in the proposed legislation interfere with this right.

4) There is a valid concern about investors buying up properties and thereby disturbing neighbourhoods. This can and should be addressed by limiting rental permits to one property per owner.

We sincerely hope that the short-term rental bill AB 1731 will be defeated and that you will not only vote against it but also will communicate with other lawmakers about our concerns.

We do vote!

Raymond Klein
292 Bonair Street
La Jolla CA
92037

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 4:04 PM
To: SanDiegoSTR@Coastal
Subject: FW: Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Hi <masihruma@gmail.com>
Sent: Friday, March 4, 2022 3:48 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

To: All members of the California Coastal Commission (CCC)

Dear Sir/Madam.

As you are reviewing the San Diego City Council's new ordinance for Short Term Rental, I am requesting you to kindly consider my concerns.

In November, 2019, we purchased a condominium unit at 4767 Ocean Boulevard, in the Pacific Beach community of San Diego. This unit is located in a 12-story building with 140 units which is commonly known as Capri by the Sea. This property is located in the Commercial Visitor Zone and is surrounded by hotels/motels. We purchased this property with an understanding that it would be exempt from any future Short Term Rental Ordinance. If the CCC approves the City of San Diego STR Ordinance, we will be placed in a lottery system to see if we can still continue renting to visitors at a very reasonable rental rates while the neighboring hotels/motels will continue to operate as before and raise their rates. The CCC must consider that we offer “Home away from home” at much reduced rate (compared to the Hotel/Motel industry) to other Californians from inland areas to enjoy that coast. The fortunate residents of San Diego living in the coastal areas are enjoying the closeness to the ocean pretty much all year round. The City is catering to their interest and trying to restrict this opportunity to others. However, the CCC as a State entity should be looking at the interest of the other residents of California from inland areas.

A Commercial Visitor Zone, especially in the public beach area, is not the same as a residential zone that is 10 miles inland and should not be treated the same way. The CCC should not reduce the more affordable places

for families to stay in the Commercial Visitor Zone along the coast. I believe this reduction in short term rentals in the beach area will cause the prices to increase which will have an impact on affordable places to stay in the beach area. If there are less short term rentals both the remaining ones and the hotel industry will each increase their rates.

Therefore, I am requesting the CCC to ask the City of San Diego to 1) exempt the properties in the Commercial Visitor Zone from this ordinance and 2) exempt the properties up to one mile from the coast from this proposed ordinance. This will enable the residents from inland areas of California to find affordable vacation rentals along the San Diego coast.

Respectfully submitted.

Mahmood Hossain
14260 Caminito Lazanja
San Diego, CA 92127
(858) 504-1529

Virus-free. www.avg.com

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:26 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: james hamilton <jhamilto@san.rr.com>
Sent: Thursday, March 3, 2022 3:13 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

THE CITY NOR COASTAL STAFF HAVE ADDRESSED THE LOST OF JOBS OF THE MINORITIES OR LOW INCOME CLEANERS WHO CLEAN VACATION RENTALS. WITH SAN DIEGO'S PLAN THE LOSS WILL BE IN EXCESS 2000 EMPLOYEES. WILL THESE PEOPLE GET SHAFTED AS THEY ALWAYS DO AT THE HANDS OF THE COASTAL COMMISSION AND CITY?

Sent from Mail for Windows

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:26 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: james hamilton <jhamilto@san.rr.com>
Sent: Thursday, March 3, 2022 3:26 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Cc: james hamilton <jhamilto@san.rr.com>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

THE CITY NOR COMMISSION STAFF HAVE RECOGNIZED THAT BY GIVING MISSION BEACH A HIGHER NUMBER OF RENTALS, BY DISCRIMINATING AGAINST OTHER BEACH OWNERS IS BLATANTLY UNFAIR. I CANNOT BELIEVE THE COASTAL COMMISSION WILL DO THIS WITH OPEN EYES.
Sent from Mail for Windows

LETTER MEMORANDUM

TO: Honorable California Coastal Commissioners

FROM: Mission Beach Precise Planning Board ("MBPPB")

DATE: March 3, 2022

Re: March 9, 2022 Agenda Item – 14(f) City of San Diego
LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

BACKGROUND

On November 17, 2020, the MBPPB voted unanimously to oppose the Tier 4 carve-out of Mission Beach in the STRO. We strongly believe Mission Beach is not being treated equitably in the proposed STRO regulations under consideration. Mission Beach is one of the highest density communities in the City. The Tier 4 carve-out allows an arbitrarily-established high percentage – 30% of the total housing units in the Mission Beach community – to be used for whole home short term rentals thereby exacerbating the long-term residential housing stock available to residents.

We contend the whole home rentals without an owner or long-term lessee on site are commercial enterprises and not a compatible use in residential zones. The Tier 4 30% carve-out is an unusual proposal that treats one community differently from the rest of the City and other beach communities (up to 1% of housing units outside of Mission Beach).

It is important to point out that during this entire STRO process, no input from the MBPPB was requested by our District 2 Councilmember or other City officials even though the MBPPB is the City's recognized advisory community planning group for Mission Beach. The City's rationale for including a separate Tier 4 for Mission Beach under the proposed STRO relies entirely on the 30% recommendation of the Mission Beach Town Council ("MBTC"). The MBTC represents a small portion of residents and business owners in Mission Beach. Its members must pay an annual membership fee to belong to this select group to vote on MBTC issues. A majority of its officers are made up of short term rental proponents. It does not represent all of the residents of the community.

No data or logical explanation has yet to be offered for the high 30% threshold by the City.

NOTE: City of San Diego Staff Reports to the Planning Commission and City Council state that the City based its 30% threshold on "recommendations by the MBTC," without explaining how that 30% threshold was determined by the MBTC. Now, The California Coastal Commission Staff Report dated February 17, 2022 states that the City's explanation for the 30% threshold is based on "a 2018 City analysis of available data regarding private property ownership within Mission Beach found that roughly one-third of property owners in Mission Beach owned two or more units, and 309 property owners own three or more units." There is no mention of the MBTC's arbitrary 30% recommendation in the City's decision-making process. It still does not explain whether these property owners actually rent their units for community residential housing or short term rental use and how the 30% threshold was reached based on that information.

MBPPB RECOMMENDATIONS TO BALANCE INCONSISTENCIES IN THE STRO

While the MBPPB opposes the Tier 4 30% carve-out of Mission Beach from the rest of the City, we would support a Tier 4 **AMENDMENT** to reduce the arbitrarily established high percentage of 30% of housing units available for short term residential use in Mission Beach.

The MBPPB recommended the following modifications to lessen the detrimental impact on our neighborhood and housing stock that the Tier 4 carve-out will present. The recommendations listed below help to balance the inconsistencies of the STRO in the City's General Plan, the Mission Beach Precise Plan, the Mission Beach Planned District Ordinance and the Local Coastal Program Addendum, which will be discussed in more detail in this document where applicable.

- Reduce the high percentage allowing "up to 30% of the housing units to be used for whole home short term rentals" to **10% - 15%** to ensure long-term residential housing stock for residents to function as a residential neighborhood;

- The MBPPB supports a three (3) night minimum stay. The two (2) consecutive night minimum stay is unacceptable. The two-night minimum rental causes a disproportionate percentage of uncontrolled party events in a residential zone that would not be tolerated at any hotel or resort where security is available;

- Parking requirements need further clarification. Public and residential parking will be drastically reduced in our community by short term rentals and needs further review.

- Occupancy limits need to be quantified in the STRO from the Building Code to reduce propensity for party houses. Two persons per bedroom plus 2 is common;

- The Mission Beach community consists mostly of single and multi-family residences (one to three unit buildings) and is zoned for these types of dwelling units. Short term rental units are commercial enterprises conducted in a residential neighborhood and should be called out accordingly. The MBPPB encourages a percentage of short term rental units in Neighborhood Commercial (NC) and Visitor Commercial (VC) Zones, which would lessen the spread of short term rental units in its Residential Zones, thereby increasing the long-term residential housing stock available in Mission Beach.

THE STRO IS INCONSISTENT WITH THE GENERAL PLAN, MISSION BEACH PRECISE PLAN, PLANNED DISTRICT ORDINANCE AND LOCAL COASTAL PROGRAM ADDENDUM

(1) **Equitable Balance in Percentage of Housing Units used for STR's**. The Mission Beach Precise Plan ("Plan") at page 27 points out that "[T]here are two basic needs in terms of housing that must be fulfilled in Mission Beach. One is to continue the balance where it presently exists. The second is to promote a balance where it does not exist by redirecting development trends." The Plan goes on to

explain that the Housing Element of the General Plan advocates that "every community in San Diego should be economically and ethnically balanced."

Further, "Council Policy 600-19 requires the Council do whatever is reasonably and practically possible in all of San Diego's developed Communities to realize the development of economic and racial balance." The Plan also warns that the "limited amount of land in Mission Beach, coupled with its extremely high value, makes the task of maintaining an economic balance, and creating a balance in ways that it does not now exist, a difficult task." It goes on to portend that "[I]f such a task is not accomplished, however, the result will be the continued development of luxury apartments . . . . The final result will be a rich ghetto, catering to one life style only. This could result in Mission Beach becoming the most unbalanced community in San Diego." The Parks and Recreation section in the Plan at page 46 and the *Overall Goals* section at page 13 allows for "[T]he accommodation of visitors to the beach without creating an adverse impact upon the residents of Mission Beach.

The Tier 4 30% short term rental occupancy in Mission Beach would disrupt the balance where it presently exists and is inconsistent with the Plan. The increased number of visitors to the beach from short term rentals will cause an intensification of residential use that can have an adverse impact upon parking for visitors and residents of Mission Beach.

(2) **Inadequate Parking**. Short term rentals will create an intensification of residential use by increasing the impacts on coastal resources in Mission Beach and will have a disproportionate impact on public and residential parking by drastically reducing parking and aggravating traffic congestion in our community (Coastal Zone Regulations Chapter 13.20). The most affordable access to the coast is day use and parking for day use is an important coastal resource.

Many short term rental units advertise "sleeps 12+" but only offer one (1) parking space. During the summer months, vacation rentals use 20% - 50% of the spaces in public parking lots (500 – 1,200 spaces). This would occur with residents, but residents go to work leaving spaces available for day users to have access to the coast.

The Plan points out that the lack of adequate off-street parking facilities is one of the most critical problems facing Mission Beach (page 21). The Plan's *Overall Goals* calls for the reduction of overall vehicular congestion existing in Mission Beach (page 13).

Public parking for low cost day use will be adversely impacted by the high number of STR units with inadequate parking.

(3) **The STRO is inconsistent with Coastal Act and Plan Re: New Development**. Section 30106 of the Coastal Act defines "development" to include a "change in the density or intensity of use of land" or a "change in the intensity of use of water, or of access thereto." Under this definition, short term rental use in the Coastal Zone constitutes "development." Moreover, the Coastal Act at Section 30250 (c) of the Pub. Res. Code prescribes that visitor-serving facilities be located in existing isolated developments or at selected points of attraction for visitors unless they cannot be feasibly located there. The STRO does not address why short term rentals cannot be located outside residential zones.

The Plan at page 39 allows for Neighborhood commercial development (mixed-use buildings) in seven (7) commercial districts in Mission Beach – Pacific Beach Drive District; Santa Clara District; Lido Court District; Ventura District; San Fernando District; San Gabriel District; and San Diego Place District. The legend and zoning map for *Commercial Proposals* for Neighborhood Commercial and Commercial Recreation can be found at page 37 of the Plan.

The Local Coastal Program Addendum at page 7 provides information regarding visitor-serving commercial uses.

> "Commercial-recreation or visitor-commercial uses are visitor-serving uses including: hotels and motels, establishments for food and beverage service, retail convenience sales, tourist-oriented specialty shops, personal services, recreation, entertainment and sports equipment rental."

The Municipal Code at Section 131.0112(a)(6)(K) defines visitor accommodations as "uses that provide lodging, or a combination of lodging, food, and entertainment, primarily to visitors and tourists." By this definition, short term rentals qualify as visitor accommodations.

Based on a 2017 study of possible vacation rentals in commercial zones in Mission Beach, we found a total of 310 Units can potentially be available for use as STR units. See information below.

ZONE	PARCELS	UNITS
VC-N: 1 Unit/Parcel	41	41
VC-S: 2 Units/Parcel	12	24
NC-N: 1 Unit/Parcel	177	177
NC-S: 2 Units/Parcel	34	68
TOTALS	264	**310**

The MBPPB encourages a percentage of short term rental units in Neighborhood Commercial (NC) and Visitor Commercial (VC) Zones, which would lessen the spread of short term rental units in its Residential Zones, thereby increasing the long-term residential housing stock available in Mission Beach.

(5) **STRO inconsistencies in the Mission Beach PDO**. The MBPPB reviewed Chapter 5 Article 10 in the context of the STRO and its relationship and applicability to the PDO. In its present form, the STRO is not in compliance with the Local Coastal Program. Below is a Summary of those areas of concern that need to be addressed in the STRO and PDO.

- Chapter 15 Article 1 requires any land use and development regulation be incorporated into the PDO.

- Chapter 15 Article 13 requires any Chapters of the Municipal Code that are applicable to Mission Beach must be listed in the PDO. Chapter 5 Article 10 must be included in the list of applicable regulations in the PDO.

- Chapter 15 Article 13 requires any permitted uses allowed in Mission Beach must be listed in the *Permitted Uses* section of the PDO. Short term rentals are a separate and distinct "use" as was "Boarders and Lodgers" before being removed from the PDO. Short term rental use must be listed under the *Permitted Uses* section of the PDO. It is a new type of residential use that the California Coastal Commission itself recognizes as an intensification of residential use.

- Chapter 15 Article 13 requires any deviation from the current PDO *parking requirements* be incorporated in the PDO.

  STRO parking deviations must be set forth separately in its own section of the *Parking* portion of the PDO at §1513.0403 at pages 51-52 of the proposed STRO. The existing parking requirements for new development should not be reworded.

  The PDO change in the proposed STRO wording from **"on premises"** to **"off street"** parking must be changed back to **"on premises."** Off street parking is not permitted in the Coastal Zone for residential units.

  The differentiation between "new residential development parking requirements" and "short term rental parking requirements" are different and need to be set out in the PDO. *Existing PDO wording for residential new development parking requirements should remain.*

The City has chosen to single out Mission Beach with a much higher ratio of short term rental units to dwelling units than the rest of the City and with that decision comes a difficult responsibility to protect and balance Mission Beach's residential character with transient short term rentals. Focus on the STRO parking requirements, occupancy limits and strict enforcement can help mitigate these issues.

The residents of San Diego and Mission Beach have made it clear that we want to live in neighborhoods next to neighbors, not visitor accommodations. We ask for your help by making these recommended modifications to the proposed STRO and **AMENDING** Tier 4 <u>to reduce the arbitrarily-established high percentage of 30% of housing units available for short term residential use in Mission Beach</u> to **10% - 15%** to lessen the detrimental impact on our neighborhood and housing stock that the Tier 4 carve-out presents.

Please do not hesitate to contact the undersigned if you have any further questions. Thank you.

Respectfully submitted,

Debbie Watkins

Debbie Watkins, Chair
Mission Beach Precise Planning Board
dkwatkns@aol.com

cc. Diana Lilly, District Manager (San Diego Coast District)
Kanani Leslie, District Supervisor (San Diego Coast District)
Alexander Llerandi, Coastal Planner (San Diego Coast District)

Llerandi, Alexander@Coastal

From: Mark Grundland <grundymark@yahoo.com>
Sent: Friday, February 18, 2022 11:00 AM
To: SanDiegoSTR@Coastal
Subject: Against Short Term Vacation Rentals in Residential Zones

Dear Coastal Commission Representative,

I am against STVR's in residential zones for the following reasons:

- The majority of whole house rentals were formed for large groups so they could have loud noisy parties.
- Increases traffic within a neighborhood.
- Excessive trash due to many people and high turn over rate of new people.
- Scooters dumped off at all locations within the neighborhood. This is a safety issue.
- Corporations or LLC's are purchasing multiple properties to run as a business. This drives up the cost of housing. Limits actual real home owners to live and own in a neighborhood, and limits the amount of housing available to permanent renters. Communities are being lost. Schools are closing.
- Crime increases due to unknown people renting on a short term basis.

Inexpensive access to the coast for vacationers is not a reason to change our neighborhoods. We need to think about preserving our communities.

Sincerely,

Mark Grundland
335 Ricardo Pl
La Jolla, CA 92037

Llerandi, Alexander@Coastal

From: Kimberly Croydon <kcroydon@gmail.com>
Sent: Monday, February 21, 2022 2:35 PM
To: SanDiegoSTR@Coastal
Subject: CCC - say NO to STRs!

Dear CA CC investigator:
San Diego has a housing shortage. Why would we use up limited housing for hotels in neighborhoods? And the thought that we would create mini-hotels in neighborhoods to benefit off-site investors is ludicrous! A win for the few at the cost of the many is a mind-bending failure.

Kimberly Croydon
5558 Bellevue Ave, La Jolla, Ca 92037

Llerandi, Alexander@Coastal

From: Linda Weir <linda-uliboards@hotmail.com>
Sent: Friday, March 4, 2022 2:34 PM
To: Llerandi, Alexander@Coastal
Subject: District 2

However, it is no surprise as the head of the San Diego & Imperial Counties Labor Council AFL-CIO is Brigette Browning, whom Campbell made a strategic alliance with to craft the controversial agreement with a billionaire dollar homeshare corporation over short-term vacation rentals (which goes before the Calif Coastal Commission next week, March 9). That agreement was one of the main reasons there was an insurgent recall campaign against Campbell last year.

Sent from my iPad

Llerandi, Alexander@Coastal

From: Karen Sumek <karensumek@gmail.com>
Sent: Friday, February 18, 2022 8:08 AM
To: SanDiegoSTR@Coastal
Subject: Facts about STR

Follow Up Flag: Follow up
Flag Status: Completed

Please review this email and understand the personal impact of STRs on a community.

We moved to a little home in north PB in 2006. Soon after, 12 families formed community groups, bunco, poker, 4th of July parades, beach gatherings, surf sessions, SDJG. Neighbors now send their children to PB elementary, middle, and Mission Bay high school because we felt like a community and wanted it to grow. To this day, homes rarely are available for sale in our 4-5 block area.
In 2013, my 12 year old daughter ran into my room at 2 am. She cried there was a man in her bed. We cleared the house, called the police, and comforted our traumatized child. The police, in raid like fashion, pulled the grown man from her bed. He was vacation renting a house nearby and wandered in extremely intoxicated and passed out in her bed. This event caused irreparable mental damage to our child for which we moved to a security guarded community and have spent countless hours and money trying to quell her fears and anxiety with psychiatrists.

Our city needs to keep zoning the way it is, not allowing multi family and transient housing in single family areas. I understand a single story casita, granny flat with a setback, parking, and landscape requirements. This is not that. It allows many units on a R1. That is not what the current owners purchased. No additional parking, no landscape requirement, no setbacks, huge height limits, no additional police assistance (noise and crime increases are well documented in LA and other areas with large quantities of STVRs), no CEQA mitigation for decimation of what wildlife remains, stormwater contamination, potential groundwater contamination, reduction of tree cover increasing heat island effect (we have 13% tree cover is SD, we could have 30% with available parkways planted), traffic increase with inadequate parking, increased trips per days, air quality as a result of this. None of these are being considered though it is the largest development project (typically subject to CEQA) we've ever had- it includes almost all of our coast!

I recently created a mup for a proposed winery in east county, we spent $750,000, thousands of pages of studies for CEQA and planning department reviews and scrutiny. A small winery! No, it's not coming due to the new traffic trips per day requirement that would have costs millions (not exaggerating).

This is inequitable to sf development as well. To rebuild a home in La Jolla, you have a quagmire of hoops to jump through at the city as they review at a snails pace (usually 3x the promised due dates). You have to dig a massive bio retention basin filled with plastic(?!) to mitigate stormwater, so environmentally clueless. For example, we have redeveloped 3 houses in a row, each taking a year. All have a main house and casita. The first one, we had to sign a document promising not to sublease the casita. The second, we had to call it an ADU, the third one was preemptively given its own address. This is an example of rapidly changing policies.

I have always thought Coastal Commission review to be the definitive decision on development. I have the impression, the Coastal Commission is the most educated and equitable source for quality of our coastline.

Please consider these statements in your review decision.
Thank you for reading,

Karen Sumek

Landscape Architect
619-212-3855

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 4:04 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public comment for 3/9/22 Item 14F
Attachments: cd2newsrelease200701.pdf; IBA 21-06_impacts_of_proposed_stro_regulations_on_tot_revneue.pdf; airbnb, data screenshots.pdf

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From: Kevin Hastings <obplanningkevin@gmail.com>
Sent: Friday, March 4, 2022 1:01 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public comment for 3/9/22 Item 14F

Commissioners,

<u>The 30% STRO license allowance for Mission Beach will contribute to a severe shortage of public parking and disproportionately impact coastal access for daytime visitors and low-income visitors that cannot afford $700 per night for a vacation rental. The license quantity in Mission Beach should be reduced, and/or include minimum parking requirements to mitigate the impacts of the intensified use.</u>

The Mission Beach community is a 0.6 sq mile strip of land surrounded by water. The median home is 60 years old, built when only 1 off-street parking space was required per dwelling. Homes built since 1997 (approximately 6%) required up to 2.5 parking spaces per dwelling, but recent and pending laws are allowing zero off-street parking spaces for ADUs and some dwelling units. Mission Beach is served by 1 bus line connecting it to Old Town and Pacific Beach. This development history in combination with increasing conversion of homes to unregulated vacation rentals, has led to a severe shortage of public parking in Mission Beach.

The pending STRO ordinance would codify up to 1,081 dwellings (30%) to operate as year-round vacation rentals without imposing any parking requirements. The city has not provided a quantitative basis for how this 30% allowance and intensified use impacts coastal access for others not utilizing STROs. The city initially claimed this ordinance would reduce whole-home STROs by 70% overall, and now claims a reduction of 48% citywide and 27% in Mission Beach. This is contradicted by their own Independent Budget Analyst (IBA) report, dated 2/19/21. The IBA report shows a 4% to 16% reduction of self-identified “whole-home” rentals within Mission Beach, and 20-30% city-wide (page 4). Independent data-scraping websites provide more info on Mission Beach. Airdna.co shows 988 whole-home rentals listed for more than 90 days per year, with 785 booked for more than 90 days. Insideairbnb.com shows 1,138 whole-home rentals listed for more than 60 days per year with 628 booked more than 60 days. Further, none of these metrics indicate how many whole-home listings are actually a host-on-site-duplex, primary-resident-home-swap, or other scenario that exempts them from the Tier-4 license cap. My personal experience is any place with its own kitchen, bathroom, and private access is listed as a “whole-home”, including some that would be considered a home-share under this ordinance. Based on this data, it is likely the Tier-4 cap will generally preserve or may even allow an increase in the number of “whole-home” Mission Beach listings, along with their negative impacts on access for non-STRO visitors.

A snapshot of Airbnb in Mission Beach shows the average listing at $530 per night during a summer weekend. Taxes and fees increase the cost to approximately $700 per night. This is not affordable to low-income families, many whose only alternative means to visit the area depends on the accessibility of public parking.

If STRO licenses are allowed in this significant concentration within Mission Beach, off-street parking requirements must be imposed in order to mitigate the impact on other types of visitors. This could be done based on guest occupancy or bedroom count, or using current residential parking standards. San Diego's current laws for bed-and-breakfasts and visitor accommodations require 1 off-street parking space per guest room. The current law for "boarder & lodger accommodations" requires 1 parking space per 2 guests.

Attachments:

airbnb, data screenshots.pdf - Supporting documents for quantities, costs
cd2newsrelease200701.pdf - Press release claiming 70% STRO reduction
IBA 21-06_impacts_of_proposed_stro_regulations_on_tot_revneue.pdf - SD IBA Report

Sincerely,

Kevin Hastings, P.E.

Ocean Beach Planning Board, Vice Chair
oceanbeachplanning.org

All views and opinions here-in are those of the Board member and do not necessarily reflect official positions of the Ocean Beach Planning Board unless explicitly stated.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 2:57 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment for March 2022: Agenda Item Wednesday 14F

-----Original Message-----
From: Gregory F Smith <smithgregoryf@yahoo.com>
Sent: Friday, March 4, 2022 2:30 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment for March 2022: Agenda Item Wednesday 14F

Dear Madam and Sir,

I own a single family property in Mission Beach, San Diego, CA. This property is currently a 'Short Term Vacation' rental. This property will certainly be impacted by the City's pending STR ordinance. Potentially, significant due to the pending flawed lottery system to determine who/whom may be granted an STR license. I believe the system is flawed due to convoluted 'stratification' system, that will increase STRs in some areas and diminish STRs in others. It appears that high demand beach areas, such as Mission/Pacific Beach would be adversely affected.

I propose allowing existing STRs that are 'good actors' to remain and achieve the City's 1% goal through STR attrition. Additionally, the City ordinance applies this same concept to Commercial-Visitor zones, which adversely affects potential STRs contained within. I believe the STR ordinance was drafted to address issues only within residential areas.

I propose EXEMPTING Commercial-Visitor zones from this ordinance.

Respectfully,

Greg Smith
811 San Jose Place
San Diego, CA. 92109

Sent from my iPad

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 2:57 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment for March 2022: Agenda Item Wednesday 14F."

From: greg sullivan <gksull@yahoo.com>
Sent: Friday, March 4, 2022 2:38 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment for March 2022: Agenda Item Wednesday 14F."

Coastal Commission Members,

As you review the San Diego City Council's new ordinance for Short Term Rentals, please keep these concerns in mind.

Reduction in rentals in the Commercial-Visitor Zone along the Coast

The current Commercial-Visitor Zone in the Pacific Beach area was not exempted from this ordinance. Councilwoman Vivian Moreno asked the Council President, Jen Campbell, why it was not exempted and her inadequate, simplistic answer was that all zones in the city were treated alike (with no explanation). This Commercial Visitor zone is in a public beach area it is not the same as a residential zone that is inland and should not be treated the same. The Commercial Visitor Zone is full of hotels, short term rentals provide a lower cost alternatives for families to stay close to the beach. Short term rentals increase access to the beach without staying in expensive hotels and eating in expensive restaurants. Eliminating this option reduces more affordable places for families to stay in the Commercial-Visitor Zone along the coast. The Pacific Terrace Hotel next door to my condominium is charging 669 per night in March 2022 and over 800 per night in the summer.

Lottery Methodology

At the zoom meeting the city put up a chart to introduce the "Stratification" they plan to use in the lottery. This slide is labeled "Tier 3 Lottery Methodology - Example". I believe this reduction in short term rentals in the beach area will cause the prices to increase which will have an impact on affordable places to stay in the beach area. If there are less short term rentals both the remaining ones AND the hotels will each increase in price due to Supply and Demand.

Thank you,
greg sullivan

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 4:03 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment for March 2022: Agenda Item Wednesday 14F."

-----Original Message-----
From: Bruce W Stein <steinb@sbcglobal.net>
Sent: Friday, March 4, 2022 3:43 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment for March 2022: Agenda Item Wednesday 14F."

Dear Coastal Commission.

The Short Term Vacation Rental subject has been brought up several times by the SD City Council wanting them to be reduced and regulated. For why is incomprehensible to me and I hope many of you find it the same. It's incomprehensible when Tourism ranks in the top five revenue producers in San Diego and now the City Council wants to impose limits on STR's especially at the beaches thereby reducing revenue to our city.

I have a vacation rental on Sail Bay which is less than a mile from the coastal zone for nearly three years. I have NOT had ONE problem with ANY vacation renter. I am a good actor and would NOT tolerate any problems with a renter. I have respect for my neighbors as a number one priority. I purchased my one bedroom one bath condo to provide added income that I need. By reducing the number of existing units or having a lottery or some such there of could have a devastating impact on my livelihood.

IF there's a need to have some controls over STR's please don't reduce what's already there. Grandfather all existing units ESPECIALLY those at the beach areas specifically west of I-5. Don't penalize good actors. Don't take income away from those who need it.

The hotels and motels all have been lobbying at the SD City Council against STR's. By the number of STR's shows there's a need for them. They provide an alternative to staying at a hotel or motel.

Please include STR's for the entire beach area to include Sail Bay.

Thank you for your consideration and changes to meet this need.

Bruce Stein
Sent from my iPad

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 4:03 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals) - QUESTIONS

From: Law Office of Mark A. Chmelewski, PS <mac@mac1law.com>
Sent: Friday, March 4, 2022 3:33 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals) - QUESTIONS

Sir/Madam:

The California Coastal Commission's mission statement is committed to protecting and enhancing California's coast and ocean for present and future generations. How does this Amendment serve that goal?
$
$$$$$$$$The Coastal Act includes specific policies that address shoreline public access and recreation and lower cost visitor accommodations. How does this Amendment serve that goal? This Amendment would most likely decrease public access and increase cost for visitor accommodations.

Would this Amendment balance short term residential house and long term housing or in effect be a government " taking" – and greatly limiting a property owner's quiet enjoyment and use of their property?

What is the overriding public benefit and need to control, police and create a new set of regulations governing "all aspects of STRO activities"?

What is the cost of creating this new set of regulations?

By what calculation and manner where caps determined?

What remedies and options are available for the homeowners in Mission Beach who are not successful for obtaining one of the limited 1,081 licenses to rent their homes? A forced sale? Foreclosure? End or retirement dream?

If this Amendment is inconsistent with policies that strongly support the protection of overnight accommodations and accommodations that traditional hotels can not provide, why support such inconsistencies?

Wouldn't this Amendment greatly reduce the opportunity for visitors who prefer the experience of living in a community like a "local" over the commercial experience of staying in a branded hotel?

If it is “unclear” the extent to which short term rentals impact housing price or availability – why proceed with this Amendment?

How does this Amendment address the housing needs and community character of Mission Beach? How would it affect housing prices going forward?

If short term rentals are not considered affordable to rent or buy how could they ever become a dominate portion of the City’s housing supply? Isn’t that an inconsistency?

Doesn’t the City already have enforcement policies, procedures and mechanisms to cite homeowners and/or their guests who fail to follow the City’s current laws and regulations?

Isn’t the City’s proposal to cap short term rentals that will reduce the supply of visitor serving accommodations inconsistent with the Mission Statement of the Commission?

What balancing tests have been done to weigh the benefits of short term rentals vs. the potential burdens to those communities? Basis of the test? What objective standards were used for testing?

How specifically does this Amendment preserve the quality of life in the Mission Beach neighborhood **and** protect private property rights – if a homeowner is not successful in obtaining a license? Wouldn’t it then amount to a government “taking”?

What information is the basis for the “carve out” of Mission Beach limiting the cap to 30% of available housing?

If there are 1,480 short term rentals in Mission Beach which equals 41% of dwelling units and with a cap of 30% - what is the remedy for the 11% of homeowners who can not generate necessary income to service their mortgages?

With this Amendment resulting in 28% fewer short term rentals available in Mission Beach – how could it not have an adverse impact on public access and visitor recreation in Mission Beach, impacting the tourist population negatively?

Wouldn’t this Amendment impact the tourist populated that have historically visited Mission Beach – renting short term rentals for their families for generations? Resulting in a family tradition no longer available?

Will the lottery system for Mission Beach simply award licenses randomly or based on a “points system” proposed by the City?

Isn’t there a danger of the brand-new nature of this regulatory system in creating a certain element of uncertainty as to how all of the impacts to the general overnight accommodation market will play out? How can homeowners plan a future with such uncertainty?

What is the danger should the Amendment having a decrease **by half** – a substantial volume – should the Amendment somehow have the unforeseen consequences of reducing short term rental options even further?

What is the proper balance between public access, community character and the rights of homeownership? Who weighs the balance, who interprets the results? Who rules in favor of tourism and visitors vs homeowners?

Why a two year license? Tier I and Tier II licenses granted in Mission Beach don't count towards the 30% cap, why not include Tier III? How have the application process and license fees been determined?

Why does the Commission assume that housing stock will increase over time? Where, how could housing stock possibly increase in already densely populated Mission Beach?

Won't the **required** posting of "good neighbor" policies in publicly visible areas create a visual blight, resulting in more visual signage littering the coastal land and seascape? This does impact coastal resources.

While the publicly posting requirement may not substantially impact the primary issues of short term rentals, doesn't the requirement affect the quality and character of public access?

Doesn't the publicly positing requirement specifically not protect but in fact clutter public view and scenic resources in an environmentally sensitive coastal area?

With tourism being the third largest economic driver in the City, does this Amendment increase or will it ultimately decrease coastal tourism?

Was the "average capacity" calculated in the Amendment? 2 bedroom vs. 3-4 bedroom short term rental home?

Was the average daily rate (ADR) calculated on a daily, monthly, seasonal or yearly basis?

How were average short term rental occupancy rates calculated – was the global pandemic's affect on rentals included in calculation? Why wasn't occupancy rate calculated on a number of years?

Why is lottery eligibility and the creation and prioritization of "good actors" and a weighted scale and points assignment not incorporated or being reviewed by the Commission? How could it not affect the land use aspect of short term rentals?

How is geographic distribution of licenses directly relevant to the protection of overnight accommodations in the coastal zone and how those licenses are distributed not relevant? An Inconsistency?

Are Mission Beach homeowners to simply rely upon a fluke of probability in obtaining a randomly awarded license?

Isn't the Amendment decreasing the number of short term rentals in Mission Beach by 28% going to decrease inventory of short term rentals, thus increasing cost of rentals? Again, an inconsistent position with Commission's mission statement.

Doesn't the City's proposed lottery system protect and promote traditional low cost accommodations, motels, hostels and campgrounds over the rights of Mission Beach homeowners?

As a new program, shouldn't the full impact and scope of the Amendment be fully know and not merely speculated?

What specifically is "the trigger" for reevaluation of the Amendment to timely address any unexpected adverse impacts to public access?

Finally, what are the consequences to homeowners who do not win the lottery? Those that purchased homes as retirement homes in the future and required short term rental income to service their mortgage debt? Abandon their dream of coastal retirement? Return to renting hotel rooms? Having their houses foreclosed upon? Never visit San Diego again? Purchase a home in another location?

Thank you for your time and thoughtful consideration of this matter.

Respectfully,

Mark A. Chmelewski

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410 North Pine Street
Ellensburg, WA 98926
509-933-1529

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 4:41 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Donald Wagner <outlook_1120E85C8C94149F@outlook.com>
Sent: Friday, March 4, 2022 4:23 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Dear California Coastal Commission,

I have a few comments below for your consideration.

1. **Definition of "Host" for Whole Home STR-Units:**

Please request that the definition of "Host" in the STRO Ordinance be strengthened to disallow investors who operate multiple whole home STRO-units from effectively obtaining more than one license. Closing this loophole is essential to assure a level playing field and equality for market participants. The "Host" definition under Tiers 3 and 4 should disallow investors with multiple whole home STRO-units from contracting or engaging family members and third parties who could qualify as a "Host" on their behalf. Under the current STRO Ordinance, investors with multiple STR-units can grant the legal right to use their multiple properties to spouses, children, relatives, business associates, employees, neighbors, or others, who could become "Hosts" and secure licenses on behalf of the investor. In substance, a multiple STRO-unit investor could indirectly have more than one license very easily by engaging multiple "Hosts" for multiple STRO-units.
In addition, most whole home STRO-units are operated as commercial businesses in residential neighborhoods. Please request that the definition of "Host" also require the "Host" to have a substantive ownership interest in the whole home STRO-unit that is verifiable.

2. **Short-Term Residential Occupancy Lottery - Tier 3 and Tier 4 Good Actor Prioritization**

Please request that the definition of a good actor be expanded to also include no verifiable complaints reported to the San Diego Police Department or to City Council members. There are a significant number of neighbors in residential neighborhoods who have reported repeated nuisance activity at whole home STRO-units in their neighborhoods. This should be recognized in the prioritization of good actors. The City's definition of a good actor includes no verifiable violations in which a penalty was issued by the City's Development Services Department. The irony of this is that the City's Development Services Department has done very little to enforce the code, and very few penalties have been issued.

3. **Limitation of Number of STRO-Units on a Street**

Please request that a distance limit be included in the STRO Ordinance that governs how close licensed STRO-units can be to other licensed STRO-units on a residential street or within a concentrated area of a residential neighborhood. Residential neighborhoods need protection so that licensed STRO-units are not in close proximity to each other, which would help preserve the integrity and heritage of residential neighborhoods.

Respectfully submitted,

Don Wagner
3305 State St.
San Diego, CA 92103
619-818-4842

Sent from Mail for Windows

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Monday, March 7, 2022 8:19 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)
Attachments: sd_council_coalition_stro_2022-02-18.pdf

From: Jay Goldberg <jaymgoldberg@gmail.com>
Sent: Friday, March 4, 2022 7:00 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Dear Coastal Commision:

I'm writing in support of instituting the San Diego ordinance for STRO, including rentals in the coastal zone.

I would go further by essentially mirroring the opinion of the *San Diego Coalition of Town Councils*. Their recommendation letter is attached as sd_council_coalition_stro_2022-02-18.pdf

I believe, as others do, that commercial businesses operating as guest accommodation do not belong in residential zones. It is not a permitted use according to zoning.

As I understand, the mission of the Coastal Commission is to improve access to beach areas for those who cannot live there.

However, the current structure for short-term rentals does not facilitate affordable access anyway, at least for Mission Beach:

1. the area suffers from a lack of ownership/operator diversity and competitiveness
    a. your own research has found that roughly one-third of property owners in Mission Beach **owned two or more dwelling units**,
    b. the top 10% of operators run 1,449 of the 2,477 registered properties in MB (59%).
    c. consider that 66% of people listing on Airbnb are multi-listing hosts according to insideairbnb.com/san-diego. Again, this is not a “cottage industry”
    d. I tried to find a long-term rental in MB; it’s quite difficult, there is almost no supply.
1. the current operations are mostly entire-property rentals, which clearly does not embody the term “homesharing”
    a. Tier 1&2 will allow essentially unrestricted true homesharing
1. the area suffers from high nightly rates
    a. averaging $689/night on weekends in the summer for a family of 5, the equivalent hotel is $290/night.
    b. these are hardly “affordable” options, they are luxury

There's no doubt that STRs have become more accessible in terms of volume but they certainly have not increased in competitiveness or lowered prices. The idea that adding **more** short-term rentals would increase competitiveness is wishful thinking–without a corresponding increase in host/owner diversity.

If the coastal commission were truly interested in accessibility to the common person, They would advocate for the city to allow up to 30-45 days of rentals per year without any fee or lottery, to allow normal owners the freedom to rent occasionally, while removing the incentive to turn a property into a full-time rental investment property. They would also lobby San Diego to streamline approvals for more hotels in the coastal zone.

Financialization of housing

Unfortunately, San Diego has made decisions that incentivize land hoarding and concentration by wealthy investors. The narrative that these are “mom and pop” rentals does not stand up to scrutiny. The problem with these investment properties is that

1. they hold housing off of the market that could be used as primary residence
2. they are often investors not living in the area, who do not care what disturbances are caused by their properties

Even when it goes into effect, the San Diego legislation:

1. lacks clear enforcement steps and results when disruption occurs, and what constitutes a valid complaint or how many neighbors have to complain for it to matter
2. does not do enough to stem the negative effects on housing supply
3. does not consider neighbor/police reports to determine host eligibility in the lottery, only active Development Services enforcement actions
4. still allows full time, entire property rental, in contravention to the stated goals in the preamble that seek to address the housing supply issues

The statement by the coastal commision in the initial report summary that none of these homes were eligible for families to realistically purchase I find to be a bit obtuse. I counter this with the fact that the housing market is based on upward mobility. Indeed, I know many people who in a few years (myself included) would be eligible to purchase $2-3 million homes, but currently live farther from the coast than they may wish. When they have the opportunity to upgrade homes, they sell their house to the next person.

When houses are hoarded by investors, *this transfer of wealth and opportunity for upward mobility doesn't occur*.

To this end, MB for example, has an uncharacteristic, and detrimental amount of private investment and ownership of homes. As stated by Gary Wanocott, at this point an entire generation of young families has been denied the opportunity to place roots in Mission Beach.

The SD STRO AirBnB agency “Air Concierge” (based in LA) brags about being on an HGTV show *My House is Your House* which has a program description including phrases such as "start the cash flow coming in", "earn homeowners the extra income they deserve" and "these experts guarantee to boost nightly rates". https://www.airconcierge.net/hgtv-my-house-is-your-house

Sonder, LLC, bought most or all of the units in apartment buildings at 715 15TH ST, 825 BROADWAY, 845 BROADWAY, 1501 ISLAND AVE, 552 05TH AVE, 5080 CAMINO DEL ARROYO, 424 15TH ST to turn into de-facto hotels. How is this even legal?

These people are not trying to be a cheap, competitive way to see the coast; they are absorbed with the idea of selling *experiences* and *lifestyle*.

The financialization of this industry has gone too far, and we need to disincentivize these behaviors. I have some confidence that the San Diego legislation will help.

Poor management of properties

I have gathered extensive evidence of individual properties and operators not complying with good neighbor requirements that already exist (along with common decency). There are dozens of neighbors I've interviewed in MB and PB who've lost so much sleep over disruptive properties next to them. This problem didn't exist until STRs became mainstream via Internet platforms.

While some can see that Mission Beach has already been lost to investors, there are people who still live in Mission Beach and who want to enjoy living peacefully in their homes. I, too, had a party pad listed next to me in Hillcrest, that was used for winter formal parties (underage drinking) and bachelor(ette) parties with party buses and all...and had to sue my neighbor to the tune of $10k to get it to stop, and they were already breaking the "no leases under 30 days clause". The city of San Diego just didn't care.

Speak to the neighbors around 813 Santa Clara Pl, 3366/3366/3370 Mission Blvd, 712 Tangiers Ct, 807/809 Devon Ct, 711 Island Ct, or 5054/5056 Cape May, 1214 Archer St, or 819 Sunset Cliffs Blvd about STROs and you'll get a strong response!

Quotes from neighbors:

- "throwing towels over her fence to dry, trash being deposited in everyone's bins even though everyone pays the same price for that service."
- "vomited off of the balcony into our yard"
- "jumped off the balcony onto our fence, breaking it"
- "they brought in a big truck and photographers to take pictures of the hats they sell"

Reviews from guests:

- "...If you are college-aged or ready to party, you will have a great time…
- "...This is a **party house** for sure!!!"
- "Place is super dirty. A **party house**…"
- "frat house experience"
- "...The place is really a **party crash pad** — very basic with minimal amenities.."
- "...It is a **total party house** for a bunch of young people that don't care."
- "Other than that this is nothing but a **worn down frat party house** along with the units surrounding."
- "This is not someone's home they are renting out. They made it very clear this is a large vacationing operation…"

But noise and parties aren't the sole reason people don't necessarily want to live by Airbnbs...people generally just don't care for a rotating cast of characters in their neighborhood from week to week.

Finally, I do agree with **Suggested Modification No. 1:**

> adds ordinance language requiring that Tier III licenses distributed by lottery must be proportionate to community planning area participation in the lottery application to ensure adequate distribution of STRO licenses to the coastal zone.

"Rather than a good vacationer next to me, I'd rather have a neighbor."

Kind regards,

Jay Goldberg
+12108039904
jaymgoldberg@gmail.com

San Diego
COALITION of
Town Councils

Clairemont Town Council • La Jolla Town Council • Mission Beach Town Council
Ocean Beach Town Council • Pacific Beach Town Council

February 16, 2018

Elyse W. Lowe
Director of Land Use and Economic Development
City of San Diego
202 C Street
San Diego, CA 92101

Dear Elyse,

We appreciated the opportunity to meet with you on February 13, and your invitation to provide our Coalition Recommendations to you regarding ordinances governing Short Term Vacation Rentals (STVRs). Our Recommendations for STVR Regulations are conveyed with this letter.

We believe if implemented, our community-based approach preserves the character and quality of life of our neighborhoods, while respecting rights to home sharing. The **SD Coalition of Town Council Recommendations on STVR Regulations** address the whole process; establishing a dedicated Ministerial Enterprise Fund; legally establishing the type and number of STVR entities; monitoring and enforcing their operation; and providing public information to facilitate the monitoring process, enhancing our limited enforcement resources.

Respectfully,

Ann Kerr Bache
Chair STVR Working Group, SD Coalition of Town Councils
President, La Jolla Town Council

S/Greg Daunoras
President, Pacific Beach Town Council

S/Lynn Haims
Clairemont Town Council Coalition Representative

S/Marcus Turner
President, Ocean Beach Town Council

S/Gary Wonacott
President, Mission Beach Town Council

S/Eden Yaege
President, Clairemont Town Council

San Diego Coalition of Town Councils Recommendations for STVR Regulations

Fiscal Management

Establish an Enterprise Fund to which all STVR fees and fines are deposited and dedicated to administration and enforcement.

Permit Process

1. Adopt Bry Proposal, limiting STVRs to Primary Residence only.
2. Impose limits on the number of STVRs in a community. Determination of appropriate limits should give strong weight to recommendations from the communities affected. For example, 1-25 % to preserve our neighborhood character and quality of life, while acknowledging the desire to home share.
3. Limit proximity of STVRs to a range between 50 and 500 feet. Where this limit is currently exceeded, grandfather only existing STVR Operators who have been paying TOT and other business fees and licenses.
4. STVR Permits do not convey when property ownership changes.

Monitoring & Enforcement

1. Include STVR Permits on the Development Services Ministerial Permit Map (https://opendsd.sandiego.gov/Web/Maps/ApprovalsMinisterial), including owner name, local contact for rental information and problem resolution for all permitted STVRs. Include Code Enforcement Actions (https://opendsd.sandiego.gov/Web/Maps/CECase
2. Require Owner to post a sign readable from the street with the owner Permit # and 24 hour Owner Response #.
3. Establish a 24/7 Nuisance Response Plan to ensure fair and effective response to complaints about STVRs. It should include a Vacation Rental Hotline and electronic tools such as a webpage or SD GET IT DONE APP.
4. Establish a certified violation process with effective fines and penalties.
    - $500 first violation
    - $2500 second violation
    - Third Violation: Revoke Permit
    - $1000 fine per renter (transient)
5. Post a "Good Neighbor Policy" on the STVR page on the City website and in a prominent location in the vacation rental property that includes:
    - Notice that this is a residential area, not a commercial zone, and that renters must respect the rights of neighbors.
    - Provide notice that no business signs can be displayed and lighting regulations enforced.
    - San Diego Noise Ordinance Information for Residential areas, including:
        1. A simple explanation of the 40 decibel limit from 10 p.m. to 7 a.m. Provide Notice that Violations of the Noise Ordinance can result in fines of up to $1000 for each transient

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 1:13 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Greg Knight <gregorknight@gmail.com>
Sent: Friday, March 4, 2022 11:30 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

I am writing in response to the city of San Diego STVR ordinance.

I have lived in Mission Beach for over 30 years. The proliferation of short term vacation rentals has drastically changed the charm and character of Mission Beach. Vacation rentals were always on the Bay and Ocean front during the summer, but now they have taken over every court and have changed the look, feel, and character of our courts. Instead of courts of neighbors who look out for each other, the courts have turned to a constant in and out of strangers looking for their STVR. Many of these STVRs do not have or have nearly enough parking so we are constantly having to tow vehicles out of local spots and many of these vehicles end up on the street taking up valuable parking for regular visitors.

I would ask to please reconsider the percentage of STVRs that you are going to allow in Mission Beach. 30% is way too high to maintain a community. I would ask that you look at cutting that number in half 15-20%. Please also make sure that every STVR has ample off street parking and not taking space on the street.

Thank you,
Greg Knight
Isthmus Court, Mission Beach

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Monday, March 7, 2022 8:18 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Gary Wonacott <gwonacott@hotmail.com>
Sent: Friday, March 4, 2022 5:32 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Councilmember Campbell and Venus Molina don't care about affordable beach access or environmental injustice, or the residents' quality of life in Mission Beach or any other metric, bar one, to ensure there are sufficient application fees to pay for the administration of the Short Term Rental Program. Mission Beach has the highest percentage of STR owner/investors who pay their Transient Occupancy Tax (TOT), and as a result, we are carved out at a ridiculously high rate of thirty percent of our total units.

It also does not matter to Councilmember Campbell and Ms. Molina that the STR regulations MOU was negotiated by Ms. Bridgett Browning, previously president of the hotel worker's union, who also was motivated to maximize competition for Evan's Hotels in Mission Beach (the Bahia and the Catamaran), given she was named in litigation between Evan's Hotels and the Hotel Workers Union. How was this conflict of interest not recognized and stopped. Oh, that's right, Ms. Browning's husband is Councilmember Campbell's campaign manager.

In addition, Campbell and Molina have taken Elyse Lowe's lead from the 2018 proposal from the mayor's office and have eliminated any permit requirements that might decrease the number of applicants, including even the most reasonable off-street parking requirements. It doesn't matter that Mission Beach already has a critical parking and access problem whenever the weather is good, and this dramatically impacts day visitor access.

It does not matter to Councilmember Campbell nor Ms. Molina that there is no mechanism in the STR regulations to validate legal construction of units, which would eliminate up to ten percent of STR license applications. These illegally constructed units (i.e., conversion of garages) does not matter to the City.

It also does not matter to Councilmember Campbell and Ms. Molina that the City has never complied with a Coastal Commission requirement in the 1980's that the City conduct a comprehensive traffic assessment that includes Mission Beach, Pacific Beach and Mission Bay Park. And as a result, Mission Beach traffic is incapable of accommodating emergency vehicles during the summer months.

It does not matter to Councilmember Campbell nor Ms. Molina that her myopic approach to STR legislation precludes a few provisions that would substantially reduce illegal STR operations, and therefore enforcement requirements, after the regulations are in place. Nor does it matter that provisions were left in the regulations that make the legislation extremely vulnerable to successful litigation challenges.

And, it does not seem to matter that Councilmember Campbell has been in bed with the two largest vacation rental management companies in the coastal zone, 710 Beach Rentals and SeaBreeze, whose only objective the past 3 years has been to position their companies for acquisition; to hell with the Good Neighbor plans.

These issues above and more have also been ignored by Councilmember Campbell and Ms. Molina knowing that ultimately they will result in the demise of Mission Beach as a coastal residential community, which ten years ago was as viable as any along the Southern California coast. None of these issues have mattered to Councilmember Campbell, and having reviewed the Coastal Commission Staff Report and listened to their comments at the recent ZOOM meeting, it appears that it does not matter to the California Coastal Commission either. BUT IT SHOULD, BECAUSE IT IS FAR EASIER TO PREVENT A FLOOD THAN IT IS TO CLEAN IT UP AFTERWARDS!

GARY WONACOTT

Sent from my iPad

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:25 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Klaus Mendenhall <kluasm@aol.com>
Sent: Thursday, March 3, 2022 4:06 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

To Whom It May concern:

When considering your upcoming vote on the Proposed Short Term Vacation Rental Ordinance for the City of San Diego, I strongly urge you to ELIMINATE the 30% Carve Out for the Mission Beach Community. This residential community need to maintain its residential community and not be turned into a "Hotel RESORT Community". With the proposed ordinance already including a minimum of two night stays, adding the 30% Carve Out just make matters that much worse. Thus, please give your consideration to removing the 30% CARVE OUT and leaving it at the !% being applied to ALL the other Communities in the City of San Diego.

Respectfully,
Klaus Mendenhall
50+ Year Resident of Mission Beach

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Monday, March 7, 2022 1:07 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Corporate Housing Pro <info@corphousingpro.com>
Sent: Monday, March 7, 2022 11:32 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Hello.

I am a short term rental operator here in San Diego.

Please do not certify the current version of City's Implementation Plan. I am eager to see the short-term rental program begin. However, it is unclear how exactly hosts that are in good standing (no violations and pay taxes) would be incentivized over bad hosts. Also, please consider allowing more than one property per person.

Regards,

Lucia Matthews

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 10:41 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Karen <karencake1@cox.net>
Sent: Wednesday, March 2, 2022 8:14 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Sent from Mail for Wind
These rentals are ruining the neighborhood. Its no longer a community and become a tourist driven investor driven career priority over safe neighborhood. It takes away from long term community members and families. It should not be allowed as if we are a transient community. They say there is no inventory but I believe this is the problem along with more cash lining pockets of the agendas to densify our entire city that has been being over developed for years! Stop with the invasion of the Vacation rental, tourist saturation, to fulfill a saturated industry and political agenda to line pockets of Investors and politicians that do not live in what was our community. Ive been personally dealing with one that snuck in our complex and this property manager/ host has violated over and over again with tenants revolving, replaced a single family dwelling to a hotel. Installed floors that are way unexceptable for noise from lower units. Cleaning crews coming at all hours of the late night. Early early am. Guests Partying past the hours of the condos HOA rules. They cut my phone lines, flooded my bathroom. Which led me to having to call my phone company to fix the wires and repair my ceiling. All with this property managements privacy being protected. I could give them my info and I was not allowed theirs for their privacy. AND I LIVE IN THE COMPLEX for many many years. Please don't ruin our city any further its really sad whats happening!
Karen KIrby

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Thursday, March 3, 2022 4:04 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Gary Aronson <garonson@aol.com>
Sent: Thursday, March 3, 2022 3:26 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Cc: Gary Aronson <garonson@aol.com>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

The San Diego Short Term Rental Plan is a monopolistic abomination and a deprivation of private property rights.

It arbitrarily limits Short Term Rentals (STRs) to only one very small section of San Diego, **Mission Beach**, and to only 30% of properties there, plus a tiny 1% in the rest of the City of San Diego.

"The Coastal Act ... emphasizes the importance of the public being able to access the coast..."

https://www.coastal.ca.gov/coastalvoices/IntroductionToCoastalAct.pdf

By this monopolistic measure, the City of San Diego does just the opposite of encouraging public access. It limits potential rentals and access dramatically.

It essentially privatizes San Diego's best beaches for the exclusive use of rich people.

I charge ~$1,000/night for use of my unit on Ocean Front Walk. I am delighted to have rich people come stay there.

But, what about poor people who live in California's many inland areas? They are SOL!!!
UNLESS the Coastal Commission acts to protect them.

I would charge less-wealthy people much less for my other properties within the Coastal Zone, but I can not under the new law, because I can only rent out 1 unit for STR anywhere in the City. This is an arbitrary, unlawful, and unconstitutional Taking of my private property rights by the City. It violates both the US and California Constitutions.

I urge you to reject the law in its entirety and declare within your jurisdiction that the **City of San Diego may not limit the number or rental of STRs in any way**, except to ensure Health and Safety and control garbage and pollution, including limiting noise pollution, and air pollution from beach fires, which are completely out of control.

Thanks!

Best wishes,

Gary Aronson
Owner, Ocean Front Walk Property and other San Diego Property
Email: Garonson@aol.com

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 10:48 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: Nancy Kramer <nancy@nancysvacationrentals.com>
Sent: Friday, March 4, 2022 10:39 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Dear Commissioners,

As you review the San Diego City Council's new ordinance for Short Term Rentals, please keep these concerns in mind.

Concern 1 - Reduction in rentals in the Commercial-Visitor Zone along the Coast
The current Commercial-Visitor Zone in the Pacific Beach area was not exempted from this ordinance. Councilwoman Vivian Moreno asked the Council President, Jen Campbell, why it was not exempted and her inadequate, simplistic answer was that all zones in the city were treated alike (with no explanation why). A Commercial-Visitor zone, especially in the public beach area, is not the same as a residential zone that is 10 miles inland and should not be treated the same. And I should think that the Coastal Commission would and should not look kindly on a reduction in more affordable places for families to stay in the Commercial-Visitor Zone along the coast.

In December of 2019, at great expense and a large increase in property tax, I sold a panoramic bayfront condo located in a residential zone on Riviera Drive to purchase one on the ocean in the Commercial-Visitor Zone, just to be on the safe side of possible regulations prohibiting short term rentals in Residential Zones, and now I find I will be placed in a lottery to see if I can still continue renting to visitors in the COMMERCIAL-VISITOR ZONE!

My new condo at Capri by the Sea is next to the Pacific Terrace Hotel. I looked up their prices in November on a non-holiday weekend (Nov 12-14) and their larger ocean view rooms rent for well over $1100 for that 2-night weekend. My rate for over twice the square footage with 3 beds, the same panoramic view, use of the building's pool and hot tub and including a kitchen and livingroom is under $700.

Concern 3 - Lottery Methodology
At the zoom meeting the city put up a chart to introduce the "Stratification" they plan to use in the lottery. This slide is labeled "Tier 3 Lottery Methodology - Example". In this example, Pacific Beach would have received 2000 permits using the 1% of the housing formula. After applying Stratification in the example, Pacific Beach would only get 1650 permits, reducing the number of affordable rentals in that coastal area by 350 permits while the downtown area permits increased by 200 in the example.

I believe this reduction in short term rentals in the beach area will cause the prices to increase which will have an impact on affordable places to stay in the beach area. If there are less short term rentals both the remaining ones AND the hotels will each increase in price due to the rule of Supply and Demand.

Sincerely,

Nancy Kramer
--

Nancy Kramer
Direct: 619 884-8332 | **Office:** 619 940-4687
Website | **Facebook** | **Twitter**

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Tuesday, February 22, 2022 11:57 AM
To: Llerandi, Alexander@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Hi Alex,

Please see public comment below.

Thank you,

Adriana Palato
Management Services Technician
California Coastal Commission
7575 Metropolitan Drive #103
San Diego, CA 92108

-----Original Message-----
From: Adam L <adamlyddane@gmail.com>
Sent: Tuesday, February 22, 2022 11:00 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

California public beaches shouldn't only be enjoyed by the wealthy. Limiting San Diego whole home short term rentals to 1% of San Diego's housing will affect accessibility of Californians who can afford a few days a year to stay near and enjoy the public beaches. Not only will the beach area guest homes be limited, the remaining licensed ones will increase in nightly price due to the unintended market affects of limiting supply. Multiple hotel rooms to accommodate larger families are too expensive and most are not as conveniently located near the sand. By allowing this law, you are voting for only the wealthy families to afford to stay near and access the public beach.

Thank you for your consideration/

Adam Lyddane
5353 Chelsea street
La Jolla, CA 92037
619-200-6523 (cell)

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:29 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

-----Original Message-----
From: Judy Moore <jmo46ore@san.rr.com>
Sent: Friday, March 4, 2022 4:31 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

To Whom It May Concern,

I am writing to you to request that the Coastal Commission NOT support the STR carve out for Mission Beach that allows 30% of the properties to be short term vacation rentals.

I have been a Mission Beach resident property owner since 1970 and have witnessed the slow take over of STR in my community. This situation has:

1. Reduced the available rental/owner market at a time of housing shortages.

2. Destroyed a neighborhood. We no longer know our neighbors.

3. Negatively impacted the quality of our life in our neighborhood. Vacationers are moving in and this is their time to party. Noise can be overwhelming at times. We have overflowing trash cans, which result in an increase population of flies and rats.

It is argued that Mission Beach has always had vacation rentals. However, in the past these rentals have been during the summers, only. Furthermore, the summer renters were for a duration of one and two weeks and not 2 to 3 days. Their numbers did not consume a neighborhood. There was never a problem!

Once again, I urge the Coastal Commission to NOT ALLOW A STR CARVE OUT FOR MISSION BEACH.

Sincerely,

M Judith Moore
722 York Court
Mission Beach, CA. 92109

Sent from my iPhone

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 1:13 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

From: San Diego Kids Party Rentals <info@sandiegokidspartyrentals.com>
Sent: Friday, March 4, 2022 11:37 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Please reduce the number of units that are being allocated for Mission Beach. As a long term renter in Mission Beach, I have constantly had to watch over my shoulder as rental unit after rental unit has been switched from long term rental to short term rental. It is next to impossible to find a place to rent and everytime I do, they have switched over to short term rentals thinking they are going to make more money.

The Short term rentals have drastically changed the character of Mission Beach from a community that was alive and vibrant to a transient short term rental business.

Please consider lowering the amount of Short term rentals in Mission Beach.
Thank you,

Marc Mishand
Mission Beach

--

Fun for the Kid in All of Us!

WE MOVED- please note new address!
4676 Brinell St., Suite 102
San Diego, CA 92111
Tel: (858) 560-2700
www.SanDiegoKidsPartyRentals.com

Read & Leave Us a **Review on Google**

Connect with Us on **Facebook** **Twitter** **Google+** **YouTube**

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 8:28 AM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

-----Original Message-----
From: Judy Moore <jmo46ore@san.rr.com>
Sent: Friday, March 4, 2022 4:31 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

To Whom It May Concern,

I am writing to you to request that the Coastal Commission NOT support the STR carve out for Mission Beach that allows 30% of the properties to be short term vacation rentals.

I have been a Mission Beach resident property owner since 1970 and have witnessed the slow take over of STR in my community. This situation has:

1. Reduced the available rental/owner market at a time of housing shortages.

2. Destroyed a neighborhood. We no longer know our neighbors.

3. Negatively impacted the quality of our life in our neighborhood. Vacationers are moving in and this is their time to party. Noise can be overwhelming at times. We have overflowing trash cans, which result in an increase population of flies and rats.

It is argued that Mission Beach has always had vacation rentals. However, in the past these rentals have been during the summers, only. Furthermore, the summer renters were for a duration of one and two weeks and not 2 to 3 days. Their numbers did not consume a neighborhood. There was never a problem!

Once again, I urge the Coastal Commission to NOT ALLOW A STR CARVE OUT FOR MISSION BEACH.

Sincerely,

M Judith Moore
722 York Court
Mission Beach, CA. 92109

Sent from my iPhone

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 2:57 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

-----Original Message-----
From: closed.boyish.0g@icloud.com <closed.boyish.0g@icloud.com>
Sent: Friday, March 4, 2022 2:40 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

I am opposed to the City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals) regarding the 30% in Mission Beach. I feel reducing the number of allowed STRO's to 30%, which is a reduction in the actual number of STRO's in that area by 28%, is too high. Maybe raising the threshold to a higher number which would give a higher percentage of current operators a better chance of winning a permit a better option.

I would like to suggest allowing a higher number of permits but imposing a 7 night minimum rather than a 2 night minimum. I feel requiring guests to stay 7 nights will greatly cut down the number of people who come to the beach and cause disruptions in the neighborhood. I feel the problem with loud parties happens when a group comes in for 1 or 2 nights. If those groups were required to stay 7 nights, I feel they would choose to stay elsewhere. Furthermore, my particular condo and many other STRO owners have guests that have been coming to stay for 1 or 2 weeks for the past 25 years! The thought that they can't stay in my condo if I don't win a permit seems so unfair. They are staying in my condo because they appreciate being oceanfront. We have never had any complaints about the guests staying in my condo. I feel like a few problem rentals are the reason the city is making these changes. Why not focus on just the "problem" rentals and not the rest of the responsible STRO owners who have never had any violations or complaints.

My second suggestion would be to allow more STRO's for properties that are Beachfront, Oceanfront or Bayfront properties. This is why so many STRO guests come to Mission Beach. I had a guest recently tell me that they would not be interested in a STRO if it wasn't beach or bay front. So the city will be losing these types of guests if their favorite properties are not allowed to have short term renters. There are not enough hotels in Mission Beach to accommodate these guest and furthermore these same guests want to stay in homes rather than hotels.

Lastly, for all of the property owners in the Mission Beach area that have been allowing short term renters for years seems unfair for the government to step and impose new rules on an area who has been providing a great vacation spot and access to the beaches for many years.

Thank you for your consideration.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 4:03 PM
To: SanDiegoSTR@Coastal
Subject: FW: Public Comment on March 2022 Agenda Item Wednesday march 9- City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)
Attachments: STR-4-1-21-trash.jpg; STR-trash.jpg; Food-6-13-21-STR-1-.heic; STR-9-1-20-trash.jpg; styofroam-8-10-12-1.jpg; Nurdles.JPG; STR-1-26-21-trashcan-over.jpg; STR-8-10-21-parking.jpg; STR-parking-8-24-20.jpg; Food-6-23-21-water-waste.jpg; Canopy-6-19-20.jpg; Canopy-7-5-21-2.jpg

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From: cathy ives <cathy.ives@gmail.com>
Sent: Friday, March 4, 2022 3:24 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Public Comment on March 2022 Agenda Item Wednesday march 9- City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Dear Coastal Commission,
I am writing to you because I strongly object to the carve out of Mission Beach to STVR's. I have lived in Mission Beach for over 30 years and never have I seen the lack of respect for neighbors and the beach over the last 5 years due to Short Term Vacation Rentals.

I have been writing and tracking beach trash since 2008. Just in South Mission Beach last year, I picked up over 3 tons of trash and a lifetime of over 12 Tons, just in Mission Beach. I cover one mile of beach (oceanfront) which is now 95% Short Term Vacation Rentals.

My reasons are the following:

1.) Lost neighborhoods and community. When you do not have a neighborhood, the community is lost. As our neighbors have been kicked out to make room for STR's we have lost a voice in our community. That means that Mission Beach does not matter to our City Council. We mean nothing but a piggy bank.

2.) Lost voting power: With the departure of hundreds of housing units in the last 5 years (over 100 just in South Mission Beach = 1 mile) we lost voters, we lost activists, we lost people who care about our community.

1. Many of the vacation rentals do not live here. They have outsourced their property management to 'bad Actors'. They do not vote, they do not know the neighbors and have no interests in doing so.

3.) Lost long term housing: The number of call outs on a weekly basis for people looking for long term rentals and not finding them due to STR conversion is appalling. We already suffer a housing shortage and this, particularly in Mission Beach, makes it worse. Here are some stats:

4.) Discriminatory against Residents: There are plenty of hotel rooms available for visitors. Residents are being discriminated against for people that do not live here.

5.) Lack of parking, When 16 people pile into a 3Bd place with only 2 parking places, they park in our alleys, blocking trash collections, delivery drivers, residents, fire and safety. In my one miles of South Mission Beach, there are an average of 5 parking violations a night during the summer.

1. I am constantly bothered by STR in back of me. The enter my property, move my trash cans etc in the back. they interrupt me, they have threatened, cursed at me to move my car to accommodate their parking issues, They have ruined my brick driveway.

6.) The Good Actor Clause is deceptive.

- Every STR owner claims they are a good actor because they pay TOT. Good actors screen their clients, good actors have a list of beach regulations, good actors hire their own trash pickup to help with fly problems, good actors don't encourage 'quiet times, good actors have parking, good actors don't crown 12 people into a 2 B, 2 Bath place. Good Actors have respect for the neighbors.
- Every resident in Mission Beach can give a list of 'Good Actors' and they will not be the same one who pays TOT.
- The fines are too low and too drawn out. It can be years before anything is done.
- The fines do not address Noise complaints, trash, illegal dumping and parking. In addition, the next court up from me has only 4 out of 40 full time residents. They are bombarded on a weekly basis with noise, parking and trash, yet it will not make any difference
- San Diego's good Actor criteria: has less than 3 verifiable complaints* in 2 years. This is a joke, we cannot get police to come for a rape, much less a noise complaint. We have some STR's that one can get 10 complaints a month and yet they are good actors.
- None of the 'Good Actors' recommend a "Pack it In and Pack It Out' criteria for vacation renters.

7.) Trash: We have a major fly problem in Mission Beach. STR people buy a lot of food that they end up throwing out when they leave. This food attracts Flies, Maggots and rats as they are salvaging through the trash cans. (see images)

8.) Visitors have no interest in following rules and regulations of the beaches. There has been an increase in: illegal fires (average of 10 per night in 1 miles of beachfront in South Mission Beach) dog feces, off leash dogs, drinking, glass, smoking and vaping on our beaches. Our sand is a combination of styrofoam and charcoal along with thousands of pieces of plastic.

9.) Illegal dumping by STRV owners. Every season, STR owners clean out their rentals: Into our alleys go masses of furniture, BBQ's ,mattresses, and more. Why should residents have to put up with this? Illegal dumping in general is up, but this makes it worse .

- Worse yet, they place all the trash in the alley and it is up to the residents (a minority group) to call and get it picked up.

10.) Crime :Sex traffickers, drug dealers are using STR's . There is no one monitoring the sites. When you have a court that is over 50% visitors, they don't know, nor do they care.
https://www.sun-sentinel.com/news/crime/fl-new-waterfront-airbnb-rented-dominican-cocaine-smugglers-20200125-efvfmwyl4zhlvabvr2nwwacz2i-story.html

https://www.khon2.com/news/hawaii-resident-accused-of-using-popular-website-for-crystal-meth-operation/

https://airhostsforum.com/t/airbnb-sent-me-criminals-with-records-drugs-stealing-cars/34176

- They do not report crime. Instead crime is encouraged as they leave out their belongings and it is easy pickings for theft.

11.) Visitors have no vested interest in our neighborhood. They have no interest in recycling (over 10,000 bottles picked up on the beach last year) They drink (75% of the bottles and cans picked up off the beach are liquor), 20% are glass. They leave the beach toys on the beach (Over 9,000 beach toys picked up last year, 1 mile of beach. Food wrappers, illegal fires, dirty diapers, overfilled trash containers, fireworks, broken furniture, beach towels (over 900) shoes (over 1200) hats, clothing, socks and more.

- They leave their beach chairs, canopies, umbrellas, toys all over the beach and there is no one to pick them up. I have pulled so many pieces of beach paraphernalia out of the ocean.

12.) We are in a mega-drought and there are no restrictions on their water usage. They wash cars, kids play with the hose, leave water running. Absentee owners do not fix water leaks. With 1 or 2 night stays, it means that everything has to be washed almost on a daily basis. This does not even include microplastics. Why should residents bear the brunt of a mega-drought?

On a personal experience: I had to get a new roof due to the STR next door. ($9000) They constantly were throwing food (got rats) beer cans and more on my roof. It clogged up the drain and my roof caved in. The house in back of me is a problem. The STR 4 doors away is a problem. My problems are nothing compared to other courts with the big party houses. Three of my neighbors have moved due to STR's in the last year. Ou

Our beaches and oceans are in a heightened alert and carving out Mission Beach would just increase the destruction of our oceans.

I urge you to consider the following:
1.) No carveout for Mission Beach.
2.) Stringent Penalties for Abuse of our beaches and neighborhoods.

Resources

https://www.science.org/content/article/research-ocean-plastic-surging-un-report-finds

Regards
Cathy Ives

--
Cathy Ives
www.greenecoservices.com
www.donttrashmissionbeach.com

858.945.2562

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, March 4, 2022 1:13 PM
To: SanDiegoSTR@Coastal
Subject: FW: The ordinance item number to reference is 14F - The STVR Ordinance - Coastal Commission Wed, March 9 at 9:00 am

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From: Laura Ladd <leksl1@att.net>
Sent: Friday, March 4, 2022 11:12 AM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: The ordinance item number to reference is 14F - The STVR Ordinance - Coastal Commission Wed, March 9 at 9:00 am

(I'm sending an email to: SanDiegoCoast@coastal.ca.gov since I'll be at work during the meeting. I hope other people do the same.)

We have a very serious housing shortage in SD and need to have the entire STVR industry shut down in our city to open up housing for residents who have been displaced by Air BnB's and VRBO! We don't need more developers tearing up our city by building endless over-priced condos! We need the 16,000+ vacation rental homes to be available for buyers and renters! The entire STVR industry should NEVER have been allowed in SD! We have great hotels and people have had no problem staying in them for decades. The introduction of STVRs is what caused our housing prices to double and triple within 5 short years! It's unacceptable to see SD residents struggle to pay extremely high rents that our local wages don't sustain due to a fake "housing shortage". Enough is ENOUGH! It's OUR city and the greed needs to stop now!

HOMES ARE NOT HOTELS!

I've been a San Diego resident since 1979 and I'm appalled at what the STVR industry has done to our local residents and our city! Our homeless population is skyrocketing and greed is the reason struggling local families can't find affordable housing! We've allowed investment firms and people who don't live in our country to purchase homes specifically to use as vacation rentals. Greed is driving this city straight into the ground as a result!

BAN ALL SHORT-TERM RENTAL HOMES AND APARTMENT COMPLEXES IN SAN DIEGO NOW!!!!

The Airbnb Effect On Housing And Rent

The influence of the so-called ‘Airbnb effect’ on local housing markets has grown into a significant cause for c...

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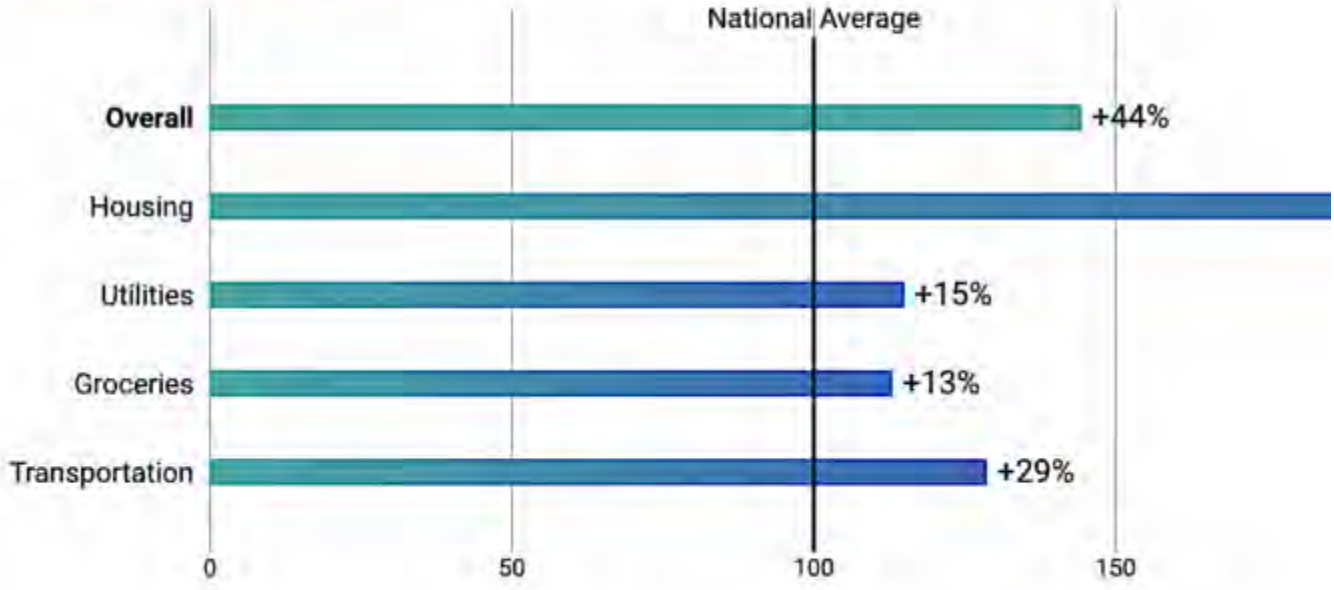
Jif$5;C$6466$1$Wer$Hmiks$lew$fiir$req ihliq swx$yrejjsvhefpi$gmx}mrli$gsyrxv}2$

https://www.youtube.com/watch?v=XtjXVkJbtfE

Cost of Living in San Diego, California by Expense Category

San Diego's housing expenses are 136% higher than the national average and the utility prices a
average. Transportation expenses like bus fares and gas prices are 29% higher than the nationa

Cost of Living Calculator



Regards,

Laura Ladd
San Diego, CA 92108
619-222-3030
leksl1@att.net

Llerandi, Alexander@Coastal

From: Teri Youngs <tyoungs@san.rr.com>
Sent: Sunday, February 20, 2022 6:23 PM
To: Llerandi, Alexander@Coastal; Brownsey, Donne@Coastal; Hart, Caryl@Coastal; Turnbull-Sanders, Effie@Coastal; Aminzadeh, Sara@Coastal; steve.padilla@coastal.ca.gov; Wilson, Mike@Coastal; Rice, Katie@Coastal; Escalante, Linda@Coastal; Harmon, Meagan@Coastal; Uranga, Roberto@Coastal; Groom, Carole@Coastal; Mann, Zahirah@Coastal; Faustinos, Belinda@Coastal; Luce, Shelley@Coastal; Rivas, Rick@Coastal
Subject: Hearing San Diego STVR 3/9/22

Agenda # W14f

Application #LCP-6-SAN-21-0046-2

Teri Youngs, opposed to the 30% carve out of Mission Beach Vacation Rentals. 30% is too high for our small community

To Whom It May Concern,

I am writing to you with great concern for our community of Mission Beach. The City of San Diego is currently trying to carve out Mission Beach's Short Term Vacation Rentals to 30% of our housing allocation.

I am born and raised in Mission Beach and am now 60 years old. My family has resided in Mission Beach for almost 100 years. Growing up in Mission Beach we had a "real" community with "real" neighbors. There were neighborhood kids playing on the courts, riding bikes on the Boardwalk, rollerskating, doing paper routes together and just doing what neighborhood kids do. Our neighbors were a mix of single people, elderly couples, working professionals, students etc… the make up of the neighborhood was diverse, we all knew each other and looked out for each other. We had Easter egg hunts at the Santa Clara Rec Center (which is now over run with bike chop shops and crackheads), bonfires on the beach, our elderly neighbor started my sister and I collecting coins, another couple were like grandparents to us baking cookies, delivering May Day baskets etc…it was a dream growing up with friendly neighbors and a community feel. My mother was a member of the Mission Beach Woman's Club, my father was the Fire Captain at Station 21's in Pacific Beach. My father was also a member of the Old Mission Beach Athletic Club that would put on parades in Mission Beach, sponsor athletic and charity events. My family and so many of our neighbors participated in the Neighborhood Watch Program which doesn't exist anymore due to lack of full time residents.

The last 10-15 years have been anything but a dream community in Mission Beach. Since the onset of the Short Term Vacation platforms like AirBNB, VRBO, and privately owned platforms like 710 Vacation Rentals, Seabreeze Vacation Rentals, Bill Luther Vacation Rentals, Beach King Vacation Rentals, Surf Style Vacation Homes, Bluewater Vacation Rentals, Mission Beach Vacation Rentals and so many more, our community has ceased to exist.

Over the last several years so many of the advocates for STVR have repeated the lie that that Mission Beach has always been a vacation rental community, people not knowing the real history are believing them. I can tell you for a fact Mission Beach has always had vacation homes however, the small percentage of vacation homes were sprinkled in with the full time residents.Families that had vacation homes at the beach would come for the summer and or loan their homes to family and friends. Only since the internet explosion has Mission Beach been exploited.

I understand the Coastal Commissions goal is to maintain access to the coast for all. We are not asking for all STVR to go away but 30% of our housing being allocated to vacationers ruins a community, has taken up housing supplies, created trash and health issues, sanitary issues including fly infestation. So many of the STVR are vacant for some of the year

resulting in the vacant houses attracting homeless people to camp out in the garages, car ports and break-ins squatting in the houses. Many of those homes could be freed up for full time residents helping to restore our community.

The STVR houses pack in double and triple the amount of people per week that they were designed to hold therefore creating trash issues, sewer overflow, parking and traffic issues and so much more. Many of our visitors arrive with over sized vehicles that won't fit in the garages (if there is one) or since there are numerous people staying in a house and there is not enough parking provided they will park on Mission Blvd, Strandway and the surrounding streets and will stay there parked all week. This brings another issue of parking for the residents or the local people that would like to enjoy the beach for the day there is no place for them to park. Many of the visitors will park in the red zone and block alleys and streets, creating a safety issue; no emergency vehicles can get by and this leaves our community at a great safety risk. The one way traffic on Mission Blvd is often bumper to bumper again not allowing emergency vehicles to pass through. Additionally many investors have illegally converted their garages to rooms for rent. This takes away any parking they could provide to their visitors and causes even more congestion to our neighborhoods. The illegal conversions are rampant.

I live at 729 Windemere Ct. On Windemere Ct.there are 31 homes and apartment buildings out of the 31, 14 are Vacation rentals. One of the apartment buildings on Windemere Ct. has 4 units, all of the full time renters living in the apartment were evicted and the apartments are now STVR. There is another 15 unit apartment building at 750 Whiting Ct. all but 3 of the full time residents were evicted and the rest of the units are now STVR. That same apartment building has full time maid service 2 times a day. They are running a hotel in a residential neighborhood. All these places could be used to house full-time residents. There are numerous hotels, motels and resorts at the beach that can comfortably house the visitors and accommodate their vehicles.

The STVR homes are owed by investors that rarely or never stay in their house. They have no idea who is really coming or going and the residents here do not feel safe not knowing who they are living next door to on a daily basis. When owners are contacted re: problems with their renters most never respond and if they do they rarely deal with the issues since they seem to be in it for an investment and could really careless about the neighborhood. All say they never have problems or they deal with them as they come up but, they don't. This often leaves the residents feeling frustrated with no recourse to take.

Its not just physical destruction that happens in Mission Beach from so many STVR its emotional destruction to the residents as well. Many residents are working from home and would like some peace and quiet as they go about their daily routines and are often disrupted by the numerous amounts of people on vacation, partying, drinking, loud voices and music. With so many STVR, noise levels are high at all times of the day and night. Mission Beach does have ordinances in place for quiet enjoyment during the day and no noise after 10pm but these ordinances are rarely followed and never enforced by police or owners of the houses. Mixing such a large number of vacation homes with residents just doesn't work well at all. We have often asked the visitors to keep the noise levels down when they are at the houses but more often than not we are meant with "We're on vacation, we're not going to be quiet" or simply "no" or "we're paying a lot of money and going to do as we please". We have no recourse or support, our homes are suppose to be our sanctuary but often times it becomes stressful just to be at home.

Sadly our Mission Beach Town Council isn't much help and actually contributes to our concerns.The President of the MBTC owes STVRs and many of the Executive Board members of the MBTC are either STVR owners, STVR platform owners or Real Estate Agents selling beach properties. Many do not even live in Mission Beach, they are just operating their "businesses" out of Mission Beach. It appears their recommendations for the community are based on bolstering their businesses.

San Diego is proposing that 1% of the total housing in San Diego be allocated for STVR with the exception of Mission Beach. Mission Beach is suppose to allocate 30% of our total housing for STVR . As you can imagine the residents of Mission Beach are not happy with the proposal and request that we are treated fairly and equally as the rest of San Diego and the other beach communities.

Please find below examples of what we deal with daily, parking issues including encroachment on the sidewalks, pushing pedestrians out into the streets when trying to walk on the sidewalk. There are plenty of red zone violations, homeless people squatting and sleeping in vacant STVRs, human feces they leave behind, sewage overflow, litter, trash overflow, scooters randomly left anywhere and everywhere. NOTE: all pictures are taken from just 1 Court and surrounding alleyways. There are approximately 60 Courts in Mission Beach.

Mission Beach Residents need and deserve to have our community back. Please consider reducing the 30% carve out to be fair and inline with the rest of the San Diego and the beach communities.

Thank you for your time and consideration.

Teri Youngs
729 WINDEMERE CT
Mission Beach, Ca
92109
619-540-3437

discover
pb
www.pacificbeach.org

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Whiting

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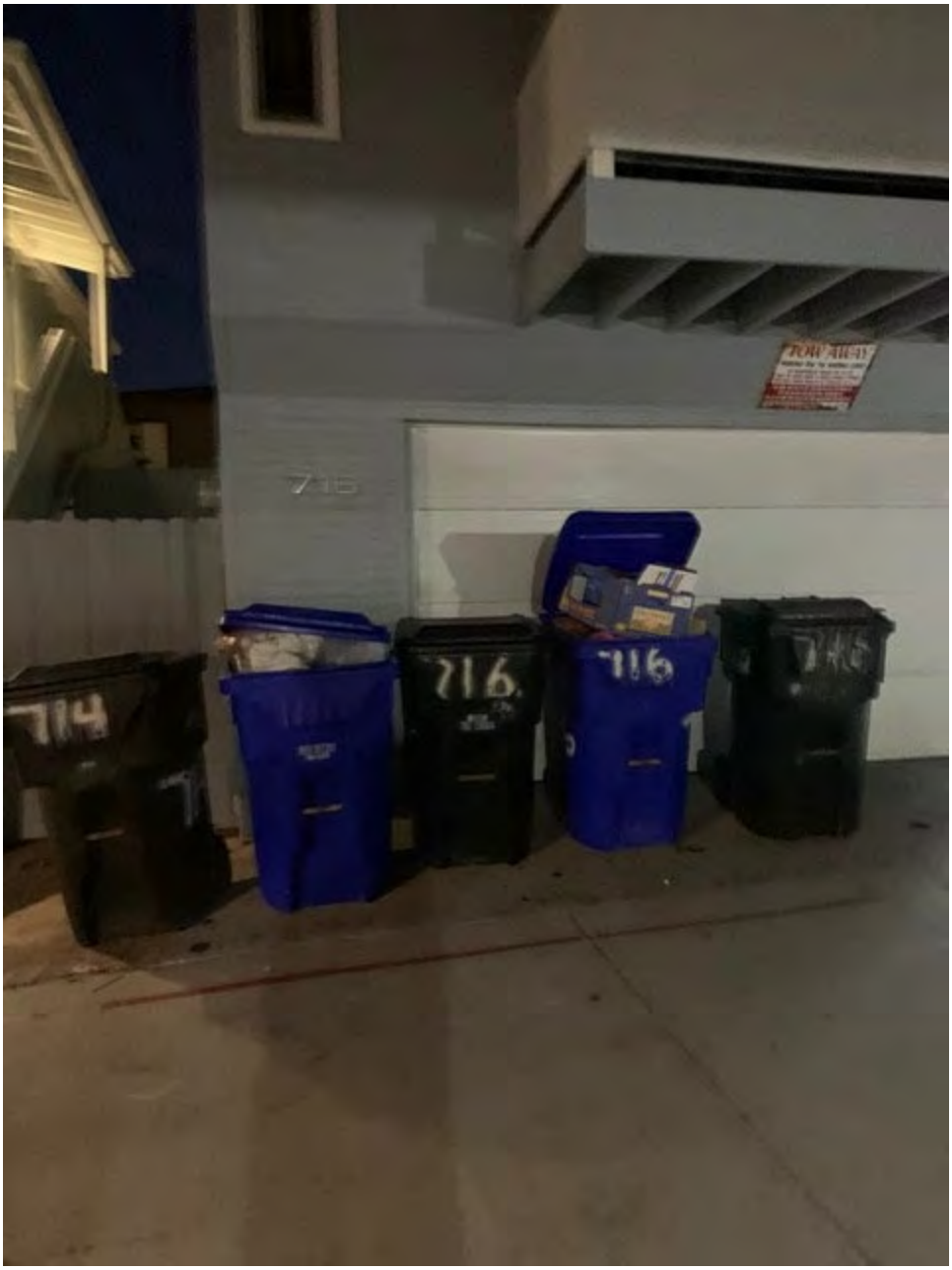
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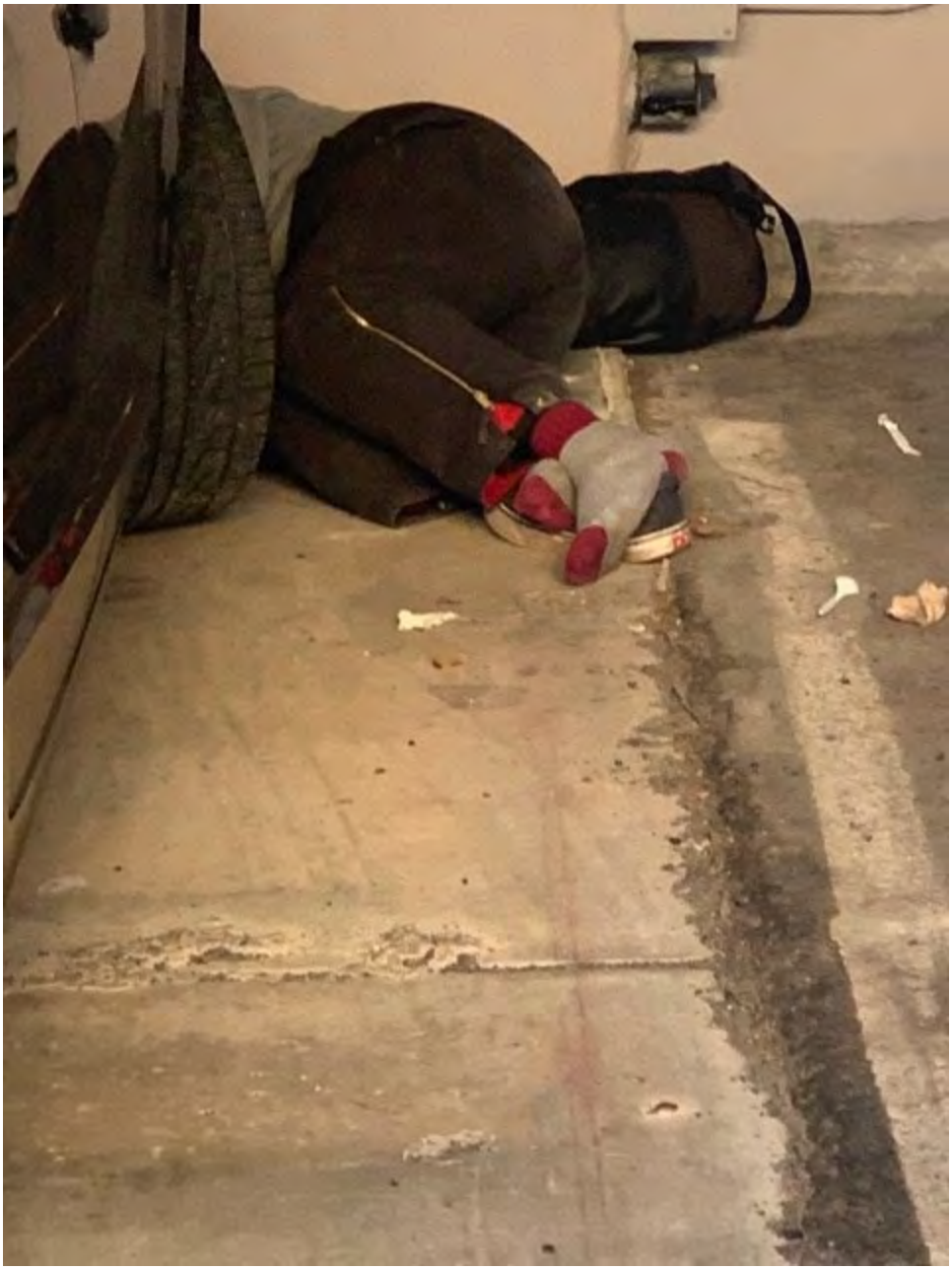

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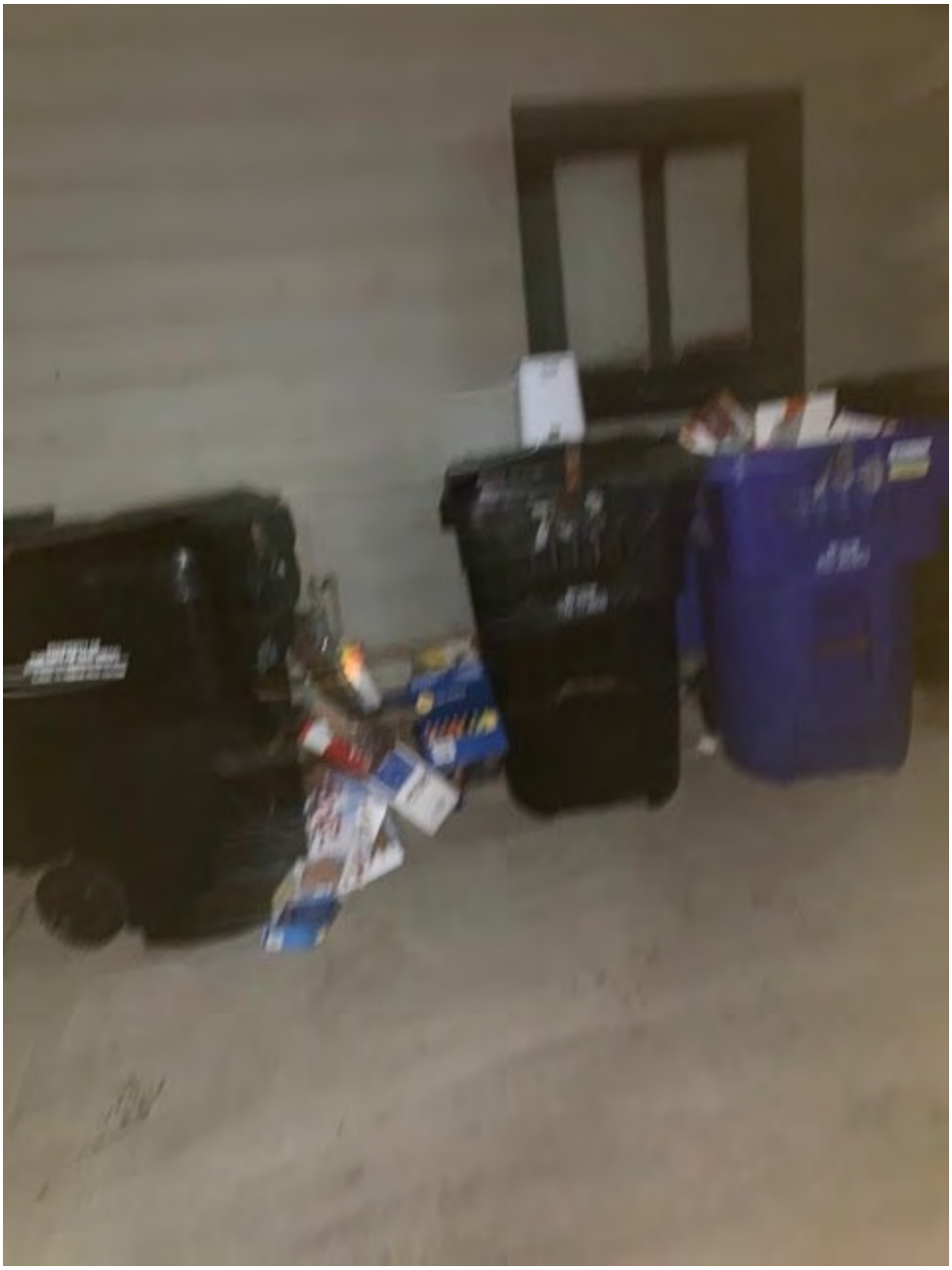

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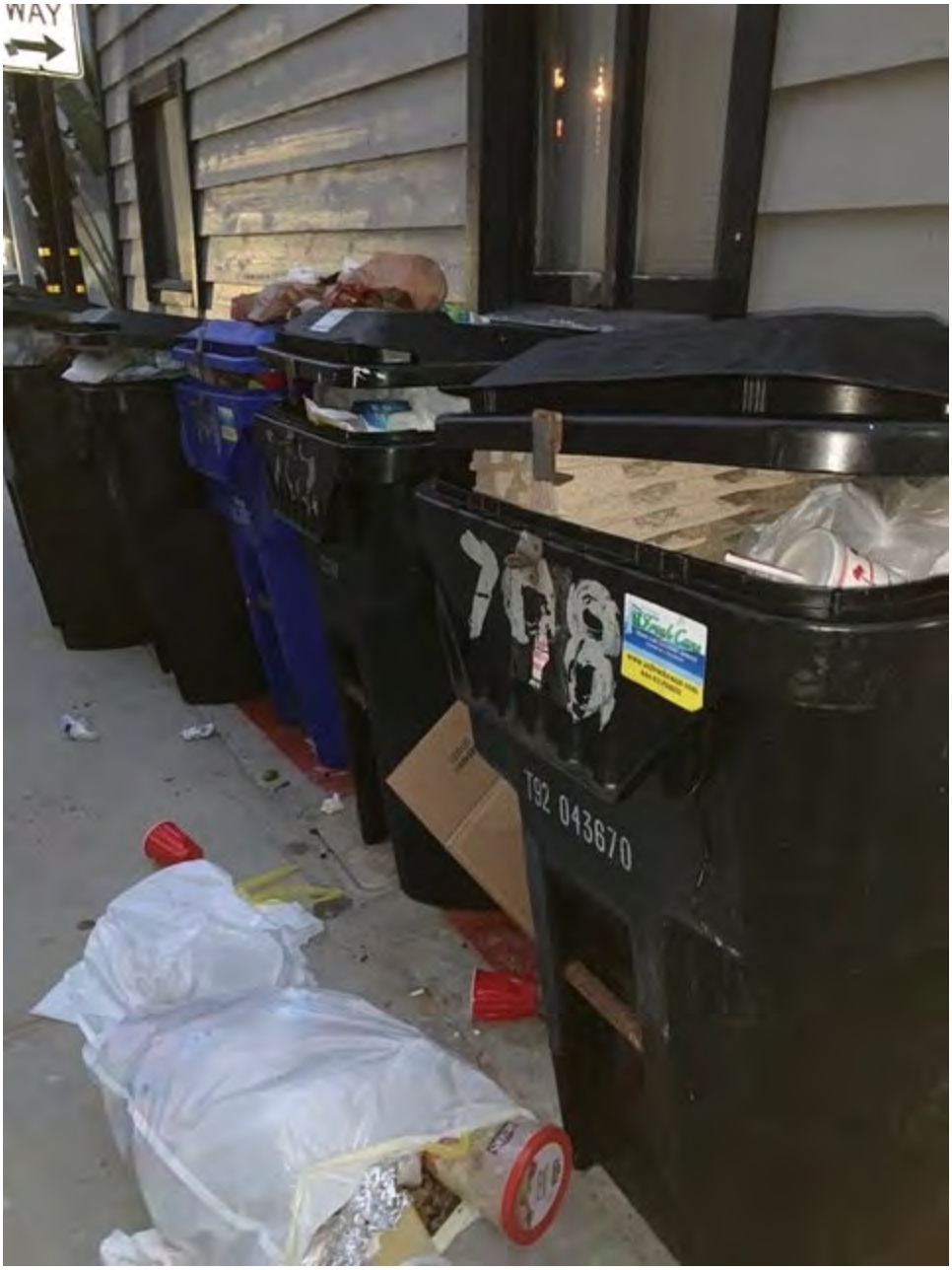
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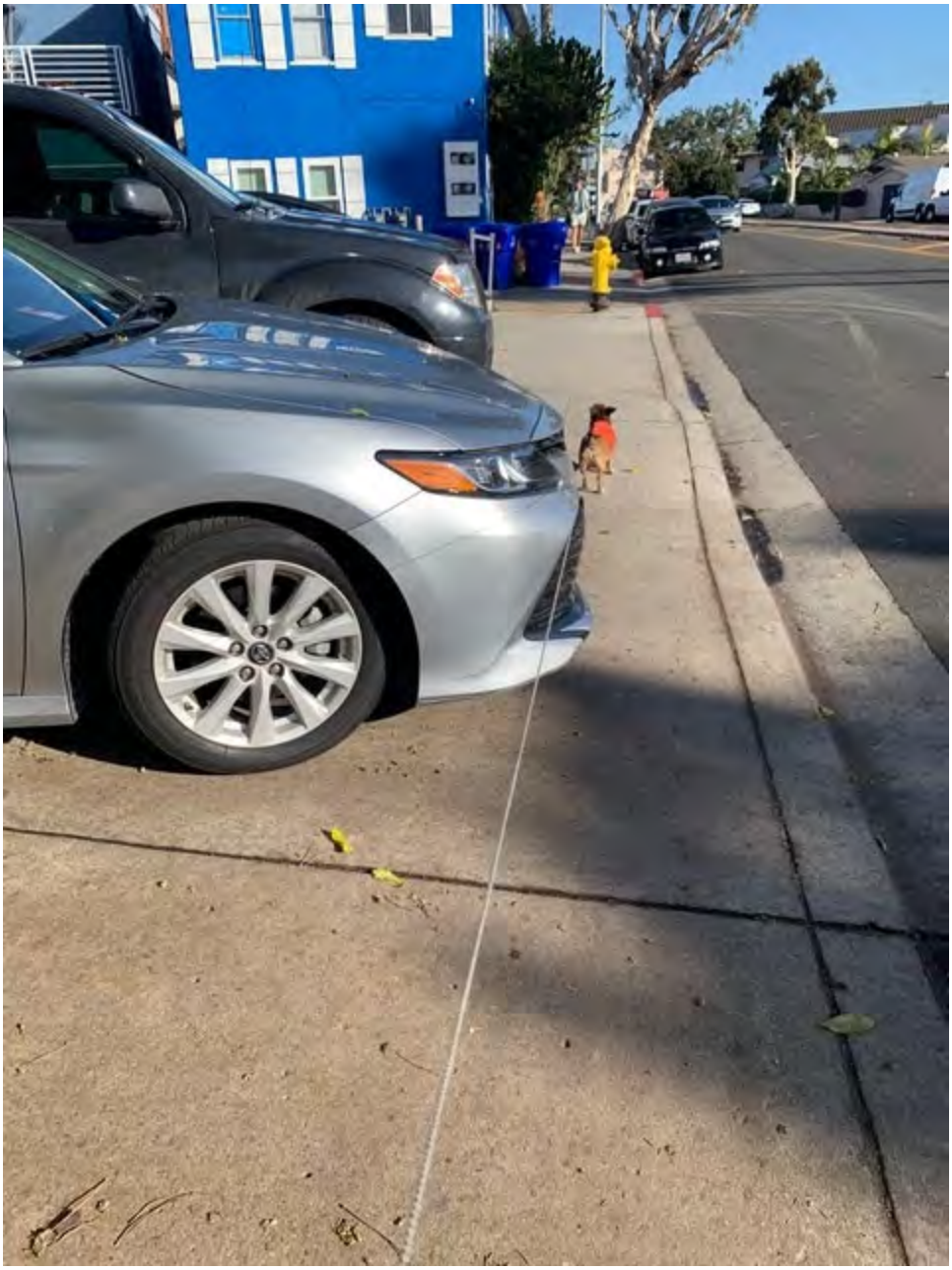

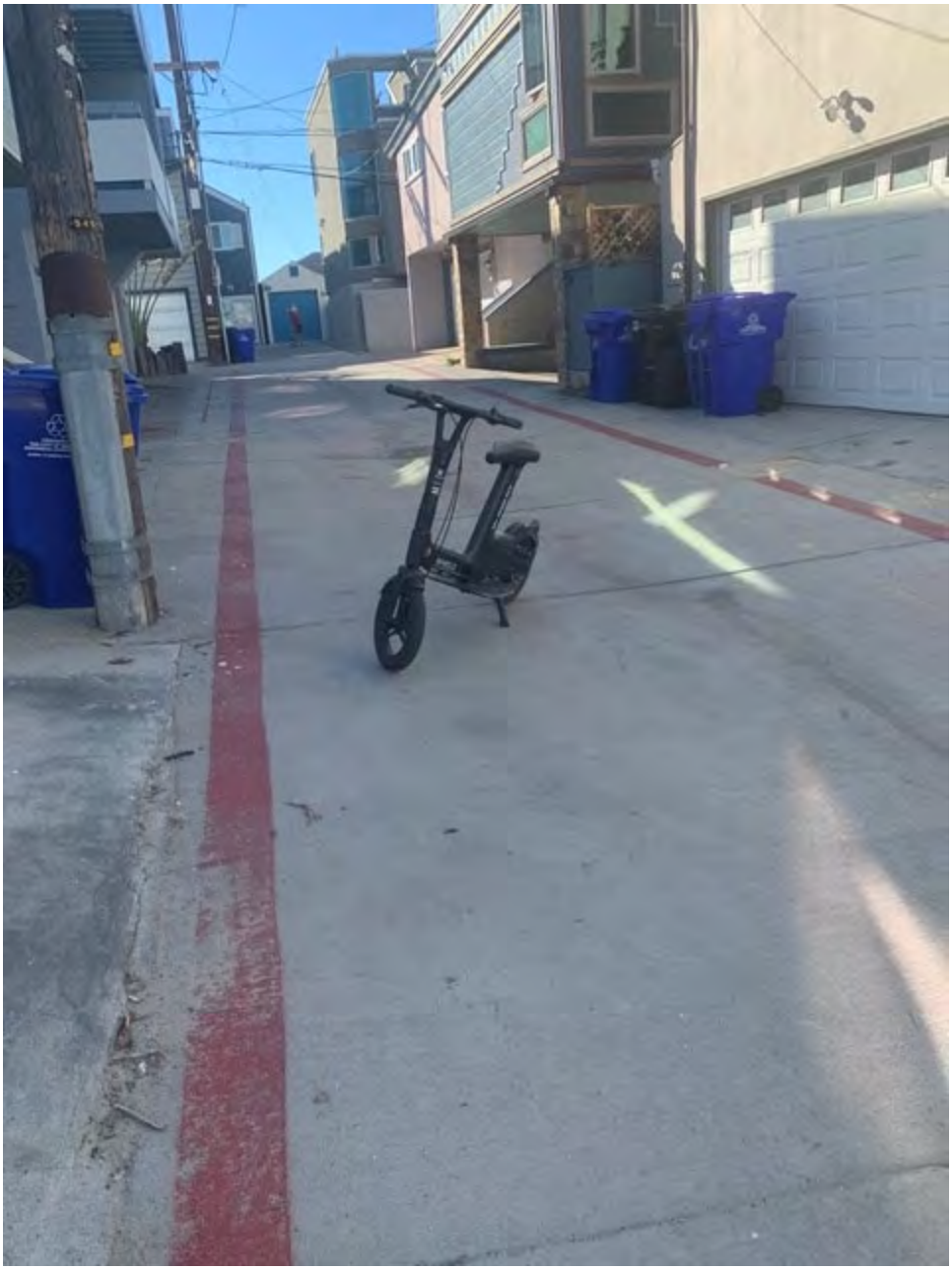

Llerandi, Alexander@Coastal

From: Teri Youngs <tyoungs@san.rr.com>
Sent: Wednesday, February 23, 2022 6:11 PM
To: Llerandi, Alexander@Coastal
Subject: Hearing Mar 9, 2022

Agenda: #W141

Application: # LCP-6-SAN-21-0046-2

Teri Youngs, oppose 30% housing carve out for Mission Beach STVR

Dear Alexander

After reviewing the Coastal Commissions report, I would like to add a few comments to read for the March 9, 2022 hearing on STVR:

1. Why is it being reported that people cannot afford to buy homes in Mission Beach? Where is that information coming from? Not everyone can afford to buy in Mission Beach but a lot can. Not everyone can afford to buy homes in La Jolla and La Jolla is not being carved out.

2.Mission Beach has always had vacation homes but never at this level. The surrounding beach communities have always had vacation homes and rentals too. The picture STVR platforms are trying to paint is that Mission Beach has always had this amount of STVR. Its simply not true.

3. The Coastal Commission report and the City of San Diego claim that the Good Neighbor Policies, Police Enforcement and Code Enforcement will take care of STVR rental issues and provide support and protection for the residents.In our experience this is not true either.We all are aware that residents and neighbors deal with the issues and protect the integrity of the neighborhood. Without full-time residents and neighbors, the community gets trashed. Most vacationers that visit Mission Beach are here for a weekend or week of partying. I have rarely seen any visitors coming here with the intention to preserve Mission Beach,keep our beaches clean and or respect the neighbors. I have many examples and pictures that were submitted with my last email to the commission.

If Mission Beach is going to be carved out, please reduce the current proposed 30% to a lesser amount. We desperately need some relief and support.

Thank you

Teri Youngs
729 WINDEMERE CT
Mission Beach 92109

Llerandi, Alexander@Coastal

From: Teri Youngs <tyoungs@san.rr.com>
Sent: Sunday, February 27, 2022 4:13 PM
To: Llerandi, Alexander@Coastal
Subject: STVR hearing

Hi Alexander

I'm sorry to bombarding your email with STVR info. However, yesterday one of the houses on Whiting Ct. in Mission Beach that is managed by Seabreeze/Vacasa Vacation Rentals had a visitors car blocking the alley, parked in the red and blocking a driveway. My bad, I sent the picture but not the address thinking they would recognize their property.

Please see the reply below.

They are managing over hundreds to thousands of properties growing rapidly. I was shocked with so many properties, how can they effectively and efficiently manage their properties yet alone be considerate to the community. I guess that explains why the Whiting Ct. property is always a nuisance to our neighborhood.

Teri Youngs

Begin forwarded message:

From: Jillian Aloese <jillian.aloese@vacasa.com>
Subject: Re: Parking
Date: February 26, 2022 at 4:53:02 PM PST
To: Teri <tyoungs@san.rr.com>

Hello Teri,

Thank you for your email. We apologize for the inconvenience. Please inform us in details as in regards to an address to this location so that we can further assist you in this matter. We have over hundreds to thousands of properties growing rapidly and to ensure we address this issue for you we need more information about this property to rectify the situation.

--
Best Regards,
Jillian | CX Agent
858-227-9414
Vacasa.com

Llerandi, Alexander@Coastal

From: Kathy Evans <isellbeach@aol.com>
Sent: Wednesday, March 2, 2022 12:37 PM
To: Llerandi, Alexander@Coastal; Brownsey, Donne@Coastal; Hart, Caryl@Coastal; Turnbull-Sanders, Effie@Coastal; Aminzadeh, Sara@Coastal; steve.padilla@coastal.ca.gov; Wilson, Mike@Coastal; Rice, Katie@Coastal; Escalante, Linda@Coastal; Harmon, Meagan@Coastal; Uranga, Roberto@Coastal; Groom, Carole@Coastal; Mann, Zahirah@Coastal; Faustinos, Belinda@Coastal; Luce, Shelley@Coastal; Rivas, Rick@Coastal
Subject: Hearing San Diego STVR 3/9/2022
Attachments: 20220302_101556.jpg; 20220302_101618.jpg

AGENDA # W14 F

Application #LCP-6-SAN-21-0046-2

Kathy Evans, opposed to the 30% carve out of Mission Beach STRO's. 30% is way too high!!!!!

To Whom It May Concern:

You are seriously mistaken in your belief that Mission Beach has HISTORICALLY had LARGE #'s of short term vacation rentals. When I moved into Mission Beach 32 years ago, my ocean side court was PREDOMINANTLY OWNER OCCIPIED. We had a few long term rentals, & a few 2nd homes. The 2nd home owners would sporadically rent out their homes to other family members & friends. This equated to 10% or less, & predominately summer months.

It was not until the internet, airbnb, & vrbo did the % & take over of our Mission Beach neighborhood BEGIN. Currently, on my ocean side (as opposed to across Mission Bld to the Bayside-which is ALL vacation rentals now!!) , we have 35 "doors"- 40% are STRO's, 20% 2nd homes- where occasionally they are rented out, 22% or 8*!!!! Owner occupied, 17% long term rentals.

Of the 8 properties immediately surrounding me, 2 or 25% are owner occupied, 5 or 62.5% are STRO's, 1 is a 2nd home. WHY oh why is that FAIR??? The property immediately behind me at 714/716 Whiting Court, so about 10-15 ft from my windows this STRO has combined 2 townhomes that are legally 2 bedrooms each, into 3 bedrooms (converting dining rooms to bedrooms)---marketing it to LARGE GROUPS as a 6 bedroom, 4 bath- for 22 people!!! So, party central. See attached photos. (Gotta luv the queen bed, trundle- providing 2 more beds, & bunk bed-all in 1 bedroom!!) Try to imagine living by all this noise, trash, & constant parking issues. My immediate neighbor to the east (723 Windemere) tries to limit his STRO to 8 people. The property next to his (725 -27 Windemere Ct) has 2- 1 br STRO's, plus front house where owner is moving out & going to do 3rd STRO there- with NO PARKING onsite at all, & NO TRASH CANS or recycling cans. He doesn't want to pay for trash cans & because of all the people in STRO's he doesn't have the room on his property for the trash cans. His cleaning people illegally park in the alley every week. WHY oh why is this continuing to be allowed?

NO- it was NEVER,EVER like this "HISTORICALLY". Imagine yourselves living by all this. Will your 30 % cap reduce STRO's by 28%?.... NO WAY, with no caps on your other tiers, you are INCREASING STRO numbers.

And, the joke is ---90% of the STRO's ARE NOT "Good Neighbors". MOST STRO owners & all prop mgmt companies HAVE NO PHONE numbers on their properties as they do NOT want to be bothered by all the calls on their properties with all the problems the STRO's are causing. The police have their own issues, so no one comes to handle issues. And, code compliance has always been a joke at the City.

Now, STRO supporters whined about this going into effect in March, so we will have yet another summer of utter chaos.

Please reduce the 30% number, & have it all go into effect now.

By the way, I am 1 of the 309 Mission Beach owners that have multiple properties- 3 duplexes, always rented out to long term tenants. Of the 6 units, 4 of the 6 have have been in residence between 5-10 years-which does help create a neighborhood.

Please help us get our neighborhood back.

Kathy Evans
721 Windemere Ct
858.775.1575

Llerandi, Alexander@Coastal

From: robler@san.rr.com
Sent: Monday, February 21, 2022 7:27 PM
To: SanDiegoSTR@Coastal
Subject: Short term rentals

Hello, I am displeased with having short-term rentals in residential neighborhoods. It's very disruptive, creating frequent violations of noise, disorder, disrespect, trash, parking violations. It's like having a business right next-door. Definitely not acceptable in residential neighborhoods.

Obviously this issue is of highest concern for me as a homeowner, taxpayer and voter.

Please end short term rentals in residential neighborhoods.

Richard Obler MD
354 Ricardo place
La Jolla 92037

Sent from my iPhone

Llerandi, Alexander@Coastal

From: PAMELA DEEGAN <deeganpamela@icloud.com>
Sent: Wednesday, March 2, 2022 3:38 PM
To: SanDiegoSTR@Coastal
Cc: deegan Pamela
Subject: Short Term Vacation Rentals

My name is Pam Deegan and my husband and I live near Windansea Beach in La Jolla, California. I understand you are considering whether and how to implement Short Term Vacation Rentals (STVR) along the coast. I am not in favor of the unchecked growth these rentals have brought to my neighborhood. Please allow me the opportunity to elaborate on issues we face in my neighborhood.

1. We are losing our sense of neighborhood, but instead are becoming a vacation village. I have a STVR directly on my right, across the street, three of them behind me, and an additional 6 STRVs on my tiny street. Between 1/4 to 1/3 of my neighborhood is STVRs. With no rules and no enforcement of rules, this has brought distress to all of us. I started to compose a map of the number of STVRs in my extended neighborhood and am appalled at how many homes we have lost to STVRs. Some vacationers are lovely while many are not. There is:

a. Loss of neighborhood and knowing who your neighbors are,
b. Loud noise and parties going on into the early morning hours,
c. No parking since STVR have taken a huge chunk out of available parking,
d. Neighbors (that is us), having to deal with every day items such as trash pick-up since many STVR companies are lax in their upkeep of properties. And we often are knocking on doors and telling vacationers to either quiet down or go inside at 2:00 in the morning while we try to sleep,
e. Inappropriate behavior. I have had to leave my roof top deck in the middle of the afternoon, when vacationers on a nearby deck felt that being on vacation brought them anonymity and they engaged in noisy sexual intercouse on the deck in full view of everyone.

2. I find it ironic that California is attempting to deal with the housing crisis by allowing people to build more units on their property while at the same time contemplating a relaxation in STVRs. In my neighborhood, houses are being torn down to build more STVRs. Houses are being sold to investors who turn away long-term renters in favor of the much more financially lucrative STVRs. We have had friends try to buy homes in our neighborhood to live in and be part of the community, but have been outbid by STVR investors. We have received letters and knocks on our door by STVR investors attempting to buy our property. This has actually considerably reduced the number of homes available to long-term renters and to folks who want to live here permanently.

3. Every discussion regarding enforcement of rules for STVRs has failed and it is important to note that there is no enforcement of STVRs rules.

4. While I don't mind some STVRs, I do object to:

a. No limits on the number of STVRs on a street,
b. Vacation stays less than a week as short term rentals less than a full week are the worst,
c. No real enforcement
d. STVRs not paying the same fees a hotel might pay such as trash collection, etc.

Please don't allow our neighborhood to be further destroyed. We welcome visitors to our community, but not at the cost of total displacement and the destruction of our existing neighborhoods.

Thank you for your consideration,
Pam and Bob Deegan
332 Gravilla Street
La Jolla, Ca 92037

Llerandi, Alexander@Coastal

From: trent wagenseller <trentwagenseller@gmail.com>
Sent: Friday, March 4, 2022 3:23 PM
To: Llerandi, Alexander@Coastal
Cc: SanDiegoSTR@Coastal
Subject: STVR's Clusters

Dear Alexander Etal: My name is Trent Wagenseller and I reside at 5663 Dolphin Place in Bird Rock, La Jolla. I appreciate the Coastal Commision review of the proposed STVR's ordinance. In my and my neighbors reading of the regulations we see no consideration for density per block or street to the "most likely" impacted neighborhoods (blocks to the beach or on the bluffs). Our fear is on coastal streets such as Dolphin, Abalone, Chelsea, Calumet Camino De La Costa, Nautilus, etc. there are no limits to the number of permits resulting in concentrations of short term rental with no buffering for the full time residents. 3-4-5-6 homes in a row would constitute commercial pods within the residential zones in which we live. Through mapping (APN's) and limits per block the detrimental effects of clustering would be alleviated. I ask you to please consider the protection of our established neighborhoods as foremost in your review and recommendations. Without a base understanding of density per block/defined area there is potential to create undo commercial activity and forever change the residential character of our neighborhood.

Thank you. Trent Wagenseller 858-336-0602

Llerandi, Alexander@Coastal

From: Kim Schoettle <kim@schoettlefinancial.com>
Sent: Friday, February 18, 2022 7:31 PM
To: SanDiegoCoast@Coastal; SanDiegoSTR@Coastal
Subject: STVRs input

1) STR owners should be held accountable for their business and limited in what they can own (no more than 5). They should have to be seen in person at DSD or City Treasurer office, present a driver's license to register and receive a TOT certificate. Now they do it online and there is no proof who owns what, their contact information should be public record.

2) There should be limits to STVRs to allow a neighborhood to operate as a neighborhood and so that schools are supported and permanent housing is available for residents. One STVR owner should not own more than 5 properties. Proof of ownership needs to require a copy of a driver's license, property deed copy and insurance proof (home and liability).

3) Any STVR that has 3 or more complaints in one year will have their license revoked. A fine should be levied each time a complaint is received since it costs our city to enforce these rules and police the sites. Coordination between the police and the city STVR dept should be in place. Citizens can also submit a petition signed by a minimum of 20 neighbors in a radius of 2 blocks which can revoke a license due to regular noncompliance, trash and disturbances. Citizens need to be involved in the removal of bad STVR owners.

4) STVRs should be required to show home insurance and liability insurance. All properties with swimming pools should have all required safety equipment and signage.

Kim Schoettle
Operations Manager

Schoettle Financial
Law Office of Thomas J. Schoettle, Jr.
1010 Turquoise Street, #275
San Diego, CA 92109
www.SchoettleFinancial.com
(858) 488-3800

FAX 858-488-3500

Legal services provided through Law Office of Thomas J. Schoettle, Jr.

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Llerandi, Alexander@Coastal

From: Gary Wonacott <wildcatwonacott@gmail.com>
Sent: Wednesday, March 2, 2022 7:53 AM
To: Todd Gloria; CouncilMember Sean Elo-Rivera; CouncilMember Marni von Wilpert; CouncilMember Chris Cate; Councilmember LaCava; CouncilMember Raul Campillo; Councilmember Stephen Whitburn; Councilmember Vivian Moreno; Councilmember Jennifer Campbell; Councilmember Vivian Moreno
Cc: Llerandi, Alexander@Coastal
Subject: Why are politicians so blind to data and facts?

Dear Mayor:

Bird Scooters marketing strategy is to come into a City and saturate it with scooters. Once an infrastructure is established, negotiations begin with the City, allowing a substantial decrease in scooters city-wide, a City win? Bird's strategy took a couple years; AirBnB took about five years beginning in 2012 to reach its maximum number, except for downtown. Prior to the platforms proliferation in Mission Beach, we had 500 (1 week minimum) summer vacation rentals. While the City claims a 48 percent decrease in STRs, we in Mission Beach see the Tier 4 as a 869 percent increase. The City claims an average daily rate in the coastal areas of $306, but in Mission Beach it is $444; only affordable with multiple families crowding into one place, crowding out residents and day visitors, with a 40 percent winter vacancy rate; a huge waste of housing. I expected better from Coastal.

Gary Wonacott
731 Avalon Court
San Diego, CA 92109
8586100181

Sent from my iPad

July 26, 2021

James Kinsey
5371 Calumet Avenue
La Jolla, CA 92037
858-230-7021

Mayor Todd Gloria
City Administration Building
202-C Street, 11th Floor
San Diego, CA 92101

Subject: 5366 Calumet Avenue, La Jolla, CA 92037

Dear Mayor Gloria:

Please be advised the residential home located at 5366 Calumet Avenue, La Jolla, CA 92037 is being used as a six-room motel. Additionally, the owners failed to pull permits before adding two bedrooms and filling in the exercise swimming pool in the garage. Due to erosion the back patio appears to be in danger of falling off the cliff.

The home was purchased in October 2020 by two well-off physicians who said they were moving in but never did. On the contrary the home is being managed by Sea Breeze Vacation Rentals. I alerted Combination Building Inspector Cassidy Anderson to these issues. When the City Inspector came to meet with the owners on July 14, 2021, they failed to show up.

My wife and I purchased the home across the street, 5371 Calumet Avenue, in 2017 to be closer to our daughters and grandchildren. When we purchased the home, we did not know the city would allow residential homes to be managed like a motel with new guests and cleaning and maintenance crews coming and going at all times. The constant turnover of cars and trucks makes it feel like we live behind a warehouse with a 24-hour loading dock. Our neighbor should not be allowed to run a busy motel that negatively impacts the quality of life of the other residents. My wife and I are not on vacation and should not be awakened at all hours of the night by people who are.

We love our home and do not wish to move but we are reaching a breaking point.

Sincerely,

James T. Kinsey

CC: Mara W. Elliott, City Attorney

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Tuesday, February 22, 2022 4:10 PM
To: Llerandi, Alexander@Coastal; SanDiegoSTR@Coastal
Subject: Airbnb listings sleep 7-16

Mr. Llerandi,
The first few listings for Airbnb/ La Jolla.

All sleep many more than the Travel Tech number of 5.8.

I stroke tallied the entire listings. Coastal properties: 79% sleep 7-16. 51% of guests are age 18-34 (Airbnb website).

The STVRs are not helping families.

The biggest concern a family has is affordable long term housing; not their vacation lodging.

If you read my other emails, in the coastal areas of LJ, PB, OB there are 7,200 short term rentals versus 960 long term rentals.

There is a 1 month supply of homes for sale in coastal San Diego.

There is no foreseeable improvement to these statistics.

Meanwhile, Airbnb paid to gather signatures to overturn the implementation of the SatR ordinance.

There are studies (I submitted) that prove there is no economic benefit to a local community due to having STVRs.

Thank you for perusing my data in support to heavily reduce and regulate STVRs in San Diego.

Trudy Grundland
335 Ricardo Place 92037
858-210-0190

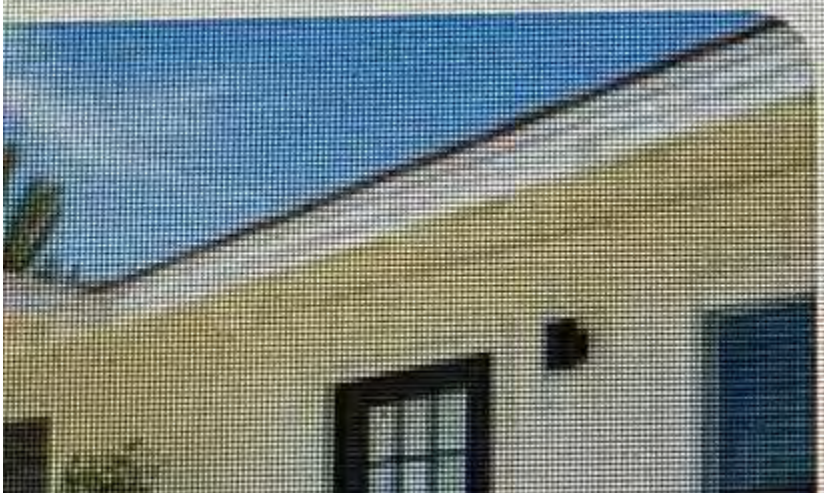
Entire residentia

New Listing!

14 guests · 6 be

Free parking · W

★ 5.0 (4 review



Entire residenti

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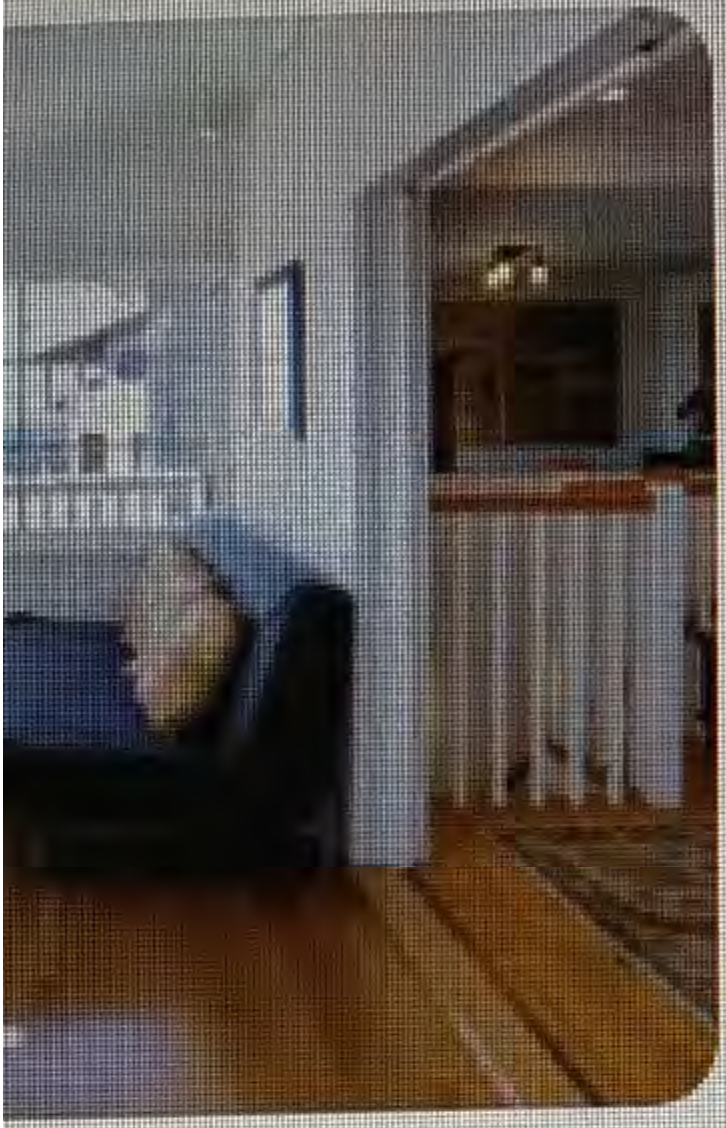
12 guests

Free park

4.78 (2

Entire res

Ocean



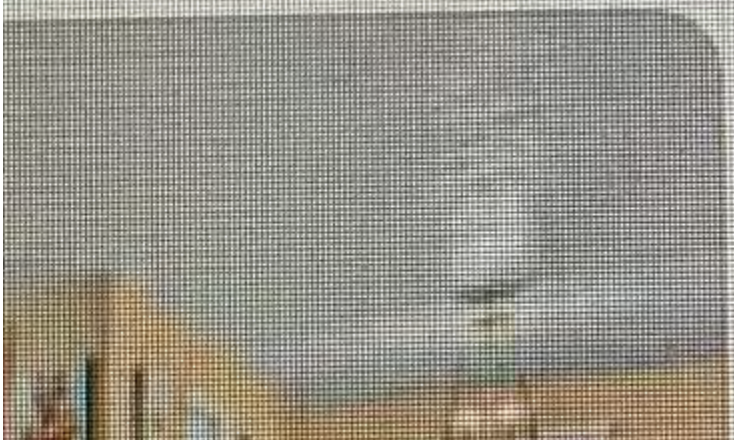
Entire residential h

View the Ocea

12 guests · 4 bedro

Free parking · Wifi

4.99 (221 review



Entire residential l

2 HOMES 9be

14 guests · 5 bedr

Vista Del Mar

12 guests · 5 bed

Free parking · W

4.78 (9 review

Entire residentia

Large Yard &

10 guests · 3 bed

Free parking · W

Sent from my iPhone

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Tuesday, February 22, 2022 4:31 PM
To: Llerandi, Alexander@Coastal; SanDiegoSTR@Coastal
Subject: Airbnb San Diego sleep 7-16

Mr. Llerandi,
Photos taken 2/22/22 of Airbnb/San Diego listings. Just the first few but you can see most sleep many more than 5.8 as stated in the Travel Tech report submitted to Jen Campbell on 9/22/21.

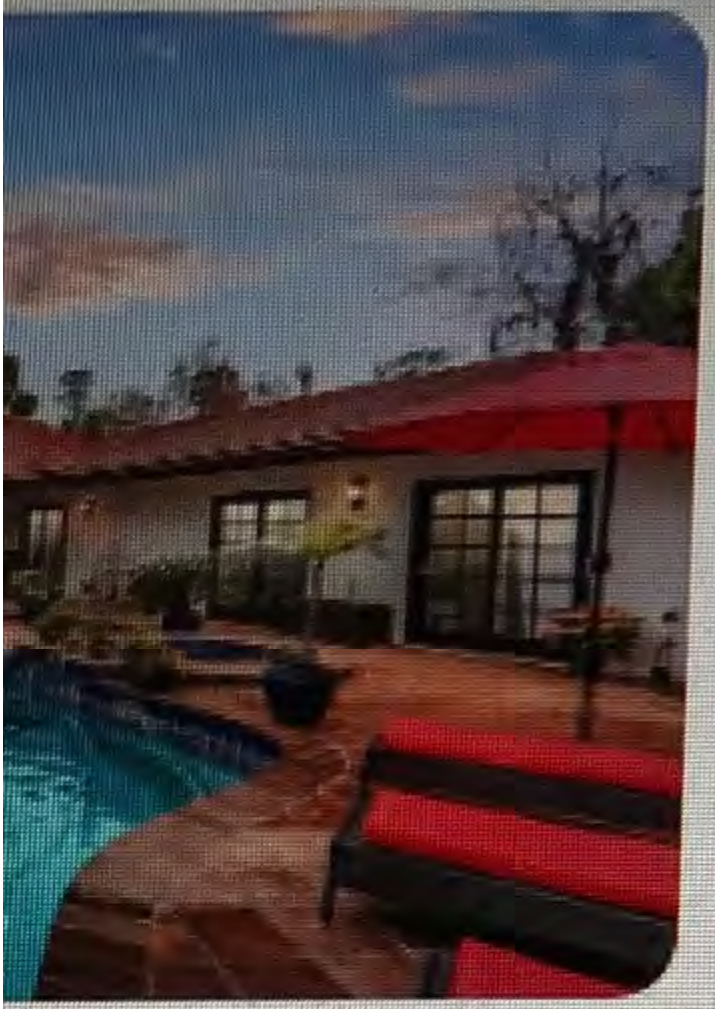
Travel Tech is the travel industry association. Airbnb is a major client. There was a lot of important data that report omitted. Like how 15% of Airbnb guests are age 18-24. 27% are age 25-34. How many reports are made to the police because of raucous behavior at a STVR.
How the San Diego coast has been stripped of its housing by a relatively small group of investors. Rich men becoming richer.
How there are 7,200 STRs to 960 long term rentals available right now in La Jolla, Pacific Beach, Ocean Beach. There's only a one month supply of houses available for sale.
How a family's priority is where they can afford to live, not their vacation lodging!
I know I'm being redundant but these are scary statistics.

If you have any questions, please call me at 8582100190 or email trudygrundland@yahoo.com

Trudy Grundland
Homeowner, taxpayer, advocate for zoning

place

Free cancellation



Entire residential ho

New Listing! Lux

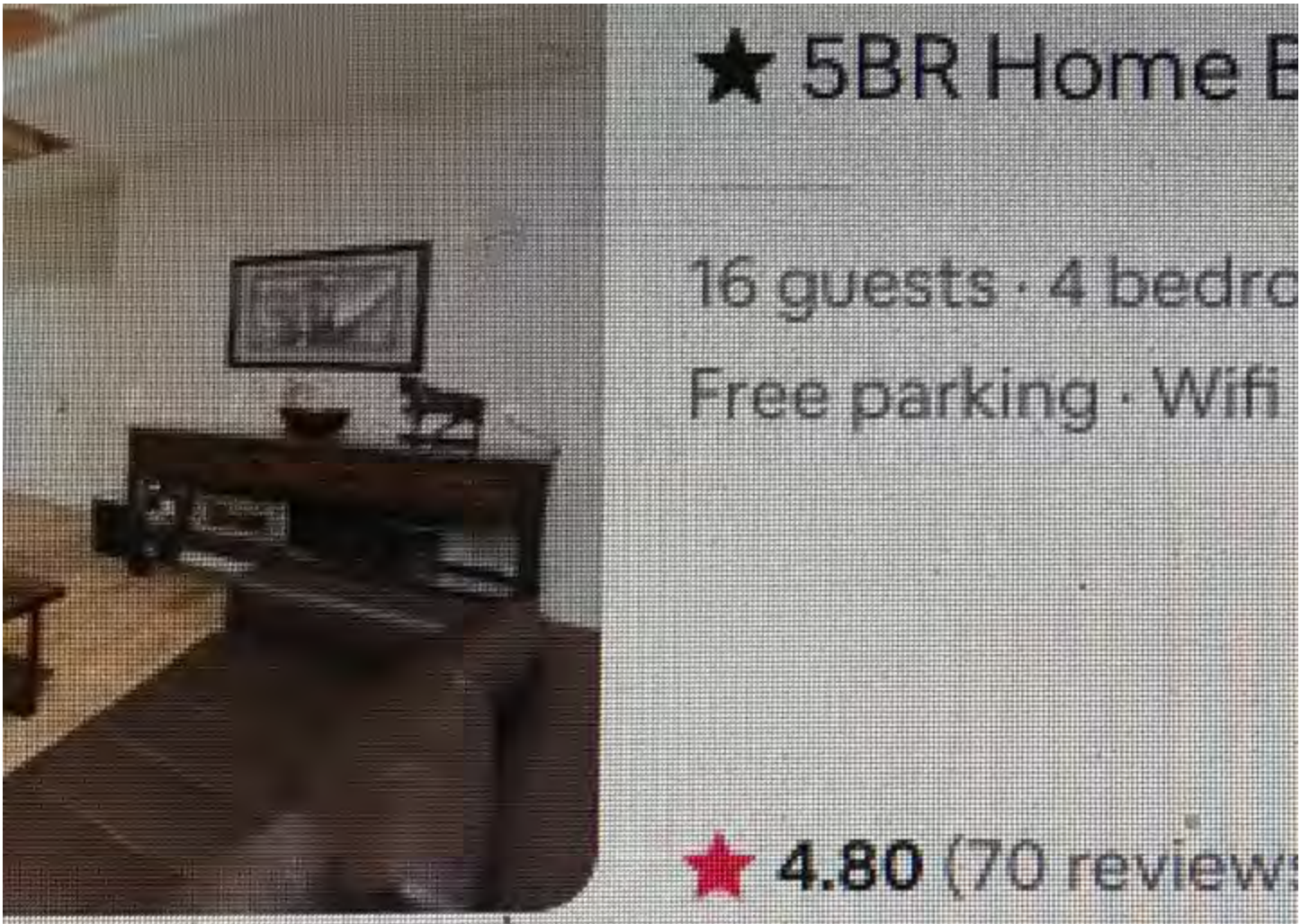
14 guests · 6 bedroo

Free parking · Wifi ·

5.0 (4 reviews)

Entire residential ho

Famous Bird Ro



★ 5BR Home E

16 guests · 4 bedro

Free parking · Wifi

★ 4.80 (70 review

Entire residential h

Centrally locat

9 guests · 4 bedro

Free parking · Wifi

ce

Free cancellation

Entire residential hom

LargeHome4

16 guests · 5 bedroon

Free parking · Wifi · Ki

4.89 (9 reviews)

Entire condominium

Modern 4Bd Fan

Sent from my iPhone

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Friday, February 18, 2022 12:59 AM
To: Llerandi, Alexander@Coastal
Subject: Airbnb Statistics [2021]: User & Market Growth Data

Mr. Llerandi:

In 2021 an investor converted a home on our street into a STVR that sleeps 14 (converted garage has 4 queen beds). But it's not all bad. I get to brag: "I live near a party house." Due to the the disturbance to my peace & quiet, I stay up late gathering Airbnb minutiae. Enjoy.

Trudy Grundland

Top 10 areas for visitors to San Diego: Mission Beach, Pacific Beach, downtown SD, La Jolla, uptown, North Park, Ocean Beach, Point Loma, Clairemont, Golden Hill. (source: AirDNA).

There are **7,200** short term rentals vs. **1,000** long term rentals in Pacific Beach, La Jolla, Ocean Beach. 7X. 7,200 to 1,000. 7:1.
(I excluded MB from this count because of its vacation rental history). Sources: read below.

SHORT TERM

VRBO		2,423	1,232	300	(In PB 608 houses, 495 apts, 49 cottages, 80 townhouses)
Airbnb					
LJ Shores		123			
LJ Cove	130				
Windn'sea		218			
Bird Rock		64			
			535	500*	500 * *number taken from Airbnb site
FlipKey		865	840	n/a	
			3,823	2,572	800 = **7,195**

LONG TERM

		LJ	PB	OB
Craig's List	36	68	43	
Apts for Rent	235	184	119	
Realtor.com	97	40	8	
Trulia	64	52	15	
		432	344	185 = **961**

7,200 vs. 960. So, it's a lot easier to have a "vacay" than to live and work here. But, just so you know, 79% of the Airbnb rentals at the coast are whole houses that sleep 7-16 adults. I mean, you can stay in a house by yourself, no one will stop you. BUT NOBODY DOES!

On 1/22/22, I went onto Airbnb/San Diego.com. I stroke tallied by guest count the properties, sleeping 1, sleeping 2, sleeping 3…sleeping 16.

1) Airbnb/La Jolla (includes PB, OB, MB),
79% of properties sleep 7-16 adults, 15% sleep 6, 6% sleep 1-5.

2) Airbnb/San Diego (includes Chula Vista, National City, downtown, Little Italy, North & South Park, Point Loma, Clairemont, Hillcrest, etc.)
66% of properties sleep 7-16 adults, 28% sleep 6, 6% sleep 1-5.

Who are all these charming individuals who come to the San Diego coast and rent a whole house? An organized group of empty nesters studying the flora & fauna & sea life of the area? Families with 6 children? Nope. How about your worse nightmare. The party crowd. Kids just out of high school and everyone in their twenties and up to 30ish, all insanely happy that they can party for 2 or 3 days with their bro's and besties! Ready to have the most fun in their life! Travel Tech didn't mention this statistic, now did they? Who cares about the age or sex of Airbnb hosts! It's the guests that make the house rock, man. They're dope!

AIRBNB STATISTICS
Airbnb guests
15% ages 18-24
36% ages 25-34
51%

23% ages 35-44
14% ages 45-54
7% ages 55-64
5% ages 65+

Speaking about guests. The last one who stayed with her friends at #49876412/355 Ricardo Pl, 92037 in February ' 22 left a rave review. Loved it!!!

The hosts weren't as thrilled. Click on the photo of the hosts to read their comments. Olivier & Jenny state: *Kimmie was a terrible guest and we hope she gets kicked off the Airbnb platform!* Well, well, well.

But if I complain about the noise from the STR nobody listens. The hosts don't respond. The owner is MIA. The city doesn't care. 12 complaints were made in six months to the police by me & neighbors. The police don't come. Illegal garage conversion. DSD doesn't care. The owner doesn't have a TOT certificate. The treasurer hasn't shut him down. No matter how many complaints, Airbnb keeps the house on their platform in #1 position on page 1.

What's a girl to do?

https://ipropertymanagement.com/research/airbnb-statistics

Airbnb Statistics

Last Updated: November 4, 2021

Report Highlights. Airbnb ended 2020 with a record-breaking **$100 billion** initial public offering (IPO) after booking rates dropped *85%* earlier in the year.

- Airbnb's current valuation is **$110 billion**.
- The average host earns **$9,600** annually.
- Guests have booked over **900 million** stays.
- Over **4 million** hosts have listings on Airbnb.
- There are **5.6 million** global listings in *100,000* cities and over *200,000* countries and regions

For further context, see our report on the Vacation Rental Industry.

Airbnb Industry Statistics

Since its founding in 2007, Airbnb usership has expanded to over 220 countries as part of the "sharing economy."

- Over 150 million worldwide users have booked over 800 million stays.
- 6 guests check into an Airbnb listing every second.
- The average nightly rent is $185.00.
- The average stay is 4.3 nights.
- There are 4 million hosts worldwide.
- Airbnb includes listings from over 100,000 cities.
- The average U.S. Airbnb occupancy rate is 48%.
- Users spend an average of 11 minutes and 31 seconds on the Airbnb app.
- The company has 728,000 Twitter followers.
- Airbnb's main website saw 91 million visits in January 2020 with 50% of traffic through mobile devices
- Airbnb listings constitute 19% of the total demand for lodging in the U.S.

Guests

Guests or users of Airbnb are most likely to be milennials who cite ease and convenience among their reasons for staying at Airbnbs.

- 54% of Airbnb guests are female.
- 36% of guests are between the ages of 25 and 34.
- 15% are between 18 and 24; 13% are aged 55 and older.
- 95% of surveyed guests choose Airbnb for ease and security of payment.
- 86% say the location of their Airbnb is more convenient than a hotel.
- 77% want to live like locals.
- 64% agree that home-sharing is more ecological or environmentally friendly.
- 43% indicate functionality is their top valued amenity
- 58% of millennials indicate social media worthiness is a major factor in booking decisions.
- 59% of US guests, 46% of Australian guests, and 39% of Italian guests value air conditioning over wi-fi.
- Guests from the US, Australia and Canada tend to value free parking over a pool.
- In December 2019, 10.4 million guests stayed in an Airbnb for the holidays; 2,574 stayed in castles, 1031 stayed in treehouses, and 121 stayed in windmills.

Among Current Airbnb Listings

90,000 cabins	2,800 yurts
40,000 farms	2,600 treehouses
24,000 tiny homes	1,600 private islands
5,600 boats	300 lighthouses
3,500 castles	140 igloos

Airbnb vs. Hotels

As a direct consequence of Airbnb's success, hotels such as Marriot International are adding home-rental offerings to their portfolios.

- Over 50% of Airbnb guests choose to stay at an Airbnb over a traditional hotel.
- In Europe, Airbnb is anywhere from 8% to 17% cheaper than a regional hotel's average daily rate.

- In some U.S. markets, Airbnb can be 6% to 17% cheaper than hotels.
- The hotel industry loses approximately $450 million in direct revenues per year to AirBnb.
- 400,000 companies directly engage with Airbnb to manage travel for their employees.
- The average work stay with Airbnb or Airbnb For Work is 5 days.
- Airbnb for Work also offers relocation services, team-building experiences, and offsite locations for meetings.

Countries with the most listings on Airbnb

	Location	Total Listings
1	United States	660,000
2	France	485,000
3	Italy	340,000
4	Spain	245,000
5	United Kingdom	175,000

Airbnb vs. COVID-19

Airbnb's revenue took a massive hit from quarantines and lockdowns throughout 2020. As a result, the company postponed its initial public offering (IPO).

- Airbnb's valuation decreased 48.6%, from $35 billion to $18 billion, from January to May 2020.
- Airbnb may have lost up to 54% of its overall revenue due to the novel coronavirus.
- Booking rates dipped by 85% at one point.
- Optimistic investors, contributed an additional* $2 billion to the company's IPO fund after March of 2020.
- In August of 2020, Airbnb enacted a global ban on gatherings of more than 16 people at AirBnB listed properties "until further notice".
- The company also adjusted its policies to allow for hosts to make last-minute cancellations under "etenuating circumstances" without incurring a penalty.
- The $1 billion-dollar Airbnb Host Endowment launched in October 2020 with the purpose of providing emergency funds, educational grants, and other support to hosts and their families.

- Other innovations designed to keep the company and Hosts afloat financially include Online Experiences:
    - Online Experiences is part of the Experiences program, which arranges for guests to participate in host-led activities.
    - Online Experiences offer tours and classes similar to the Experiences program, except all events are hosted via Zoom.
    - Events cost an average of $10 but may be priced as low as $2 or as high as $73.
    - Over 200 experiences are currently available and Airbnb adds another dozen or so each week.
    - 56% of hosts use Online Experiences to supplement their income from a part-time or full-time job.
    - More than 80% of Online Experience guests attend from outside the host's home country.
    - Over the holidays, Airbnb partnered with Santa Visits USA to launch a special initiative offering Online Experiences with Santa, including Virtual Visit and Story Time with Santa, Sign Language Santa, and Mama Claus Holiday Joy.

**In addition to the $6.4 billion previously raised across 22 funding rounds.*

Hosts

Women are slightly more likely to register as Hosts on Airbnb. The fastest gowing age group among Hosts is senior.

- The average host earns $9,600 annually.
- Hosts have collectively earned over $110 billion.
- 22% of hosts indicate they chose to host after first being an Airbnb guest.
- The fastest-growing host demographic is seniors, with over 400,000 senior hosts.
- Senior women are consistently rated as the best hosts on Airbnb.
- In 2016, 320,000 hosts over the age of 60 earned a total of $747 million through Airbnb.
- Women constitute 56% of hosts and have earned $32 billion since the company began in 2008.

- U.S. women earn a collective annual income of $4 billion hosting on Airbnb.
- Women Hosts in Iceland earn an average income of $10,200, 29% higher than the average Airbnb income.
- Experience hosts earn an average of $10,000 per year.

Airbnb Plus Program

Airbnb's Plus Program identifies exceptional Hosts. To qualify, Hosts and properties have to maintain several status requirements and pass a 100-point in-person inspection.

- Airbnb Plus properties have to be verified in person.
- In addition to maintaining the Airbnb Hospitality Standards, Plus Hosts must have a minimum 4.8 rating.
- Listings must accept 95% of bookings in the previous 12 months.
- No reservations cancelled by the Host (except under extenuating circumstances).
- Plus listings must either be "Entire Home"""" listings or private bedrooms with attached private bathroom.
- Over 26,000 Plus homes are available in 41 cities around the world.
- Plus homes earn up to 400% more than standard listings.

Airbnb Home-Sharing Trends

Hosts and commercial operators listing multiple properties for rent represent one of Airbnb's fastest-growing segments.

- Hosts with 10 or more properties generate a quarter of *all* multi-host revenue.
- 81% of Airbnb's revenue ($4.6 billion) in 2017 comes from whole-unit rentals where owner is not present during the guest's stay.
- Revenue growth for whole-unit rentals has increased by an average of 76% each year in most markets.
- Legal restrictions and regulations may influence trends.

Most Popular U.S. Destinations from Summer 2020

Big Bear Lake, California	Destin, Florida
Miramar Beach, Florida	Myrtle Beach, South Carolina
Panama City Beach, Florida	Branson, Missouri

Smoky Mountains, Tennessee/North Carolina	Palm Springs Desert, California
Hilton Head Island, South Carolina	Port Aranses, Texas

Regulating Airbnb

In 2019, Airbnb became heavily regulated, restricted or made illegal altogether in many cities where it previously had very high numbers of listings and bookings.

- Due to increasing regulations, growth is slow or not occurring at all in some of Airbnb's former top cities.
- Between 2017 and 2019, listings in New York City fell 7.1% and listings in San Francisco fell 16.7%.
- In 2015, over 10% of all active listings were in New York City, London, and Paris.
- In early 2020, less than 3% of all active listings were in New York City, London, and Paris.

Cities where Airbnb bookings declined as a result of legal regulation

Location	Laws & Regulations
Barcelona, Spain	Property owners must have a city-approved license to rent their property on Airbnb.
Las Vegas, Nevada	Primary residents must have a permit and must remain present during any short-term stay. Real estat agents cannot rent out a property for less than 31 days.
Los Angeles, California	Hosts may only rent out their primary residences (where they live for more than 6 months out of the furthermore Hosts may rent no more than 120 days per year.
New York City	Hosts renting for less than 30 days must be permanent residents. While Hosting, they must occupy th property, and they may not Host more than one property at a time.
Paris, France	Listings must have a registration number to ensure compliance, and apartments may only be rented c 120 days a year.
San Francisco, California	Hosts must be permanent residents and live on the property for a minimum 275 nights per year. They not have more than one listing or rent out for more than 90 nights each year.
Santa Monica, California	Hosts must occupy the property during renter stay. They must also register for a business license and 14% of their revenue to the City.

Airbnb Corporate Statistics

The Airbnb workforce includes more than 14,000 employees in 34 offices worldwide.

- The Airbnb workforce is 52.5% male.
- 77.9% of Airbnb engineers are male.

- 12.3% of Airbnb's US-based employees are from underrepresented populations
- 14,384 employees work directly for Airbnb.
- 1000 employees surveyed gave Airbnb 3.8 out of 5 stars when scoring career opportunities, salary/benefits, management, culture/values, and work/life balance.
- 75% of Airbnb employees felt their pay was fair.
- Airbnb's yearly revenue in 2018 was $3.6 billion.
- Airbnb's yearly revenue in 2017 was $2.6 billion, an increase of 73% over 2016.
- The company has over 400 agreements with local and national governments to automate the collection of tourism taxes, collecting over $2 billion in tourism-related taxes through these agreements.
- Airbnb has several top competitors, including Expedia Group, HomeAway, Booking Holdings (formerly Priceline), VRBO, Trivago, and Booking.com.

Sources

1. Reuters, Airbnb Valuation Surges Past 100 Billion in Biggest US IPO of 2020
2. Airbnb, About Us
3. Airbnb, Airbnb Launches Campaign to Support Domestic Travel + Local Economic Growth

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Tuesday, February 22, 2022 2:23 PM
To: SanDiegoSTR@Coastal
Subject: Busy weekend at LJ STVR
Attachments: IMG_3002.MOV

Mr. Llerandi:

February 18-22, 2022, 4 nights, 3 separate groups at Airbnb #49876412/355 Ricardo Place 92037. Party bus picked up 14 on Saturday at 4 pm. They returned in the middle of the night. Group #1 checked out and Group #2 arrived 60 minutes later. The 8-10 girls loaded into Ubers. They left Monday at 10 and a couple checked in at 5. Group #3 left Tuesday 2/22/22 at 10. The two cleaning women and a repair man have been there many times in 4 days.
A residence that is booked for 1-2 night stays, that's supposed to pay a city business tax-TOT-and has no owner on site is a hotel lodging business. The owner should have to abide by zoning, health and fire (limits to number of people in a dwelling) codes, same as a hotel. The hotel should not be on a cul de sac of 11 homes.
My only contact for this business is a young man who now lives in LA—moved there to manage Malibu STVRs. The other contact, lives in MB and manages 19 STRs in SD, refused to give her number when I asked the cleaning woman to ask.

This is not a "lone wolf" example.

More photos to follow.

Trudy Grundland
335 Ricardo Place 92037

Sent from my iPhone

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Tuesday, February 22, 2022 3:05 PM
To: SanDiegoSTR@Coastal
Subject: Cleaning & Handyman all weekend at STVR on Ricardo Place 92037

Mr. Llerandi,

The red vehicle and the gray p/u belong to the Handyman & cleaning women. Come & go Sunday Monday Tuesday. A regular parade on our little cul de sac that began in 2021.

I'm supposed to be happy that the owner operates a flop house, oh, a hotel in a residential zoned neighborhood without regulations. If zoning doesn't matter then can I open a coffee shop, taco stand, a bar, an auto repair shop at my house? If I operate a commercial business from my residence, I'll save on rent and can sell my food/service for less than a regulated operation. Won't that be good? Make the CA coast more affordable?

Is it too late?

Can this Airbnb behind the scenes ownership of America end here?

Trudy Grundland
335 Ricardo Place 92037

MOUNTAINEER
MAY
California
8XKV959

Sent from my iPhone

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Wednesday, February 23, 2022 2:30 PM
To: SanDiegoSTR@Coastal; Llerandi, Alexander@Coastal
Subject: Free Trash Collection not allowed for STRs
Attachments: WebPage.pdf

Mr. Llerandi:

Currently, 16,000 STRs in San Diego are not charged for trash collection and they have never been charged for this service although the city recognizes (via TOT) that STRs are, indeed, businesses. Businesses in San Diego pay for trash collection. The target implementation date of 12/20 of billing STRs was missed.

If $600,000 is the annual expense to collect trash from 16,000 locations and the city has not done this for four years that is $2.5 million that could have been used for the greater good of San Diego: alleviating the homeless situation, hiring more first responders, teachers, staff to enforce STRs, etc.

The reason I mention this free trash for STRs as a problem is because this is another example of how the wealthy investors are getting away with murder in our city. It's easier for a STR owner to offer lower prices than a hotel because the STR doesn't have the same expenses. The city gives the STR owners a pass on too many issues. Which, I have to confess, reeks suspiciously of collusion. Airbnb, as we know, paid to hire signature gatherers to get the ordinance delayed. $$$.

So, the big question. Are we going to take STRs (79% sleep 7-16 in SD coastal area/data taken from Airbnb website) seriously and treat the wealthy (mostly white, male) owners as we do all other businesses, and make them behave and pay their taxes, pay for trash collection, and have to follow fire/health/safety regulations like other businesses, or are we going to continue to buy into the pretty picture Airbnb wants the world to believe, that if it wasn't for renting out a room, the STR operators, who are old ladies (Travel Tech data, 9/22/21), would be financially insolvent and would lose their home. Gasp!

Who's on first?

Trudy Grundland

335 Ricardo Place, 92037

P.S. I wouldn't have become this vociferous if the wealthy, white male investor from Carlsbad (James Lindsay) hadn't bought the house (zillow: 3 bd 2 ba 1,992 sqft 355 Ricardo Pl, La Jolla, CA 92037
Sold
: $2,175,000 Sold on 12/04/20), illegally converted the garage into a dormitory style bedroom that sleeps 8, (4 queen beds), advertised it as sleeping
14, https://www.airbnb.com/rooms/49876412?federated_search_id=36c6d81a-ebec-4a02-bba3-cbb85beee576&source_impression_id=p3_1645655016_A1Q%2FtvHirVveW5%2Fy

Famous Bird Rock location amazing family house! 🌴**4.54 · 54 reviews** San Diego, California, United StatesEntire residential home hosted by Jenny & Olivier

- 14 guests
- · 4 bedrooms
- · 7 beds
- · 2 baths

did not enforce strict limits like minimum 3 night stays, no one under age 25, etc. and disrupted the lives of 34 people from May ‘ 21 to now. This isn’t Lindsay’s only STR. He just bought 4 more in Sunset Cliffs/Point Loma. There appears to be no end to his indifference to running an illegal empire. Why should he be allowed to do this? Because Airbnb is an all-mighty rental platform and wealthy folks looking for another avenue to build their portfolio have determined it’s a goldmine? Because San Diego can’t/won't enforce its ordinances?

SYNOPSIS TAKEN FROM THE LINK BELOW

On October 22, 2018, the Council repealed the two new ordinances that would have established license requirements and other regulations related to whole-home STROs. The repeal was the result of a referendary petition opposing the new ordinances. However, all STRO activity is still subject to existing laws. For example, hosts are required to pay Transient Occupancy Tax for rental periods of less than one month. The future regulation of STROs is uncertain as of this report.

Free Trash Collection Service for Short-Term Residential Occupancy Units is Very Likely Prohibited

A June 9, 2017 memorandum from the City Attorney’s Office (Attachment A) determined that free trash collection for STROs was “very likely” prohibited by the People’s Ordinance. According to the law, free trash collection service is provided for “residential refuse” that is generated from a single family or multi-family residential structure that is owned, leased, or rented for a period one month or more. Therefore, most residences that are occupied for less than one month at a time do not appear to be eligible for free trash collection service.

Management is planning to initiate the following review of this issue.

I. Evaluate the impacts from an operational and financial standpoint of providing free solid waste and recycling collection services for single and multi-family residents.
II. Identify and verify the number of Short-Term Residential Occupants who currently have active Transient Occupancy Registration Certificates and the impact on the city providing solid waste and recycling collection services to this customer base including STRO's that do not have registration certificates.
III. Evaluate the financial and operational impacts of cost recovery for solid waste and recycling collection services provided to Short-Term Residential Occupants.
IV. Monitor any state legislation regarding Short-Term Residential Occupants and evaluate impacts in providing solid waste and recycling collection services.

Target Implementation Date: December 2020

IT DIDN’T HAPPEN

July 10, 2019
Kris Michell, Chief Operating Officer

Kyle Elser, Interim City Auditor Office of the City Auditor

Hotline Report of Improper Free Trash Collection at Short-Term Residential Occupancy Units

THE CITY OF SAN DIEGO

DATE: July 10, 2019

TO: Kris Michell, Chief Operating Officer

FROM: Kyle Elser, Interim City Auditor
Office of the City Auditor

SUBJECT: Hotline Report of Improper Free Trash Collection at Short-Term Residential Occupancy Units

---

Our Office received a Fraud Hotline report regarding the City's Environmental Services Department (ESD) improperly providing free "nonresidential" trash collection services at short-term residential occupancy (STRO) properties that are occupied for less than a month at a time. According to the San Diego Municipal Code (SDMC), the City Attorney's Office, and ESD's Regulation, STRO rental properties do not qualify for free trash collection service. Our investigation determined that up to 16,000 STRO units receive free trash collection service from the City.

We made one recommendation with three proposed solutions to the ongoing "very likely" prohibited collection of trash from STROs and requested a response from management indicating whether they agreed or disagreed with our recommendation. Management responded that they "partially" agreed with the recommendation and committed to evaluate financial and operational impacts, but did not agree to take any of the actions we recommended. We will bring this report to the attention of the Audit Committee of the City Council and ask that the report be forwarded to the full City Council for further discussion of our proposed recommendation.

The City Provides Free Residential Trash Collection

Since 1919, the City has provided residential trash collection and solid waste management services. The services have been offered at no cost to eligible residences since the 1980s. At that time, amendments to SDMC § 66.0127, known as the People's Ordinance, refined the eligibility criteria for free trash collection. Under the amendments, free trash collection was generally limited to single-family homes within City limits. The City also provides residential recycling and greenery collection services at no cost to residents.

According to the ESD's budget data for Fiscal Year 2018, approximately 108 City employees were involved with the collection of approximately 388 tons of trash at an annual cost of around $34 million from the General Fund. The ESD website estimates that there are approximately 289,000 residences serviced on a weekly basis. The City of San Diego is one of the only cities in California that offers free trash collection service to its residents.

Short-Term Residential Occupancy in Residential Zones is Apparently Prohibited

A short-term residential occupancy (STRO) typically involves the rental of real property for less than a month at a time. The City has attempted to regulate STROs several times, most recently on August 2, 2018, the City Council adopted ordinances relating to code enforcement and STROs.[1] Negative residential impacts associated with the STROs operating throughout the City, such as improper trash disposal, were cited as part of the rationale for regulating STROs. Although trash collection was identified as an issue related to STROs, the proposed ordinances did not address or regulate the free residential trash collection that the City has been

[1] Specifically, Ordinance Number O-20977 related to the enforcement of STROs and Ordinance Number O-20978 established an STRO License, Affordable Housing Impact Fee, and other requirements. The latter ordinance also proposed to define a STRO as occupancy of less than a month, consistent with the definition of "transient" in the City's existing Transient Occupancy Tax Code under SDMC § 35.0102.

providing to STROs. There are approximately 16,000 STROs operating throughout the City, according to a City-retained consultant's estimate as of March 2018.

In a March 2017 Memorandum of Law, the City Attorney determined that STROs in residential zones appear to be prohibited. As such, changes to the SDMC are necessary to address the regulation of STROs. On October 22, 2018, the Council repealed the two new ordinances that would have established license requirements and other regulations related to whole-home STROs. The repeal was the result of a referendary petition opposing the new ordinances. However, all STRO activity is still subject to existing laws. For example, hosts are required to pay Transient Occupancy Tax for rental periods of less than one month. The future regulation of STROs is uncertain as of this report.

Free Trash Collection Service for Short-Term Residential Occupancy Units is Very Likely Prohibited

A June 9, 2017 memorandum from the City Attorney's Office (Attachment A) determined that free trash collection for STROs was "very likely" prohibited by the People's Ordinance. According to the law, free trash collection service is provided for "residential refuse" that is generated from a single family or multi-family residential structure that is owned, leased, or rented for a period one month or more. Therefore, most residences that are occupied for less than one month at a time do not appear to be eligible for free trash collection service. Currently, ESD staff do not evaluate STROs for trash collection service eligibility. However, the proposal of any new STRO regulations may provide the opportunity to address the apparent improper free trash collection for STROs. According to the City Attorney's Office, the City Council could submit an initiative proposing the amendment or repeal of the People's Ordinance to address the restrictions prohibiting trash collection service to STROs.

Conclusion

Although the City Attorney's Office determined that free trash collection for STROs is "very likely" prohibited by the People's Ordinance and the operation of STROs in residential areas is apparently unlawful, the City continues to provide trash collection service to STROs at no charge. We identify possible solutions in our recommendation.

Recommendation and Management's Response
(See Attachment B for Definitions of Fraud Hotline Recommendation Priorities, and Attachment C for the original Management Response Memo)

Recommendation 1

Because the City Attorney's Office determined that free trash collection for short term residential occupancy (STROs) is "very likely" prohibited by the People's Ordinance, and the City continues to provide trash service to STROs at no cost, we recommend that the Chief Operating Officer implement one or more of the following solutions (Priority 1):

a) **identify and remove free trash service for City households generating "nonresidential refuse;"**
b) **recommend that the Council submit an initiative proposing a repeal of the People's Ordinance; and/or**
c) **recommend that the Council submit an initiative proposing to amend the People's Ordinance to allow "nonresidential refuse" collection from STROs, which could include cost recovery.**

Management Response: Management partially agrees with the recommendation.

Management is planning to initiate the following review of this issue.

I. Evaluate the impacts from an operational and financial standpoint of providing free solid waste and recycling collection services for single and multi-family residents.

II. Identify and verify the number of Short-Term Residential Occupants who currently have active Transient Occupancy Registration Certificates and the impact on the city providing solid waste and recycling collection services to this customer base including STRO's that do not have registration certificates.

III. Evaluate the financial and operational impacts of cost recovery for solid waste and recycling collection services provided to Short-Term Residential Occupants.

IV. Monitor any state legislation regarding Short-Term Residential Occupants and evaluate impacts in providing solid waste and recycling collection services.

Target Implementation Date: December 2020

This report was written by Fraud Investigator Andy Horita, and the investigation was conducted under the authority of California Government Code Section 53087.6 which states:

> (e) (2) Any investigative audit conducted pursuant to this subdivision shall be kept confidential, except to issue any report of an investigation that has been substantiated, or to release any findings resulting from a completed investigation that are deemed necessary to serve the interests of the public. In any event, the identity of the individual or individuals reporting the improper government activity, and the subject employee or employees shall be kept confidential.
>
> (3) Notwithstanding paragraph (2), the auditor or controller may provide a copy of a substantiated audit report that includes the identities of the subject employee or employees and other pertinent information concerning the investigation to the appropriate appointing authority for disciplinary purposes. The substantiated audit report, any subsequent investigatory materials or information, and the disposition of any resulting disciplinary proceedings are subject to the confidentiality provisions of applicable local, state, and federal statutes, rules, and regulations.

Thank you for taking action on this issue.

Respectfully submitted,

Kyle Elser
Interim City Auditor

Attachment A – City Attorney Memorandum

Office of
The City Attorney
City of San Diego

MEMORANDUM
MS 59

(619) 533-5800

DATE: June 9, 2017

TO: Honorable Mayor and City Council

FROM: City Attorney

SUBJECT: Fiscal Year 2018 Budget and Twice Weekly Refuse Collection to Mission Beach Residences During the Summer Months

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INTRODUCTION

At the May 4, 2017, Budget Committee hearing for the Environmental Services Department (ESD), the Committee received public comments requesting that the City of San Diego (City) provide a second weekly refuse collection in Mission Beach during the summer months under the People's Ordinance. Last year, the Mayor's revised Fiscal Year (FY) 2017 Budget included funding for that service, however it was a one-time expenditure to be re-evaluated in future fiscal years.[1] The Mayor's proposed and revised FY 2018 Budget did not allocate funding for this additional service.[2, 3]

On June 3, 2016, this Office issued a memorandum analyzing whether the City could collect "residential refuse," as defined under the People's Ordinance, twice weekly in Mission Beach during the summer months. *See* City Att'y MS-2016-17 (June 3, 2016). More recently, on May 10, 2017, this Office issued a summary of information on this subject to Councilmember Zapf. *See* Attachment A. We have also verbally provided related information during several past Budget Committee hearings for ESD, including for FY 16 and FY 15. As the public has again requested the second collection during FY 2018, we now provide this opinion to reiterate and consolidate our advice related to the City providing that service under the People's Ordinance

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[1] *See* Independent Budget Analyst Report No. 16-11, at 10-11 (June 8, 2016).
[2] Of note, the proposed FY 2018 Budget reflects General Fund expenditures outpacing revenue growth and includes budget reduction proposals from each City Department in order to present a balanced budget. *See* FY 2018 Proposed Budget, Executive Summary (May, 3, 2017).
[3] On June 5, 2017, the City Council amended the Mayor's revised FY 18 Budget and included $70,000 for a second collection in Mission Beach during the summer. The Mayor has indicated that he may exercise veto authority over the amended Budget, which could include vetoing the City Council's addition of funding for the second collection. In that event, the City Council can undertake a veto override action within five business days of the Mayor's veto action. *See* San Diego Charter § 69.

QUESTION PRESENTED

Does a second weekly refuse collection to all Mission Beach residences during the summer months violate the People's Ordinance?

SHORT ANSWER

Very likely yes. The People's Ordinance prohibits the City from collecting "nonresidential refuse," as defined, which includes refuse from single and multi-family residences that are occupied through ownership, lease or rental for less than one month (transient occupancy). The public reports that a large number of short-term, summer residential rentals in Mission Beach cause the summer fly population and the need for additional refuse collection. The People's Ordinance prohibits the City from collecting refuse from residences with transient occupancy, including those in Mission Beach. The City may collect "residential refuse," as defined under the People's Ordinance, twice weekly in Mission Beach during the summer if a rational basis exists for the preferential treatment. *See* City Att'y MS-2016-17.

BACKGROUND

The People's Ordinance, codified at San Diego Municipal Code section 66.0127, governs the collection, transportation, and disposal of refuse in the City of San Diego. The People's Ordinance was first adopted in 1919 as a voter initiative and subsequently amended by the voters through City-sponsored initiatives in 1981 and 1986. It was a response to City residents' continued dissatisfaction with the private refuse haulers licensed by the City to collect City refuse. Citizens complained the private service was too costly, unreliable, and encouraged illegal dumping.[4] In addition, citizens were frustrated that the private collector not only charged citizens to collect refuse, but also made money from selling the refuse to hog farmers for feed.[5]

The 1919 version of the People's Ordinance required the Council to levy a sufficient tax to pay for collection and disposal. However, the 1986 amendment to the People's Ordinance eliminated the City's ability to impose a tax to fund these services and required the City to continue providing the services to eligible residences. The 1986 amendment also limited the residences eligible for the service. Eligible residences are primarily single family homes and ineligible residences are primarily condominiums, apartments, and mobile homes. There is no limit to the amount of refuse the City must collect from each eligible residence, and dispose of, for free. San Diego is the only major California city that does not recover at least a portion of its refuse collection expenses from those that are provided collection services.[6]

The primary source of funding for refuse (black bin) collection services is the City's General Fund. Currently, the General Fund provides $34 million annually to ESD to provide refuse

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[4] City Manager's Report No. 86-293 at 1.
[5] City Manager's Report No. 94-223 at 2; City Manager's Report No. 93-197 at 2.
[6] Fees for refuse collection services are charged in all but three California cities with populations over 7,000. Only the City of San Diego, Newport Beach, and El Monte do not charge for collection services. 2010 City Att'y MOL 349 at 352 (2010-16; July 16, 2010).

collection to eligible residences.[7] *See* IBA Report No. 17-16 at 91 (April 28, 2017). Further, ESD's Recycling Fund expends over $18 million annually to collect recyclable materials, including greenery, from those residences.[8] *Id.* at 85.

ANALYSIS

I. THE PEOPLE'S ORDINANCE PROHIBITS THE CITY FROM COLLECTING "NONRESIDENTIAL REFUSE"

Under the People's Ordinance, the City must collect, transport, and dispose of "residential refuse" at least once per week at no cost to the residence. SDMC § 66.0127(c)(1). "Residential refuse" is the refuse normally generated from a "residential facility" that is placed at the curb line of public streets at designated times in approved containers.[9] ESD currently provides once weekly refuse collection services, at no cost, to all City residences that receive the service.

The People's Ordinance, state law, and case law do not require the City to provide refuse collection services beyond once a week. State law obligates the property owner or tenant to remove refuse from their property at least once per week. Cal. Code Regs., title 14, § 17331. And, "[i]t is the householders' duty to dispose of household waste in a manner not violative of laws and ordinances prohibiting the maintenance of nuisances and safeguarding public health." *Silver v. City of Los Angeles*, 217 Cal. App. 2d 134, 139 (1963). So, although the People's Ordinance requires the City to collect "residential refuse" once weekly, the City is not obligated to provide a higher level of service.

Under the People's Ordinance "the City *shall not* collect Nonresidential Refuse…" SDMC § 66.0127(c)(2) (emphasis added). The use of the term "shall" in the statutory context is generally regarded as mandatory and not permissive in nature, particularly where a general code provision dictates it is mandatory and nothing else indicates it should apply differently to the code section at issue. *See Kingdomware Technologies, Inc. v. U.S.*, 136 S. Ct. 1969, 1977 (2016); *see also Governing Board v. Felt*, 55 Cal. App. 3d 156, 162 (1976); *see also* SDMC § 11.0209(b) (providing that, for purposes of the Municipal Code, "'[s]hall' is mandatory; 'may' is permissive"). Further, this Office and ESD have consistently interpreted the People's Ordinance as prohibiting City collection of "nonresidential refuse." *See* 2006 City Att'y MOL 317 at 318 (2006-13; July 19, 2006); *see also* City Att'y MS-2016-17, fn 3 (June 3, 2016); *see also* Waste Management Regulation R-009-10 at 4 (July 26, 2010) (providing the City "will not provide Non-Residential Refuse Collection Services"). The People's Ordinance is clear in its prohibition on the City's collection of "nonresidential refuse."

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[7] Of note, there is no separate property tax that funds City refuse collection services. Like other cities, San Diego shares property taxes with the state, county, schools and other public agencies.
[8] This funding, if not spent on recycling collection services, could serve as a significant funding source for implementation the City's adopted Zero Waste Plan. *See* Report to City Council No.15-063 at 6 (June 17, 2015).
[9] "Residential Facility" is a single family or multi-family residential structure that is used and occupied through ownership, lease or rental for periods of one month or more ("nontransient occupancy"). SDMC § 66.0127(a)(4); SDMC § 66.0127(a)(5).

"Nonresidential refuse" means all privately generated refuse that is not "residential refuse."[10] SDMC § 66.0127(a)(3). As described above, "residential refuse" is the refuse normally generated from a single or multi-family residence that is used and occupied for "nontransient occupancy" (occupancy through ownership, lease or rental for periods of one month or more). SDMC § 66.0127(a)(2). Therefore, the People's Ordinance prohibits the City from collecting refuse from single and multi-family residences that are used or occupied for less than one month, because they generate "nonresidential refuse." See SDMC §§ 66.0127(a)(3)-(5). The public views short-term residential summer rentals in the Mission Beach area as causing an increase in the summer fly population that requires additional refuse collection.[11] The People's Ordinance prohibits the City from collecting refuse from those Mission Beach residences that are occupied through ownership, lease or rental for less than one month.[12]

II. THE MISSION BEACH COMMUNITY MAY PURSUE OTHER MEANS OF OBTAINING ADDITIONAL REFUSE COLLECTION SERVICES

This Office has advised that the Mission Beach community may seek other alternatives to obtain additional refuse collection services, such as through the formation of a Maintenance Assessment District (MAD) or by contracting with one of the City's franchised haulers. For example, in FY 2014, the nonprofit Beautiful Mission Beach contracted with franchisee Dependable Disposal for additional refuse collection services during the summer months. This Office can assist with the pursuit of that option by again facilitating the execution of a memorandum of agreement between the City and the community's choice of franchised hauler.[13] Overall, these alternatives do not raise concerns related to the People's Ordinance because they do not entail the City providing the additional refuse collection services.

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[10] The sole exception is once-weekly collection of certain refuse generated by small business enterprises, if authorized by the City Council. SDMC § 66.0127(a)(1)-(3); SDMC § 66.0127(c)(2). City Council eliminated all refuse collection services for all small business enterprises beginning in FY 2012. And, providing additional refuse collection to any Mission Beach residences as small business enterprises could violate the intent of the exception. *See* 2006 City Att'y MOL 317 (2006-13; July 19, 2006).

[11] *See generally*, public comments submitted at Budget Committee hearings for ESD.

[12] The City may collect "residential refuse" more than once weekly, such as in Mission Beach during the summer months, as a policy decision. But, the preferential treatment must comply with equal protection requirements. Equal protection under the federal and state constitutions requires that governmental decision makers treat parties equally under the law if those parties are, in all relevant respects, alike. U.S. Const. amend. XIV, § 1; Cal. Const. art. I, § 7; *Las Lomas Land Co., LLC v. City of Los Angeles*, 177 Cal. App. 4th 837, 857 (2009). To withstand a legal challenge, a rational basis must exist for the preferential treatment. In other words, the preferential treatment must bear a rational relationship to a legitimate state interest. *Warden v. State Bar*, 21 Cal. 4th 628, 650 (1999). Here, a rational basis may exist due to the severe fly problem that has been reported to exist in Mission Beach during the summer months, which may be addressed by a second collection. Courts have upheld governmental actions that target nuisances and public health and safety concerns as exercises of legitimate state interests. *See County of Tulare v. Nunes*, 215 Cal. App. 4th 1188 (2013); *see also Griffith v. City of Santa Cruz*, 207 Cal. App. 4th 982 (2012). Although the City Council is not required to articulate its reasoning at the time of decision making, the record should contain sufficient information to support a rational basis. That could include the type of information that Mission Beach residents have presented at prior ESD budget hearings.

[13] The memorandum of agreement is necessary to allow the franchisee's use of City-provided collection containers.

Additional options exist in repealing or amending the People's Ordinance given that the prohibition on City collection of "nonresidential refuse" is due to specific language in the ordinance. The 1919 People's Ordinance and its subsequent amendments were adopted by the voters and may only be amended, or repealed, by a majority vote of the electorate. 2005 City Att'y Report 435 at 236 (2005-13; June 13, 2005). The City Council has the authority to submit an initiative proposing an amendment or repeal of an existing legislative act to the electorate for a vote. *Id.*; SDMC § 27.1001. City residents may also undertake a voter initiative through a successful initiative or referendum petition and signature gathering campaign. SDMC § 27.1001. Thus, the Council, or City residents, may exercise their initiative powers and place a measure on the ballot to amend the People's Ordinance. This Office has previously analyzed a potential amendment that would permit the City to collect a cost-recovery fee for the collection services provided. *See* 2005 City Att'y Report 435 (2005-13; June 12, 2005). If the Council desires to pursue amending or repealing the People's Ordinance, this Office is available to assist with that effort.

CONCLUSION

The People's Ordinance prohibits the City from collecting "nonresidential refuse," as defined, which includes refuse from single and multi-family residences with occupancy of less than one month. A second collection in Mission Beach during the summer months presents a significant risk of violating the People's Ordinance because the public reports that a large number of short-term, summer residential rentals in Mission Beach cause the summer fly population and the need for additional refuse collection. The City may collect "residential refuse," as defined under the People's Ordinance, twice weekly in Mission Beach during the summer months if a rational basis exists for the preferential treatment.

The People's Ordinance does not prohibit the Mission Beach community's pursuit of additional refuse collection services by contracting with one of the City's private franchised haulers or through formation of a Maintenance Assessment District (MAD) that includes the additional service. Additionally, the People's Ordinance may be amended or repealed through a voter initiative to address its current restrictions.

MARA W. ELLIOTT, CITY ATTORNEY

By
Amanda L. Guy
Deputy City Attorney

ALG:js
cc: Mario X. Sierra, Director, Environmental Services Department
Darren Greenhalgh, Assistant Director, Environmental Services Department
Johnnie Perkins, Deputy Director, Environmental Services Department

City Attorney Memorandum's Attachment A

Office of
The City Attorney
City of San Diego

(619) 533-5800

DATE: May 10, 2017

TO: Councilmember Lorie Zapf

FROM: City Attorney

SUBJECT: Summary of Information Related to the People's Ordinance and a Second Refuse Collection in the Mission Beach Area

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The following summarizes information related to the People's Ordinance (San Diego Municipal Code section 66.0127) and a second refuse collection in the Mission Beach area. Our Office has provided the following information publicly during several past Budget Committee hearings for the Environmental Services Department (ESD) and in MS-2016-17, dated June 3, 2016.

- The People's Ordinance governs the collection, transportation, and disposal of refuse in the City of San Diego (City).

- The People's Ordinance provides that the City shall collect "residential refuse" at least once per week at no cost to the resident. *See* SDMC § 66.0127(c)(1). "Residential Refuse" is the refuse normally generated from a "residential facility"[1] that is placed at the curb line of public streets at designated times in approved containers. *See* SDMC § 66.0127(a)(2).

- The City may collect "residential refuse" twice weekly in the Mission Beach area if a rational basis exists for the preferential treatment. *See* MS-2016-17. Rational basis means that the additional refuse collection must bear a rational relationship to a legitimate public interest.

- The People's Ordinance prohibits the City from collecting "nonresidential refuse."[2] *See* SDMC § 66.0127(c)(2). "Nonresidential refuse" includes refuse from a "residential facility" that does not have occupancy through ownership, lease or rental for periods of one month or more ("nontransient occupancy"). *See* SDMC § 66.0127(a)(3)-(5).

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[1] "Residential facility" means a single family or multi-family residential structure used and occupied for Nontransient Occupancy. SDMC § 66.0127(a)(4).
[2] The only exception for "nonresidential refuse" is for a Council-approved, once-weekly, collection from a "small business enterprise." "Small business enterprise" means a commercial establishment providing sales and services to the public and licensed or taxed the City. SDMC § 66.0127(a)(5).

- The public views residential summer vacation rentals in the Mission Beach area as causing an increase in the summer fly population that requires additional refuse collection.[3] The People's Ordinance prohibits the City from collecting refuse from residences that are occupied through ownership, lease or rental for less than one month.

- The People's Ordinance does not prohibit the Mission Beach community's pursuit of additional refuse collection services from a City franchised hauler or through a maintenance assessment district (MAD).

MARA W. ELLIOTT, City Attorney

By

Amanda L. Guy
Deputy City Attorney

ALG:js

cc: Mario X. Sierra, Director, Environmental Services Department
Darren Greenhalgh, Assistant Director, Environmental Services Department
Bruce Williams, City Council Representative, District 2

[3] See generally, public comments provided at ESD Budget Committee hearings.

Attachment B – Definition of Fraud Hotline Recommendation Priorities

DEFINITIONS OF PRIORITY 1, 2, AND 3
FRAUD HOTLINE RECOMMENDATIONS

The Office of the City Auditor maintains a priority classification scheme for Fraud Hotline recommendations based on the importance of each recommendation to the City, as described in the table below. While the City Auditor is responsible for providing a priority classification for recommendations, it is the City Administration's responsibility to establish a target date to implement each recommendation taking into considerations its priority. The City Auditor requests that target dates be included in the Administration's official response to the findings and recommendations.

Priority Class[2]	Description
1	Fraud or serious violations are being committed. Significant fiscal and/or equivalent non-fiscal losses are occurring. Costly and/or detrimental operational inefficiencies are taking place. A significant internal control weakness has been identified.
2	The potential for incurring significant fiscal and/or equivalent non-fiscal losses exists. The potential for costly and/or detrimental operational inefficiencies exists. The potential for strengthening or improving internal controls exists.
3	Operation or administrative process will be improved.

[2] The City Auditor is responsible for assigning Fraud Hotline recommendation priority class numbers. A recommendation which clearly fits the description for more than one priority class shall be assigned the higher number.

Attachment C – Management's Response Memo

THE CITY OF SAN DIEGO

MEMORANDUM

DATE: July 9, 2019

TO: Kyle Elser, Interim City Auditor, Office of the City Auditor

FROM: Johnnie Perkins, Deputy Chief Operating Officer, Infrastructure/Public Works
via Ronald H. Villa, Assistant Chief Operating Officer

SUBJECT: Management's Response to the Hotline Report of Improper Free Trash Collection at Short-Term Residential Occupancy Units

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The purpose of this communication is to provide Management's response to the recommendations in the Office of the City Auditor's memorandum regarding the hotline report of improper free trash collection at Short-Term Residential Occupancy Units.

RECOMMENDATION 1:

Because the City Attorney's Office determined that free trash collection for short term residential occupancy (STROs) is "very likely" prohibited by the People's Ordinance, and the City continues to provide trash service to STROs at no cost, we recommend that the Chief Operating Officer implement one or more of the following solutions (Priority 1):

a) identify and remove free trash service for City households generating "nonresidential refuse;"
b) recommend that the Council submit an initiative proposing a repeal of the People's Ordinance; and/or
c) recommend that the Council submit an initiative proposing to amend the People's Ordinance to allow "nonresidential refuse" collection from STROs, which could include cost recovery

MANAGEMENT RESPONSE: Management partially agrees with the recommendation.

Management is planning to initiate the following review of this issue.

I. Evaluate the impacts from an operational and financial standpoint of providing free solid waste and recycling collection services for single and multi-family residents.

II. Identify and verify the number of Short-Term Residential Occupants who currently have active Transient Occupancy Registration Certificates and the impact on the city providing solid waste and recycling collection services to this customer base including STRO's that do not have registration certificates.

III. Evaluate the financial and operational impacts of cost recovery for solid waste and recycling collection services provided to Short-Term Residential Occupants.

IV. Monitor any state legislation regarding Short-Term Residential Occupants and evaluate impacts in providing solid waste and recycling collection services.

Target Implementation Date: December 2020.

cc: Aimee Faucett, Chief of Staff, Office of the Mayor
Kris Michell, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Rolando Charvel, Chief Financial Officer
Jessica Lawrence, Director of Finance Policy and Council Affairs, Office of the Mayor
Lee Friedman, Infrastructure Policy Manager, Office of the Mayor
Mario Sierra, Director, Environmental Services Department

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:29 AM
To: SanDiegoSTR@Coastal
Subject: FW: $108/nt whole house sleeps 14 Airbnb in La Jolla 92037

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 11:48 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: $108/nt whole house sleeps 14 Airbnb in La Jolla 92037

Mr. Llerandi:

Would you like to move into my house? It's 1,830 sqft. on a 6,000 sqft lot. 3+2. Peak ocean view. Cul-de-sac of 11 homes. Excellent elementary school. Mmmm. Mmmm. Mmmm.

Not sure? Then rent the house one over from mine. Basically the same. Except that house is a 4+2 (converted garage into a bedroom that sleeps 8). 600' from the ocean. It sleeps 14.
Only $108/night. What! Sleeps 14? A whole house? By the ocean? $108/night? Are you kidding?

No, I'm not kidding.

Read below. Weep.

Trudy Grundland

From: TRUDY Grundland <trudygrundland@yahoo.com>
Subject: $108/nt whole house Airbnb in La Jolla
Date: December 10, 2021 at 1:34:36 PM PST
To: Joe LaCava <joelacava@sandiego.gov>

Joe,

Liars. Conmen. Bad actors. Owner Jim Lindsay of Carlsbad and his managers, Olivier and Jenny have first place position on the Airbnb/La Jolla website. Good luck finding that rate for 355 Ricardo Place 92037.

Since opening this 'hotel' in early 2021 many complaints have been filed with Airbnb, the San Diego police, with you and other city officials.

Yet, there they are; the first listing. How did Jim Lindsay earn this coveted spot?

You know that Airbnb rewards hosts who maintain a high occupancy rate by awarding Super Host status and the perks includes bonus pay, free travel vouchers and other goodies. It's as if Airbnb were a giant evangelical church bestowing blessings on its congregation (the hosts are not Airbnb employees).

Sounds nice except for the fact that my family and I and 34 neighbors suffer physical and emotional

distress due to this hotel renting to large groups (mainly young & noisy).

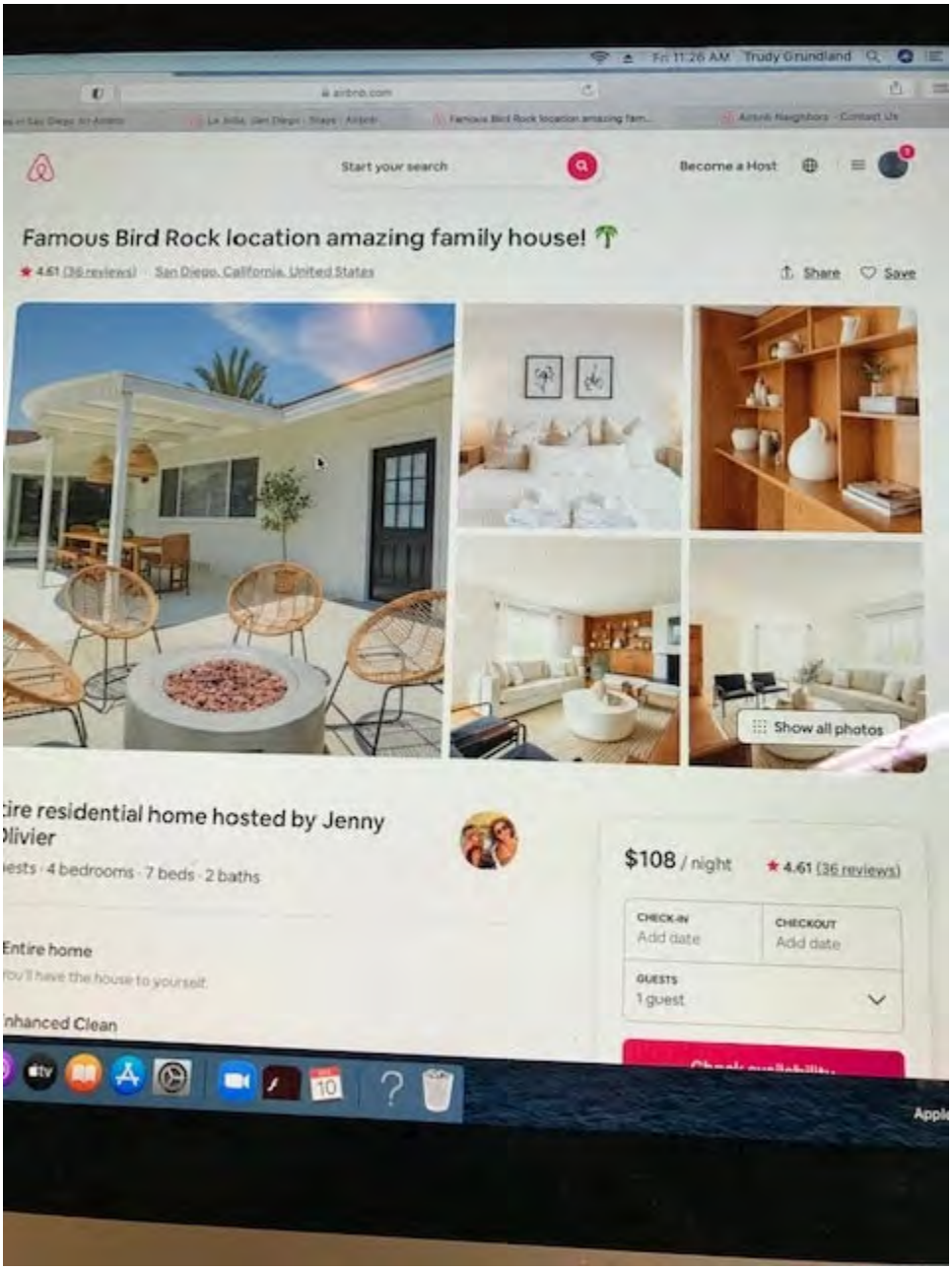
What can be done when a business, that is illegal, places false and misleading advertisements?

I would appreciate any assistance you can offer.

Please call me at 8582100190, to discuss.

Sincerely,
Trudy Grundland
Homeowner 335 Ricardo Place 92037

P.S. Can you determine if DSD fined Jim Lindsay for the non-permitted garage conversion.



Sent from my iPhone

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:21 AM
To: SanDiegoSTR@Coastal
Subject: FW: $108/nt. Airbnb $2.6 mil La Jolla home sleeps 14, 600' from ocean

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From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 3:36 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: $108/nt. Airbnb $2.6 mil La Jolla home sleeps 14, 600' from ocean

Mr. Llerandi,

This is the STR on my street. On December 8, 2021 I entered 4 adults, 2 nights, mid-February and the $108/nt. disappeared. Couldn't find it in 2022. Then I searched the entire Airbnb/San Diego listings. Found other properties with the same $108/nt. rate. Guess what? Same hosts/managers as this one. Same bait & switch rates. Other SD houses sleeping 10+ don't rent this cheaply. When I entered the same data, their base night rate, let's say it was $299/nt or $699/nt, stayed the same. That's why I reported this to the SD City Attorney, the Bureau of Consumer Protection and the Federal Trade Commission.

Trudy Grundland
335 Ricardo Place, La Jolla, CA 92037
858-210-0190
February 17, 2022

Begin forwarded message:

From: TRUDY Grundland <trudygrundland@yahoo.com>
Subject: $108/nt. Airbnb $2.6 mil La Jolla home sleeps 14, 600' from ocean
Date: December 16, 2021 at 10:57:39 AM PST
To: cityattorney@sandiego.gov

DA Elliott:

On 12/10/21 this home on my street was listed on Airbnb (property 49876412) at $108/nt.

When I clicked through, there was no such nightly price, no matter how I entered the variables.

I complained to Airbnb and got brushed off. "The hosts can offer specials."

But $108/nt. for a house that sleeps 14, 600' from the ocean, in a neighborhood of 11 homes valued at $2.6 million & up. How can Airbnb ignore this?

Clickbait. Fraudulent.

This is the same property that has an illegally converted garage-to-bedroom (4 queen beds). A fine by

DSD is pending (CE-0515080).

Cheap fake prices. Illegal bedroom.

What can be done to stop this owner from fraudulent advertising, from ruining our neighborhood in 2022 or ever?

Sincerely,
Trudy Grundland
Homeowner 335 Ricardo Place, La Jolla 92037
858-210-0190

airbnb.com

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Sent from my iPhone

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:25 AM
To: SanDiegoSTR@Coastal
Subject: FW: 5 Tips for Using Airbnb San Diego to Maximize Your Rental Returns in 2022

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 4:38 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: 5 Tips for Using Airbnb San Diego to Maximize Your Rental Returns in 2022

Mr. LLerandi,

Airbnb began with an air mattress on the floor for $80/nt (2008). With smart phones equipped with apps that allowed for direct bookings (2011) the business took off. The business model still hints at being "affordable" because a lot of people share the cost but they want the bells & whistles. Now the owners aim for a higher end clients and bigger bucks. It's not the affordable "beach housing" you might hope it provides. 79% of Airbnb rentals are whole homes, sleep 7-16*. No owner on site. What does the community get from all these "frat houses?" Noise. Traffic. Overrun with young people who want to party. (51% of Airbnb guests are ages 18-34* (*Airbnb statistic.) A need for more police! Fewer homes! Loss of political voice. Living on streets that are overwhelmed with strangers.

Trudy Grundland

Begin forwarded message:

From: Trudy Grundland <trudygrundland@gmail.com>
Subject: 5 Tips for Using Airbnb San Diego to Maximize Your Rental Returns in 2022
Date: January 30, 2022 at 11:11:54 PM PST
To: Trudy Grundland <trudygrundland@yahoo.com>

https://www.sandiegorealestatehunter.com/blog/5-tips-using-airbnb-san-diego-maximize-your-rental-returns/

5 Tips for Using Airbnb San Diego to Maximize Your Rental Returns in 2022

There are many people who rent out their homes or apartments on Airbnb. Those who travel could really benefit from using the rental service to make money while they are away.

While renting on Airbnb can make money, there are some things you should think through first before you sign up. Understanding how to market your place will go a long way to making a significant long-term income. This could be especially important for those living in San Diego, as there are many looking to check the city out for job opportunities or who are searching for a home here.

Below are five tips you should implement for using Airbnb in San Diego to maximize your rental returns.

Here's a quick rundown of our list:

• Tip 1 - Do a Test Run. Check the Numbers.

• Tip 2 - Think Like a Hotel.

• Tip 3 - Outsource.

• Tip 4 - Aim for a High-End Market.

• Tip 5 - Don’t Set a Price That’s Too Low. Charge Rates for a Luxury Experience.

Tip 1 - Do a Test Run. Check the Numbers.

This could be the most important thing you could do because it will tell you what kind of money you could make and how the experience of renting out your place is to you.

Experts suggest renting out for a short period of time several times just to get the feel of it and check the numbers. You can advertise renting out for a weekend or five days.

Run the numbers on your revenue after you had a couple of renters. Analyze whether your rent pricing is comparable to others and whether you feel it is worth it to keep renting out. You can also run numbers to see what you could make over a longer period of time.

Tip 2 - Think Like a Hotel.

People love hotels because management meets all guests' needs. They literally think of everything a guest could want and have it ready. Whether it's an iron and ironing board, shampoo or new toothbrushes available for those who forget their own, hotels are known for their hospitality.

You will gain more rental revenue over the long-term if you adopt this type of mentality. Sure, it's a home or apartment and not a hotel, but guests still love the feel of being pampered and want luxury.

Go the extra mile on this. Go beyond putting in shampoo and soap samples and a blow dryer under the sink. Leave a floral bouquet on an entry table with a note saying you are glad they are here and hope they enjoy their stay. Leave a book for guests to put comments and a map of the city with key points of interest and shopping marked. Make sure the sheets are a high-quality thread count so they are soft and luxurious. Be sure the towels are extra large and super soft.

Finally, get two of everything from bathmats to comforters in order to turn the room around quickly.

Get Pre-Approved in 60 Seconds... (No Social Security Number Needed)

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Tip 3 - Outsource.

One of the biggest headaches of renting any property is maintaining it. Whether you bought investment property specifically to rent out or

whether you are renting your own home as a fill-in revenue stream, there are things that must be maintained more than usual for renters.

The yard and home cleaning are just two of those things. The advice of rental experts is to outsource as many of these duties to professionals rather than do them yourself. This will go a long way to making sure things are properly maintained and will reduce your stress.

Tip 4 - Aim for a High-End Market.

Any property owner wants to make as much money as possible with as little effort as possible. With renting, the way to do this is to aim for those at the high-end level. Homes in San Diego have an overall median price range of $690,000, so there is already an expectation of above-normal rent for temporary or vacation housing. This makes it easier for those wanting renters to ask for more.

Advertise in high-end publications or on websites that attract upper-level executives in order to target the high-end market. Also make sure your place is ready for those willing to pay for it. It needs to be freshly painted,

exceptionally clean and organized and have all the necessary working appliances. It must also have some luxury experiences like a great shower and a relaxing bedroom with proper shades in case renters want to sleep in.

Another way to target high-end customers is to offer additional services like airport pickup and drop off, extra cleaning, and laundry/dry cleaning services.

Tip 5 - Don't Set a Price That's Too Low. Charge Rates for a Luxury Experience.

This is the number one mistake newbies to Airbnb do. They set a low price in order to be successful in soliciting renters and because they see this as "extra" or "side money."

People want a luxury experience and they are willing to pay for it. They expect to pay for it.

To know what you should ask, you can start by looking at median rents on property demographic sites. You can up the price if the property is a luxury property, has a pool, or if renters want to rent it for an extended period of time.

Once you start renting your property, you may quickly discover the balance between renting and living there or dividing your time between your rental work and your regular job. Making some advanced preparation will leave you feeling more confident and poised for success in renting on Airbnb in San Diego.

☎️ I would love to help assist you with your home purchase, home sale, or home loan - please feel free to give me a call, text, or use the form below.

Your Airbnb Insider,

Scott

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:28 AM
To: SanDiegoSTR@Coastal
Subject: FW: 6/21: Santa Barbara loses against STVRS. Rogers, Sheffield & Campbell Comments on Appeals Court Victory Ending Santa Barbara's Vacation Rental Ban | Business Wire

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From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 8:53 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: 6/21: Santa Barbara loses against STVRS. Rogers, Sheffield & Campbell Comments on Appeals Court Victory Ending Santa Barbara's Vacation Rental Ban | Business Wire

Mr. Llerandi:

An overturn of a STR ban in the coastal zone of Santa Barbara. San Diego is not looking to ban STRs but to regulate and enforce.

Trudy Grundland

https://www.businesswire.com/news/home/20210506006235/en/Rogers-Sheffield-Campbell-Comments-on-Appeals-Court-Victory-Ending-Santa-Barbara%E2%80%99s-Vacation-Rental-Ban

Rogers, Sheffield & Campbell Comments on Appeals Court Victory Ending Santa Barbara's Vacation Rental Ban

May 06, 2021 04:30 PM Eastern Daylight Time

SANTA BARBARA, Calif.--(BUSINESS WIRE)--After 4 ½ years of litigation in *Kracke v. City of Santa Barbara*, on May 4, 2021, the 2nd District Court of Appeal certified the decision for publication and affirmed the trial court victory, which

overturned Santa Barbara's short-term vacation rental ban in the coastal zone. Theo Kracke was awarded his costs.

This litigation has been closely followed and has statewide implications. During the appellate case, the California Coastal Commission filed an amicus curiae brief in support of Kracke's case while the League of Cities filed one in support of the City.

The victory means the banning of short-term rentals within California's coastal zone is considered a "development" under the Coastal Act and, therefore, requires Coastal Commission approval.

Travis Logue and Jason Wansor, attorneys with Rogers, Sheffield & Campbell LLP, represent Kracke.

Kracke said, "The City fought us every step of the way. City leaders must finally accept the fact that STVRs are a permissible use. Now is their prime opportunity to draft fair regulation of STVRs rather than continue to waste taxpayer money and seek review by the California Supreme Court."

According to Logue, "We've been in litigation now for nearly 5 years and the City of Santa Barbara has tried to bury our client in legal fees. Today's decision is a victory for all Californians who use vacation rentals along the coast. It is certified for publication, which means it has binding legal authority in California and may be cited by other lawyers. It sets statewide precedence that cities and counties may not outright ban STVRs in the coastal zone like Santa Barbara relentlessly tried. They are, however, allowed to meet and confer with the Coastal Commission to enact reasonable regulations. The City of Santa Barbara elected to repeatedly ignore the Commission for the last 6 years and now must pay the price."

The Court of Appeal ruled the City failed to properly obtain the Coastal Commission's input or approval: "The City cannot act unilaterally, particularly when it not only allowed the

operation of STVRs for years but also benefitted from the payment of transient occupancy taxes. In other words, the City did not merely 'turn a blind eye' to STVRs. It established procedures whereby a residential homeowner could operate a STVR by registering it with the City, obtaining a business license and paying the 12% daily transient occupancy tax. When the City abruptly changed this policy, it necessarily changed the intensity of use of and access to land and water in the Coastal zone. Instead of 114 coastal STVRs to choose from, City visitors are left with only 6. This regulatory reduction is inconsistent with the Coastal Act's goal of 'improving the availability of lower cost accommodations along the coast, particularly for low-income and middle-income families.'"

The Court of Appeal continues, "We agree with the trial court that 'the City cannot credibly contend that it did not produce a change because it deliberately acted to create a change' in coastal zone usage and access. This change constituted 'development' under the Coastal Act and, as such, required a CDP or, alternatively, an LCP amendment certified by the Commission or a waiver of such requirement. Without the Commission's input and approval, the court appropriately struck down the City's STVR regulation in the coastal zone."

Kracke v. City of Santa Barbara (Case No. 56-2016-00490376) was filed on November 30, 2016 in the City of Santa Barbara. Mr. Kracke's lawyers successfully changed the venue to Ventura. The City unsuccessfully tried to get the lawsuit dismissed on three occasions – the City filed two demurrers and an anti-SLAPP Motion, even arguing Kracke's suit was an effort to chill the City's First Amendment right to free speech. At the trial court level on March 8, 2019, Judge Borrell ruled in favor of Kracke. The City filed its appeal on September 6, 2019. The 2nd District Court of Appeal heard oral argument on March 10, 2021 and affirmed the trial court's decision on May 4, 2021. The City has the option to

petition the California Supreme Court to hear the matter, though its chances of success would be slim.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:28 AM
To: SanDiegoSTR@Coastal
Subject: FW: 8/2019: This Digital Sheriff Helps Cities Wrangle Airbnb Rules : NPR

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 8:13 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: 8/2019: This Digital Sheriff Helps Cities Wrangle Airbnb Rules : NPR

Mr. Llerandi:

Host Compliance was bought by Granicus who also bought Accela, the software the city of SD will use to enforce STRs. At the end of the article it states how Airbnb realizes that the "wild west" days may be ending and compliance with city ordinances is becoming the new sheriff in town. But when will this take affect?

Trudy Grundland

Begin forwarded message:

From: Trudy Grundland <trudygrundland@gmail.com>
Subject: 8/2019: This Digital Sheriff Helps Cities Wrangle Airbnb Rules : NPR
Date: February 14, 2022 at 11:49:24 AM PST
To: Trudy Grundland <trudygrundland@yahoo.com>

https://www.npr.org/2019/08/28/751844133/this-digital-sheriff-helps-cities-wrangle-airbnb-rules

This Digital Sheriff Helps Cities Wrangle Airbnb Rules

Chris Arnold5-Minute Listen

Entrepreneur Ulrik Binzer is helping more than 300 cities and towns in the U.S. and Canada enforce rules for short-term rentals.

Clara Lu/Host Compliance

Updated Sept. 6 at 2:40 p.m. ET

Ulrik Binzer used to rent out his house north of San Francisco on Airbnb. It was enough money to pay for his family to fly to Denmark to visit relatives. But then his town suddenly banned short-term rentals.

Binzer says there was no debate — it was just an agenda item. "No one knew about it," he says.

It left him wondering: What's going on here?

That's how Binzer became a new sort of sheriff for the digital age.

Millions of Airbnb-type rentals are popping up in residential neighborhoods across the United States. That leaves cities struggling to enforce rules around everything from problem party houses to investors buying up too many rental properties, which some studies say pushes up housing costs.

Binzer, who works in Silicon Valley, saw an opportunity to use technology to tame the Wild West landscape of short-term rentals.

In 2015, he went to a town meeting and started researching the issue. He realized cities were really struggling to deal with all these short-term rentals.

Article continues after sponsor message

One of those cities was Nashville, Tenn.

"We had a problem," says Sean Braisted, who works in Nashville's code-enforcement department. For one thing, it was hard to get homeowners to obtain rental permits and pay taxes on their rental income. And Nashville is a big party town, Braisted says.

"We would have problems with essentially party houses that would try to pull as many beds into one house as possible and cram as many people in

there," he says. "We've had complaints about people allegedly having sex parties to doing all sorts of things within short-term rental properties."

In residential neighborhoods, Nashville allows these Airbnb-type rentals only for houses occupied by their owners. The goal is to cut down on investor-owned party houses or having too many investor-owned short-term rentals.

But Braisted says the rules were hard to enforce. For one thing, you usually don't see the actual address of a property on these rental sites until you agree to rent it.

Back in California, Binzer realized that for cities trying to enforce these rules, "it was like bringing a knife to a gunfight."

Cities manage compliance manually, one property at a time, which takes time, he says.

"They essentially go and do a drive-by, or they try to book the property so they can get the address and then they catch them and it's like a sting operation," he says. "You can't do that when you have thousands of these, right?"

Binzer saw an opportunity to use his technology background to help cities get this rapidly growing short-term rental phenomenon under control. He got some software developers on board, and they knocked together a bare-bones startup company.

"We went out and started talking to cities and very quickly got to something like 20 customers" within a couple of months, Binzer says. Today, he says his company, Host Compliance, is working with more than 300 towns and cities across the U.S. and Canada.

Nashville is one of them. The city is using Binzer's technology to see if properties on the short-term rental sites have the right permits. "They crawl the Internet through those sites, and then they match those up with property records, assessor photos of the front of the properties," he says.

Host Compliance uses artificial intelligence software to figure out the address and owner. Then, people renting without a permit are told to get one or stop renting.

And in Nashville, Braisted says it's working. After two years, he says, the city is bringing in 50% more money annually in short-term rental taxes. And the crackdown has found about 2,500 rental operators who were breaking the rules.

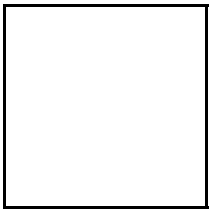
Around the country, local officials also worry about short-term rentals boosting the cost of housing. That has squeezed out people like New Orleans resident April Leigh, who owns a neighborhood small business.

"My boyfriend and I were in this house, and it was cheap rent that we could both afford," she says. "It was close to my business, so I could bike or walk there."

She says that in recent years, investors have been buying up a lot of rental properties that locals were living in and have been turning them into Airbnbs.

When that happened with the house she used to live in, she says she and her boyfriend were forced to move. She says it happened to her neighbors too. "People have told me they're the only renters on the block — the rest is all Airbnb houses," Leigh says.

The influx of Airbnbs made it a lot harder for her to find an affordable place to rent, she says. She was so frustrated that after she got kicked out, she decided to leave a message for the next tourists renting the house she used to live in.



April Leigh spray-painted a message for tourists renting the New Orleans house in which she used to live after she was evicted from it and the new landlord converted it into a short-term rental property.

Courtesy of April Leigh

"I got a can of spray paint and drove straight to the house and wrote on the sidewalk, 'This Airbnb displaced 5 people,' " Leigh says. Her photo of the sidewalk protest went viral.

Lawmakers in cities around the country and in Canada are passing regulations to stop investors from buying up a lot of traditional rental properties and converting them into short-term rentals, Binzer says. And he's helping them enforce those rules.

He notes that Boston, Denver, Los Angeles, Nashville, New Orleans, San Francisco, Seattle, Toronto and Vancouver, British Columbia, have all passed such regulations. "Most of the larger cities in North America faced with some level of a housing crisis are passing these types of rules," he says.

Different cities have taken different approaches. Some say only owner-occupants can do short-term rentals. Others say owners can rent out one property in addition to their primary residence — though Binzer says that's harder to enforce.

For its part, Airbnb says it too is helping many cities to enforce their rules, including Chicago, Seattle and San Francisco.

Airbnb spokesman Christopher Nulty says homeowners who want to rent out their properties, "are able to register with the city through our platform." Nulty says Airbnb then shares that information with the city (with the homeowner's consent) and the city either approves or denies the application. If the person isn't allowed to be renting the property under the city's rules, Nulty says "we have an agreement under which we remove that listing from our platform."

So what does Airbnb think about entrepreneur Ulrik Binzer and Host Compliance helping hundreds of cities crack down on illegal short-term rentals?

Nulty declined to talk about any specific company. But he said, "We just don't think that the best approach here is for cities to turn that responsibility over to another company whose sole responsibility is to tattle on people."

He says there are privacy concerns. And he asks, what's next? Will cities hire companies to check that if you buy a sink at Home Depot, that you've got any required plumbing permits?

Binzer says he knows Airbnb and the other rental sites aren't his biggest fans. "But I think in the long run they all realize that if this is just the Wild West, the pendulum is going to swing the other direction and there's gonna be so many restrictions that it will destroy their business," he says.

Airbnb has gotten into legal battles with cities over, among other things, how much information it needs to hand over for enforcement. Binzer says his company lets cities get around that tug of war and get what they need to enforce the law.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:25 AM
To: SanDiegoSTR@Coastal
Subject: FW: a lawyer talks @ illegal Airbnb - latest news, breaking stories and comments

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From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 5:26 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: a lawyer talks @ illegal Airbnb - latest news, breaking stories and comments

Mr. Llerandi:

I thought you might find a Harvard Law expert Mr. Kaplan's information about how Airbnb scoots around remittance of taxes, etc. in California, to be of interest to you.

Trudy Grundland

Begin forwarded message:

From: Trudy Grundland <trudygrundland@gmail.com>
Subject: a lawyer talks @ illegal Airbnb - latest news, breaking stories and comments
Date: February 1, 2022 at 1:42:47 PM PST
To: Trudy Grundland <trudygrundland@yahoo.com>, Mark Grundland <grundymark@yahoo.com>

https://bnbbuzz.com/

Airbnb - latest news, breaking stories and comments

We've invited Harvard Law expert Mr. Johnathan Kaplan to discuss the Legal Ramifications of California's (AB-5) Law on "Merchant Model" platforms like Airbnb.
Jennifer Clayton
San Francisco, CA

Buzz: **Mr. Kaplan, what immediate effect will the (AB-5) Law have on "Merchant Model" platforms like Airbnb, VRBO, and HomeAway in the State of California after January 1, 2020?**

Mr. Kaplan: First, Airbnb must "Reclassify" a significant portion of their Hosts, SuperHosts, and Workers in their "Experiences Program" as "Employees," rather than "Independent Contractors" by January 1, 2020, or face Millions of Dollars in Fines & Penalties from every City in the State of California.

> **Experiences Program Explained: Airbnb has "Hired" thousands of workers to perform a multitude of tasks for Airbnb's Customers in their "Experiences Program," while paying those workers as "Independent Contractors," rather than "Employees." (https://www.airbnb.com/help/article/1581/what-are-airbnb-experiences)**
>
> **Hosts, SuperHosts, and some Individuals without any "dwelling(s)" on Airbnb's platform, provide "Shuttle Services" to and from Local Events, and "Perform Activities" (i.e. Site-Seeing Tours, Perform Massages, Yoga Classes, Arts & Craft Classes, Cooking Classes, Hiking Trips...) with Airbnb's Customers in Airbnb's "Underground Black-Market Economy."**
>
> **Drivers/Workers are using their own personal form(s) of transportation, without proper compensation, or any worker protections.**

And Second, due to the "fact" that Airbnb has been "Misclassifying" a significant portion of their Hosts, SuperHosts, and Experiences Workers as "Independent Contractors" for the past 12-Years, and did not "Collect and Remit" any Transient Occupancy Taxes (TOT) to any Tax Authority in California, they're "Guilty of Massive Tax Evasion," and could owe over $1 Billion Dollars in Back-(TOT)-Taxes, Penalties, and Interest.

Furthermore, Airbnb has not contributed any money towards California's Unemployment Insurance, Disability Insurance, FICA (Social Security and Medicare), FUTA (Federal Unemployment Tax), or other State and Federal Taxes, which must be investigated.

The (AB-5) Law "REITERATES" that Airbnb has always had the "SOLE OBLIGATION" to "Collect & Remit" all Transient Occupancy Taxes (TOT) to every Tax Authority in the State of California, due to the fact that they used their own Corporate Credit Card Merchant Account to "Process" every Room Rental Transaction on their Website & App, and were the "Merchant of Record" on every Booking Receipt, NOT THE HOST OR SUPERHOST.

For over a decade, Airbnb has "Wrongly Accused" Hosts & SuperHosts of not "Collecting and Remitting" any Transient Occupancy Taxes (TOT) to "Tax Authorities" across the State of California, even though the Hosts & SuperHosts were never the "Merchant of Record" on any Booking Receipt(s).

> **Point of Clarification: Airbnb has entered into a few hundred Voluntary Tax Agreements (VTAs) with "Very Corrupt City Officials," within the United States. These "Corrupt" (VTA's) have always been drafted by Airbnb's Legal Team, and have never included any Payment(s) for any "Back-(TOT)-Taxes," or the "Surrender of any Data" for Auditing purposes. This "Paper-Trail" of "Corruption & Tax Evasion" must to be investigated at once. (https://thehill.com/blogs/pundits-blog/economy-budget/325768-the-story-behind-airbnbs-secret-tax-deals-around-the)**

The bottom line is, Airbnb has been "Illegally" Booking Millions of Rooms in 100,000 Cities across 191 Countries for over the past 12-Years, and probably owes Billions of Dollars in "Back-(TOT)-Taxes, Penalties, and Interest," due to their Misclassification of Hosts, SuperHosts, and Workers in their "Experiences Program" as "Independent Contractors."

Clearly, Airbnb's "Corrupt" Business Model is starting to "Unravel," because within hours of Governor Gavin Newsome signing (AB-5) into Law, Airbnb's CEO, Brian Chesky ran to the nearest microphone and announced that Airbnb would be "TRYING" to Dump all of their Worthless Stock onto an Unsuspecting Public sometime in 2020. Furthermore, look for Airbnb to "TRY" a "DIRECT PUBLIC OFFERING" of their "SEVERELY OVERVALUED STOCK!"

Rather than pursuing a Standard "Initial Public Offering" (IPO) to Raise "New Money" like every other "Legitimate, Ethical" Company on Wall

Street, Airbnb will be trying to "PUMP & DUMP" their "Worthless Shares" with only" One Goal In Mind," to Allow All of their Early Investors a "Back-Door" Escape with Billions of Dollars of the Public's Money through their "NASDAQ or NYSE" Sanctioned Ponzi-Scheme!"

Let's all Hope & Pray that President Trump's "National Relations Board," and the "Securities & Exchange Commission" (SEC) puts a STOP to Airbnb's Corruption, before Small Investors Get Financially Hurt.

Buzz: **Are there any special exemptions in the (AB-5) Law for Hosts, SuperHosts, or Workers in Airbnb's "Experiences Program?"**

Mr. Kaplan: The Short Answer is "No."

While (AB-5) includes exemptions for many "LICENSED BUSINESS PROFESSIONALS" that have Obtained a "BUSINESS TAX I.D. NUMBER," there are"NO CARVE-OUTS" for "UNLICENSED HOSTS, SUPERHOSTS, OR WORKERS IN AIRBNB'S EXPERIENCES PROGRAM," nor will there be in the future.

Let's face it, there are "No Special" requirements to becoming an Airbnb Host.

ALL YOU NEED IS A "MATRESS & CELL PHONE, OR BE WILLING TO SHINE AN AIRBNB CUSTOMER'S SHOES FOR A FEE!"

Buzz: **The (AB-5) Law seems to rely quite heavily on the "ABC Test" for determining if a worker may be classified as an "Independent Contractor," instead of an "Employee." Can you please explain?**

Mr. Kaplan: The (AB-5) Legislation originated from the California Supreme Count ruling in the Dynamex v. Superior Court of Los Angeles case, which included an "ABC Test" to determine whether a worker providing services in California is an "Employee" for the purposes of the California Wage Orders, the Labor Code, and the Unemployment Insurance Code. (https://www.courts.ca.gov/opinions/archive/S222732.PDF).

Under the "ABC-Test," a worker is presumed to be an "Employee" unless the Company can "PROVE" in a Court of Law that the Worker:

(A) is Free from the "Control and Direction" of the Company in Performing the Work, both Practically and in the Contractual Agreement between the Parties; and

(B) Performs Work that is "Outside" the Usual Course of the Company's Business; and

(C) is Customarily Engaged in an "Independently" established Trade, Occupation, or Business of the Same Nature as the Work Performed for the Company.

Examples of Airbnb's Violations of California's (AB-5) Law include:

1.) Price Control
Airbnb "Controls" room rental prices through their "Instant Book" process, whereby a Host may want $149 per night for a Short-Term Rental (STR), but Airbnb and their "programmers" force the Hosts to accept prices much lower, or be dropped to the bottom of Airbnb's "Search Algorithm," or worse yet, Removed from the platform entirely. And, if Airbnb is able to Book that same room for more than $149 per night "during peek times" (i.e. ComicCon Week), Airbnb "pockets the spread," which can be "Substantial."

2.) Payment Control
All Bookings are processed through Airbnb's "Reservation & Calendar System." Hosts, SuperHosts, and Experiences Workers don't need their own "Websites or Credit Card Merchant Accounts" to process any Bookings. Airbnb decides when every Host, SuperHost, or Experiences Worker must be available to "Service Airbnb's Customers." (i.e. Hosts, SuperHosts, and Experiences Workers provide services to "Airbnb's Customers/Users," not the other way around.)

3.) Business License & Business Tax I.D. Number
Airbnb Hosts, SuperHosts, and Experiences Workers don't need to get there own "Business License or Business Tax I.D. Number" with anyone. In fact, Airbnb has a "SuperHost" program whereby they "Issue Licenses & Badges" to their most committed "Indentured Servants," I mean Hosts.

4.) Clearly Hosts, SuperHosts, and Experiences Workers are an "INTEGRAL" part of Airbnb's "Business Model," which they could never deny in any Court of Law.

5.) Hosts, SuperHosts, and Experiences Workers must be Available 24/7/365, or they get "Downgraded" in the Airbnb Search Algorithm, or "Removed" from the platform altogether.

6.) Airbnb Hosts, SuperHosts, or Experiences Workers don't need to purchase any "Liability Insurance." Airbnb provides each Host, SuperHost, and Experiences Worker with a $1 Million Dollar Liability Insurance Policy, just in case one of Airbnb's Customers engages in any destructive behavior, or has a "Slip & Fall." Airbnb controls every detail of every Insurance Claim, which usually results in a major tug-of-war between the Host and Airbnb's Customer Service Department for reimbursement.

7.) Airbnb and their Hosts, SuperHosts, and Experiences Workers work in the same field. They're Partners in Crime in the Black Market Underground Economy of Short-Term Rentals and Travel Experiences.

8.) Hosts, SuperHosts, and Experiences Workers hide their "Identities" behind Airbnb's Corporate Merchant Account Paywall, and are protected by Airbnb's Multi-Million Dollar Legal Team from any Data Disclosure to any Governmental Agency.

9.) Hosts, SuperHosts, and Experiences Workers don't need to spend any money on "Marketing or Advertising," because all of the "Customers" are "Bought, Paid-For, and Owned" by Airbnb.

10.) Airbnb determines the "Creditworthiness" of every "Traveler" through their "Corporate Credit Card Merchant Account."

11.) Airbnb handles all "Customer Service Complaints & Charge-Backs," because every Traveler is an Airbnb Customer.

12.) Airbnb Hosts, SuperHosts, and Experiences Workers are extremely dependent on Airbnb for their "Livelihoods."

13.) Airbnb Hosts, SuperHosts, and Experiences Workers do not need to submit any Invoices to Airbnb for the work they perform, because they are under Airbnb's Total Control.

14.) Hosts, SuperHosts, and Experiences Workers "Live Under The Constant Threat" that they can be Fired by Airbnb at any time for any Reason.

15.) Airbnb's "Unchecked Corruption" has Destroyed the Short-Term Rental Marketplace for anyone looking to "COMPETE LEGALLY" in the Above-Ground Regulated Vacation Rental Economy. AIRBNB MUST BE AUDITED FROM TOP TO BOTTOM IMMEDIATELY.

Bottom Line: Airbnb Hosts, SuperHosts, and Experiences Workers are nothing more than "Indentured Servants" at Airbnb's "Beck & Call," LITERALLY...

We've invited Harvard Law expert Mr. Johnathan Kaplan back to our platform to discuss Airbnb's very controversial "Voluntary Tax Agreements,"
which have been signed in over 400 Cities across the United States without
any public disclosure, oversight, or comment. Clearly, this process has reached "Criminal" proportions, and needs to be investigated.
Jennifer Clayton
San Francisco, CA

Buzz: **Mr. Kaplan, how would you best describe a "Voluntary Tax Agreement" to someone who has never heard of the concept?**

Mr. Kaplan: Let me be perfectly clear, Voluntary Tax Agreements, or (VTAs) as they're sometimes referred to, ARE ONLY USED WHEN A PERSON OR COMPANY HAS COMMITTED A SERIOUS TAX CRIME OVER MULTIPLE YEARS. PERIOD.

This is not an Agreement that anyone signs on their way home from Starbucks in the morning.

WHENEVER A TAX-CHEAT COMES FORWARD AND VOLUNTARILY ADMITS TO MULTIPLE YEARS OF TAX EVASION, AND BEGS FOR LENIENCY FROM THE DEPARTMENT OF REVENUE (IRS), OR ANY TAX AUTHORITY, THIS

LENIENCY NEVER INCLUDES TOTAL EXONERATION OF ALL BACK-TAXES, PENALTIES, AND INTEREST.

AND, YOU SURE AS HELL DON'T GET TO REWRITE THE TAX LAWS BY SUBMITTING YOUR OWN "VOLUNTARY TAX AGREEMENT" (VTA) FOR THE DEPARTMENT OF REVENUE (IRS) TO SIGN, AS AIRBNB HAS DONE IN OVER 400 TAX JURISDICTIONS.

Think about it... If "No Tax Crimes" were ever committed, why would there ever be a need to sign any Voluntary Tax Agreement (VTA)?

The only reason we're having this discussion today about (VTAs) is because Airbnb has spent the past "Eleven Years" operating an "Illegal" Black-Market, Underground Room Rental "RACKET," while running from every Tax Authority in 34,000 Cities, and 191 Countries.

As the walls continue to close in on the most "Corrupt" company to ever come out of Silicon Valley, you'll notice Airbnb hiring more Lawyers than Engineers in a desperate attempt to "Cover-Up" their "Tax Evasion Scheme," while keeping their "Racketeering Operation" spreading to every City, State, and Country across the globe.

Don't get me wrong. I understand when a company hires a few Lawyers for legal advice. But, I also understand when a company hires "HUNDREDS OF LAWYERS TO HIDE TAX EVASION & RACKETEERING."

In time, everyone will realize that Airbnb is "PERVERTING THE VOLUNTARY TAX AGREEMENT (VTA) LAWS" for their "OWN ADVANTAGE" and "CREATING ILLEGAL ROOM RENTAL RACKETS" in over 400 Tax Jurisdictions, which needs to end.

Whether it's "Illegal" Drugs, Guns, Prostitution, or "ROOMS," the Crime of "RACKETEERING" has been around for more than a century, and is very easy to recognize and prosecute.

Buzz: **Are there any policies, procedures, or "LAWS" that govern the Voluntary Tax Agreement (VTA) process?**

Mr. Kaplan: Yes.

Every Tax Authority in America has a set of "VERY STRICT LAWS" that must be adhered to during the Voluntary Tax Agreement (VTA) process.

And, any "APPEARANCE" of any favoritism to any individual or company must be immediately investigated.

Every taxpayer must have the full confidence that their local Tax Authority is free from all "CORRUPTION." (i.e. No Secret Corrupt Deals with any Family Member, Friend, or Company)

Buzz: **What has transpired in the 400 Tax Jurisdictions where Airbnb has admitted to Eleven Years of Tax Evasion? Have they paid any Back-Taxes, Penalties, or Interest? What was revealed when the Tax Authorities Audited Airbnb?**

Mr. Kaplan: In two words, "UNPRECEDENTED CORRUPTION!"

To this day, Airbnb has never been Audited by any Tax Authority, which must not continue.

For the past Eleven Years, Airbnb has been operating as a "Merchant Model" platform in the "Black-Market," underground economy of "Illegal" Short-Term Room Rentals. They've been "Collecting" Commissions for their company, and "Remitting" Rent Payments to Hosts, while "STIFFING" every local Tax Authority of their Transient Occupancy Taxes (TOT).

Since 2008, Airbnb's been using their own Corporate Credit Card Merchant Account on their website to "PROCESS" every room rental transaction, which requires them to "Collect & Remit" all Transient Occupancy Taxes (TOT) to every Tax Authority where they've conducted business, which they've totally ignored.

Furthermore, some States and Cities have "Hotel Privilege Taxes" and "Tourism Marketing Taxes," which Airbnb is "Obligated" to "Collect & Remit," but again, they've ignored those "Laws" as well.

Airbnb, and Airbnb alone decides what information is "Mandatory," and what information is "Optional" on their platform in order for a "Listing" to "GO LIVE." They could easily require every Host to include their "City

Issued License or Permit Number" prior to "PUBLISHING" the property profile.

Everyone knows that Airbnb "Requires" a mountain of very "PERSONAL INFORMATION" during the registration process (i.e. Social Security Number, Bank Account Number, Driver's License Number...) Yet, posting a Short-Term Rental (STR) License or Permit Number isn't a "REQUIRED FIELD" in their "Database." Why?

What's even more troubling is the fact that Airbnb "REQUIRES" every Host on their platform "NOT DISPLAY ANY IDENTIFIABLE MARKINGS" inside their property profile, so they can continue to perpetuate their "Two-Out-Of-Three" Tax Fraud Scheme.

Buzz: **Mr. Kaplan, are you suggesting that Airbnb has known for years that they've owed Back-Taxes in 34,000 Cities in 191 Countries, yet never filed any returns?**

Mr. Kaplan: Yes, that's exactly what I'm saying.

Back in February of 2015, Airbnb lost a Major "Tax Evasion" Court Battle against the City Treasurer of San Francisco, Jose Cisneros. Airbnb agreed to pay the City of San Francisco $25 Million in Back-(TOT)-Taxes, and turn over all Host Data to the City for (STR) Host Registration Verification purposes. (https://www.inc.com/associated-press/airbnb-pays-millions-in-back-taxes-to-san-francisco.html)

Ever since losing that Lawsuit against the City of San Francisco, Airbnb started hiring an army of Lawyers to "Cover-Up" their years of "Tax Evasion & Racketeering."

Buzz: **When you speak of Tax Evasion, I thought the Hosts had the "SOLE RESPONSIBILITY" for "Collecting & Remitting" all Transient Occupancy Taxes (TOT) to the cities, and not Airbnb. Can you please explain?**

Mr. Kaplan: What people need to understand is, the "Merchant of Record" is always 100% responsible for "COLLECTING & REMITTING" all Transient Occupancy Taxes (TOT) for "EVERY ROOM RENTAL BOOKING THAT OCCURS ON THEIR OWN WEBSITE" at their "OWN POINT-OF-PURCHASE."

So for example, if a Host owns & operates the Domain Name "LaJollaVacationRentals.Com" with their own Corporate Credit Card Merchant Account as the "PAYWALL," then they would be 100% responsible for "COLLECTING & REMITTING" all Transient Occupancy Taxes (TOT) to their local Tax Authority for "EVERY BOOKING THAT OCCURRED ON THEIR WEBSITE" (i.e. at their "POINT-OF-PURCHASE") because they were the "MERCHANT OF RECORD" for Every Room Rental Transaction on their platform.

With that being said, Airbnb is 100% responsible for "COLLECTING & REMITTING" all Transient Occupancy Taxes (TOT) for "ALL BOOKINGS THAT OCCUR ON THEIR WEBSITE" (i.e. at their "OWN POINT-OF-PURCHASE") because they to are the "MERCHANT OF RECORD" for Every Room Rental Transaction on Airbnb.Com.

Another area of tremendous concern is the fact that Airbnb has been able to "Buy" their own "Corrupt Media Narrative," through slick Multi-Million-Dollar Public Relations (PR) Campaigns, and perpetuate the "Lie" that somehow Hosts control the Airbnb Corporate Merchant Bank Account (i.e. Paywall), which is totally absurd.

So let me take a pause and say that there's no humanly possible way for any Host to Collect & Remit any (TOT) on Airbnb's website, just like there's no humanly possible way for Airbnb to Collect & Remit any (TOT) on LaJollaVacationRentals.Com's website.

Actually, LaJollaVacationRentals.Com is a "miniature" Airbnb. They use their own Corporate Merchant Credit Card Account to "PROCESS" every Room Rental "BOOKING" at their "Point-Of-Purchase" (i.e. website) and they are considered an "OPERATOR" under the Laws of San Diego.

That's why it's very important for every City, State, and Country to "FOLLOW THE MONEY," and hold the "MERCHANT OF RECORD" responsible for everything. Then, and only then, will you see full compliance with all Short-Term Rules, Regulations, and Ordinances!

***Buzz:* Why aren't Cities and States requiring "Merchant Model" platforms like Airbnb to post a "City Issued License Number" inside of every "Property Profile," before the Listing is "ALLOWED TO GO LIVE?"**

Mr. Kaplan: I think that process will start happening at "Light-Speed, once Cities and States start "DEFINING" Airbnb as a "Merchant Model" platform, and holding them responsible, liable, and accountable as the "Merchant of Record" for every "Booking Transaction" that gets "PROCESSED" at their Point-Of-Purchase." Just like every other Online Travel Agent (OTA) in the marketplace (i.e. Expedia, Orbitz, Kayak...).

***Buzz:* Can you share any examples of Airbnb "MANIPULATING" an entire "City Process" for their "OWN CORRUPT MEANS?"**

Mr. Kaplan: First, it's going to be very important for every Hotel Owner, Homeowner, and City Council Member to have a complete understanding of the "Dirty, Corrupt Tax Deals" going on behind closed doors "WITHOUT THEIR DIRECT KNOWLEDGE, INVOLVEMENT, OR OVERSIGHT," while the rest of the city is screaming into a microphone at "ANOTHER" useless Town Hall meeting.

Many "Ethical & Honest" City Officials across the country have told Airbnb to "TAKE A HIKE" when presented with Airbnb's "Corrupt Voluntary Tax Agreement."

But, over 400 other cities have decided to "Aid & Abet" Airbnb in their "Tax Evasion & Racketeering Scheme" by allowing Airbnb to "Corrupt" the process with their "OWN" Voluntary Tax Agreement (VTA) that rewrites all City Tax Laws, and "Creates a Personalized Room Rental Racket" for Airbnb to "OPERATE" in Total "SECRECY."

***Buzz:* How could this possible happen?**

Mr. Kaplan: For some answers, let's take a look at one of the largest tourist destinations on the planet, San Diego, and their "Transient Occupancy Tax (TOT) Ordinance," which defines Hotel and Operator as follows:

"HOTEL" MEANS ANY STRUCTURE OR ANY PORTION OF ANY STRUCTURE WHICH IS OCCUPIED, OR INTENDED OR DESIGNED FOR OCCUPANCY, BY TRANSIENTS FOR DWELLING, LODGING, OR SLEEPING PURPOSES, AND IS HELD OUT AS SUCH TO THE PUBLIC. "HOTEL" DOES NOT MEAN ANY HOSPITAL, CONVALESCENT HOME, OR SANATARIUM.

As you can easily see, the term "Hotel" is all encompassing, and includes every type of listing on Airbnb's platform, without any exception.

"OPERATOR" MEANS THE PERSON WHO IS THE PROPRIETOR OF THE HOTEL, RECREATIONAL VEHICLE PARK, OR CAMPGROUND, WHETHER IN THE CAPACITY OF OWNER, LESSEE, SUBLESSEE, MORTGAGEE IN POSSESSION, LICENSEE, OR ANY OTHER CAPACITY. "OPERATOR" INCLUDES A MANAGING AGENT, A RESIDENT MANAGER, OR A RESIDENT AGENT, OR ANY TYPE OR CHARACTER, OTHER THAN EMPLOYEE WITHOUT MANAGEMENT RESPONSIBILITY.

Again, you can easily see that the term "Operator" is all encompassing, and includes every "Type or Character of Agent," which would include Online Travel Agent (OTA) "Airbnb," because they perform every "ESSENTIAL SERVICE" required for a "SUCCESSFUL" Short-Term Room Rental Transaction.

Airbnb finds every Customer, and "Dictates" the room rental price with their "Instant-Book" service. They use their Corporate Credit Card Merchant Account to "PROCESS" every Room Rental Transaction at their Point-Of-Purchase on Airbnb.Com, thus making them the "Merchant of Record" on every Credit Card Receipt.

Furthermore, they decide the "Creditworthiness" of every Traveler, and handle all Customer Service Disputes, Cancellations, and Refunds. They even provide One Million Dollars of "Liability Insurance" for every Host on their platform. So, with that being said, I would challenge any court to find any "Essential Service" that Airbnb doesn't provide.

All Hosts need to do is slap a "Lockbox" on their front door, and "SECRETLY HIDE BEHIND AIRBNB'S MERCHANT ACCOUNT PAYWALL" as the money rolls in.

Bottom line, Airbnb is a "BROKER" that Books Rooms for Short-Term Transient Occupancy. PERIOD.

After having to pay San Francisco $25 Million in Back-Taxes in February of 2015, Airbnb quickly procured a "Corrupt" Voluntary Tax Agreement (VTA) in "TOTAL SECRECY" with San Diego's outgoing City Attorney, Jan

Goldsmith, which needs to be "RESCINDED" by the current City Attorney, Mara Elliott.

But, I would like to ask Mara if the "California Coastal Commission" approved Airbnb's (VTA) before Jan Goldsmith signed off on this "Corrupt Agreement" behind closed doors. Because as everyone knows, nothing can ever get approved in San Diego without the California Coastal Commission's blessing.

The City of San Diego is "OWED TENS OF MILLIONS OF DOLLARS" from Airbnb for SEVEN YEARS OF TAX EVASION (i.e. Back-Taxes, Penalties, and Interest from 2008 to 2015), which needs to be "Collected" on behalf of every Hotel Owner, Homeowner, and Taxpayer.

If you really want to see how "Illegal & Corrupt" Airbnb's platform is, and get a lecture on how many "Laws" you would be violating if you were to try to copy Airbnb's "Business Model," do what I did.

Telephone a few City Attorney's across to country, and tell them that you are going to release a new Short-Term Rental App that allows Hosts to "Hide" anonymously behind your Corporate Merchant Account Paywall, while "not" Collecting or Remitting any Transient Occupancy Taxes (TOT) to their city.

And while you're at it, tell them that you've "Created" a very special "Voluntary Tax Agreement" that includes "No Back-Taxes or Financial Audits" for your company, and you would like them to sign this (VTA) in total "Secrecy" behind closed doors with "No Questions Asked."

And then listen as their heads explode...

You see, everyone knows that Airbnb is "OPERATING AN ILLEGAL CORRUPT TAX EVADING RACKET."

Buzz: **Have you noticed the "Thousands" of Airbnb "CLONES" in the marketplace over the past Ten Years?**

Mr. Kaplan: Unfortunately yes.

Now everyone's a "Property Manager" with a website that takes Room Rental Payments for hundreds, and sometimes thousands of "ILLEGAL GENERIC ROOMS."

And, this problem will continue to grow until Tax Authorities "AUDIT" Airbnb, HomeAway, and VRBO, and send a message to the marketplace that if you're going to "TRANSACT COMMERCE WITH YOUR MERCHANT ACCOUNT, THERE ARE REAL WORLD OBLIGATIONS AND CONSEQUENCES FOR YOUR ACTIONS."

BECAUSE, IF "MERCHANTS OF RECORD" AREN'T RESPONSIBLE FOR ALL OF THIS "LAWLESSNESS," WHO IS?

Buzz: **What's your take on the Hotel Owners allowing "Thousands" of "Illegal Black-Market Unregistered Rooms" to "EXIST" at the base of their Hotels, and "STEAL THEIR ROOM REVENUE?"**

Mr. Kaplan: I don't think it will be so easy for Airbnb to "Kick Hotel Owners To The Curb," the way Uber & Lyft Kicked Small Independent Taxi Drivers around...

I envision a day, in the near future, when the Hotel Owners unite, and take back the streets of Hospitality from the "CHILDREN" of "SILLY-CON VALLEY" that dropped out of "ART SCHOOL."

All Hotel Owners would have to do is stop screaming "Hey, Get Off My Lawn" from the bleachers, and "ENTER THE PLAYING FIELD WITH A SOLUTION TO RECLAIM THEIR TURF," and it's "GAME OVER FOR AIRBNB, HOMEAWAY, AND VRBO."

SUGGESTION: IF YOU'RE ONE OF THE 400 INDIVIDUALS THAT HAS SIGNED ONE OF AIRBNB'S CORRUPT VOLUNTARY TAX AGREEMENTS (VTAs), RESCIND THE ENTIRE AGREEMENT, AND COLLECT ALL OF YOUR BACK-(TOT)-TAXES ASAP, WHILE AIRBNB STILL HAS $3 BILLION IN ILL-GOTTEN CASH TO PAY YOU, AND BEFORE THE AMERICAN HOTEL & LODGING ASSOCIATION (AHLA) SUBMITS A FOIA REQUEST ON BEHALF OF EVERY HOTEL OWNER IN YOUR CITY!

Buzz: **The Pennsylvania Supreme Court just delivered a severe blow to Airbnb, and other Short-Term Rental platforms by ruling that a "purely Transient Use of a property as part of a Commercial Rental Business**

"WAS NOT" a permitted use in a Residential District." Can you explain significance of this case? (https://cases.justia.com/pennsylvania/supreme-court/2019-7-map-2018.pdf?ts=1556287415)

Mr. Kaplan: It was very clear to the Justices that this particular dwelling was purchased and used as a full-time vacation rental property that catered only to "Transient" Guests. The owner testified to "the Court" that this property was part of a for-profit business enterprise, and not his permanent residence.

The Supreme Court spent a considerable amount of time explaining the definition of a "Single Housekeeping Unit," which is a commonly used phrase in the definition of "Family" in Zoning Ordinances throughout our country.

Justice Christine Donohue wrote in the Supreme Court opinion that "Single Housekeeping Unit" clearly meant a "Single Family Continuously Occupying the Property," which would prohibit all Short-Term Rental usage in a "Residential Zone."

A majority of Airbnb's revenue in Pennsylvania and across the United States is generated from real estate investors that own second, and third homes. So, as other states begin to adopt this Supreme Court ruling as "PRECEDENT," Airbnb's bottom line will suffer a significant negative impact going forward.

The following is our previous interview with Harvard Law expert Mr. Johnathan Kaplan when we discussed the significance of several Appellate Court decisions against Online Travel Agents (OTAs) Airbnb, HomeAway, and VRBO.
Jennifer Clayton
San Francisco, CA

***Buzz:* Mr. Kaplan, in a unanimous decision, the Arizona Court of Appeals ruled that Online Travel Agents (OTAs) were guilty of "Acting as Brokers for Hotels," and must pay years of "Back-Taxes" to every city in State of Arizona where they "Processed Room Rental Bookings" with their "Corporate Merchant Credit Card Accounts." What should my audience understand about this groundbreaking ruling?**

(https://cases.justia.com/arizona/court-of-appeals-division-one-unpublished/2018-1-ca-tx-16-0016.pdf?ts=1536251437)

Mr. Kaplan: This was a very significant ruling against every "Merchant Model" platform in the vacation rental marketplace, because the Justices decided that (OTAs) provide numerous "ESSENTIAL SERVICES" to Hotels and Hosts during the initial "Booking Process," and earn Consideration in the form of Service Fees for their actions. There isn't a Merchant Model platform on the face of the earth that could argue that they don't provide ESSENTIAL SERVICES to their Listers, Hosts, or Hotel partners. This is especially true for platforms like Airbnb, HomeAway, VRBO, and FlipKey, because a court would be hard-pressed to find a single "Service" these companies don't provide.

Moreover, the Court stated that (OTAs) appear as the "Merchant of Record" on the Credit Card Receipt of every Traveler, and they handle all of the Traveler's Financial and Customer Service concerns until the Traveler arrives at their final point of destination.

Also, (OTAs) guarantee the "Creditworthiness" of every Traveler during the critical booking process, which is "vital" to the financial success of every Hotel and Vacation Rental Business.

I believe this Appellate Court's Decision will have a profound "ripple effect" on every Local and State Tax Authority, because it clears the way to collect years of Back-Taxes, which could be used to fight the rampant homeless problem plaguing every community.

***Buzz:* I also noticed that the Justices went out of their way to make the point that (OTAs) were "NOT" doing anything "NEW" in the marketplace, other than "Evading Years of Taxes."**

Mr. Kaplan: Actually, I had an (LOL) coffee squirting out of my nose moment when I read the Court's comments that "Brokering Hotel and Travel Services" over the internet was NOT a "New Activity, Category, or Industry."

I've been saying for years that Merchant Model platforms are nothing more than websites, with their own "Corporate Credit Card Merchant Accounts" attached, which is no different from a billion other websites in

existence today. And now, an Appellate Court has finally voiced the very same opinion.

Judges know that "Merchant Model" platforms "RESELL" generic room rental inventory that has been "NOVATED" to them from Professional Property Managers, Innkeepers, Real Estate Brokers & Agents, Commercial Building Owners, Real Estate Developers, Builders, Homeowners, and Apartment Dwellers, which is destroying our long-term housing stock, exasperating our homeless problems, and causing rents to skyrocket.

Buzz: **Assemblywoman Tasha Boerner Horvath of San Diego has introduced Short-Term Rental Bill AB-1731 to the California State Legislature in Sacramento in an effort to "BYPASS" all of the "Corruption" taking place amongst the County's elected officials (i.e. Mayor Kevin Faulconer, City Attorney Mara Elliott, Tax Collector/Treasurer Dan McAllister, and Members of the City Council). These individuals simply refuse to "enforce" any Short-Term Rental Rules, Laws, or Ordinances, while the County's Homeless Problem continues to swell beyond 20,000. What do you think of Assemblywoman's solution? (https://www.voiceofsandiego.org/topics/government/sacramento-report-bill-would-sharply-limit-short-term-rentals-in-beach-neighborhoods/)**

Mr. Kaplan: I have several friends in San Diego, and they're all telling me that the problem is getting worse every day. Homeowners are "Bootlegging" Granny Flats & Trailers behind their "Illegal-Unlicensed" Airbnbs in "Residential Zones" that were never intended for Commercial or Business Use. It's just pure "in your face" Corruption, which needs to be "Investigated."

The City of Portland, Oregon is another example of "Administrative Corruption." They've been negotiating with Airbnb, HomeAway, and VRBO for years to receive "Host Data" in an effort to make sure that every Lister on their respective platforms is "registered" with the City, and following all applicable laws. And year after year, Airbnb, HomeAway, and VRBO continue to give the City of Portland the "Middle Finger."

And to make matters worse, now you have HomeAway and VRBO "dictating" to the City of Portland that they won't turn over any "Host Data," until Airbnb does so first. So, who exactly is running the City of Portland? Corrupt Airbnb, or Corrupt City Officials? I say "BOTH."

Because on one hand, you have very "Progressive" politicians not enforcing any of the current laws. And on the other hand, you have several "Corrupt" Billion-Dollar Corporations with Merchant Model platforms "TAKING ADVANTAGE" of the City's well publicized "Progressive" Laissez-Faire attitude towards Legislation and Oversight.

So, where's the local Tax Authority, or Oregon Attorney General you might ask? Probably working hard to legalize Psychedelic Mushrooms! (https://www.oregonlive.com/portland/2019/05/portland-escalates-fight-with-airbnb-over-illegal-listings.html)

***Buzz:* On March 19, 2019, there was another earth-shattering unanimous decision rendered by the 9th Circuit Court of Appeals in Los Angeles, which targeted Merchant Model platforms that "Process" room rental transactions at their Point of Purchase (POP). The Court ruled that Merchant Model platforms are completely responsible for "Collecting & Remitting" all Transient Occupancy Taxes (TOT) to every city where they conduct "Commerce/Business," or they can be "Fined Daily." How significant is this ruling? (http://cdn.ca9.uscourts.gov/datastore/opinions/2019/03/13/18-55367.pdf)**

Mr. Kaplan: Well, I've always stated that if any municipality truly wanted stop all of the illegal, unlicensed "bootlegging" of short-term vacation rentals in their city or state, all they would have to do is incorporate (i.e. ADOPT/Copy & Paste) the City of Santa Monica's Short-Term Rental Ordinance into their own Legislation, and all of their problems would immediately be resolved.

This Ordinance has been battle-tested in the Courts for over three years, with the 9th Circuit Court of Appeals in Los Angeles rejecting every ridiculous argument Airbnb, HomeAway, and VRBO could conjure up. Should any Governor, Mayor, or City Council member wish to adopt Santa Monica's Short-Term Rental Ordinance, and put an end to all of the Short-Term Rental Corruption that exists within their City or State,

click here: (https://www.smgov.net/Departments/PCD/Permits/Short-Term-Rental-Home-Share-Ordinance/)

Buzz: **Mr. Kaplan, other than adopting the City of Santa Monica's (STR) Ordinance, do you have any additional advice for municipalities trying to reign-in "Corrupt" Merchant Model platforms?**

Mr. Kaplan: Yes. Every week there seems to be another "Damning" momentous "Court Decision" issued against (OTAs) that employ the Merchant Model business platform to generate revenue. So, I would advise every Local and State Municipality to get all of their Back-Taxes NOW, before the line gets so long that they'll have to wait decades to receive any compensation, or resolution.

Buzz: **So far, the Securities and Exchange Commission (SEC) has been very reluctant to allow Airbnb the authority to "Go Pubic." Why do you think that's happening?**

Mr. Kaplan: Let's just say that when your local "Pool-Boy" starts advising you to "Short-Sell" Airbnb's stock, because they're so extremely "Overvalued" and riddled with "Lawsuits & Corruption," everyone becomes very concerned about the "Pump & Dump" schemes currently coming out of SILLY-CON Valley. (i.e. Snap, Uber, Lyft, Pinterest, DropBox, Spotify, Stitch Fix, Blue Apron...)

Furthermore, I'm sure the (SEC) has several "Due Diligence" questions for Airbnb, which could take years to address, before they're ever allowed to "Offer" any of their Worthless, Overvalued Stock to an Unsuspecting Public.

Buzz: **Everyone knows that Airbnb's entire "Database" is "Duplicated" on all of their "Competitor's Distribution Channels" (i.e HomeAway, VRBO, FlipKey...) So with "Nothing Exclusive or Proprietary" to offer the marketplace, why would anyone ever invest in Airbnb?**

Mr. Kaplan: In a word, Hype!

For years, Airbnb has been "Illegally Hiding Unregistered Hosts" behind their "Corporate Merchant Account PayWall" perpetuating a "Tax Avoidance Scheme" without any Legislative oversight. Well, those days

are over. Now, everyone's watching Airbnb hire more Attorney's than Engineers!

Buzz: **When you speak of Corruption, can you please elaborate on what you mean?**

Mr. Kaplan: Airbnb's current Motto and Business Plan is, "It's Easier to Pay-Off Politicians, than it is to Pay Transient Occupancy Taxes (TOT)." And that's exactly what they've been doing for the past 11 years with alarming success.

The public has no idea that their Mayors are "ORDERING" their local Tax Commissioners, City Attorney's Offices, and City Council Members to "STAND-DOWN," and not enforce any (STR) Laws, or Collect any Back-(TOT)-Taxes, which has created an atmosphere of constant fighting and arguing within every neighborhood across the country, and needs to stop.

Buzz: **On May 18, 2019, the City of New York won their lawsuit against Airbnb, which requires Airbnb to turn over all "Host Data" requested within the next 30 days. The Judge ruled that a simple "Administrative Subpoena" was all that was needed to receive Host Data from any Merchant Model platform. Do you think more Municipalities will start issuing "Administrative Subpoenas" to Merchant Model platforms for Host Data? (https://images.law.com/contrib/content/uploads/documents/389/69205/Airbnb-Subpoenas.pdf)**

Mr. Kaplan: Absolutely. It high-time for every Host to get "LEGAL," and Register their Short-Term Vacation Rental with their City.

So, whenever you hear a news report that reigning-in Merchant Model platforms like Airbnb, HomeAway, and VRBO is to difficult for your local Politicians to figure out, don't believe a word of it. Because, all that's needed is a simple "Administrative Subpoena." Period.

Buzz: **On May 31, 2019, the State of Michigan Court of Appeals published a ruling that Short-Term Rentals are not allowed in Residential Zones without a "Special License" from the City. Do you think this Appellate Court Decision will affect the rest of the country?**

(https://cases.justia.com/michigan/court-of-appeals-published/2019-341654.pdf?ts=1558616458)

Mr. Kaplan: Yes, I do. This ruling is consistent with all case law in the United States, which prohibits the "Commercial or Business" use of a residential property to "Generate a Profit" without a "Special License" being issued from the City.

The problem for residents, who are not engaged in the "underground, illegal" activity of renting "unlicensed" dwellings to transient occupants for a profit, is to get our "Corrupt City Officials" to enforce the existing Residential Zoning Laws. Citizens should not have to file a lawsuit against their Neighbors, because City Officials openly refuse to enforce existing Laws.

***Buzz:* Are you aware of any city besides Santa Monica that has passed legislation that reigns-in the "Corruption" of Merchant Model platforms like Airbnb, HomeAway, and VRBO?"**

Mr. Kaplan: Sure. The city that immediately come to mind is San Francisco.

In February of 2015, after losing a major court battle for "Tax Evasion" with the City Treasurer, Jose Cisneros, Airbnb agreed to pay the City of San Francisco $25 Million in Back-(TOT)-Taxes, and turn over all Host Data to the city for (STR) Registration accountability. (https://www.inc.com/associated-press/airbnb-pays-millions-in-back-taxes-to-san-francisco.html)

Should any Governor, Mayor, or City Council Member wish to adopt San Francisco's Short-Term Rental Ordinance, click here: (https://shorttermrentals.sfgov.org/about)

***Buzz:* How would you define the term "Hosting Platform?"**

Mr. Kaplan: The term "Hosting Platform" is a very broad "all-encompassing" term that should never be used without proper context when writing Rules, Regulations, Ordinances, or Laws for the Short-Term Rental marketplace.

I would have to agree with the Securities & Exchange Commission's approach when defining the term "Hosting Platform," because the (SEC) "FOLLOWS THE MONEY" (i.e. Digital Wallet).

They drill down on the precise company using their Credit Card Merchant Account to "PROCESS" Room Rental Transactions at their Point-of-Purchase (i.e. Website) to determine with whom all "LIABILITY" rests. They even require publicly traded companies to disclose if any Room Rental Transactions are being "PROCESSED" by one of their "SUBSIDIARY COMPANIES." (i.e. HomeAway has created a "Shell Company" to process all of their room rental transactions for the website HomeAway.Com, which is fooling no one.)

Currently, Airbnb, HomeAway, and VRBO are "PROCESSING" Billions of Dollars in Room Rental Transactions each year without any Tax Oversight, or Consequences for Tax Evasion (i.e. Zero Audits), which is totally unacceptable.

***Buzz:* How would you define the term "Host?"**

Mr. Kaplan: Again, the term "Host" is a very broad "all-encompassing" term that should never be used without proper context, because it includes Professional Property Managers, Innkeepers, Real Estate Brokers & Agents, Commercial Building Owners, Real Estate Developers & Builders, Homeowners, and Apartment Dwellers.

***Buzz:* Why do you think Airbnb will not allow any of their "Hosts/Businesses" to Brand any of their Listings?**

Mr. Kaplan: Airbnb refuses to let any Host "Brand" any of their Listings with any identifiable names (i.e. Boston Vacation Rentals) for fear that 34,000 cities and 191 countries will start demanding Tax Collection and Property Registration for each Listing.

Their whole "Competitive Advantage" over their Competition is the fact that they allow their Listers to "HIDE THEIR TRUE IDENTITIES BEHIND THE AIRBNB MERCHANT ACCOUNT PAYWALL," without any fear of any repercussions.

Airbnb has been running a "Two-Out-Of-Three-Scam" for over a decade, whereby Airbnb gets paid, the Hosts/Businesses get paid, and the local

Tax Authorities get "STIFFED," which is the reason why so many municipalities are hiring "Host Compliance" for help with identifying "SCOFFLAWS." No one really knows the total amount of Airbnb's "Global Tax Liability," which could be in the Billions of Dollars, because they've been operating "illegally" in 34,000 cities and 191 countries for the past 11 years.

Buzz: **Are you saying that Airbnb has no other "Competitive Advantage" other than allowing "SCOFFLAWS" to hide behind their "Corporate Merchant Account Paywall?"**

Mr. Kaplan: Yes. That's exactly what I'm saying!

11 Years ago, they simply slapped "THEIR OWN CORPORATE MERCHANT CREDIT CARD ACCOUNT" onto a database of Craig's List Scofflaws, and started running a "Tax Avoidance Scam," which has created the "Civil Rights" issue of our time, AFFORDABLE HOUSING for Black and Brown-Skinned people across this country.

Buzz: **Mr. Kaplan, what should the public know about the recent Appellate Court ruling against Airbnb, HomeAway and VRBO? (http://cdn.ca9.uscourts.gov/datastore/opinions/2019/03/13/18-55367.pdf)**

Mr. Kaplan: (1) That the "Communications Decency Act" (U.S.C. 230) does not provide any legal "immunity" to Merchant Model platforms when they "Process" booking transactions on their websites for "Illegal Listings."

9th Circuit Ruling: **Merchant Model platforms like Airbnb, HomeAway, and VRBO**
have an "Obligation" to "Not Process" any booking transactions for *"Unregistered"*
Properties, or they can be held financially liable for money damages.

The Court made it abundantly clear that if you're the "Merchant of Record"
(i.e. Digital Wallet) you must obey all Short-term Rental Laws, which include:

(a) Collecting and Remitting Transient Occupancy Taxes (TOT);
(b) Regularly Disclosing Listing and Booking Information to the City;
(c) Refraining from Booking Properties Not Licensed and Listed on the City's Registry;
(d) and Refraining from Collecting a Fee for Ancillary Services.

The Court went on to say that nowhere in the City of Santa Monica's Ordinance 2535 is there any language forcing any short-term rental platform to "monitor and remove" any third-party content. The Ordinance only regulates *"Commercial Conduct*" and *"Economic Activity."*

(2) That Merchant Model platforms can no longer claim any First Amendment speech violations when a City imposes a "financial burden" (i.e. Money Damages) for processing booking transactions on their websites for "Illegal Listings."

***9th Circuit Ruling:* The Court was quick to point out that the Ordinance regulates "*Commercial Conduct*" (i.e. Booking Unlicensed Properties) not "Expressive Speech."**

They went on to say that a City can impose a "Content-based Financial Burden" on Merchant Model platforms for engaging in "Illegal Bookings" on their websites.

United States v. O'Brien - "Restrictions on Protected Expression are distinct from Restrictions on *Economic Activity* or, more generally, on *Non-Expressive Conduct*."

(3) That Merchant Model platforms have an "Obligation" to Collect and Remit Transient Occupancy Taxes to every City Tax Authority where they conduct business.

***9th Circuit Ruling:* For the reasons mentioned above, Cities can impose a "Financial Burden" on Merchant Model platforms for not Collecting and Remitting Transient Occupancy Taxes (TOT).**

The City of Santa Monica's Ordinance requires Merchant Model platforms to
Collect and Remit Transient Occupancy Taxes (TOT) to the local Tax Authority.

Furthermore, there are no special "back-room" Agreements needed between any Merchant Model platform and any local Tax Authority.

For years, Airbnb has claimed, through Multi-Million Dollar Public Relations (PR) Campaigns, that they would "love" to Collect and Remit Transient Occupancy Taxes (TOT) to every City where they conduct business, but the
local Tax Authorities wouldn't let them. Nothing could be further from "the Truth."

These Appellate Court Judges are only *confirming* that Airbnb, and other Merchant Model platforms have *always* had an "*obligation*" to Collect & Remit Transient Occupancy Taxes (TOT), because they control the Point-of-Purchase (POP) on their platforms, and receive
100% of all Booking Revenue, not the Host.

Every city in the United States is owed millions of dollars in Back-(TOT)-Taxes
from Merchant Model platforms like Airbnb, HomeAway, and VRBO. This "delinquent" Tax Revenue would go a long way towards funding homeless problems plaguing our nation, which each of these platforms has exasperated, and should be collected at once.

(4) That the "Stored Communications Act" (18 U.S.C.) does not provide any legal "immunity" to Merchant Model platforms from Disclosing Listing and Booking Information to Tax Authorities and Treasurers (collectively, the City).

9th Circuit Ruling: **For the reasons mentioned above, City Tax Authorities and Treasurers can enforce *Administrative Subpoenas* for "Listing and Booking" *Data* from Merchant Model platforms.**

In the 9th Circuit Court case, Airbnb and HomeAway did not directly challenge
whether or not a City has the authority to demand disclosure of Listing

and
Booking Data, because they recently lost another "Landmark" lawsuit in The United States Federal Court of Appeals for the 1st District.

1st Appellate Court Ruling:
(https://law.justia.com/cases/california/court-of-appeal/2018/a150385.html)

1st Appellate Ruling: **Tax Authorities "may order any person or persons, whether taxpayers, alleged taxpayers, witnesses, or custodians of records, to produce all books, papers, and records which the Tax Collector believes may have relevance to enforcing compliance with the provisions of the Tax Code for inspection, examination, and copying at the Tax Collector's Office during normal business hours.**

The Court ruled that Merchant Model platforms like Airbnb, HomeAway, and VRBO are neither an "Electronic Communications Service" nor a "Remote Computing Service" within the mean of the "Stored Communications Act" (18 U.S.C.)

The court explained that Congress passed the "Stored Communications Act" in order to fill a gap in the protection afforded by the Fourth Amendment, which provides no protection for information that was "Voluntarily Disclosed" to a Third-Party during a "Commercial" relationship.

Buzz: Can you please explain to our audience what exactly a Merchant Model platform is, and why they're under such attack?

Mr. Kaplan: Well, the problem for Merchant Model platforms is really "Two-Fold."

(1) They're Online Travel Agents (OTAs) that use their "own" Corporate Credit Card Merchant Account to "process" room rental transactions at their Point of Purchase (POP), which "obligates" them to "collect &

remit" Transient Occupancy Taxes (TOT), and Value Added Taxes (VAT) to every Tax Authority where they "conduct" business.

What people have to remember is, Merchant Model platforms are nothing more than "websites with shopping carts." These (OTAs) "resell" generic room rental inventory, which they've acquired from Homeowners/Hosts, Property Managers, and Hotels. Each Lister agrees to (Novate) every aspect of the room rental "booking process" to the (OTA), including the "collection & remittance of hotel taxes," in lieu of a fee/commission on each booking, which usually ranges between 15% and 20%.

(2) Online Travel Agents (OTAs) collect a tremendous amount of data from each Host and Traveler, thus making them irresistible targets for Government Municipalities and Tax Authorities who are always looking for new sources of Tax Revenue, and Short-Term Rental (STR) Registration Fees.

Buzz: Every year, Airbnb sponsor's the U.S. Conference of Mayors. Can you explain the significance of Airbnb spending millions of dollars to "Lobby" 300 of the most powerful politicians in America? (https://www.miamiherald.com/news/local/community/miami-dade/article157875269.html)

Mr. Kaplan*: Airbnb is really feeling the pressure of illegally operating in 34,000 cities, and 191 countries for the past 11 years. It's gotten so bad that they've had to hire Former Obama Attorney General, Eric Holder and hundreds of additional lawyers in an effort to persuade local Mayors, City Attorney's Offices, and Tax Commissioners across the globe to "Stand-Down" and not enforce any (STR) Laws, which is criminal and reprehensible.

The only reason Airbnb sponsor's the U.S. Mayor's Convention each year is because Mayors "hand-pick" their local "Tax Commissioners," and they have the power to "order" those Tax Commissioners to "stand down" on enforcing any Transient Occupancy Tax Collection against Airbnb, which has given Airbnb an "Unprecedented Competitive Advantage" in the Short-Term Rental marketplace for the past 11 years. This "corruption" has angered Housing Advocates, Hotel Owners, Bed & Breakfast owners,

and homeowners everywhere, and needs to be fully investigated by the Federal Bureau of Investigation (FBI).

Furthermore, Mayors have the power to "order" their City Attorney's Office to "stand down" on any enforcement of any Short-Term Rental Law violations, which they've consistently done. This local "corruption" is playing out in full public view, which has created a "Housing Crisis" across the United States.

Everyone has to remember how we got here. In 2008, Airbnb entered the Short-Term Rental marketplace by "illegally" spamming thousands of Vacation Rental Hosts on Craig's List, and allowing those Hosts to "Hide" behind Airbnb's "Merchant Account Paywall" until Airbnb was served a "Cease and Desist Order" from Craig's lawyers. Needless to say, Airbnb was "founded" on "Corrupt Business Practices," which they still employ today.

Remember another of Airbnb's famous mantras, "It's Easier to Ask for Forgiveness, than Get Permission."

Well, if our System of "Checks & Balances" is working properly, Airbnb's tactics, and lack of business ethics will never be glorified by the next generation of entrepreneurs, or rewarded by our Securities & Exchange Commission (SEC).

Airbnb does not have a sound "Business Model," and is nothing more than an "*Elaborate Tax Avoidance Ponzi Scheme*." They're corrupt "Pump & Dump" Scam needs to be fully investigated, before they pull-off some "criminal" Direct Public Offering, which causes tremendous financial damage and hardship to hard-working Americans everywhere.

Buzz: What do you mean by "Elaborate Tax Avoidance Ponzi Scheme?"

Mr. Kaplan*:* Airbnb knows that it will take 5 to 10 years for any local Tax Authority, or Government Municipality to catch up with the "crimes" of a "fast-moving" software company. It's the old "Tortoise and Hare" scenario that has allowed Airbnb to "break" new ground across the globe in 2019 in countries like India, China, and Japan, with the knowledge that they'll have "new revenue" to pay for "past crimes" in San Diego, Miami, Los Angeles... from 2008, 2009, 2010...

Buzz: Do you believe Airbnb has "full knowledge" that they owe Back-(TOT)-Taxes for the past 11 years in every city where they've been the "Principal Merchant of Record" for room rental transactions (i.e. Bookings)?

Mr. Kaplan*: Absolutely. Tax Avoidance has been the "foundation" of Airbnb's corrupt business model since their inception in 2008, and when they were forced to pay the City of San Francisco $25 Million in Back-(TOT)-Taxes for 10 years of Tax Evasion. And ever since, they've done everything in their power to "Avoid Paying Any Back-(TOT)-Taxes to Any City Tax Authority Anywhere on the Planet."

And now, whenever a lawsuit gets filed against Airbnb, they only agree to pay (TOT) going forward, while "STIFFING" the Tax Authority, and their residents out of Millions of Dollars in Back-(TOT)-Taxes for the past 11 years."

Try not paying any of your taxes for 11 years, and once you get caught, simply promise the (IRS) that you'll pay taxes in the future, and see where that gets you. I'm guessing "Jail-Time!" But not Airbnb. Why?

Buzz: Airbnb recently purchased "HotelTonight" for a whopping $463 Million. Why would any Short-Term Rental platform with 6 Million Vacation Rental Listings need to purchase another 1,700 Listings at a cost of $250,000 per Listing?

Mr. Kaplan*: Because Airbnb "so-desperately" wants to go public in the next year.*

They're willing to spend any amount of money necessary to make the "Public" and the "Securities & Exchange Commission" (SEC) believe that they're a "Legitimate Business," which is totally ridiculous.

In poker, it's called an "All-In-Bluff."

Airbnb's "*Betting the Farm*" that they can "buy" 1,700 legitimate listings, and the Securities & Exchange Commission (SEC) and the Public won't care about their 6 Million "Illegal" Listings all over the planet.

They're trying to wave a "Shiny Object" called HotelTonight in the (SEC's) face, while fighting 11 years of "Tax Evasion" in 34,000 Cities and 191 countries behind closed doors.

It's like spending $6 Million to get your daughter into an elite college... It's "Overkill and Criminal."

Airbnb's perpetrating a "Public Relations (PR) Fraud," which needs to be "thoroughly investigated" before the public loses any of their hard-earned savings.

Buzz: What do you think needs to happen with Merchant Model platforms like Airbnb, HomeAway, and VRBO that have engaged in "Tax Avoidance Schemes" for the past 11 years?

Mr. Kaplan*: In the short-term, each of these platforms should be "Audited" by the Internal Revenue Service (IRS), and all Back-(TOT)-Taxes should be collected from each Merchant Model platform. In the long-term, I think it will be "Death by 34,000 Cuts for Airbnb!"

Their problems have spread faster than the opioid epidemic, and it's time for the U.S. Inspector General, and the FBI to investigate these "Criminal" Mayors for allowing Airbnb to "Avoid" paying "Transient Occupancy Taxes" (TOT) for the past 11 years. Are mayors receiving "Campaign Contributions" from Airbnb, HomeAway, or VRBO? The public has a right to know.

New York Democrat Sen. James Skoufis has just been caught "allegedly" engaging in criminal activity on behalf of Airbnb (i.e. Pay-to-Play Politics).

"If you want to see the influence of money in politics, look no further than an Albany bathroom stall, where you'll certainly find Senator James Skoufis hiding from his latest embarrassment to himself and the Senate Democratic Majority," John Flanagan said in a statement, referring to the freshman's decision to visit the bathroom during a vote on the budget. "After accepting a half-a-million dollars in donations from Airbnb interests, Senator Skoufis changed his position on home-sharing. Clearly, this needs to be fully investigated."

Moving forward, there's no good reason for any Tax Authority to not serve Airbnb, HomeAway, and VRBO with an "Administrative Subpoena"

demanding all 11 years of Back-(TOT)-Taxes, which would bring these "Tax-Evaders" into total compliance with the Law.

Also, I don't think Airbnb and other (OTAs) anticipated the "push-back" from the Hotel Owners and Hospitality Unions, who have significant political power in every major city across the globe, due to the fact that they've been paying millions of dollars in (TOT) and (VAT) for almost a century. It's a lot easier for Uber and Lyft to push a taxi cab driver out of business than it is to disrupt a conglomerate of multi-billion dollar hotel owners.

I think many of these Merchant Model platforms are going disappear faster than when they appeared, once Hosts realize that they're not responsible for "collecting & remitting" (TOT) or (VAT) to any Tax Authority, because they were never the "Merchant of Record" for any Room Rental Transaction. By Law, Hosts are only responsible for (TOT) and (VAT) at their own "Point of Purchase," which is their own personal website, not Airbnb's, or anyone else's. This is a very significant legal fact that I think will become very clear as Tax Authorities around the world try to collect "Back-(TOT)-Taxes" from Hosts.

Buzz: We would like to thank Mr. Kaplan for offering his legal expertise to the Short-term rental community, and welcome him back any time he would like.

Earlier this month I sat down with hospitality legal expert, Mr. David Klaft,
to discuss the hundreds of lawsuits piling up against "Merchant Model" platforms Airbnb, HomeAway, VRBO, and Expedia.
Jennifer Clayton
San Francisco, CA

***Buzz:* On March 15, 2018, the California Court of Appeal issued a significant opinion to every vacation rental platform about "data-mining" the personal information and communications of Hosts and Travelers. What does that Court ruling mean for HomeAway, Airbnb, and every other Online Travel Agent (OTA)?**
(http://www.courts.ca.gov/opinions/documents/A150385.PDF)

Mr. Klaft: The San Francisco Tax Authority obtained an "Administrative Subpoena" for all records pertaining to every room rental transaction on HomeAway's platform over a 5-year period. HomeAway refused to comply with the subpoena by arguing that the subpoena violated the "Stored Communications Act" (SCA,) and the Appellate Court unanimously disagreed.

The court ruled that when an Online Travel Agent (OTA) collects data and communications from their Hosts and Travelers, and uses "that data" for their own "Commercial" purposes, or "Monetizes" that data in any way, they "void" any and all protections afforded under the Stored Communications Act (SCA).

The court ordered HomeAway to turn over all "personal data" relating to every "room rental transaction" to the San Francisco Tax Authority immediately. This ruling was notable, because it opened the door for every Tax Authority across the United States to subpoena data and communications from every Online Travel Agent (OTA) that collects and stores information on their Hosts and Travelers.

***Buzz:* Do you think HomeAway's recent Appellate Court loss in San Francisco had anything to do with their recent decision to "force" every Host on their platform to accept their "New Listing Agreement," which many are calling very repressive?**

Mr. Klaft: Absolutely. The Appellate Court's decision was a real "game-changer," because now HomeAway and Airbnb can be audited at any time by any city or state Tax Authority, and forced to surrender all of their data upon request, which in turn has forced HomeAway to mandate the right to audit every aspect of every Host's business at any time.

***Buzz:* On March 9, 2018, a Los Angeles District Court delivered a severe blow to HomeAway, Airbnb, and every other Online Travel Agent (OTA) that employs a "Merchant Model" platform.**

The court ruled that it was illegal for any Online Travel Agent (OTA) to receive a "Booking Fee" on any "unregistered" room in the City of Santa Monica, if that room rental was "completed" on an (OTA) platform that uses its own "Corporate Merchant Credit Card Account" at their Point-of-

Purchase (POP.) Can you please unpack this court ruling for Property Managers (PMs) and Hosts, so they don't get blind-sighted? (https://www.leagle.com/decision/infdco20180313611)

Mr. Klaft: Every Online Travel Agent (OTA) is nothing more than a "Reseller of Rooms," and each uses their own "Corporate Merchant Account" as the "Wallet" to "Complete" every Booking on their platform. With that being said, each (OTA) becomes identified as the "Principle Merchant" and "Merchant of Record" for each credit card transaction that is processed on their platform.

Under this scenario, each Online Travel Agent (OTA) receives 100% control over all revenues received at "their" Point-of-Purchase (POP,) which is why the City of Santa Monica is saying that any (OTA) that uses their Merchant Credit Card Account as the "Wallet" to "Complete" a Booking transaction, becomes 100% responsible for making sure they don't accept any "Booking Fees" without first verifying that that every room on their platform is "registered" with the City of Santa Monica.

I believe that every city across the United States will begin to enforce this court ruling, and levy heavy fines against every Merchant Model platform for each "unregistered" room they attempt to resell.

***Buzz:* HomeAway, Airbnb, and other Online Travel Agents (OTAs) have been "quietly" building "backdoors" into their platforms so that local Tax Authorities can retrieve Host data for the sole purpose of prosecuting individual Property Managers and Hosts for years of non-payment of Transient Occupancy Taxes (TOT,) and vacation rental registration violations. What should Property Managers (PMs) and Hosts understand about this back-room, back-door process?**

Mr. Klaft: The current climate of the vacation rental marketplace has become very "litigious," and it's going to get a lot worse before it gets better. Every city across the globe wants to collect Back-(TOT)-Taxes from Merchant Model platforms like Airbnb, HomeAway and VRBO, while receiving Host data in the future. Cities are paying thousands of dollars to companies like "Host Compliance" in an effort to uncover "unregistered" vacation rental properties that are refusing pay Transient Occupancy Taxes (TOT).

Over the past decade, Airbnb, HomeAway and VRBO have been storming into thousands of cities across the globe like "Bulls in a China Shop" breaking every Short-Term Law in sight.

Fast forward to today, and we're all witnessing local Tax Authorities informing Airbnb, HomeAway and VRBO that there's "nothing revolutionary" about a website with a "Corporate Merchant Account" attached, and they're still responsible for Back-(TOT)-Taxes and future Transient Occupancy Taxes (TOT,) which is why Airbnb, HomeAway and VRBO have been forced to hire a team of attorneys to lobby thousands of Government Municipalities around the world.

Online Travel Agents (OTAs) are hoping that each city will enter into one of their "Voluntary Tax Agreements" and accept Host Data "in Lieu of" Back-(TOT)-Taxes, which would turn all of the focus onto the individual Host who never controlled the "Point-of Purchase" (POP), and was never the "Merchant of Record" for any credit card transaction.

Buzz: **Airbnb, HomeAway and VRBO have launched very aggressive "Instant-Book" programs that force Property Managers (PMs) and Hosts to accept room rental bookings from Travelers without any formal vetting of the Traveler prior to "accepting" the actual booking. Furthermore, should a Property Manager (PM) or Host choose to opt out of this "Instant-Book" program, all of their vacation rentals are either immediately removed from the platform, or moved to the bottom of the Online Travel Agent's (OTAs) search "Algorithm." What are your thoughts?**

Mr. Klaft: Millions of Listers find the "Instant-Book" feature unusable. Control over Pricing, and having the ability to "vet" each Traveler prior to accepting any Room Rental Reservation is paramount.

Buzz: **Can you explain to Hosts their Constitutional right to rent their properties "tax free" for up to 14 days per year without having to get a business license?**

Mr. Klaft: In 1976, under the Sixteenth Amendment to the United States Constitution, Congress enacted Internal Revenue Code ("I.R.C.") 280A in response to the tax treatment of vacation rental income and expenses. Tax-payers were renting their personal dwellings/units less than 15 days

during the taxable year while claiming enormous business expenses against little to no rental income.

I.R.C. 280A contains a "*de minimis*" rule. If a taxpayer rents his/her personal unit for less than 15 days during the taxable year ("*de minimis rental*"), it is "illegal" for that taxpayer to claim that he/she is engaged in any hotel/motel business activity, and forbidden from claiming any business expenses against any revenue. All rental income under the "*de minimis*" rule is tax exempt.

If a property owner feels that any state or local official is trying to take away their Sixteenth Amendment right, by forcing them to obtain a business license and/or a conditional use permit for a business in which they are not legally engaged, which would force them to commit tax fraud with the Internal Revenue Service, they should immediately consult an attorney.

Buzz: **We would like to thank Mr. Klaft for sharing his insight with the BnB Buzz audience, and welcome him back in the near future.**

I recently sat down with housing advocate Ms. Michelle Brown to discuss the impact Airbnb's having on cities across the United States.
Jennifer Clayton
San Francisco, CA

Buzz: **What has been the impact of Airbnb's policies on long-term rental housing in your community?**

Ms. Brown: Ever since Airbnb's inception in 2008, every local and state Tax Authority has ignored auditing Airbnb for the collection and remittance of Hotel Taxes (TOT,) which would provide millions of dollars towards homelessness in every city. Mayors across this country have instructed their Tax Commissioners (who are appointed by the Mayors,) and their City Attorney's Offices to "stand-down" when it comes to enforcing tax laws against Airbnb, which is destroying our communities.

Buzz: **Airbnb has long argued that they're not the responsible party for collecting and remitting any Hotel Taxes (TOT) to any Tax Authority, and that (TOT) is the sole responsibility of each Host. Why do you believe**

Airbnb bares the responsibility for collecting and remitting Hotel Taxes (TOT) to any local or state Tax Authority?

Ms. Brown: For starters, everyone knows that Hosts don't control Airbnb's Point-of-Purchase (POP), Airbnb does, which obligates them to collect and remit all (TOT) to every Tax Authority where they conduct business. When Airbnb launched 11 years ago, they made a "business" decision to become the "Merchant of Record" and "Digital Wallet" for every room rental transaction that occurs on their website/platform, which is not a new concept to anyone who's ever owned a business.

Millions of businesses all across the globe own websites with corporate Merchant Account's attached for the direct receipt of revenue from their customers, and they pay all Taxes owed to each Tax Authority as required by law. With the help of "corrupt" Mayors and their appointed Tax Officials, Airbnb has been able to "Avoid" any and all Tax scrutiny from every Tax Authority across the United States without any repercussions, which is beyond criminal.

Now, the Tax Authorities want everyone to believe that they're powerless to "audit" Airbnb, or use the "The Fourth Amendment Third-Party Doctrine" to collect "business records," which were "Voluntarily Disclosed" to Airbnb by the Hosts who are "Hiding" behind Airbnb's Merchant Account Paywall.

Furthermore, Airbnb is under the opinion that all they need to do is add a paragraph on their website stating that Hosts are responsible for all of Airbnb's Merchant Model (TOT) tax obligations, and they're in the clear.

Well, this is not the law, and their needs to be a complete investigation to unpack all of this corruption.

***Buzz:* Airbnb claims that they would love to Collect and Remit (TOT) hotel taxes to every Tax Authority where they conduct business, but the local Tax Authorities won't let them. Is Airbnb lying?**

Ms. Brown: Of course they're lying. What's most troubling is the fact that when any other Online Travel Agents (OTA) refuse to pay hotel taxes (TOT) on the spread between the "Wholesale" room price and "Retail" price, every Tax Authority in the United States drags those (OTAs) into

court and complains of "Tax Avoidance & Tax Fraud." But, when Airbnb refuses to pay any Taxes at all, the Tax Authorities "Stand-Down," which is totally unacceptable.

Buzz: **There have been numerous articles written about the revenue Airbnb has brought to communities across the country. Do you view this as a positive?**

Ms. Brown: I find it outrageous that Airbnb will spend millions of dollars on Public Relations (PR) Campaigns to brag about all of the money they bring to a community, yet they're hiring more lawyers than engineers to fight paying their fair share of Hotel Taxes (TOT) to Tax Authorities. Didn't "drug lord," El Chapo Guzman bring millions of dollars in business to every major city in the United States as well? Whether you're "reselling" drugs or rooms, corruption is corruption, and we're a nation of laws. If one "Principal Merchant" is allowed to "Avoid" Tax Remittance, why not all Principal Merchants?

Buzz: **So, are you asking for the abolishment of Airbnb?**

Ms. Brown: Absolutely not. Millions of Americans are asking for Airbnb to pay their 11 years of Back-(TOT)-Taxes, and collect and remit all (TOT) going forward, as every other Hotel, Bed & Breakfast, and Online Travel Agent (OTA) must do.

To Airbnb, Hosts are nothing more than "Indentured Servants/SLAVES!" Airbnb is in total control of everything that transpires on their platform, yet they pretend that Hosts are really in control, which would be laughable if it weren't so tragic. It's time for Hosts to get off Airbnb's platform.

"We The People" have the power to change our country for the better, and I hope and pray that everyone shares this article on Facebook, Twitter, and Instagram, because it's up to us and no one else!

Buzz: **Do you have any words of advice for Bed & Breakfast owners?**

Ms. Brown: I can't believe that Innkeepers and Bed & Breakfast owners aren't raising "Holy-Hell" at their local Mayor's offices, their City Attorney's offices, and their Departments of Taxation. The values of their licensed businesses are being "DECIMATED."Why would anyone ever buy

an Inn or Bed & Breakfast, when there are hundreds of Airbnb's scattered throughout the neighborhood?

Buzz: **We would like to thank Ms. Brown for sharing her concerns and opinions, and wish her well in her fight to collect 11 years of Back-(TOT)-Taxes from Online Travel Agents (OTAs) like Airbnb, HomeAway, and VRBO**

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:24 AM
To: SanDiegoSTR@Coastal
Subject: FW: Airbnb warning to San Diego: No parties allowed this summer - Pacific San Diego

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From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 4:27 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: Airbnb warning to San Diego: No parties allowed this summer - Pacific San Diego

Mr. Llerandi:

I live one house west of a "sleeps 14" Airbnb. I guess the owner/hosts of property #49876412, 355 Ricardo Place, 92037 didn't get this memo from Airbnb because there was party after party at the house throughout the summer. I have photos and videos on my phone. I complained and I complained. The listing is still #1 on page 1, Airbnb.com/San Diego. :(

Trudy Grundland

Begin forwarded message:

From: Trudy Grundland <trudygrundland@gmail.com>
Subject: Airbnb warning to San Diego: No parties allowed this summer - Pacific San Diego
Date: January 30, 2022 at 11:04:31 PM PST
To: Trudy Grundland <trudygrundland@yahoo.com>

https://www.pacificsandiego.com/things-to-do/travel-staycation/story/2021-05-27/airbnb-warning-to-san-diego-no-parties-allowed-this-summer

Airbnb warning to San Diego: No parties allowed this summer

Ahead of the Memorial Day weekend, the online sharing platform announced it is extending its global ban on all parties and events at Airbnb listings through at least the end of this summer

By Lori Weisberg
May 27, 2021 4:43 PM PT

Mission Beach is always a popular locale for short-term rentals, which are listed on major platforms like Airbnb.

(Nelvin C. Cepeda/The San Diego Union-Tribune)

As travel starts to rebound in advance of what will likely be a busy summer season, Airbnb is warning San Diego and other cities across the globe that it will not tolerate parties at any short-term rentals through at least the end of this summer.

In an announcement it made Thursday, the online sharing platform said it is extending a global party ban that it imposed last August at a time when the pandemic was widening and COVID-19 infections were on the rise.

“At the time of the August 2020 policy change, COVID-19 cases were spiking, and vaccines were not yet approved. As we said then and still believe now, this indefinite ban was in the best interest of public health,” the company said in its announcement of the extension. “While the public health concerns were paramount, other important factors motivated our implementation of the party ban. As our CEO Brian Chesky said recently with regards to the party ban: ‘We want to be really good community players all over the world.’”

News of the extended party ban comes just ahead of the Memorial Day holiday when locals and out-of-towners will be gathering for the long weekend. Airbnb said that it decided to extend the prohibition after hearing from people who were wondering if it would remain in effect.

Airbnb said that in addition to providing clarity to its community, it wanted to reinforce the message that “we will not tolerate behavior that disrupts neighborhoods or violates the trust of our host community. At the end of summer 2021, we will provide another update on the future of the policy.”

Given the upcoming holiday weekend, Airbnb said it also wanted to use the announcement as an occasion to remind both hosts and guests that they must adhere to local public health laws and guidelines related to COVID-19. San Diego County is still operating under state rules governing indoor gatherings, but those will mostly go away once California fully reopens June 15.

To help guard against guests who are thinking of booking rentals for parties, Airbnb has removed its “event-friendly” search filter and any “parties and events allowed” house rules in listings. It also continues to maintain a cap on occupancy of 16 people.

“In advance of Memorial Day Weekend, we want to make clear that those violating Airbnb’s rules or San Diego’s public health rules risk suspensions or bans from our platform, and even potentially legal action,” the company said.

Airbnb said it also is continuing to enforce an ongoing policy banning party houses, which it characterizes as those that have either received complaints or violated Airbnb’s policies on parties and events. Last August, it announced that it had suspended or removed 17 San Diego County

properties from its online platform. They were scattered around the county from Escondido and La Mesa to multiple San Diego neighborhoods.

It's unclear, though, how many more have been removed from Airbnb's website. A company spokesman said he was unable to provide on Thursday an update on how many listings have been suspended.

In San Diego, the City Attorney's office has conducted a crackdown of its own on party houses and last year cited the owners of two homes — one in Bankers Hill and the other in La Jolla — for operating large, raucous parties. Settlements have since been reached with the owners.

The city of San Diego only recently adopted a set of regulations governing short-term rentals, an issue it has struggled with for years. They will not go into effect, however, until July of next year. The new law not only caps how many whole-home rentals can operate in the city but it puts in place a system for licensing them and enforcing public nuisance laws.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:23 AM
To: SanDiegoSTR@Coastal
Subject: FW: Consumer complaint against Airbnb in La Jolla & Mission Beach

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From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 4:00 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: Consumer complaint against Airbnb in La Jolla & Mission Beach

Mr. Llerandi,

This letter went to SD City Attorney Elliott. Rather than relaxing and enjoying the '21 holiday season, happy to have not contracted COVID, I stayed vigilant due to the STVR on my street. Ugh. Meanwhile, through my sources, the owner had just enjoyed a vacation in Italy.

Trudy Grundland

Begin forwarded message:

From: TRUDY Grundland <trudygrundland@yahoo.com>
Subject: Consumer complaint against Airbnb in La Jolla & Mission Beach
Date: December 29, 2021 at 10:57:53 PM PST
To: SDAT City Attorney <cityattorney@sandiego.gov>
Cc: Joe LaCava <joelacava@sandiego.gov>, Steven Hadley <srhadley@sandiego.gov>

City Attorney Elliott:

In a previous email I described the problems I've had with one particular STVR located at 355 Ricardo Place, La Jolla, 92037. The lowest price Airbnb property in San Diego!

That hotel-house is still a problem, but I'm writing today, 12/29/2021, about **BAIT PRICING** used by four properties, including 355 Ricardo, with the same hosts/managers. The hotel-homes are in La Jolla and Mission Beach. They are advertised on Airbnb with a low base price of $125-$130/nt. But those prices are not real. When I wrote and complained to **Airbnb,** I got back this response: Please send your complaint or subpoena to: **CSC LAWYERS INCORPORATED SERVICE, 2710 Gateway Oaks Drive, Ste. 150N., Sacramento, CA 95833.**

I say, they are trying to avoid the clickbait issue and are turning a blind eye .

No matter what variables I enter, from January through December, 2022, I can not get that low price. Yet I can look at any other Airbnb property in San Diego, click through and the base price is valid. It remains the same (based on the month) when I enter 2 adults, 2 nights, with the exception of holidays.

Bait Prices Posted On Airbnb on 12/29/2021 by Hosts/Managers Olivier & Jenny:

Page 1, #1 position: **49876412**. 'Amazing Bird Rock'. The #1 lowest price Airbnb property in San Diego. Sleeps 14, 4 Bdrm, 7 beds, 2 Ba. 600' from ocean. La Jolla. Quiet cul-de-sac. $130/nt. is actually $259.

Page 1, #3 position: **40971271**. 'Fits 6 Peoples'. Sleeps 6, 2 Bdrm, 3 beds, 1 Ba. Mission Beach (noisy). $125/nt. is actually $169.

Page 2, #2 position: **52572807**. 'Perfectly Located'. Sleeps 10, 4 Bdrm, 5 beds, 2 Ba. La Jolla (busy street). $128/nt. is actually $289.

Page 2, #3 position: **38979980**. 'Lovely Condo'. Sleeps 6, 2 Bdrm, 3 Beds, 1 Ba. Mission Beach (noisy). $130/nt. is actually $169.

It's interesting, isn't it, that Olivier & Jenny have managed to snag great placement of the four properties they manage on the Airbnb website. In just three weeks, their listings have jumped from pages 1, 2, 6, & 14 to pages 1 & 2. The "lost leader' of the four is the **498976412**/sleeps 14 at 355 Ricardo Place, 92037. It must get a zillion clicks. It must be the $130/nt.!!!

The owner (Jim Lindsay 858-334-5143), the hosts and Airbnb obviously do not want to mess with this #1 listing because the house is great bait. But it's a fraud, come-on price. Consumers, tired of searching the internet, either will look at other Airbnb homes, or wanting the great location, will decide to pay the real price. Where else can you stay in a whole house that sleeps 14 for $259/nt. & fees in January, $450/nt. & fees in February, $650/March, $750/throughout the summer, $1,249/Thanksgiving. *WHERE'S THE $130/NT.?*

What can be done? To me, out of fifteen pages of Airbnb listings, these four properties stand out as clickbait, using fraudulent advertising to attract consumers, Does the City of San Diego have the authority to put a halt to false advertising on the internet and put a halt to the business activity of these hotel-home owners, hosts and to the problems a hotel-house that sleeps 14 for $130/nt. brings to the area? Can you help reduce abuse to the consumer? I've heard that Airbnb has the City of San Diego in its back pocket. Is it true that the "lottery" that was to happen 7/22 to reduce STVRs has been delayed until 11/22?

I would like to see Airbnb monitor or remove all owners & hosts who use deceptive pricing to draw in customers. I would like Airbnb to have to abide by fair business practice laws. If you read any of the property reviews, the "guests" are from all over, local, CA and other states. Seems wrong that they are lured to these four properties by devious use of the internet.

In conclusion, I find it unfair that I have to be a watchdog in my neighborhood because of STVRs that have popped up all over the place and are not wanted, and that I have to suffer emotionally and physically because a large corporation is willing and able to take over our beautiful city and take advantage of its nice coastal areas, and I ask that this problem get corrected sooner rather than later in 2022.

Please help restore peace and quiet and sanity to our community so we don't have to go through a repeat of 2021 and the STVR debacle! Debauchery at its finest—presented by Airbnb!

Sincerely,

Trudy Grundland
Homeowner, 335 Ricardo Place, La Jolla, CA 92037, 2 houses west of the #1 lowest price Airbnb property in San Diego!
858-210-0190

P.S. I have reported this problem to the Federal Trade Commission and the CA Attorney General.
P.P.S. HOSTS/MANAGERS: *Olivier 310-956-8863, Jenny no #.*

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:26 AM
To: SanDiegoSTR@Coastal
Subject: FW: DSD illegal garage conversion CE-0515080

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 5:33 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: DSD illegal garage conversion CE-0515080

Mr. Llerandi:

The owner of Airbnb property that sleeps 14 bought the house in Dec '20, converted the garage into a dorm-style bedroom (4 queen beds) without getting a permit. I complained. After six months the City of SD DSD has yet to fine the owner. Mr. Lindsay/or his hosts Olivier & Jenny, list it as sleeping 14 and offer the house at low rates, therefore, the property is always booked. It is on page 1, 1st position in the listings under Airbnb/San Diego, Airbnb/La Jolla. I'm sure they're trying for SuperHost status & the extra perks. Hopefully, Airbnb is paying his TOT because there's no listing for the property on the current TOT report. Is Mr. Lindsay a "good actor?" And you and I know, if there's one owner like this, there are more.

Trudy Grundland

Begin forwarded message:

From: TRUDY Grundland <trudygrundland@yahoo.com>
Subject: DSD illegal garage conversion CE-0515080
Date: February 2, 2022 at 11:11:54 AM PST
To: Joe LaCava <joelacava@sandiego.gov>, Steven Hadley <srhadley@sandiego.gov>, Lisa Poston <LPoston@sandiego.gov>, Oscar Prado <OPrado@sandiego.gov>

Councilmember La Cava, Mr. Hadley, Ms. Poston, Mr. Prada:

On June 9, 2021 I submitted a complaint to DSD regarding the illegal conversion of a garage to a bedroom at a single family home in La Jolla. In November I received an email from Ms. Poston which stated that the paperwork (for a fine?) was being prepared. The status of this investigation on 2/1/22 (shown below) is that it is closed. Was the conversion permitted? Did the owner of the house (355 Ricardo Place 92037) get fined?

Thank you.
Trudy Grundland
Homeowner 335 Ricardo Place 92037
858-210-0190
February 2, 2022

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The City of SAN DIEGO Open Develo

Search + New

Click here to access the Code Enfo
nvestigation.

Home DSD Permits DSD Code Enforcement

Search Applications

Record CE-0515080:

Complaint

Due on 10/29/2021, assigned to
Marked as Note on 11/04/2021 by

Due on 10/29/2021, assigned to Os
Marked as Note on 11/09/2021 by

Due on 10/29/2021, assigned to Os
Marked as Note on 11/15/2021 by

Due on 10/29/2021, assigned to O
Marked as Note on 11/22/2021 by

Due on 10/29/2021, assigned to O

Sent from my iPhone

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:21 AM
To: SanDiegoSTR@Coastal
Subject: FW: General Online Complaint Form Confirm - California Department of Consumer Affairs

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From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 3:52 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: General Online Complaint Form Confirm - California Department of Consumer Affairs

Mr. Llerandi,

Re: Extremely low rate for STVR, sleeps 14, 600' from ocean, La Jolla. They posted $108/nt as the base rate but I couldn't find it, not with any variables, any dates.

Trudy Grundland

Begin forwarded message:

From: TRUDY Grundland <trudygrundland@yahoo.com>
Subject: General Online Complaint Form Confirm - California Department of Consumer Affairs
Date: December 20, 2021 at 12:32:34 PM PST
To: Trudy Grundland <trudygrundland@yahoo.com>

https://www.dca.ca.gov/webapps/gen_confirm.php

Thank You for Submitting Your Complaint Online

Your complaint has been received by the:

Correspondence Unit
1625 North Market Blvd., Suite N 112
Sacramento, CA 95834
(800) 952-5210

A representative will review the information you provided and send you a letter with a formal complaint number, name and telephone number of the representative assigned to assist you with your complaint, and further instructions on where to send copies of documents you may have to support your allegations.

Meanwhile, please reference your temporary Online Tracking Number **CU-2021122083146** when contacting us in regard to your complaint. This number constitutes official receipt of your complaint from our agency. If you do not hear from the above agency in a reasonable amount of time, please call the telephone number above.

The online complaint information you are sending us starts the complaint process. To successfully complete the next phases of the complaint process, you will need to exchange more information with us, most often by phone or mail.

Please write down the phone number and Online Tracking Number provided.

Click here for a printable version of your complaint.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:23 AM
To: SanDiegoSTR@Coastal
Subject: FW: In 2021 a STVR opened two doors from me.

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 4:10 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: In 2021 a STVR opened two doors from me.

Mr. Llerandi,

I posted a poll and a request for comments, with approval to use the author's name, on the app Nextdoor. This is one of the comments, 1/2/22.

Trudy Grundland

Begin forwarded message:

From: Nextdoor Bird Rock <reply@rs.email.nextdoor.com>
Subject: Re: In 2021 a STVR opened two doors from me.
Date: January 2, 2022 at 11:39:15 PM PST
To: trudygrundland@yahoo.com
Reply-To:
reply+GU3TAMZSG43TCX3QOJXWI5LDORUW63S7KBHVGVC7GIYTEOBZGA2DMOI=@reply.nextdoor.com

Kathleen Morgan, Village of La Jolla N of Pearl

I believe this listing is running against the rules. Some guests have mentioned renting for 1 night for a party. An abnb across the street from us rented out 1 night, a bunch of gang bangers showed up and a shooting happened that night. Nobody injured,... See more

Like Private message Share

View comment

Turn off notifications for this post

This message is intended for trudygrundland@yahoo.com. Unsubscribe here. Nextdoor, 420 Taylor Street, San Francisco, CA 94102

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:28 AM
To: SanDiegoSTR@Coastal
Subject: FW: Jan. 2020: San Diego allowed granny flats to become short-term rentals — violating city law: NO ENFORCEMENT!!

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 7:10 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: Jan. 2020: San Diego allowed granny flats to become short-term rentals — violating city law: NO ENFORCEMENT!!

Mr. Llerandi:

The problem is that the Development Service Dept gives out the granny flat permit and the Treasurer's Office issues the TOT certificate, but the treasurer has no way of knowing what type of building they're collecting tax on (read 1/2 down below 2nd photo). They don't check public records or any other city dept. records. It's easy for applicants to lie and get away with it. Restrictions vary by the type of zoning the granny flat is in. More to confuse the public and better for grifters.

Trudy Grundland

Begin forwarded message:

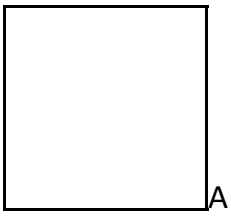
From: Trudy Grundland <trudygrundland@gmail.com>
Subject: Jan. 2020: San Diego allowed granny flats to become short-term rentals — violating city law: NO ENFORCEMENT!!
Date: February 14, 2022 at 12:17:37 AM PST
To: Trudy Grundland <trudygrundland@yahoo.com>, Jay Goldberg <jaymgoldberg@gmail.com>

https://inewsource.org/2020/01/29/san-diego-rent-granny-flat-violate-city-law/

San Diego allowed granny flats to become short-term rentals — violating city law

by Cody Dulaney January 29, 2020 Why you can trust inewsource

More by Cody Dulaney

 A granny flat built at this Normal Heights home, shown here on Jan. 22, 2020, also has a certificate to rent it for less than 30 days, in violation of city law. *(Zoë Meyers/inewsource)*

San Diego City Council members were clear when they voted in September 2017 to loosen restrictions on granny flats. They wanted new affordable housing for San Diegans. None of these small units, built on land with existing homes, were to be rented for less than 30 days.

The city gave property owners about a $15,000 price reduction in permits and fees to encourage development of granny flats — and it worked. Since the law changed, about 600 permits have been issued, compared to 20 in all of 2016.

But *inewsource* has learned the city has no mechanism in place to ensure the new granny flats aren't rented for less than 30 days. Officials rely on citizen complaints and code enforcement.

Why this matters

How to fix San Diego's shortage of affordable housing is a problem that has dogged city leaders for years. They eased restrictions on building granny flats as an incentive to build less costly housing for residents.

To determine if the law was being violated, *inewsource* compared two sets of city data — addresses with new granny flat permits against active tax certificates for short-term rentals. The analysis found the city has allowed at least seven granny flats to rent for less than 30 days. But that only represents the property owners who are paying the transient occupancy tax. The true number of illegally operating granny flat vacation rentals could be much higher.

“I think the city has to do better. These individuals who are renting out these granny flats, it’s illegal. It’s against the law, and it’s embarrassing that the city isn’t enforcing it,” said Councilwoman Barbara Bry, who is running for mayor in the March primary and has advocated for restrictions on short-term rentals.

One of the units *inewsource* found is in Bry’s district.

Councilwoman Barbara Bry, left, is shown at a San Diego City Council meeting on Nov. 19, 2019.*(Zoë Meyers/inewsource)*

When the council first met to discuss changing rules to granny flats in July 2017, Bry along with council members Chris Ward and Georgette Gómez, and then-Councilwoman Lorie Zapf, insisted a 30-day minimum stay be added to the law.

This was after members of the public spoke against the law change, warning it would open the door to more short-term rentals for companies such as Airbnb or Vrbo.

Today, the two city departments responsible for regulating these properties — granny flats and short-term vacation rentals — aren’t checking with each other to see if the law is being violated.

“It’s something we can look into,” said Gary Geiler, deputy director of the Development Services Department, which oversees building permits.

“We do have informal discussions if we see there’s an issue with certain things, so I’m glad you brought this to our attention,” he said.

Property owners go through Development Services to obtain granny flat permits. The City Treasurer’s Office issues the tax certificates to rent properties for less than 30 days.

Both departments trust property owners to follow the law. And as long as applications meet all requirements, both departments generally approve them.

But when people apply for a tax certificate to rent their property, the treasurer's office has no way of knowing what type of property it is, said Nicole LeClair-Miller, the office's deputy director.

On the application, people just check a box that says "Hotel/Motel/B&B," "Vacation Rental" or another designation. It could be a hotel or a room inside a home, LeClair-Miller said.

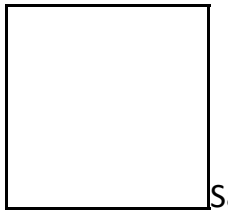
The application doesn't mention granny flats or that those permitted after September 2017 shouldn't be rented for less than 30 days.

The office also doesn't check any other public records or speak to any other city departments before issuing a tax certificate. Property owners can apply online and the city will send documents electronically.

"If you are renting out short term, you must collect tax and remit that tax to the city," LeClair-Miller said. "And so, from our department's perspective, that's our charge and that's what we're doing."

Three of the seven granny flats with a tax certificate are within Ward's council district. Ward, a Democrat running for state Assembly, declined through a spokesman to be interviewed for this story. Council President Gómez, a Democrat running for Congress, has three of these units in her district. She also declined through a spokeswoman to be interviewed.

Councilman Scott Sherman, a Republican candidate for mayor in the March primary, said it sounds like a simple fix. The two departments need to communicate, and the treasurer's office should fix the application to make it clear that renting a granny flat permitted after September 2017 for less than 30 days is illegal.


San Diego City Councilman Scott Sherman at a council meeting on June 1, 2015. *(Megan Wood/inewsource)*

The real problem, Sherman said, is the city has no legislation on short-term vacation rentals. It's the "wild, wild West," he said.

A few of those property owners with a short-term rental certificate said they didn't realize renting the granny flat for less than 30 days was against the law.

Thomas Harrison, who owns a granny flat on Rhode Island Street in University Heights, said he lives in his granny flat and has two rooms in the main house posted on Airbnb. He said he knew the granny flat shouldn't be rented out for less than 30 days, even though he has a tax certificate to do so.

"I built a studio and it turned out pretty sweet," he said.

Geiler confirmed Harrison is interpreting the rules correctly. He said the city puts no restrictions on short- or long-term rentals on primary dwellings in single-family zones even if a granny flat has been added since 2017. But those with a companion unit at a property in a mutliple-family zone cannot rent out the primary dwelling for less than seven days.

Cris and Angela Noble said they took out a loan to build a granny flat in their backyard on Highland Avenue in Talmadge. Construction is almost complete and they anticipate the final inspection this week. They obtained the tax certificate and hoped to rent the unit short-term to help pay off the loan, and eventually have a place for their aging parents to live for free.

They didn't realize their granny flat can't be rented for less than 30 days. They said they know people are making thousands of dollars on Airbnb rentals while not paying the transient occupancy tax.

"This was a terrible financial investment unless I can do a short-term rental," Angela Noble said. "So I would never recommend to anyone to build (a granny flat) because I know how much it costs, and they're never going to make that in rental income if they just have a long-term tenant."

Philip Maravilla owns a granny flat in Normal Heights on 33rd Street, which he also lists on Airbnb. He said most people he rents to stay for more than 30 days. He said he caters to professionals looking to move into the area who need a place to stay for temporary work assignments or contractors who are working in the area for a few months at a time.

“I try to do everything the right way,” Maravilla said, including the tax certificate. If he’s supposed to only rent for more than 30 days, he said he’s happy to do that.

Dane Crosby is building a granny flat on his property on 26th Street in Golden Hill. He wouldn’t say whether he planned to rent it out for less than 30 days, but he has the tax certificate to do so.

In the College Area, Brad Barnes owns a granny flat on Dayton Street that he said is posted on Furnished Finder, a website for traveling nurses and other professionals. Barnes said the average stay for his renters is about 90 days. He obtained the tax certificate for short-term rentals because he thought it was required, not realizing it was against the law to rent his granny flat for less than 30 days.

“Wouldn’t the city have told me?” Barnes asked.

Two other granny flat owners also hold a tax certificate. Behzad Aalaei did not return messages for comment. Efforts to reach another owner, Ian McCormick, were unsuccessful.

inewsource intern Natallie Rocha contributed to this report.

Correction: *Feb. 5, 2020*
Because of incorrect information provided by city officials, an earlier version of this story contained inaccurate information about whether a short-term rental ban applies to primary dwellings where a granny flat has been added. City officials now say property owners with a granny flat, permitted after September 2017, have no restrictions on renting the primary dwelling in a single-family zone, while those in a multiple-family zone have to rent for a minimum of seven days.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:29 AM
To: SanDiegoSTR@Coastal
Subject: FW: MUST READ: March 2019-Airbnb breaks rules in SD!! Inside Airbnb's 'Guerrilla War' Against Local Governments | WIRED

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 11:40 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: MUST READ: March 2019-Airbnb breaks rules in SD!! Inside Airbnb's 'Guerrilla War' Against Local Governments | WIRED

Mr. Llenardi:

Scroll down past the car photo and the $137 night rental box. Half way down you'll read how Airbnb paid $300,000 to gather signatures in San Diego to stop the STR ordinance. Councilmember Barbara Bry, District 1, spoke out against how a giant corporation muscled its way to get what it wanted in San Diego. Who's the bad actor? Why do our politicians sell our city to STR operators? We need restrictions on STRs, not give them the red carpet.

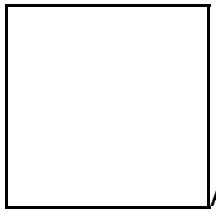
Trudy Grundland

https://www.wired.com/story/inside-airbnbs-guerrilla-war-against-local-governments/

Inside Airbnb's 'Guerrilla War' Against Local Governments

The high-profile unicorn is battling cities from Boston to San Diego over collecting taxes and enforcing zoning rules.

Paris Martineau
Mar 20, 2019 7:00 AM


Alyssa Foote; Getty Images

"Read my lips: We want to pay taxes," Chris Lehane, Airbnb's global head of public policy, told the nation's mayors in 2016. In the years since, the home-sharing site has repeated the declaration in press releases, op-eds, emails, and on billboards. On its website, Airbnb says it is "democratizing revenue by generating tens of millions of new tax dollars for governments all over the world."

But when Palm Beach County, Florida, a popular tourist destination, passed an ordinance in October 2018 requiring Airbnb and other short-term rental companies to collect and pay the county's 6 percent occupancy tax on visits arranged through their sites, Airbnb sued.

Palm Beach County tax collector Anne Gannon wasn't surprised. "We knew we were going to get sued," she says. "That's what they do all over the country. It's their mode of operation."

Gannon has been cajoling, threatening, and ordering Airbnb to collect taxes for its hosts since 2014. Five years, three lawsuits, and millions in unpaid occupancy taxes later, she's still trying. "All we want them to do is pay their taxes," she says. "They absolutely don't want to pay their taxes the way we want to collect them. That's the bottom line."

Similar dramas are playing out around the country. From Nashville to New Orleans to Honolulu, Airbnb is battling local officials over requests to collect occupancy taxes and ensure that the properties listed on its site comply with zoning and safety rules. In the past five months alone, the company has spent more than half a million dollars to overturn regulations in San Diego and has sued Boston, Miami, and Palm Beach County over local ordinances that require Airbnb to collect taxes or remove illegal listings. Elsewhere, Airbnb has fought city officials over regulations aimed at preventing homes from being transformed into de facto hotels and requests from tax authorities for more specific data about hosts and visits.

Airbnb is engaged in "a city-by-city, block-by-block guerrilla war" against local governments, says Ulrik Binzer, CEO of Host Compliance, which helps cities draft and enforce rules for short-term rentals, sometimes putting it at odds with hosting platforms. "They need to essentially fight every one of these battles like it is the most important battle they have."

Founded in 2008 as an early champion of the sharing economy by allowing people to rent homes, apartments, and rooms to others, Airbnb has grown into a lodging colossus, offering more than 6 million places to stay in more than 191 countries. Its listings outnumber those of the top six hotel chains combined, helping the company reportedly generate more than $1 billion in revenue in the third quarter of 2018. It is valued by investors at $31 billion, making it the country's second most valuable startup, after Uber. By comparison, Hilton and Marriott's current market capitalizations are $25 billion and $43 billion, respectively. Earlier this month, Airbnb acquired last-minute hotel booking service HotelTonight, reportedly for more than $400 million.

One reason Airbnb is often a cheap option for travelers: Running a hotel or bed and breakfast is expensive; snapping photos of your home, apartment, or spare room and filling out an online profile is not. Hotels must comply with a litany of health, safety, and zoning rules—as well as register with local agencies and agree to collect certain taxes—before they can book a single guest.

Airbnb maintains that, in some cases, it's not permitted to collect occupancy taxes required of hotels and other lodgings; it's also not responsible for ensuring the rooms and homes listed on its sites comply with zoning or health regulations. The company says it follows local and state laws but considers itself a "platform," serving merely to connect hosts and visitors, rather than a lodging provider—more akin to Facebook than Marriott.

The onus is on hosts, Airbnb argues, to collect and pay any relevant taxes and to comply with other regulations. In practice, though, few actually do—at least not without considerable effort by local authorities—according to interviews with more than a dozen local government officials and advisers.

Some officials agree with Airbnb. In an early 2018 survey of state tax departments by Bloomberg, officials in 25 states said it was the host's responsibility to pay occupancy tax for an Airbnb stay. Officials in 14 states said they consider it the responsibility of Airbnb or other short-term rental operators. The survey was taken before the US Supreme Court ruled in June that states may collect sales tax from online retailers even when they don't have a physical presence in that state. The survey did not include

local authorities, who are often more reliant on revenue from occupancy taxes, especially in popular tourist areas.

To be sure, these aren't Airbnb's taxes, any more than Hilton "pays" taxes for its guests' hotel stays. Rather, the officials sparring with Airbnb want the company to collect and forward the taxes from guests, much as hotels do. Airbnb says it isn't required to collect the taxes in many places; early on, it largely didn't.

That changed around 2014, when Airbnb began striking deals with officials in select cities to collect and deliver taxes from its hosts. It calls these Voluntary Collection Agreements, or VCAs. In Portland, site of the first agreement, city officials legalized home-sharing and lowered the registration fee for short-term rentals around the same time Airbnb agreed to add a 11.5 percent occupancy tax on each booking. It later negotiated similar deals in San Francisco, Chicago, Philadelphia, Washington, DC, and elsewhere. The company says it has signed more than 350 such agreements nationwide and more than 500 around the world, and has collected more than $1 billion in taxes.

"Some governments have rules requiring platforms like Airbnb to collect and remit taxes, and we make every attempt to comply with these obligations," says Christopher Nulty, Airbnb's head of public policy. "However, many governments do not have such rules and so Airbnb has proactively established more than 500 voluntary collection agreements globally to ensure our community is paying their fair share of taxes. We are eager to do everything we can to ensure we are paying our fair share and willing to work with any government that will work with us."

However, those agreements don't require hosts to meet other zoning, health, and safety rules, and they prohibit cities from attempting to collect back taxes. Some also create obstacles for local agencies to identify and police hosts who list through the site. Dan Bucks, former director of the Montana Department of Revenue and former executive director of the US Multistate Tax Commission, analyzed some of the few publicly available Airbnb agreements and found that most prevented city officials from learning the names or addresses of Airbnb hosts, making it impossible for officials to enforce local codes. Bucks says the agreements helped Airbnb grow by "providing a shield of secrecy" to hosts. His study was partially

funded by the American Hotel and Lodging Association, which is often at odds with Airbnb and other short-term rental companies.

"All we want them to do is pay their taxes."

Anne Gannon, Palm Beach County Tax Collector

Airbnb says its VCAs are designed to help government agencies collect tax revenue, not to help them enforce other laws related to short-term rentals. The company says the agreements show that it is a responsible corporate citizen.

Historically, other online rental services, such as Booking.com, HomeAway, and VRBO, have not collected these taxes in many places. In the past two years, HomeAway and VRBO have begun collecting some occupancy taxes in a handful of areas—sometimes using their own version of a VCA. Booking.com does not offer any occupancy-tax collection services, compounding the revenue drain for municipalities. Booking.com's global communications manager, Kim Soward, says the company pays all required taxes. Expedia Group—owner of HomeAway, VRBO, VacationRentals, and other sites—did not respond to multiple requests for comment.

Airbnb is the undeniable giant of the field, and is reportedly preparing for an initial public offering. About 51 percent of all short-term rental listings in the US are on Airbnb, according to an analysis by Binzer, of Host Compliance. VRBO controls 17 percent of listings and HomeAway 11 percent, he says.

Poster Child

New Orleans was hailed as the poster child for Airbnb's work with local governments after signing a VCA in December 2016. Around the same time, the city struck a deal with Airbnb to legalize short-term rentals while requesting that the company share the names and addresses of hosts, ban certain illegal listings, and create an online system that automatically registers hosts with the city, among other things. Many viewed the deal as a sign Airbnb was learning to live with local taxes and regulations.

Today, city officials say they're disappointed. They say a surge in short-term rentals has exacerbated New Orleans' affordable housing crunch and

turned entire residential blocks into de facto hotels. Jane's Place Neighborhood Sustainability Initiative, a local housing group, says there were 4,319 whole-unit Airbnb listings in the city last year, more than double the 1,764 in 2015. The group found that 11 percent of operators, including many from outside Louisiana, control 42 percent of the city's short-term rentals.

The largest operator, a company called Sonder, has 197 short-term rental permits. Nearly 80 percent of Sonder's listings are booked through platforms like Airbnb, according to Sonder's director of communications, Mason Harrison. "That's a different story than the mom-and-pop" narrative that Airbnb often uses to describe its hosts, says New Orleans councilmember Kristin Gisleson Palmer.

City officials say the registration system Airbnb launched in April 2017 didn't give them some data they had requested, such as the identity of the property owner or tenant, the number of bedrooms in the property, and contact information for the property manager. To collect the missing data, city staffers say they had to contact 4,786 applicants over three months. "We could not really effectively use [the data provided] for enforcement and holding folks accountable," Palmer says.

In May 2018, the city council imposed a nine-month freeze in some areas on new permits for renting a home without an owner present. The following month, Airbnb disabled the registration system—including another enforcement-enabling feature, which displayed hosts' license numbers on their Airbnb listings.

A February 15 report by the city's Department of Safety and Permits, obtained by WIRED, states that disabling the registration system caused a year of work by city officials tracking short-term rentals to "disappear overnight." The report concludes that Airbnb and other short-term rental companies had engaged in "deliberate data obfuscation, refusal to provide the required data, and a total failure of cooperation with any enforcement mechanisms pursued by the City." The report notes that Airbnb continues to collect and remit occupancy taxes for its listings in the city.

Airbnb says city officials' description of events is "inaccurate," and that it is supplying all the information that is required. The company says there were "initial bumps in the road that Airbnb was working with the city to

address, only to have lawmakers abruptly change the rules in May 2018." Those changes, the company says, made the registration system ineffective.

"Housing affordability is a challenge in New Orleans—in fact 70 percent of our host community have said they rely on the income they make to stay in their homes," Airbnb says. The company says it is committed to working with officials to resolve any concerns.

A February report by the New Orleans Department of Safety and Permits is critical of short-term rental companies.

Blocking New Laws

Airbnb says it complies with laws that require it to collect and pay taxes for hosts. But it has also worked to forestall such laws—even seeking at times to strip cities of authority over short-term rentals. That's what happened in Nashville in late 2017 and early 2018.

As the city inched closer to prohibiting so-called "mini hotels"—non-owner-occupied homes used exclusively as vacation rentals—Airbnb shifted its focus from City Hall to the state Capitol three blocks away. In the latter half of 2017, the company more than doubled the number of lobbyists it employed in Tennessee, to from four to 11, and spent between $225,000 and $350,000 on lobbying between February 2017 and August 2018, according to reports the company filed with the state.

In January 2018, the Tennessee Department of Revenue signed a VCA with Airbnb. The agreement requires Airbnb to collect and pay the 7 percent state sales tax on its bookings, but does not cover the 5 percent occupancy tax in Nashville, by far its largest market in the state. A few days later, Nashville passed its ordinance prohibiting mini hotels.

Around this time, a political action committee called the Committee to Expand Middle Class By Airbnb, Inc. donated $10,000 to groups representing Tennessee Republicans, according to campaign finance records. The donations included $2,500 to the campaign of state representative Cameron Sexton, who had introduced a bill in 2017 specifying that short-term rentals should not be considered hotels under state law. The bill, known as the Short-Term Rental Unit Act, was drafted

in consultation with Airbnb and other short-term rental companies, including HomeAway, according to the *Tennessean*. It included a provision stripping cities of the power to ban existing short-term rentals. The Tennessee General Assembly passed the bill in April 2018.

Local activists say the law cripples cities' ability to tackle an important local issue. "The Tennessee state Legislature and Tennessee's governor decided to severely weaken the basic protections for the health, safety, and well-being of Nashvillians that were created by our local government," John Stern, president of the Nashville Neighborhood Alliance, a residents' group, says via email.

Airbnb says the Tennessee law was the work of "state lawmakers who care deeply about this issue and worked to organize a broad coalition of supporters—including the business, technology, property rights, and home sharing communities." Sexton did not return a request for comment.

Similar scenarios have unfolded elsewhere after cities have moved to restrict short-term rentals. In February 2016, the Austin City Council voted to phase out mini hotels in residential areas by 2022. In the following months, several other Texas cities passed similar restrictions. Then, early in 2017, Texas state lawmakers introduced two bills in the legislature preventing municipalities from banning short-term rentals and enforcing many regulations.

A few months later, in April 2017, Airbnb announced that it had signed a VCA with Texas officials to collect state occupancy taxes. Bennett Sandlin, executive director of the Texas Municipal League, which represents cities, called the deal "a smokescreen to cover the company's refusal to pay taxes." The 2017 bills eventually stalled in the Texas legislature, but lawmakers plan to try again this year.

Airbnb says it has "excellent working relationships" with many Texas cities and hopes to extend the VCA with the state to "new tax agreements with Texas municipalities to help them collect new revenue from home sharing."

Where's the Money?

Gannon, the Palm Beach tax collector, has been tilting at travel companies for a decade. In 2009, she sued Expedia, Orbitz, Priceline, and Travelocity for failing to collect and pay occupancy taxes on the full cost of the hotel rooms they were selling; three years later, the companies settled the suit and agreed to pay nearly $2 million in back taxes.

She then turned to the online home-rental companies. In 2014, she sued Airbnb, HomeAway, and TripAdvisor, alleging they should be classified as "dealers" renting accommodations under Florida law, and thus required to collect occupancy taxes on behalf of their hosts. In January, after five years, a judge ruled that the services were not dealers under Florida law and did not have to collect the taxes for hosts. Gannon is appealing the ruling.

In 2015, the Florida Department of Revenue signed a VCA authorizing Airbnb to collect and remit the 6 percent sales tax for all listings in the state, plus local sales and occupancy taxes for some counties.

Soon after, Gannon asked to see the details of the agreement; state officials told her it was confidential. So she sued the Florida Department of Revenue, alleging that the agency's secrecy violated the state's public records law. A few hours later, the department faxed a copy of its Airbnb VCA to Gannon's office; she says she was instructed not to share it with anyone. It required Airbnb to provide the state only with aggregate data and allowed the company to withhold "any personally identifiable information" about hosts or guests. Most other VCAs signed with state or local governments contain identical language.

Officials say such details about hosts and their rentals are crucial to enforcing local laws and ensuring the lump sum tax payments match up with detailed data on stays. Shielding names and other details from tax officials "is a gross departure from standard practice," says Bucks, the former tax commissioner.

"We're the middle—the hosts are stuck in the middle."

Maria Vale, Airbnb host in Palm Beach County, Florida

In New Orleans, the February report by the city's Department of Safety and Permits says Airbnb provided officials there with anonymous account

numbers in place of addresses or taxpayer identifiers, making it difficult for the city to audit the information. “It is impossible to track whether we are getting all the money that we are supposed to get,” says Andrew Sullivan, chief of staff for Palmer, the New Orleans councilmember.

Airbnb disagrees. “Airbnb provides the necessary information to ensure tax payments are accurate, including number of nights, charges, and the amount of tax collected,” Nulty says. He says the company welcomes audits; however, many of the company’s VCAs prohibit cities from auditing Airbnb more than once every two years.

Airbnb's 2016 VCA with Sonoma County, California.

A Public Clash

Palm Beach County’s monthly commissioners meeting is typically a dull affair. But October 16, 2018, was different.

The chambers were packed with people dressed in white, holding hot pink flyers. The reason: Gannon’s proposal to amend the county’s Tourist Development Ordinance to require platforms such as Airbnb to collect and remit occupancy taxes on behalf of hosts, and to share more data with the county.

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A few weeks earlier, emails from Airbnb had arrived in the inboxes of its hosts in the county. “Home-sharing in Palm Beach County is under attack,” many declared in bold letters, asserting that Gannon had proposed an “unfriendly” ordinance that would make hosts’ lives more difficult. The

emails implored hosts to attend the hearing and “use your voice to oppose this proposal and share the benefits” of home sharing.

Around 100 hosts attended the meeting. But Gannon was prepared. Having seen several of the emails, she assembled a three-page document rebutting what she calls Airbnb’s “campaign of misinformation,” line by line. The packet was printed on hot pink paper and given to each person who walked through the door.

During the meeting, some hosts expressed doubts about Airbnb’s position. Some recalled seeing a message from Airbnb stating that it was collecting and remitting taxes on their rentals, though the company was not. “I have this underlying fear ... that I am breaking a law that I don’t really know about,” said Ruth Riegelhaupt-Herzig, an Airbnb host since 2015.

“We thought Airbnb took care of everything, and I was a little scared I was in trouble with the government,” host Maria Vale said at the meeting. “All I’m saying is we’re the middle—the hosts are stuck in the middle.”

Nulty says that Airbnb makes it clear to hosts which taxes it collects via this webpage, which lists areas with VCAs and what taxes they cover. The page does not explain which taxes hosts are required to collect on their own. A different Airbnb page instructs hosts to tell guests to bring extra money when checking in so the host can collect taxes in person. Riegelhaupt-Herzig says that isn’t effective, as most guests are wary of paying an additional 6 or 10 percent directly to the host, in addition to the booking charges they paid online through Airbnb.

What’s more, all stays booked in the area have a charge labeled “Occupancy Taxes and Fees” added to the final bill, because of the state’s VCA. “So for us to turn around and say, ‘I’m sorry, you haven’t paid the occupancy tax in Palm Beach County,’ they think we’re scamming them,” which isn’t good for a reviews-based business, Riegelhaupt-Herzig told WIRED. She says she has been paying the county occupancy tax since October out of her own pocket.

Screenshot of the confirmation for a booking in Palm Beach County, Florida, showing occupancy taxes and fees.

Airbnb

After more than an hour of testimony, commissioner Dave Kerner said Airbnb had allowed its hosts to “be misled” about paying taxes. “That is concerning,” Palm Beach County mayor Melissa McKinlay said. ”And so I will support this ordinance today.” It was approved unanimously seconds later.

In San Diego last year, Airbnb took a different tack to counter a new law. City officials had signed a VCA with Airbnb in 2015. But they grew unhappy with the setup’s lack of transparency and the inability to audit, says San Diego councilmember Barbara Bry. What’s more, Airbnb use had skyrocketed in San Diego since then. In March 2015, there were more than 2,600 rental units listed on short-term rental sites in San Diego, according to Host Compliance; by 2019, that total had soared to more than 11,500. Host Compliance says two-thirds of short-term rentals in San Diego are posted on Airbnb. Bry says that the rise of full-time investor-owned short-term rentals in residential areas has hurt enrollment in public schools, transformed neighborhoods into districts of mini hotels, and contributed to a citywide housing shortage.

Last August, the San Diego City Council passed an ordinance that banned the short-term rental of homes that aren’t the owner’s primary residence and required platforms to collect taxes on behalf of their hosts, effectively overriding their VCA. Bry says she assumed Airbnb would sue, but it didn’t. Within days, Airbnb threw its weight behind a movement to overturn the new rules through a citywide referendum.

Public records show Airbnb donated $1.1 million to a California political action committee called “Committee To Expand the Middle Class, Supported by Airbnb, Inc.” That group reported spending $300,000 to hire signature gatherers to circulate petitions opposing the San Diego ordinance. Airbnb also directly donated $276,358 to a second group around the same time, records show.

Four weeks after the city council approved the new rules, representatives of Airbnb, HomeAway, and Stand for Jobs delivered more than 62,000

signatures calling for a referendum to rescind the ordinance, nearly twice the number needed to force a citywide vote.

City councilmembers said they didn't want to risk losing the vote, so they rescinded the ordinance, with plans to try again. "I'm disappointed that a corporation reportedly valued at $31 billion descended upon our city with its unlimited millions of dollars and used deceptive tactics to force us to where we are today," Bry said during a council meeting on October 22, just before the council voted to rescind its ordinance.

Airbnb says the petitions garnered so many signatures because the ordinance "would have devastated the local economy, impacted property rights in every San Diego neighborhood, and cost the city millions annually in tax revenue."

The San Diego City Council plans to introduce a new short-term rental ordinance sometime this fall, Bry told WIRED. If Airbnb challenges a new ordinance, Bry says city officials will be more prepared, and will respond with their own public-education campaign and take the contested ordinance to a public vote.

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Airbnb's battles with local officials have intensified since last year's Supreme Court ruling in a case involving online retailers. Some tax experts say the decision undercuts Airbnb's position that it doesn't have to collect taxes for its hosts. "There is no doubt whatsoever now that on a constitutional basis Airbnb can be required to collect [taxes]," says Bucks.

“There is no justification for these special deals anymore.” Airbnb says it’s monitoring state-by-state developments related to the case.

Airbnb’s recent lawsuits against Palm Beach, Boston, and Miami focus on another aspect of those cities’ ordinances: a requirement that platforms remove listings that don’t comply with the law. Airbnb says the requirements are unconstitutional and technologically unfeasible. But the company does remove illegal listings in its hometown of San Francisco, and has conducted occasional or ongoing purges in New Orleans, Santa Monica, Japan, Berlin, Vancouver, and, briefly, New York City. In New York, Airbnb sued to block a city ordinance requiring it to turn over more detailed information on listings; a judge in January blocked the law from taking effect.

In Boston, city councilor Michelle Wu helped lead the push last year for an ordinance aimed at discouraging hosts from turning apartments and homes into mini hotels. The ordinance requires hosts to register with the city and restricts short-term rentals to owner-occupied units. “Airbnb describes itself as a quaint little home-sharing service … but the reality is that it has grown to be a corporate entity that makes millions of dollars from businesses taking advantage of loopholes and running de facto hotels,” she says.

On April 17, Airbnb sent emails to thousands of Boston Airbnb users criticizing Wu. The email claimed that she was aligned with “big hotel interests” and falsely said she intended to place a "restrictive 30-day cap on unhosted stays.” Wu says Airbnb never sought to discuss the ordinance or check the claims in the email. Airbnb says Wu’s proposal was “anti-tenant, anti-middle class,” and “overly restrictive.”

The ordinance passed in June. Four months later, Airbnb sued the city, alleging the rules—which went into effect January 1—violate state and federal laws. Wu says the city modeled its ordinance after San Francisco's, which Airbnb complies with. The Boston lawsuit—much like others recently filed by Airbnb—only challenges requirements that platforms remove illegal listings and share information with local officials to aid enforcement. The suit seeks an injunction against parts of the law, and the city has agreed not to enforce those sections until a judge rules.

A few weeks after Airbnb sued Boston, Massachusetts governor Charlie Baker signed legislation to tax and regulate short-term rentals at both the state and local levels. The law, which goes into effect in July, requires hosts to register with the state. Information about hosts—minus specific house numbers—will be displayed on a publicly available registry, and hosts who run multiple rentals must pay additional taxes. Airbnb says the law will “jeopardize the privacy of our hosts while placing significant and unnecessary burdens” on them. The company says it is working with state officials to address those concerns.

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Airbnb’s municipal confrontations have been a boon for Binzer, whose company Host Compliance works with 150 cities to identify short-term rental owners skirting taxes and regulations and to devise an enforcement strategy without striking deals with Airbnb. He used to be an occasional Airbnb host himself—and paid occupancy taxes—when he lived in Tiburon, California; then he was tapped to help local officials quantify Airbnb’s business in town. He says cities are often overmatched by Airbnb, in part because the company periodically tweaks the site in ways that impede tax collectors and enforcement agencies.

For example, Binzer says that until December 2016, Airbnb included the street name of a property in the metadata attached to the listing. Airbnb’s terms of service prohibit third parties from scraping its site for this kind of information, but critics say it’s crucial for enforcement. Officials in some cities used this data to identify hidden hosts. Then Airbnb removed the street name, and altered the geocoding for listings, changing the latitude and longitude so properties appear in slightly different locations.

“It's a cat and mouse game,” Binzer says. “They literally put the pin in the wrong place of where the actual property is.”

Airbnb says it shields the street name and other personal information related to hosts “to ensure an added level of privacy when third-party scrape sites aim to compile listing information.”

From Negotiation to Litigation

Around the time Palm Beach County Commissioners passed the short-term rental tax ordinance in October, Gannon says she spoke with a representative from Airbnb. She recalls the company floating a gradual implementation strategy: Airbnb would comply with some of the new rules immediately, but others—like a system requiring hosts to be properly registered with tax authorities—would be phased in over time.

Gannon thought that seemed reasonable, as long as Airbnb collected and paid the taxes. But she didn’t have time to see the discussion through. A month and a half after the ordinance was passed, Airbnb sued the county. The suit argues Airbnb can’t be required to police illegal listings and share host information because “Airbnb is a realization of Congress’s [free speech] goals” and a “classic intermediary.” It doesn’t question whether the company can be compelled to collect occupancy taxes; Airbnb is not collecting them in the county, though the ordinance went into effect on January 20. HomeAway also sued the county; the suits have since been combined.

“They were just stringing us along until they had their lawsuit ready to file,” Gannon says. “It’s typical of Airbnb … They're getting ready to issue an IPO and go public.”

Airbnb's lawsuit against Palm Beach County, Florida.

Updated 3-21-2019, 5:30 pm EDT: This story was updated to clarify the relationship between the American Hotel and Lodging Association and Airbnb, to clarify a characterization of Airbnb’s corporate citizenship, and to add a comment clarifying Airbnb’s position about its cooperation with the city of New Orleans. The updated story also makes clear that HomeAway was among the companies that helped draft a Tennessee law and that HomeAway has sued Palm Beach County.

Updated 4-5-2019, 4:50 pm EDT: This story was updated to correct the amount Airbnb spent to oppose a San Diego ordinance.

Updated 4-12-2019, 6:00 pm EDT: This story was updated to incorporate additional comment from Airbnb regarding the company's stance on collecting taxes.

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Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Tuesday, February 22, 2022 8:20 AM
To: SanDiegoSTR@Coastal
Subject: FW: New Airbnb guests 60 mins after previous group of 14 left Sunday 2/20/22

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Monday, February 21, 2022 1:48 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: New Airbnb guests 60 mins after previous group of 14 left Sunday 2/20/22

Mr. Llerandi,

This is a fact. The 14-person, Jaguar & BMW car owners, party bus crowd checked out 10 am Sunday and this group from Escondido checked in an hour later. The brown house isn to the Airbnb, it's the bit of roof you can see. I spoke to these young ladies. They had no idea about city rules about short term vacation rentals, that it's a non-permitted, illegal business. They filled the end of the cul de sac with their vehicles and didn't park one car on the Airbnb driveway. (minor detail) When they checked out on Monday, that's when they got nasty.

Trudy Grundland

P.S. The pygmy palms are mine.

Begin forwarded message:

From: TRUDY Grundland <trudygrundland@yahoo.com>
Subject: Airbnb guests 90 mins after other group left Sunday 2/20/21
Date: February 21, 2022 at 10:23:18 AM PST
To: Trudy Grundland <trudygrundland@yahoo.com>

Group of guests for 355 Ricardo, 11:30 a.m. Sunday 2/20/22, waiting for their Uber rides, just an hour after the 14 people/Fri/Sat/Party bus crowd checked out.

Sent from my iPhone

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:26 AM
To: SanDiegoSTR@Coastal
Subject: FW: Nov 2017: OB's Walk of Shame – Highlighting Vacation Rentals in the Heart of the Ocean Beach Airbnb Empire

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From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 5:48 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: Nov 2017: OB's Walk of Shame – Highlighting Vacation Rentals in the Heart of the Ocean Beach Airbnb Empire

Mr. Llerandi:

OB does not love its STRs.

Trudy Grundland

Begin forwarded message:

From: Trudy Grundland <trudygrundland@gmail.com>
Subject: Nov 2017: OB's Walk of Shame – Highlighting Vacation Rentals in the Heart of the Ocean Beach Airbnb Empire
Date: February 13, 2022 at 11:00:25 PM PST
To: Trudy Grundland <trudygrundland@yahoo.com>, Jay Goldberg <jaymgoldberg@gmail.com>

https://obrag.org/2017/11/obs-walk-of-shame-highlighting-vacation-rentals-in-the-heart-of-the-ocean-beach-airbnb-empire/

OB's Walk of Shame – Highlighting Vacation Rentals in the Heart of the Ocean Beach Airbnb Empire

Frank Gormlie

At a rally against short term vacation rentals in Ocean Beach, the *OB Rag* led protesters on a "Walk of Shame" down Abbott Street where vacation rentals were pointed out along the 4-block tour. It was called the "heart of the Airbnb Empire."

Here is the text of that tour and photos of the short term rentals highlighted along the way.

Voltaire & Abbott – The Poster child for STVR redevelopment. 3 homes lifted in as modular units have been turned into vacation rentals here. It is reported the units have upstairs "offices" which can be turned into their own rental. When the project appeared before the OB Planning Board, the owner

promised he would live in one unit and his mother in another. They now go for $299 a night. The owners live in Poway.

5052-5056 Muir. The owner does have an address on site. Property purchased in 1994, and owner rents out 3 other units on airbnb.

2101 – 07 Abbott, 4 units recently rehabbed and are now vacation rentals. The building is owned Briarcliff Investments LLC, based out of Turlock, CA. ; Oral Surgeon Victor Pak just bought the place in April for $1.3 million and turned title in September 2017 to Briarcliff, with no sale price disclosed. Pak is member of Briarcliff. Work done recently include exterior paint job; interior paint; fancy railings, french doors; a fancy patio. AC units. Reportedly, the units were occupied then in April and renting for $1450-$1850 a month. All residents were evicted.

From the corner at Abbott and Brighton, the first 3 lots to the east on the north side of Brighton are vacation rentals. The 2nd one has 4 on one lot.

5080-5086 Brighton. Purchased in 2004. The owner lives in Point Loma. 4 stvrs here.

5070-5078 Brighton Another to the right, duplex with owner in front.

5117-5119 Brighton. Purchased Dec 2015. The owner has 11 properties in San Diego and 5 airbnbs, lives in Ramona.

5132-5134 Brighton 2 airbnbs – purchased 2014. Owner lives in North Park.

5140-5142 Brighton on the left has 2 vrbos, purchased in 2017 but was still a stvr before that. Owner is in Ramona, has 10 other investment properties and 5 airbnbs.

5112 Saratoga Property purchased in 2014, has 4 Airbnbs here. Owned by real estate company in Reno.

Abbott and Saratoga Condos The million dollar condos, VEER, is across the street, at Abbott and Saratoga; has 6 of its 10 units listed on STVR sites.

5058-5066 Saratoga 3 lots, 3 different owners (Northern Calif, Point Loma, unknown). 2 where purchased in 2016, 2017. 5 of the 6 homes are full time STVRs.

……

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:26 AM
To: SanDiegoSTR@Coastal
Subject: FW: October 2020: Hawaii beat STVRs out. One Year Later: The Effects of Hawai'i's Illegal Short-Term Rental Ban

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From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 5:46 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: October 2020: Hawaii beat STVRs out. One Year Later: The Effects of Hawai'i's Illegal Short-Term Rental Ban

Mr. Llerandi:

The whole article is good. The havoc created by STRs in Hawaii. Read the 2nd to the last paragraph. It describes the typical Airbnb renter perfectly.

Trudy Grundland

Begin forwarded message:

From: Trudy Grundland <trudygrundland@gmail.com>
Subject: October 2020: Hawaii beat STVRs out. One Year Later: The Effects of Hawai'i's Illegal Short-Term Rental Ban
Date: February 13, 2022 at 10:44:24 PM PST
To: Trudy Grundland <trudygrundland@yahoo.com>, Jay Goldberg <jaymgoldberg@gmail.com>

https://www.honolulumagazine.com/one-year-later-the-effects-of-hawaiis-illegal-short-term-rental-ban/

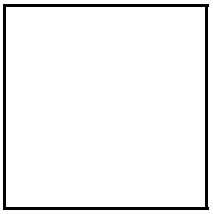
One Year Later: The Effects of Hawai'i's Illegal Short-Term Rental Ban

Illegal vacation rentals have worsened Hawai'i's affordable housing shortage while contributing to an overrun of high-impact, low-spending visitors.

One year after a law limiting the short-term rentals passed, we check in on its effects.

October 8, 2020
Don Wallace, Illustrations by Chris Danger

Hopes were high when a bill with real teeth passed last August; then COVID-19 hit. Now, a year after the short-term vacation rental law took effect—at a time when thousands fear eviction from their homes—quarantine breakers are complicating enforcement and global host platforms are embedding themselves in county governments.



Just think how we might all have gotten along. But for the lack of an internet connection, millions of tourists wouldn't have descended like invading paratroopers on trailheads, pillboxes, beaches and neighborhoods—and stayed to party in residential neighborhoods. People could've smiled at the occasional visitor who'd found a room or a house for a week or so, because they were so rare. Aloha would've been the law of the land.

Things began to change in the 1980s. By 1989 O'ahu short-term vacation rentals, or STRs, had become enough of a problem that they were made illegal, except for 800 grandfathered permittees. Enforcement was assigned to the county's Department of Planning and Permitting, whose focus is on permitting and inspection, and was never funded (fines went into the general fund instead of for additional staff). So STRs kept spreading. But, when it came to pitching those rentals to prospective renters, at least, owners were limited to print classified ads, rental agencies and word of mouth.

A vigorous 80, Lucille can be found walking her dogs three times a day on a quiet street. She knows everyone. As she makes the rounds, she hands out

home-baked treats to people, dogs and the ducks that waddle up the sidewalk to meet her.

For the past three years, Lucille has sent handwritten letters of complaint about the illegal short-term rental across from her house, where she's lived since 1964. "Airbnb, it's people shouting, screaming, carrying on. One group, their baby was crying one night, they put it outside to cry! They shut their doors and kept partying." The property's manager refused to talk to her. "Overseas owners, they don't care." And the city? "Nothing happens! Tour vans come here to pick people up and drop them off! The thing is, this was a very quiet neighborhood and now it isn't."

> *"It's been a long time since citizens really pushed back on the tourism industry. Honolulu now has one of the most aggressive regulatory bills on short-term rentals in the country and that was mostly a result of citizen activism."*

— Colin Moore, UH associate professor of political science

How did it happen? The internet. Free ad listing site Craigslist begat VRBO (vacation rentals by owner) in 1995 and instant imitators. Millions of addictive you-are-here travel images put visitors a click away from paradise thanks to Facebook (founded 2004), Airbnb (2008) and Instagram (2010). Meanwhile, those who hosted now had technology that any underworld could love: It could leapfrog zoning laws; turn residential housing stock into visitor units; and bypass city, state and even federal tax collection. No wonder Airbnb revenues rocketed from an estimated $8.4 million to $52.8 million in a single year (2011).

In Hawaiʻi, STRs went to work, stealthy as a tribe of termites, on the foundations of an already shaky housing market. By 2015, as reported in our story "Who Owns Oʻahu?" a scan of realproperty.com and county ownership records revealed that of "nearly 50 beachfront properties between Kalama Beach Park and Kailua Beach Park, at least 34 are wholly or partially held in trust, and another seven are LLCs." The same pattern of

shell company ownership was happening in Kāhala—and soon, as far off the beaten track as ʻEwa Beach.

"I remember being in Wahiawā, meeting a family living on the beach," says Kym Pine, then a state representative, now representing District 1 on the City Council and a mayoral candidate. "They didn't look homeless. They had all their stuff in the car and a little rental trailer. They said, 'We got suddenly kicked out by our landlords for a vacation rental.'"

City and state leadership, and the Hawaiʻi Tourism Authority, didn't ignore the rise of STRs. They celebrated it. When visitor numbers rose from 7 million tourists in 2010 to 10.4 million in 2019 after down years from 2007-09, they patted themselves and Hawaiʻi on the back. Keep up the good work! People asking if all this sudden growth wasn't too much were dismissed as anti-tourist, crunchy granola types who didn't care about jobs—even though the HTA's own surveys showed a growing majority of residents who felt that "this island is being run more for tourists than local people."

"A lot of complaints were ad hoc [and] depended on who you could contact," says Kathy Sokugawa, acting director of the DPP since 2017. But it also seemed that when residents did get through, they weren't being heard. Lucille says she never heard back once, despite writing numerous letters describing violations.

"Some weren't complaining. Far from it."

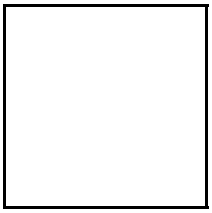
STRs act as a rising tide, says a 40-year veteran real estate sales professional, who also manages properties and owns a legally permitted STR. "The owner [of an STR] runs a huge small business and serves a lot of customers and suppliers and is able to make two-thirds of his mortgage if he rents it out around two or three days per month," he emailed, requesting anonymity.

The way he sees it, this benefits society. The STR host is "also able to stay there when it's vacant, he's able to put his friends and family there, and mostly he's able to maintain the property every day as a five-star rating or guests won't stay. AND he serves an entire small business community of local families," those providing services such as cleaning, pool and yard maintenance, bookkeeping and supplying amenities. Restaurants,

boutiques, surf and water sports providers also spring up, employing even more.

The deal he describes—make most of the mortgage by renting out the home for a weekend, bank the rest after expenses—drew investors from the Mainland with more financial savvy and access to capital than locals. “The North Shore is now mostly California people, Mainland people—not Asian people,” says a Realtor who handles sales on the North Shore and in town. “The ones who bought what you might call middle-class affordable houses”—in the $1 million to $1.4 million range—“are all from the West Coast. It’s been a cash cow for them, short-term rental.”

Why is this possible? “We have the lowest property taxes in the U.S. and, almost, in the world,” says Victor Geminiani, executive director of the Hawaiʻi Appleseed Center for Law and Economic Justice from 2011 until last year. “There is no better place to park your money than Hawaiʻi.” For example, local news website *Civil Beat* tracked down a retired Vermont schoolteacher whose financial planner put her into an STR condo here to generate cash.



“We fell in love,” says an East Honolulu 30-something with a radiant smile. “He owned his place,” a condo in Makiki, but it was too small. “We knew several people who were doing Airbnb,” so the couple did that and found a bigger place to rent for themselves, got married and lived hap—

“I got laid off super suddenly,” she says. “Airbnb literally saved our house.”

SEE ALSO: [Rethinking Hawaiʻi: How the Visitor Industry Should Operate in the Future]

“I’ve heard people make the argument, well, STRs, they aren’t all bad,” says Colin Moore, associate professor of political science at the University of Hawaiʻi at Mānoa. “They say, ‘Kailua is better for it, Haleʻiwa is better for it—nicer places, better restaurants.’ They’re not entirely wrong.”

Kailua’s Twogood Kayaks Hawaiʻi is an example of the STR halo effect. “We’ve got 11 employees, part-time,” said owner Bob Twogood in February, “doing office stuff, guide stuff, rental stuff and repairing boats. We rent and sell kayaks, SUPs and offer guided water tours, instruction and retail sales of locally made items.”

However, part-time jobs don’t make rent and since the ’80s a gap has steadily grown between what residents can afford for housing and what they’re being paid. In 2015, Hawaiʻi ranked last in the nation—by a wide margin—in wages vs. rental costs. The National Low-Income Housing Coalition study, Out of Reach, estimated it would take 4.1 minimum-wage jobs to hit the $31.61 minimum hourly wage needed to rent a two-bedroom unit. That year 42% of residents rented, the fourth-highest percentage in the country. Housing costs were forcing people to leave the Islands altogether.

When city leaders looked at fixes, they settled on mandating affordable units for luxury condo construction in Kakaʻako. But these “affordable” units proved to be a drop in the bucket—mid-six-figure drops, useless in a state where the median wage was $69,542 in 2014 and the 14% of Hawaiʻi full-time workers who made minimum wage, $10.10 an hour, earned $20,200 a year.

Though the state estimated 25,000 new units needed to be built on Oʻahu, 74% of them affordable, to meet demand by 2025, as of the 2017 Census American Community Survey there were actually more than 35,000 surplus units already in existence, just not in use as residential housing. How many of those units were being used as STRs no one could say, but neighbors felt the effects: longer lines, more crowded roads, strangers rolling suitcases on quiet residential sidewalks.

Among the 30,000 visitors arriving daily in 2019, so many found illegal rentals on ʻEwa Beach Road the neighborhood character changed. Photo: James Nakamura.

The battle to get a new bill passed that would curb illegal short-term rentals was joined in 2016 by citizen groups, activist Facebook pages like Keep it Kailua, council member Pine, nonprofits like the Appleseed Center and unions anxious to preserve hotel worker jobs. At the same time, cities around the world tumbled to the STR game: Madrid, Barcelona, Venice, San Diego, San Francisco, New York City, Miami—all established limits or outright bans on STRs. Some were suing Airbnb over undisclosed revenues that hid tax evasion. There were now clear examples of how to control and reverse the situation.

Yet the years 2016, ’17 and ’18 saw Oʻahu and the Islands teetering on the brink of surrender to the hosting platforms. Airbnb struck first, offering to collect state taxes from its Hawaiʻi hosts and distribute them. The amount Airbnb dangled before the Legislature was $30 million. With the Honolulu City Council divided and uncertain how to tackle the issue, and Maui and Hawaiʻi counties tempted by the money, it felt like a tactic to drive acceptance and forgiveness of STRs.

“Who will get the Airbnb millions?” took on a game-show atmosphere. Senate Ways and Means chair Donovan Dela Cruz pushed hard for the payout, as did House chair Sylvia Luke. The bill passed in the Legislature but Gov. David Ige vetoed it. Said Airbnb’s Chris Lehane, head of global policy and affairs: “We would really like to put a pile of tax money there at the bottom of the Hawaiʻi rainbow if we can. Most states see this as a huge thing. We are really puzzled.”

As STRs were appearing everywhere, including in Kalihi and Kaimukī, even Mayor Kirk Caldwell joined the voices for a new law, though he still trotted out apocryphal stories of Auntie renting out a spare room to pay the bills (which presumably included a raised general excise tax to pay for the overbudget rail project). In January 2018, Ige rejected another Airbnb proposal, saying: “I think we need to have transparency. We need to ensure that the properties being utilized for short-term vacation rentals are appropriately zoned and regulated.”

Airbnb, Expedia and other platforms countered with a $500,000 media and lobbying blitz that included search engine tweaks so that a search for, say, “two-bedroom apartment cost in Hawaiʻi,” might return three pages of “Hawaiʻi rental prices see astounding drop!” After Ige’s veto, in 2018 Airbnb next floated the possibility that there was $64 million in uncollected taxes out there—either their illegal revenues had doubled or they’d knowingly lowballed the first offer. As the City Council seesawed over what to do, the House passed the bill.

Sources: All HTA, with exceptions noted

For STR opponents, a data doorstop was needed to block the public relations and misinformation that gave lawmakers an excuse for inaction. Enter Madison DeLuca, 25, an AmeriCorps policy analyst for VISTA (Volunteers in Service to America). DeLuca says she "tried to use state-published sources as much as possible to minimize potential claims of bias." Of her 78 citations in the eventual Appleseed report, many came from studies commissioned by the HTA. "It took her three months," says Geminiani, "but she found all these figures that the city said they couldn't get."

The March 2018 Hawaiʻi Appleseed Short-Term Rental Report debunked every argument in favor of STRs. Were they too hard to count and track? Well, DeLuca did it, relying "mostly on searching state and county websites to determine the number of STRs," she says. Were they on the rise? Yes, there was a 35% increase over the previous two years. Were they profitable? Yes, bringing in 3.5 times more revenue than a long-term rental. Well, at least the 23,000 statewide STRs were mostly grandmas and grandpas renting out spare bedrooms to pay the bills, right? No. In fact, up to 93% of listings were for entire houses.

As for the economic impact, the report looked at a study of San Francisco that concluded that its economy "loses up to $300,000 [in costs and services] per vacation rental per year. The impact in Hawaiʻi is likely to be similar"—especially since Hawaiʻi ranks first in crowding (more than two people per bedroom) for both owner-occupied and rental houses, and in doubling up (where multiple households live in a single home).

Just as damning was the news that, although the visitor count was up 60% since 1989, visitor spending had not increased for 30 years. With vacation rentals taking up a third of Oʻahu's vacation units—expanding from the original legal 800 units to an estimated 10,000, if not more—the blame fell squarely on STR visitors and their hosts.

The Senate voted down the Airbnb bill, SB 1292. But Ways and Means chair Dela Cruz held up 15 bills, including one granting burial rites to Filipino World War II veterans, saying, "If you want to keep bills, you need 1292." He got his votes.

Meanwhile at the city level, Mayor Caldwell proposed a bill that he said would fix loopholes and assess penalties so high that STR operators couldn't treat them "as the cost of doing business." But with council members floating their own versions, chair Pine says, "I basically said I'm going to pass everyone's ideas so everyone will vote on them." A consensus bill emerged with Caldwell's draconian penalties that multiplied daily for violators but without his idea to allow an unlimited number of bed-and-breakfasts; his counter-offer to allow 1% of housing units in a district to be B&Bs was also nixed. The compromise: 1,700 permits for B&Bs, to be raffled off at a future date (Oct. 1, 2020) but by July even that had been placed on hold, due to coronavirus concerns.

On June 24, Gov. Ige published his list of forthcoming vetoes, which included SB 1292. On June 25, Bill 89, regulating short-term rentals, became law as city ordinance 19-18. Ige then signed a bill that criminalized lying to an inspector. After 30 years, illegal short-term rentals had been banned. Really banned. Really really banned.

"This is a pretty major bill," says political scientist Moore. "It's been a long time since citizens really pushed back on the tourism industry. Honolulu now has one of the most aggressive regulatory bills on short-term rentals in the country and that was mostly a result of citizen activism."

> *"We would really like to put a pile of tax money there at the bottom of the Hawai'i rainbow if we can. Most states see this as a huge thing. We are really puzzled."*

— Chris Lehane, Airbnb head of global policy and affairs

And there seemed to be quick results. Shortly after Bill 89 passed, listings for STRs dropped from about 5,000 to 3,000, according to Sokugawa at the DPP, after 260 notifications of violation went out in August 2019. A Sept. 3 post on the Keep It Kailua Facebook page sounded hopeful: "We've had two families move into our neighborhood since the bill, homes were previously TVUs. It's a great feeling to see new kids walking to school every morning." In November, a study found STRs in Kailua had dropped by 218 units. Chee hoo! But, out of 854 STRs the year before, that left

almost 75% still flouting the law; worse, that was 87 more than in September. Auwē!

"We still get complaints, though the number has dwindled," says Sokugawa. "We certainly have a lot more notices of violation than before," which she attributes to a new online complaint form (which you can find at **bit.ly/STR-violation-form**). "I'm really happy that the council had the courage to pass the bill."

On the Neighbor Islands, STR supply shot up 27% on Maui, 24% on Kaua'i and 9% on the Big Island. "We lost Maui," says Geminiani, whose Appleseed study found 52% of Maui homes were sold to nonresidents and 60% of condos to nonresidents or second-home owners. Legislators from the Neighbor Islands had consistently supported the bill to take tax money from Airbnb, most of which would be generated by STRs run amok on O'ahu—not very neighborly of them. Now their STRs were coming home to roost.

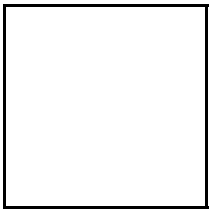
In March, Maui announced public hearings on a strengthened short-term rental ban. The existing law from 2012, said Michele McLean, Maui County Planning Department director, left "a lot of illegals out there, so it hasn't succeeded in what its original objective was." On May 23, an amended bill regulating and limiting STRs was passed.

How close did O'ahu come to becoming Maui? By August 2019, our vacation rental supply was increasing 20% annually, according to a frequent consultant used by the HTA, Eric Kloninger of Kloninger & Sims Consulting. It might seem that no one could argue that that was sustainable, but as the vote was coming to a head the HTA unlinked its 2014 study of vacation rentals, one that DeLuca, the AmeriCorps policy analyst, had singled out as crucial to the Appleseed Center report. It disappeared. "A lot of those sources"—HTA and state—"are now gone," says Gavin Thornton, who succeeded Geminiani at Appleseed. "We didn't have in the project plan that we'd need to keep forever waging these battles."

SEE ALSO: **Small Town to Bustling Attraction: Tourists and Traffic Trouble the Residents of Kailua**

You'd think the COVID-19 lockdowns and quarantines would have mooted the STR question, since all vacation rentals were shut down by proclamation and the city required Airbnb and other platforms to display a banner making the point. But a porous vetting of airline arrivals and STR hosts willing to flout the law turned vacation rentals into petri dishes for cultivating and spreading the virus. On April 19, the *Honolulu Star-Advertiser* reported "that many of the 2,970 visitors who arrived in Hawaiʻi over the past 23 days stayed in transient vacation rentals."

Against a backdrop of widely publicized photos of presumed vacation renters partying, posting and slapping sleeping monk seals, Expedia and Airbnb struck deals with Kauaʻi to limit their listings to licensed STRs and reached out to other counties. "The concern is who's going to audit Airbnb," says Moore at UH. "That would have to come from the state and counties to make sure they're not just doing a cat-and-mouse game with their property listings where they take somebody down and they pop back up again, without serious consequences."



In March, Sokugawa at the DDP had sounded positive: "We never said this will cure illegal renting. But it's making a significant dent." But by July Sokugawa was giving testimony on a new Senate bill intended to add more regulatory authority to the counties; one suggestion was, she said, to create a new department "that wouldn't treat the violations as a zoning issue, because zoning can be a very technical and different paradigm. An enforcement code would do it a lot better than a zoning code does. And a new department could be self-sustaining," from those draconian fines.

As pressure mounted to throw open the gates to tourists, newspaper op-eds and letters claimed "short-term rentals could save Hawaiʻi." In July, Mufi Hannemann, a mayoral candidate and president and CEO of Hawaiʻi Lodging & Tourism Association, even warned of social unrest if reopening was postponed. "I don't agree we'll see social unrest," says Moore. "Property crimes may go up," out of economic desperation. "And it's sad,

but there is the exit option. People already were taking it—moving away. Hawaiʻi could end up looking like Puerto Rico, where the only people left are the older people and the kids. The younger and middle-aged, the most likely to contribute to the economy, will have all decamped to the West Coast and Vegas. Not that the economy will necessarily be any better there."

Meanwhile, tourism travel predictions for 2020 and 2021 are hardly for the faint of heart: fewer visits by people 50 and older, the prosperous demographic, and many more visitors from the cooped-up financially strapped 18–35 demographic—many of whom believe they're immortal and love to pack crowded spaces. In addition to being Airbnb's target audience, the 18–35s also spend the least on vacation. For Hawaiʻi, this would seem to predict a terrible trifecta: more infections, more housing stock taken off the market and less revenue from tourism.

It may be that the most cynical idea floated—to give those who expose illegal STRs a bounty—may be the only plan that has a chance of shocking our lawbreaking visitors and their hosts into compliance. In a recession this at least would give neighborhood defenders a taste of the rewards STR hosts reap every single day.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:28 AM
To: SanDiegoSTR@Coastal
Subject: FW: San Diego is Quickly Becoming the Next Silicon Valley | HackerNoon
Attachments: attachment.svg

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 8:08 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: San Diego is Quickly Becoming the Next Silicon Valley | HackerNoon

Mr. Llerandi:

In 2026 Apple will add 5,000 upper level tech jobs to San Diego, driving the need for housing, good schools, and a great quality of life.

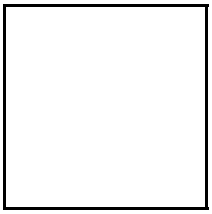
It can't happen if the 7:1 ratio of STRs to long-term rents prevails.

"Paradise" is anything but when there's a daily rotation of young people who come and share a house for a few days. This party until we drop atmosphere created by strangers booking entire homes (79% of Airbnb rentals in SD coastal areas), ruins 3-6 months of the year for locals, and makes housing difficult to procure for residents. It's the worse welcome for the new techies coming to San Diego, to find out the STRs have seized the housing market.

Trudy Grundland

https://hackernoon.com/san-diego-is-quickly-becoming-the-next-silicon-valley-693w34kt

San Diego is Quickly Becoming the Next Silicon Valley



Audio Presented by

Speed: [1x \/]

Read by: [Dr. One (en-US) \/]

San Diego has long been hailed as the home of tech startups. Undeniably, it has become the hotspot for entrepreneurs looking to lay the next big thing's foundation.

> *When it comes to setting up startups, many businesses are leaving Silicon Valley to favor other startup-friendly global cities.*

San Diego encompasses the benefits over other cities: its affordability to live in the United States, competitive marketplace, and availability of dynamic mobile app developers in the local talent ecosystem.

In San Diego, being a tech startup, you need to rub elbows with enormous talent. In this city, inspiration seems to grow on trees. So, let's hop into the following before diving into the world of tech city San Diego:

- An overview of the San Diego tech scene
- Reasons Behind San Diego Becoming the Tech Startup Hub
- Some booming names of tech startups in San Diego

An Overview of San Diego Tech Scene

It should come as no surprise that San Diego continues to nurture the fastest-growing tech startups. Thanks to growing markets, robust talent pipelines, and big exits. This city has already proved that you don't need a metro city to launch a successful startup.

CBRE mentioned the name of San Diego as the 6th fastest-growing US city for software and tech professionals.

It is now the sixth-fastest growing technology job market as IT companies have huge potential in the city's educated and tech-savvy labor pool.

Search engine goliath Google opened a 60,000 square feet office in 2016 and other big tech companies like Apple, Amazon, and Walmart Labs.

Simply put, the San Diego tech scene has a long way to go. Every business is relocating to San Diego, which could be a tech haven tomorrow.

Here's why San Diego has become the city of tech startups.

1. Supportive Startup Community

San Diego has become synonymous with technology, invention, and tech startups. It has become the hotspot of the best talent and offering the most exciting opportunities. The city has been recognized for fostering a collaborative and inclusive entrepreneurial ecosystem rooted in community, collaboration, and giving back.

Startup San Diego, the startup community in San Diego, comprises high-powered investors, veteran business leaders, and passionate entrepreneurs. It's welcoming! Since San Diego startups are eager to grow and develop the entrepreneurial spirit in the city they love, community members are happy to introduce startups to their contacts, provide advice, and invite them to events and succeed.

During the entire year, large events are happening, such as the San Diego Angel Conference, UCSD Ignite, and Hera Venture Summit. Moreover, there are also meetups and events every week for every niche group of founders and techies. It means that tech startups can quickly build up a support network in San Diego.

2. Freedom to make early mistakes

San Diego is a great place for tech startups in terms of growth. Being an entrepreneur, if you look at some of the well-known startup founders, then you will likely know that the vast majority of them experienced some mistakes as they built their companies. Undeniably, there are several failed startups before landing on something that worked.

> *Even though there is room for mistakes in highly competitive places like Silicon Valley, there's hardly any room for an entrepreneur to make mistakes and grow from them.*

Since San Diego is not considered a central "tech hub," it leaves entrepreneurs with the opportunity to test freely without added pressure or fear of the industry.

The ability to make mistakes, fail, and bounce back, coupled with a community atmosphere, makes it easy for startup founders to feel comfortable in their skin and explore limitless boundaries.

3. Innovative Incubators

The tech city, San Diego, possesses plenty of incubators and accelerators where startups can grow their businesses. In general, incubators support startups who are in the early stages of establishing their businesses. This is especially helpful when they have a great idea or talent to bring something new into a respective marketplace. However, they don't have the business model or support to transform into reality.

> *There are a few successful incubator names in San Diego: Hera Hub, Hera Labs, LabFellows, EvoNexus, LabFellows, and BioLabs San Diego.*

Apart from incubators, accelerators are designed to assist with growth for startups, which already have a clear vision, business model, and traction. The main goal of incubators and accelerators is to help businesses grow through investor fundings and mentorships.

Both incubators and accelerators do exist and are thriving in San Diego. For instance, Ad Astra, a female-focused accelerator, provides guaranteed funding in completing a program.

Not only this, here's another one. Wireless Health Hub is an accelerator, which focuses on businesses in the wireless health industry.

We'd also like to mention plenty of co-working spaces that San Diego has. These co-working spaces have been sprouting across the city to accommodate the growing number of startups who are launching and migrating to the sunshine city.

4. Affordable office space

This is also a factor that naturally attracts tech startups. That's why San Diego has become the most-refined city that possesses such affordable characteristics. In San Diego, the average real estate price is approximately $300 per square foot, which is affordable than San Jose, around $400 per square foot. The lower overhead costs are crucial for tech startups, particularly those in the pre-funding stage. However, Silicon Valley is itself out of this marketplace, and it has become the beneficiary of San Diego.

5. Better Quality of life

It's not a joke! Silicon Beach offers a better quality of life than the Bay Area. San Diego possesses two distinct advantages as a new startup city: a nice place to live, and it's only a 1-hr flight to San Francisco.

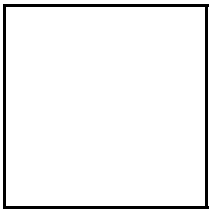


Image Source

San Diego city is all about fewer traffic jams, the right weather conditions, and some apparent benefits. Not only this, but affordable rents are also a critical factor in attracting young graduates to a city.

Some Booming Names of Tech Startups in San Diego

1. Arista MD

Founded in 2013, Arista MD is an eConsult platform, which empowers PCPs (Primary Care Providers) to improve specialty care access and patient outcomes, lessen cost-of-care and increase provider satisfaction. A Telehealth solution provider enhances the patient's referral process significantly and allows greater access to high-quality care.

Designed to integrate into workflows seamlessly, the Arista, MD tech platform allows payers and providers to quickly and affordably launch specialist eConsults using their specialists or certified panel of experts.

It also partners with healthcare stakeholders to ensure that their success in the transition to value-based care.

2. Measurabl

Founded in 2013, Measurabl has become the world's fastest-growing sustainability startup. It is recognized as one of the best ESG software for commercial real estate. Its automatic tools make it easy for more than 6 million square feet of commercial property across 67 countries to collect sustainability data, analyze and accurately report performance.

3. AttackIQ

Founded in 2013, AttackIQ is a leader in the emerging market of continuous security validation. This San Diego-based tech startup is also honored in 2020 as one of the best tech startups in San Diego.

This industry's platform enables red and blue teams to test their security controls and staff's effectiveness. It also supports the MITRE ATT&CK, a curated knowledge base and model for cyber advisory behavior used to plan security improvements and verify security defences work as expected.

In Conclusion

All we can say is that every business involves risks. It's rare to find the perfect solution without making any sacrifices along the way.

If you are in tech or are an owner of a tech startup, you don't need a Valley. San Diego can take your startup from the shadows to the spotlight.

Give Your Thoughts on All The Latest in Tech

HackerNoon has built a custom Slack app called Slogging to publish conversations about how technology is infiltrating everything! **Join us on Slogging** to give us (and the world) your two cents on all the emerging technologies of today.

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Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Tuesday, February 22, 2022 1:32 PM
To: SanDiegoSTR@Coastal
Subject: FW: SD Housing: Some granny flats in San Diego can rent short-term, others can't | San Diego Reader

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From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Tuesday, February 22, 2022 1:29 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: SD Housing: Some granny flats in San Diego can rent short-term, others can't | San Diego Reader

Mr. Llerardi:

The hope was to provide more long-term housing for San Diegans, but that isn't what happened.
Since 2017 700+ ADUs are illegally renting for less than 30 days, another 100 units are legally allowed to rent for less than 30 days.
This is a code enforcement issue that DSD can't seem to handle.
Another example of how STRs have been able to proliferate in the last four years.
We are a city that allows profiteers to succeed at the expense of the citizens.
Please, help create enforceable rules that will reduce the number of STRs in SD, not just by zip code, but block by block.

Trudy Grundland
335 Ricardo Place, La Jolla, CA 92037
858-210-0190

https://www.sandiegoreader.com/news/2020/oct/13/ticker-granny-flats-san-diego-can-rent-short/

Some granny flats in San Diego can rent short-term, others can't

100 units grandfathered in

Sheila Pell
Publish Date

Granny flat, March, 2019

Regulations proposed for vacation rentals makes scant mention of accessory dwelling units, even though their numbers have surged under new state and local laws meant to boost housing. So how will they figure in?

It was one of many questions raised at a planning commission hearing last week that led to the proposed ordinance being sent back to city staff for changes. It will be heard again by the commission on December 3.

"An [accessory dwelling unit] shall not be used for a rental," said Elyse Lowe, director of development services, adding that the code states that they can't be used less than 30 days as a rental. But 100 of the units are exempt from the rule.

According to a staff report, the answer begins with "what is a short-term rental?" The city lacks a clear definition. The new rules would define it as a dwelling unit, or portion of one, occupied for less than one month. If these rentals were regulated, the city could pull business permits to shut down bad actors.

The proposal, spearheaded by city councilmember Jen Campbell, is a compromise between Expedia, which owns HomeAway and VRBO home-sharing platforms, and Unite Here Local 30, the union of hotel workers.

Airbnb, the main platform operating in San Diego, was opposed, as it would cut the number of short-term rentals by about 60 percent. But most agree on the need to regulate the city's 16,000 short-term rentals. Many callers complained that investors and homeowners are turning neighborhoods into business districts.

The proposal would impose a license requirement and regulations on hosts and hosting platforms and repeal regulations for bed and breakfast and boarder lodging. A host could obtain one license at a time in one of four tiers, allowing the city to differentiate between part-time short-term rental use, home sharing, and whole home. Mission Beach, king of vacation rentals, garners its own tier for whole-house rentals.

Accessory dwelling units fall under home-sharing. But only 100 are eligible short-term rentals. That's because the city's granny flat rules, revised in 2017, excluded units built prior to that year. The older units were grandfathered in, free of the 30-day minimum stay rule.

Since that time, another 700-800 accessory dwellings have been permitted.

An analysis by inewsource found that despite the city's intent to create more housing, some of the new units became short-term rentals. The city has allowed at least seven granny flats to rent for less than 30 days. But since the analysis only looked at property owners who pay the transient occupancy tax, the number of illegal vacation rentals could be much higher.

It happened because the city has no way to police the 30-day minimum stay besides citizen complaints and code enforcement. And while a separate office would be created that would track, manage and enforce such rentals, catching violators still relies heavily on citizen complaints.

That's one flaw in the proposal, relying on neighbors to take the first step in enforcement, said commissioner Matthew Boomhower, who made the motion to send it back for changes.

"That's going to be a huge code enforcement issue," he said, referring to likely confusion about the grandfathered units.

"Code enforcement is constantly going to be dealing with complaints against those units because the general public isn't going to know, this [granny flat] is allowed to do this, this [one] isn't."

It fails to address how unlicensed short-term rentals will be policed. "We still have unlicensed cannabis businesses operating in the city, and we can't shut them down. We just keep playing whackamole."

Venus Molina, chief of staff to councilmember Campbell, and a main author of the proposal, said that as the city "becomes aware of the different licenses for [short-term rentals], and once they can actually match that with the licenses from the platforms, I think this will be an easy way to take down" the illegal ones.

The myriad details will be worked out over time, she said, which is why they set an implementation date of 2022.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:27 AM
To: SanDiegoSTR@Coastal
Subject: FW: Sept 2015: Loss of Community Is Greatest Threat From Airbnb and Short-Term Vacation Rentals

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From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 5:52 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: Sept 2015: Loss of Community Is Greatest Threat From Airbnb and Short-Term Vacation Rentals

Mr. Llerandi:

The statistics haven't improved in the coastal SD communities since this 2015 article was written.

Trudy Grundland

Begin forwarded message:

From: Trudy Grundland <trudygrundland@gmail.com>
Subject: Sept 2015: Loss of Community Is Greatest Threat From Airbnb and Short-Term Vacation Rentals
Date: February 13, 2022 at 11:01:27 PM PST
To: Trudy Grundland <trudygrundland@yahoo.com>, Jay Goldberg <jaymgoldberg@gmail.com>

https://obrag.org/2015/09/loss-of-community-is-greatest-threat-from-airbnb-and-short-term-vacation-rentals/

Loss of Community Is Greatest Threat From Airbnb and Short-Term Vacation Rentals

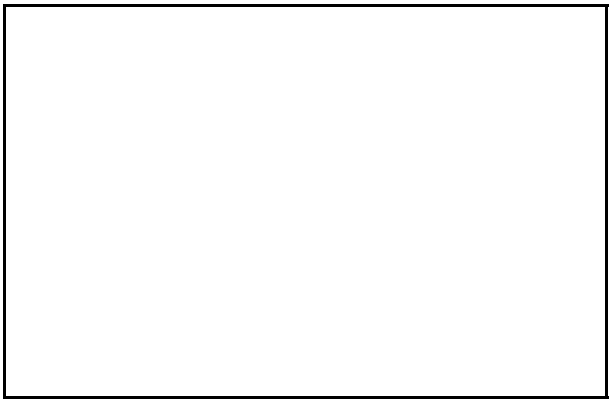
Frank Gormlie

Red circles designate a vacation rental. Most in OB are in north OB. Save San Diego Neighborhoods.

Short-term vacation rentals are on the minds of a lot of people these days, especially with those who live at the coast in San Diego.

The issue bubbles up at community meetings. An OB resident brought it up at a recent Ocean Beach Planning Board meeting. And it was the subject of a panel discussion organized recently by the Point Loma Democratic Club. Also, back in February of this year, residents of Pacific Beach made their complaints about them heard publicly.

Then it came up at the most recent OB Town Council meeting last week, during the non-agenda comment period, where folks on both sides on the issue contended for audience sympathy. And it's certainly a hot topic among callers to District 2 Councilwoman Zapf's office.



A page from Airbnb on OB.

Zapf's office is in the middle of the controversy as she heads up a City Council committee on Smart Growth and Land Use, which last Spring held 2 public hearings on the issue, where both sides squared off. The upshot was that city staff have drafted language for a new San Diego Municipal ordinance updating how the City deals with the issue of short term vacation rentals. (See below for explanation.)

The first of several public meetings on the issue is being scheduled for September 22nd. By time the full Council votes on a new ordinance, it may be well into the Fall.

Part of the problem has been the lack of clarity in current regulations, where there are various references in the Municipal Code that could cover vacation rentals, such as "boarder and lodger" and rules on bed-and-breakfasts. Plus with more than 4,000 listings on Airbnb just for the City of San Diego, government simply has not been able to respond to the explosion of popularity of the home sharing trend.

Without a government resolution on the issue and the numerous gray areas not covered by the current City Municipal Code – as, for example, a neat definition of short-term vacation rentals (STVR) – the issue will continue to simmer.

Organizations have formed to represent the different sides in the discussion. An organization called Save San Diego Neighborhoods organized to fight any loosening up of restrictions on short-term rentals, and on the other side, the Short Term Rental Alliance of San Diego came together to advocate against restrictions on renting out units. (See below for some of what both groups declare on their respective websites.)

The two sides are in contention, for example, over how many of the Airbnb listings in San Diego include the entire residence. The Alliance claims:

AirBNB has over 3,490 listings in San Diego alone. The ***majority of these listings are individuals sharing a portion of their home*** *and go largely unnoticed to neighbors.*

In response, the Neighborhoods says:

Data obtained by Inside Airbnb on June 22, 2015 shows that the majority, ***65%*** *(2,283 out of 3,530), of Airbnb listings in San Diego* ***are "Entire Homes or Apartments"*** *being rented out in their entirety.*

We'd have to say, according to our research, by far most vacation rentals are advertised as an "entire place", as for example, recently for Mission Beach, Airbnb has 349 rental units where 330 – or 95% are for the entire unit.

It is a smoldering issue, as staff at Zapf's office know, with many of the complaints about the new wave of rentals having to do with noise, trash, more congestion, more traffic, the unruliness of vacationers living it up in quiet, residential neighborhoods. Locals are outraged and frustrated with the threats to their quiet blocks and the slowness of government to respond.

Vacation rental on Santa Monica Ave.

Defenders of the rentals say it's just a small minority of their customers who are making the problems, and that they've tighten-up their vetting process, that property managers are ensuring compliance with community codes, and that Airbnb is now paying taxes to the City of San Diego.

The small property owners who utilize sites like Airbnb are not in the majority. The Voice of San Diego found:

Most of San Diego's short-term rentals are run by property managers who don't live on-site — not by homeowners renting out a room or two. …

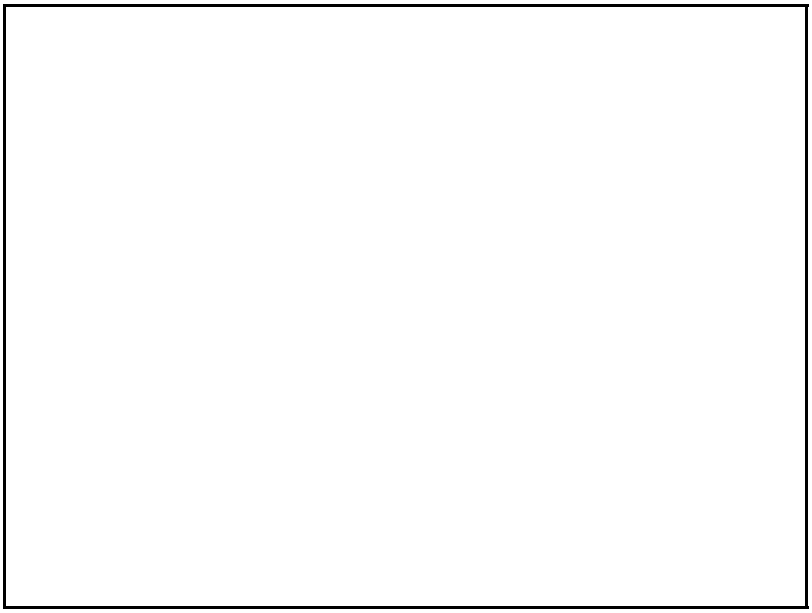
Twenty of the city's top short-term rental management companies operate about 40 percent of those units, with each operating between 20 and 109 rental units. Another 22 percent of the registered short-term rentals are run by small companies and individuals who list at least three units.

That leaves a little more than a third of short-term rentals registered with the city run by individuals who list just one or two units.

Yet, no matter the back and forth, the arguments for and against, there is something that is not being specified clearly enough, that is being left out of the common complaints and discussion of the positives and negatives of short term rentals. The Save Neighborhoods group comes closest to enunciating it:

These mini-hotels are changing the character of residential neighborhoods across San Diego, as long-term renters and families are being priced out of the housing market. We are quickly losing our neighborhoods.

This 'change of neighborhood character' and loss of long-term rentals is very significant. But we would go further, and say that one of the greatest threats to neighborhoods along the coast like Ocean Beach from Airbnb and short-term vacation rentals is something of great consequence – literally – the loss of community.



Craftsman house being rehabbed on Muir Street for a short term vacation rental.

When a significant number of residential units in a neighborhood are taken off the long-term (30 days or more) rental market, and turned into short-term vacation rentals, there are multiple results or consequences that impact that neighborhood, positive and negative.

For one, when a good number of rental units are utilized as vacation bits of heaven, there are fewer rental units available for people looking to actually reside in the neighborhood. Fewer rentals drives up the rents.

According to Save San Diego Neighborhoods:

STVR diminish housing supply for citizens who hold jobs and create businesses that generate more jobs, sales tax revenue and property tax revenue for the City. STVR have rapidly proliferated in residential zones, from a few hundred in 2007 to several thousand in 2015. Currently, there

are thousands of STVR in residential zones in all parts of the City – these are thousands of homes that are NOT available for people who want to work and live in San Diego.

Housing shortages in any area ripple out to affect all other areas of the City, making it harder for everyone to find and afford a home. STVR also make housing harder to obtain because STVR investors can offer cash or better payment options than a working family wanting to buy a house.

Airbnb and other short-term sites have worsening the housing shortage in Los Angeles, according to the LA Times.

However, on top of housing shortages, the even more drastic consequence of loss of community occurs when there are so many residential units within a neighborhood that have been turned into short-term units, that a goodly-sized chunk of the area has morphed into a resort candyland of beach, surf and sand. There are no longer any actual residents in the immediate neighborhood, and every unit is utilized as a vacation rental – every condo, every McMansion, every apartment, every little cottage – no longer are the houses of residents – the human make-up of a community – but of visitors.

Without actual residents then, that portion of the neighborhood as "a community" collapses into a mishmash of rental and property managers, online rentals, private trash and private security details.

Parts of Mission Beach come to mind – specially South Mission – where the 3-story mansions line the Boardwalk are vacation rentals, time-shares and where no one really lives there, and where every unit is now a vacation unit. And this is not to disrespect those in Mission Beach and Mission Bay trying to hang onto whatever remains of a once vibrant community.

But along the streets and alleys in Mission Beach and Mission Bay, vacation rentals line up next to each other, taking over block after block of prime seaside land, gloriously sandwiched between the ocean and the bay, dominating entire sections of the neighborhood. And this has occurred in conjunction with the obvious gentrification of Mission Beach and Bay.

If it was only a rental here and there, there wouldn't be any problems, but at the beach, that's a dream. And of course, only the neighborhoods where visitors want to spend time suffer the most impact.

Mission Beach is not a large community. In a recent search on Airbnb for Mission Beach, nearly 350 vacation rentals turned up. A search of Mission Bay came up with 619 total rentals where 524 or 85% were the entire place.

The problem occurs when for residents and local small property and home owners develop the motivation to turn their condo, cottage, second unit, apartment or house over to short-termers who will pay big bucks instead of keeping the interests of the community over that of the immediacy of cashing-in.

Mission Beach map of flipkey vacation rentals.

If there's no one left to care about the community or that section of it, then there is no community.

This could be obvious. But take a walk or bike ride along the boardwalks that run along Mission Beach and Mission Bay. Try to count the buildings where actual residents live. It's depressing.

This is the same threat, now, aimed at Ocean Beach. If enough little cottages, homes, apartments are turned into vacation rentals, then this is a larger threat to the culture of Ocean Beach than gentrification.

Never happen in OB, you say?

Let's look at some numbers. A July study of Airbnb and the units they have available for OB showed that on July 8, 2015, they advertised 212 rental spaces, of which 157 were the "entire place" (74%), 51 were private rooms and 4 were a shared room. The average rental rate was $189 a night.

Map of flipkey rentals.

The next day, July 9th, we looked at VRBO, a similar online rental company. It advertised between 178 to 184 rentals in Ocean Beach. Most – 74 – were 2-bedrooms, 48 were 1-bedrooms, and 14 were 3-bedrooms

Another review of Airbnb in August showed that the company for OB had 198 rentals, of which 141 were for the entire place – 71%, for an average of $178 a day, 53 private rooms and 4 shared rooms.

Gee, you might say, these are really reasonable rates to stay at the beach – and they are – if they were staying at a resort hotel – but they're not! They're staying in a community where real people have to make real rents and real mortgages.

Look at the context. According to the demographics of Ocean Beach from the OB Planning Board website, there are 7914 residential units in the OB Planning Area (a smaller area than "92107"). If six out of every 7 OBceans rents, then it would be safe to say that there are roughly 6350 rental units in OB.

If hundreds of these units are being turned into STVRs, that is significant. Without dealing with any overlap, let's say we combine the numbers from Airbnb and VRBO for OB. We then are looking at 335 units as vacation units. That's five per cent of the total number of rental units. That's a huge number and percentage for a long-term rental market in Ocean Beach that is already tight.

The loss of community for Ocean Beach is one of the chief threats from this so-called "sharing economy". If significant sections of OB are no longer available for residents, then there are no longer residents available for OB.

As a woman who was complaining about short-term rentals said at the recent OB Town Council meeting, said:

"Rather than a good vacationer next to me, I'd rather have a neighbor."

OBceans need to be vigilante on this issue. It isn't over yet. Along with gentrification, short-term vacation rentals have the ability to undermine parts of the community, change the character of the neighborhood for the worse and turn a vibrant village into a beach resort for vacationers.

_____

Here's some of what the **Short-Term Rental Alliance** states on their website:

About The Short Term Rental Alliance of San Diego

The Short Term Rental Alliance of San Diego is comprised of individuals who share a portion of, or their entire home(s) on online websites/services such as AirBNB, VRBO, Homeaway, Tripping, Roomorama, and countless others. The majority of us live on the property we invite others to stay in/on, and started utilizing these services as a means to pay bills, mortgage, other debt, etc. …

Our Mission

The Short Term Rental Alliance of San Diego will lobby and collaborate with city and other local politicians to develop, outline, and implement meaningful regulations regarding short-term rentals within the City of San Diego.

Our Story

… Hosts list a portion (or in some cases all) of their home(s) on a home sharing website, such as AirBNB. In the case of AirBNB, if someone is interested in booking a host's listing, they submit and inquiry through the website. Once the host approves the guest for their stay, AirBNB collects

the money (plus a service fee) and holds that money until the guest's stay has begun. Once a guest "checks in," AirBNB sends the money (minus a service fee) to the host for the guest's visit.

San Diego, like many other cities, has regulations for transient (short-term) guests that were created many years ago to prevent commercial lodging operations from taking place in residential parts of the city. These regulations also place taxation requirements on transient guests, who are to be taxed based on the total price of their stay – again regulations meant for commercial operations such as hotels, motels, commercial bed & breakfasts, etc.

… Fast forward to 2015. AirBNB has over 3,490 listings in San Diego alone. The majority of these listings are individuals sharing a portion of their home and go largely unnoticed to neighbors. Guests come and go without incident, and get to experience life in San Diego without being stuck in a hotel room. There are also some individuals who have made a business out of home sharing, and have multiple properties listed on home sharing websites.

98% of home sharing hosts never have an issue with their guests. That doesn't mean the likelihood of that happening is gone 100%. Just like there's a chance at having a neighbor move in next door who causes problems in the neighborhood – so is the possibility with home sharing. The hosts/listing that have come "onto the radar" usually are due to disruptions to neighbors in the form of loud/unruly guests, parking issues, or other complaints.

In any case, here's what has happened to some of our member hosts:

- Unhappy neighbors (either due to problems with guests, or lack of support for home sharing) have complained to police, code enforcement, and other city departments, causing these departments to scrutinize the home sharing industry.
- Code enforcement has cited hosts/listings for code enforcement violations, "unlawful" living spaces, or cited structures for not being up to building code (even though the structure was purchased as-is with no code enforcement issues previously).
- The city treasurer has begun to track down home sharing hosts, and issue Transient Occupancy Tax and Tourism Marketing District tax

bills to hosts for past years (with no proof of money charged/earned) and attached the maximum 25% late penalty. This has resulted in tax bills in the amount of $8000-$40,000+ for some hosts. …

… In January of 2015, we first met to discuss our respective home sharing stories, issues with the city, and decided that time for change is long overdue. Thus, we formed the Short Term Rental Alliance of San Diego, and hope to see positive change in how the city recognizes and governs the home sharing industry in America's Finest City.

And here is some of what **Save San Diego Neighborhoods** says on their website:

We need your support – Help us preserve our neighborhoods by stopping mini-hotels in single-family zones

Slip-sliding away, slip-sliding away …

Data obtained by Inside Airbnb on June 22, 2015 shows that the majority, 65% (2,283 out of 3,530), of Airbnb listings in San Diego are "Entire Homes or Apartments" being rented out in their entirety.

An estimated 999 homes are being rented out for more than 60 nights out of the year – in fact for an average 155 nights of the year at $196/night. These mini-hotels are changing the character of residential neighborhoods across San Diego, as long-term renters and families are being priced out of the housing market. … We are quickly losing our neighborhoods.

WHAT is the issue?

Commercial businesses in the form of mini-hotels, sometimes called Short Term Vacation Rentals, are proliferating in neighborhoods that are zoned for non-commercial, single-family dwelling use only.

WHY should I care?

You may think that this is confined to the beach and coastal areas but this problem is spreading across the city. With STVR comes noise, overflowing trash cans, strangers coming and going from the neighborhood, drunken

parties late at night during the week as well as weekends and numerous other nuisances.

WHO are we?

Save San Diego Neighborhoods is a non-profit, grassroots organization of San Diego homeowners who believe that STVRs are a threat to the fabric of our communities and that the city is not enforcing the Municipal Code regarding these STVRs in our neighborhoods. Some of us have been fighting this battle for almost a decade.

HOW do we propose to fix this problem?

With a huge push from citizens such as us, the city is finally drafting regulations to control STVR. We continue to work with the city. We also intend to follow a legal strategy that may include asking the courts to tell the city to enforce the Municipal Code as we seek to rid our communities of these destructive commercial entities. It may sound extreme, but we are moderate people who have exhausted all our other options. …

Proposal for Regulation of Short-term Vacation Rentals (STVR) in San Diego

SaveSanDiegoNeighborhoods.org supports:

1. We are NOT against a homeowner living onsite and renting out a room on a short-term basis, provided the owner obtains necessary permits and pays appropriate taxes.
2. We ARE AGAINST entire homes being used as short-term vacation rentals with no owner living onsite.
3. We want San Diego's ordinance enforced as written, with no changes (see Legal).
4. Where permitted, we support short-term vacation rental permits with adequate conditions and fees, and for effective and timely noise complaint response using Police Investigate Service Officers (PISO) funded by a cost-recovery fee included with permit fees.

Here is how the San Diego U-T described the new draft rules for short term rentals:

Under the proposed ordinance offered up by city planners, there would be a new category for short term vacation rentals of an entire dwelling unit that includes strict guidelines for addressing growing neighborhood concerns about noise, overcrowding and disorderly conduct. Additionally, the municipal code's existing boarder and lodger regulations have been expanded to permit short term stays by families or a maximum of two adults in a home where the owner is present.

While current rules for renting out a room in one's home for under 30 days can vary by residential zones and communities, the applicable regulations generally fall under the city's bed-and-breakfast category, which in most instances requires a special permit that can take as long as a year to secure.

What remains unanswered, though, is the question of how frequently homes and rooms can be rented to visitors. City Council members have offered suggestions ranging from minimum 21-day stays when an entire home is being rented to no restrictions at all.

Regulating short-term vacation rentals in San Diego

Short term rental of an entire single family home

Current rules: There is no specific language in the municipal code defining "short term vacation rentals." Rentals under 30 days for a whole dwelling unit are currently allowed, with no restrictions on duration of stay.

Proposed regulations: For the first time, there would be a new municipal code section specifically defining short term vacation rentals. Rental agreements that address the allowable number of occupants and city noise limit rules and remedies would be required. Owners would also have to provide a local contact person responsible for responding to noise and disorderly conduct issues. Rules on how many guests are permitted and how frequently homes could be rented for stays under 30 days are left to City Council to decide.

Short-term rental of an entire multi-family unit

Current rules: Short term stays are permitted, but may be limited to a minimum of 7 days.

Proposed regulations: Same as those for single-family homes; council would decide occupancy and frequency limits. In multi-family complexes, no more than 25 percent of the units could be rented out for short-term stays.

Shared lodging: renting a room within a home

Current rules: Home sharing for short-term stays is now generally governed by bed and breakfast regulations. Such rentals are allowed as long as the owner of a single-family home is present. A special use permit is needed that requires notification to neighbors and can take months to obtain. A separate "boarder and lodger" category allows short term stays of at least 7 days in multi-family dwellings, and no permit is required.

Proposed regulations: Existing board and lodging regulations would be expanded to allow home sharing, provided that the property owner is present. A maximum of two adult guests would be permitted under one rental agreement. In cases where an owner wants to rent to more than one set of guests at the same time, a special use permit would be required. City Council will need to decide how often rooms could be rented within a home. A minimum of one parking space per two boarders would be required.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:21 AM
To: SanDiegoSTR@Coastal
Subject: FW: Sharing Economy Negative Impact Europe

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 3:17 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Sharing Economy Negative Impact Europe

Mr. Llerandi:

This story from The Guardian, 2018 presents an international perspective to the issues of the "sharing economy" and some of the difficulties the abrupt arrival of STRs have given to municipalities around the globe. Although STRs will remain, it's vital that they get regulated with the same laws that govern other businesses.

Trudy Grundland
335 Ricardo Place, La Jolla, CA 92037
858-210-0190
trudygrundland@yahoo.com
February 17, 2022

https://www.theguardian.com/commentisfree/2018/aug/31/airbnb-sharing-economy-cities-barcelona-inequality-locals

Airbnb and the so-called sharing economy is hollowing out our cities | Gaby Hinsliff

The banner hung from a third-floor balcony, unfurling itself almost all the way down to the cobbles of the square. *Barcelona no està en venda*, it read, in large hand-painted letters: the city is not for sale. It wasn't the first such slogan we'd seen in only an hour or so strolling around the narrow, winding streets of Barcelona's beautiful old quarter last week, and naturally our curiosity was piqued. Something to do with gentrification, or developers maybe? Well, partly. But, disconcertingly, it turned out to have quite a lot to do with people like us, and possibly you too.

Or to be more precise, with the multibillion-pound global phenomenon that is Airbnb. As it happens, I'm boringly old school enough to have stayed in a hotel this time, but the airport bus was full of young families chattering about picking up their flat keys via the site that is famous for letting people rent their houses out to strangers. And Barcelona is far from the only place in which Airbnb is accused of turning summer sour.

Amsterdam is heavily restricting short-term lets by residents after street protests against the swamping of the city by tourists last year. It's the same story from Paris to Berlin, Venice to Lisbon. Even in Cornwall, at the height of this summer's heatwave, tourist chiefs took the unusual step of asking holidaymakers to avoid some popular beaches after coastal roads became gridlocked, leaving locals struggling to get on with their daily lives. People in Cornwall are more than used to being overrun in August, but lately something seems to be upsetting the eternally delicate balance between grockle and local, and chief suspect seems to be an unplanned, somewhat unpredictable explosion in Airbnb lets on top of the longstanding hotel and holiday cottage trade.

At least in the West Country things tend to calm down in September. Barcelona is a city-break destination practically all year round, which means it's struggling with more than just a surfeit of drunken stag parties and queues outside tapas bars. Landlords have realised they can make more money out of short lets to well-off Airbnb users than from renting to conventional tenants who live and work in the city year round, so when contracts come up for renewal it's not uncommon to find the rent suddenly shooting up to levels that young Spaniards can't pay. Once they're forced out of the neighbourhood, the empty flat promptly disappears into what's still sometimes euphemistically known as the "sharing economy", although what happens next sounds like the antithesis of sharing. Those lucky enough to own a desirable property get steadily luckier, by pimping it out to the highest bidders. Meanwhile, those who don't have such an asset become ever less likely to get one, as property prices are pushed up across the city. Thus does inequality harden, and resentment deepen, while the failure of mainstream parties to solve the problem drives the young and frustrated ever closer to the political fringes.

The young woman in a Barcelona barber's shop who matter-of-factly explained what the slogans were about, while running her scissors over my husband, had long ago given up on buying in the city where she grew up. But now she's not even sure how long she'll be able to rent. The tourist's dilemma has always been that descending on idyllic places tends to ruin them for people who live there, but what's unusual in this case is that the effects run so deep.

So much for the earnestly hippyish vibe of the original Airbnb model, which was supposed to be all about creating a cosy-sounding "global community" by linking up

adventurous strangers in search of more authentic, home-from-home travel experiences. And so much, too, for the idea of democratising the travel industry by letting the little guy make a buck on the side. In some tourist hotspots Airbnb is now morphing from an amateur operation into a slick professional one, with landlords amassing multiple properties just as they once did with buy-to-let, and using agencies to manage their burgeoning empires.

The romantic, if sometimes risky, fantasy of swapping lives with a local for a few nights and seeing the city through their eyes is being replaced with a more corporate, impersonal experience. Sign here for the keys; check out promptly in time for the next guest to arrive. Too bad that what could have been a young couple's starter flat is now just another asset to be sweated, and one that probably stands empty half the time.

‘Along with other Spanish cities, Barcelona has moved to limit the Airbnb effect, with licensing schemes and curbs on new rentals in the old town.’ Photograph: Alamy

And if it’s uncomfortable knowing that your cheap getaway comes at such a hidden cost, guilt seems unlikely to put many travellers off. After all, pangs of conscience about climate change didn’t stop millions of us taking cheap no-frills flights back in the days when it was easyJet that was disrupting the holiday market. But this is about more than what individuals choose to do with their summers. It’s about how modern markets function, and what happens when governments either won’t intervene or can’t quite work out how to do so quickly enough. Along with other Spanish cities, Barcelona has moved to limit the Airbnb effect with licensing schemes and curbs on new rentals in the old town. But if we’ve learned anything from the Ubers and the Amazons and the Facebooks, it’s that by the time the unwanted human consequences of digital disruption become obvious, much of the damage is often already done.

What really struck the Barcelona hairdresser, however, was that when she travelled she heard similar stories. Cities all over the globe seem to be eating themselves, squeezing out the young and the skint and the creative, who are all too often the people who made them achingly hip in the first place. It manifests itself differently in different places, of course: London had a housing affordability crisis before Airbnb was even invented. Soaring prices from Berlin to Vancouver to Sydney have been blamed on everything from cheap borrowing and foreign speculation to changing demographics and government failure to build enough social housing, none of which are remotely the fault of second-home owners turning a quick profit.

But the common thread is a sense that, for whatever reason, markets are not delivering for the young in a post-crash world; that digital disruption only makes things more unpredictable; and that years of politicians earnestly promising to do something about it have come to pitifully little. All of which is a statement of the bleeding obvious now, a truth so universally accepted that it’s almost completely lost its power to shock – until seen from a slightly fresh perspective. But then that’s the thing about travel. Sometimes you go halfway round the world only to notice what was under your nose all along. Gaby Hinsliff is a Guardian columnist

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:21 AM
To: SanDiegoSTR@Coastal
Subject: FW: STR Airbnb Complaint has been submitted

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 3:50 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: STR Airbnb Complaint has been submitted

Mr. Llerandi,

Re: the extremely low base price of $108/nt. (never available, not for one person, not on any date) for a house that sleeps 14, 600' from ocean, La Jolla.

Trudy Grundland

Begin forwarded message:

From: no-reply@reportfraud.ftc.gov
Subject: Complaint has been submitted
Date: December 17, 2021 at 12:00:34 PM PST
To: trudygrundland@yahoo.com

We Have Your Report!

Report number: 143017791

Thank you for filing a report with the Federal Trade Commission and helping to fight fraud in your community.

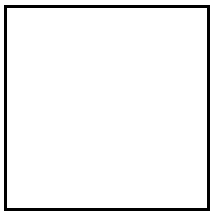
The FTC does not resolve individual reports, but your report will be entered in the FTC's Consumer Sentinel database and will be available to federal, state, and local law enforcement across the country.

Your Next Steps

General Advice:

- **You can find tips and learn more about bad business practices and scams at consumer.ftc.gov.**

Want To Learn More?



You can get answers to common questions the FTC gets about filing a report at **ReportFraud.ftc.gov/FAQs**.

You can also update your report with more details at **ReportFraud.ftc.gov/Update**.

Find out what is going on in your state or metro area at **ftc.gov/exploredata**.

Check out **ftc.gov/refunds** to see recent FTC cases that resulted in refunds.

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:29 AM
To: SanDiegoSTR@Coastal
Subject: FW: STR managers need to be licensed & have to comply with STR rules

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From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 9:12 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: STR managers need to be licensed & have to comply with STR rules

Mr. Llerandi:

During January ’22 I gathered signed comments about STRs on the app Nextdoor. This makes good points that rental managers need to be licensed, etc.

Trudy Grundland

James Fox, Muirlands

The vacation rental next to us advertises that the house sleeps 12. This house has been occupied over the years by a family of 4 or 5. The vacation renters' parties have loud music and shouting which disrupt our work during the day and our sleep at night. With San Diego's severe housing shortage, the City should eliminate short term vacation rentals in our residential neighborhoods. A short term vacation rental is a lodging business and such rentals should be limited to commercial zones which have other lodging businesses like hotels and motels.
Couple more thoughts for STVR regulations: The vacation rental managers, like Seabreeze, also should be required to (i) obtain a license to manage STVRs and (ii) comply with the STVR regulations. The vacation managers are the point of contact with the vacation renters and should be held accountable if they rent the house to partiers or for events (like weddings). If the vacation rental managers have some skin in game, this should help with enforcement of the STVR regulations. Noise restrictions should be part of the regulations, since this is a key part of the complaints and nuisance problems with STVRs. For example, do not play music outside the vacation home. Noise should not go beyond the property lines of the vacation home. And quiet hours should be required from 9pm to 9am at the vacation home. See the attached notice we received at a hotel where we were staying.

You

san

Llerandi, Alexander@Coastal

From: SanDiegoCoast@Coastal
Sent: Friday, February 18, 2022 10:25 AM
To: SanDiegoSTR@Coastal
Subject: FW: TOT San Diego regulations - Airbnb Community
Attachments: airbnb-logo-new.svg; globe.svg

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 4:46 PM
To: SanDiegoCoast@Coastal <SanDiegoCoast@coastal.ca.gov>
Subject: Fwd: TOT San Diego regulations - Airbnb Community

Mr. Llerandi:

The comments range from 2016 to present. Scroll down to 24-09-21 to read the city's answer. What amazes me is that people think they can run a business without doing all the "business" stuff like business license, taxes, etc. It's like giving 14 y/o's a car without driving lessons. There have to be clearly defined and enforced regulations just so the STR operators know what they must do.

Trudy Grundland

Begin forwarded message:

From: Trudy Grundland <trudygrundland@gmail.com>
Subject: TOT San Diego regulations - Airbnb Community
Date: January 31, 2022 at 7:15:14 PM PST
To: Trudy Grundland <trudygrundland@yahoo.com>

https://community.withairbnb.com/t5/Help/San-Diego-regulations/td-p/55920

Community Center

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Options

San Diego regulations

Amy-and-Dave0 in
San Diego, CA
Level 1
29-03-2016 11:16 AM
1,026 Views

Hi, I'm new to the Airbnb community. We are just starting out, and I was looking over the San Diego Regulations, and it seems very complicated. Other then the TOT tax form, what other permits are required for renting out a "Back House" that is attached to our main house, which is our primary reseidence? Any help would be appreciated.

Thanks,
Dave

0

11 Replies

Marc-and-Josie0 in
San Diego, CA
Level 1
29-05-2016 10:38 PM

Dave, Did you ever find out the answer to this question? I am wondering the same thing. Correct me if I am wrong but Airbnb collects the TOT tax on our behalf and there is really nothing that we need to do correct? Except maybe apply for the certificate, did you do that?

0

Reply

Maya29 in
San Diego, CA
Level 2
11-11-2016 10:00 AM

I had a meeting with the TOT tax board about this last year. Airbnb does collect the taxes on your behalf, however, you still need to apply for the TOT certificate (which is free) and then every 4 months or so, do a print screen on all the teaxes paid via Airbnb and email it to the TOT office showing that you're paying diligently. Don't forget to include your TOT Certificate number. They will print out a copy and put it in your permanant file. Please take a look at my page. I am very thorough. You don't want any issues with taxes or guests. Suggestion: Leave the Instant Book feature off.

2

Reply

Julie640 in
Rancho Cucamonga, CA
Level 1
20-09-2017 07:31 PM

Hi Maya,

we are thinking to start using Airbnb to rent out our place in gaslamp. what do we need to start? license? Taxes?

It is very confusing and we don't want to get in trouble with the city regulations.

Thank you so much for your help

Julie 🙂

0

Reply

Katalin24 in
San Diego, CA
Level 2
28-04-2019 05:13 PM

Hi Maya,

Did you get any information about hosts who have been renting before 2015? I've been a host since 2012 and I just got a letter from the City of San Diego that I owe them the TOT and TMD taxes, including late fees between 2012-2015. Do you have any info that could help me? Thanks much, Kati

0

Reply

Jessica165 in
Vista, CA
Level 2
24-04-2017 05:38 PM

In our area of San Diego (North County) airbnb wont collect the TOT tax for us so I have to be sure it's done on each rental. It's annoying but important- and then it must be submitted on time to the city. You will want a business license and a TOT license

0

Reply

Rebeca24
Level 1

18-12-2017 01:30 PM

Hello! I am a San Diego State University senior. I am writing an article for my journalism class about how the city council was no able to agree in some proposed regulations for short-term housing in the city and I was wondering if someone is willing to talk to me and share their experience with a platform like this that allows short-term housing and sharing. I can be contacted at [*phone number hidden]* or to my email [*email address hidden*]. This is just for my journalism class and if you have any questions please feel free to contact me. I would really appreciate your help.

Thank you.

0

Reply

Linda3221
Level 2
24-09-2021 04:02 PM

I had the same question and was bent on getting an answer. I was able to get an answer from Ed Nash TOT Administrator and Compliance, City Treasurer City of San Diego. I sent Mr Nash a copy of the email I received from Airbnb re their TOT remittance procedure which is essence say they make “one” remittance for Airbnb Host in which they’ve collected TOT tax. Airbnb confirms they don’t send a certificate# or Hosts name when they remit the payment. I forwarded a copy of Airbnb’s response to Mr Nash. Mr Nash thanked me for forwarding the email. Mr Nash states “The San Diego Municipal Code requires every operator to KEEP RECORDS; see below. You do not need to submit records to us each month”. Mr Nash referenced Section 35.0121 Records in summary it says Operators are required to collect and pay TOT tax and “to keep and preserve, for a period of three years” the business records has to provide sufficient information to determine the amount of the tax the operator is liable for to the City. It also says the records must be available if or when City Treasurer it’s deputies and agents asks to see it and it’s unlawful to refuse their request to see it at all reasonable times. i was trying to attach all the emails but it was taking me too long to find a way yo attach it. So i hope the above answers questions re TOT taxes and their remittance to the it’s Treasurer

1

Reply

Linda3221
Level 2
24-09-2021 04:05 PM

continuation to above. It appears having printed copy with breakdown amount paid by guest and the amount Airbnb collected for TOT tax should be sufficient proof the tax have been collected and sent to the city

1

Reply

Jodi65 in
San Diego, CA
Level 2
22-11-2021 10:17 PM

Thanks for this Linda - there are so many people who will benefit from this info!

0

Reply

Pete2925 in
San Diego, CA
Level 2
12-01-2022 07:58 PM

yes and now we have the new Rental Unit Business Tax permit. Mine costs $60...thanks to our beloved Mayor and City Council

0

Reply

Helen2612 in
San Diego, CA
Level 1
20-01-2022 08:20 AM

I'm brand new to the Airbnb community. So I have a few questions about it. If I'm leaving out of town most of the year for travel and work and I'm putting my house on Airbnb, should I put my house under a LLC? even though patches throughout the year I could be returning to my primary residence when it is not booked for a short period? Does anyone else have a LLC or just insurance?

0

Reply

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[ ]

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Friday, February 18, 2022 12:51 PM
To: SanDiegoSTR@Coastal
Subject: Fwd: MUST READ: March 2019-Airbnb breaks rules in SD!! Inside Airbnb's 'Guerrilla War' Against Local Governments | WIRED

Sent from my iPhone

Begin forwarded message:

> **From:** TRUDY Grundland <trudygrundland@yahoo.com>
> **Date:** February 17, 2022 at 11:39:56 PM PST
> **To:** SanDiegoCoast@coastal.ca.gov
> **Subject: MUST READ: March 2019-Airbnb breaks rules in SD!! Inside Airbnb's 'Guerrilla War' Against Local Governments | WIRED**
>
> Mr. Llenardi:
>
> Scroll down past the car photo and the $137 night rental box. Half way down you'll read how Airbnb paid $300,000 to gather signatures in San Diego to stop the STR ordinance. Councilmember Barbara Bry, District 1, spoke out against how a giant corporation muscled its way to get what it wanted in San Diego. Who's the bad actor? Why do our politicians sell our city to STR operators? We need restrictions on STRs, not give them the red carpet.
>
> Trudy Grundland

https://www.wired.com/story/inside-airbnbs-guerrilla-war-against-local-governments/

Inside Airbnb's 'Guerrilla War' Against Local Governments

The high-profile unicorn is battling cities from Boston to San Diego over collecting taxes and enforcing zoning rules.

Paris Martineau
Mar 20, 2019 7:00 AM

Alyssa Foote; Getty Images

"Read my lips: We want to pay taxes," Chris Lehane, Airbnb's global head of public policy, told the nation's mayors in 2016. In the years since, the home-sharing site has repeated the declaration in press releases, op-eds, emails, and on billboards. On its website, Airbnb says it is "democratizing revenue by generating tens of millions of new tax dollars for governments all over the world."

But when Palm Beach County, Florida, a popular tourist destination, passed an ordinance in October 2018 requiring Airbnb and other short-term rental companies to collect and pay the county's 6 percent occupancy tax on visits arranged through their sites, Airbnb sued.

Palm Beach County tax collector Anne Gannon wasn't surprised. "We knew we were going to get sued," she says. "That's what they do all over the country. It's their mode of operation."

Gannon has been cajoling, threatening, and ordering Airbnb to collect taxes for its hosts since 2014. Five years, three lawsuits, and millions in unpaid occupancy taxes later, she's still trying. "All we want them to do is pay their taxes," she says. "They absolutely don't want to pay their taxes the way we want to collect them. That's the bottom line."

Similar dramas are playing out around the country. From Nashville to New Orleans to Honolulu, Airbnb is battling local officials over requests to collect occupancy taxes and ensure that the properties listed on its site comply with zoning and safety rules. In the past five months alone, the company has spent more than half a million dollars to overturn regulations in San Diego and has sued Boston, Miami, and Palm Beach County over local ordinances that require Airbnb to collect taxes or remove illegal listings. Elsewhere, Airbnb has fought city officials over regulations aimed at preventing homes from being transformed into de facto hotels and requests

from tax authorities for more specific data about hosts and visits.

Airbnb is engaged in "a city-by-city, block-by-block guerrilla war" against local governments, says Ulrik Binzer, CEO of Host Compliance, which helps cities draft and enforce rules for short-term rentals, sometimes putting it at odds with hosting platforms. "They need to essentially fight every one of these battles like it is the most important battle they have."

Founded in 2008 as an early champion of the sharing economy by allowing people to rent homes, apartments, and rooms to others, Airbnb has grown into a lodging colossus, offering more than 6 million places to stay in more than 191 countries. Its listings outnumber those of the top six hotel chains combined, helping the company reportedly generate more than $1 billion in revenue in the third quarter of 2018. It is valued by investors at $31 billion, making it the country's second most valuable startup, after Uber. By comparison, Hilton and Marriott's current market capitalizations are $25 billion and $43 billion, respectively. Earlier this month, Airbnb acquired last-minute hotel booking service HotelTonight, reportedly for more than $400 million.

One reason Airbnb is often a cheap option for travelers: Running a hotel or bed and breakfast is expensive; snapping photos of your home, apartment, or spare room and filling out an online profile is not. Hotels must comply with a litany of health, safety, and zoning rules—as well as register with local agencies and agree to collect certain taxes—before they can book a single guest.

Airbnb maintains that, in some cases, it's not permitted to collect occupancy taxes required of hotels and other lodgings; it's also not responsible for ensuring the rooms and homes listed on its sites comply with zoning or health regulations. The company says it follows local and state laws but considers itself a "platform," serving merely to connect

hosts and visitors, rather than a lodging provider—more akin to Facebook than Marriott.

The onus is on hosts, Airbnb argues, to collect and pay any relevant taxes and to comply with other regulations. In practice, though, few actually do—at least not without considerable effort by local authorities—according to interviews with more than a dozen local government officials and advisers.

Some officials agree with Airbnb. In an early 2018 survey of state tax departments by Bloomberg, officials in 25 states said it was the host's responsibility to pay occupancy tax for an Airbnb stay. Officials in 14 states said they consider it the responsibility of Airbnb or other short-term rental operators. The survey was taken before the US Supreme Court ruled in June that states may collect sales tax from online retailers even when they don't have a physical presence in that state. The survey did not include local authorities, who are often more reliant on revenue from occupancy taxes, especially in popular tourist areas.

To be sure, these aren't Airbnb's taxes, any more than Hilton "pays" taxes for its guests' hotel stays. Rather, the officials sparring with Airbnb want the company to collect and forward the taxes from guests, much as hotels do. Airbnb says it isn't required to collect the taxes in many places; early on, it largely didn't.

That changed around 2014, when Airbnb began striking deals with officials in select cities to collect and deliver taxes from its hosts. It calls these Voluntary Collection Agreements, or VCAs. In Portland, site of the first agreement, city officials legalized home-sharing and lowered the registration fee for short-term rentals around the same time Airbnb agreed to add a 11.5 percent occupancy tax on each booking. It later negotiated similar deals in San Francisco, Chicago, Philadelphia, Washington, DC, and elsewhere. The company says it has signed more than 350 such agreements

nationwide and more than 500 around the world, and has collected more than $1 billion in taxes.

“Some governments have rules requiring platforms like Airbnb to collect and remit taxes, and we make every attempt to comply with these obligations,” says Christopher Nulty, Airbnb’s head of public policy. “However, many governments do not have such rules and so Airbnb has proactively established more than 500 voluntary collection agreements globally to ensure our community is paying their fair share of taxes. We are eager to do everything we can to ensure we are paying our fair share and willing to work with any government that will work with us.”

However, those agreements don’t require hosts to meet other zoning, health, and safety rules, and they prohibit cities from attempting to collect back taxes. Some also create obstacles for local agencies to identify and police hosts who list through the site. Dan Bucks, former director of the Montana Department of Revenue and former executive director of the US Multistate Tax Commission, analyzed some of the few publicly available Airbnb agreements and found that most prevented city officials from learning the names or addresses of Airbnb hosts, making it impossible for officials to enforce local codes. Bucks says the agreements helped Airbnb grow by “providing a shield of secrecy” to hosts. His study was partially funded by the American Hotel and Lodging Association, which is often at odds with Airbnb and other short-term rental companies.

"All we want them to do is pay their taxes."

Anne Gannon, Palm Beach County Tax Collector

Airbnb says its VCAs are designed to help government agencies collect tax revenue, not to help them enforce other laws related to short-term rentals. The company says the agreements show that it is a responsible corporate citizen.

Historically, other online rental services, such as Booking.com, HomeAway, and VRBO, have not collected these taxes in many places. In the past two years, HomeAway and VRBO have begun collecting some occupancy taxes in a handful of areas—sometimes using their own version of a VCA. Booking.com does not offer any occupancy-tax collection services, compounding the revenue drain for municipalities. Booking.com's global communications manager, Kim Soward, says the company pays all required taxes. Expedia Group—owner of HomeAway, VRBO, VacationRentals, and other sites—did not respond to multiple requests for comment.

Airbnb is the undeniable giant of the field, and is reportedly preparing for an initial public offering. About 51 percent of all short-term rental listings in the US are on Airbnb, according to an analysis by Binzer, of Host Compliance. VRBO controls 17 percent of listings and HomeAway 11 percent, he says.

Poster Child

New Orleans was hailed as the poster child for Airbnb's work with local governments after signing a VCA in December 2016. Around the same time, the city struck a deal with Airbnb to legalize short-term rentals while requesting that the company share the names and addresses of hosts, ban certain illegal listings, and create an online system that automatically registers hosts with the city, among other things. Many viewed the deal as a sign Airbnb was learning to live with local taxes and regulations.

Today, city officials say they're disappointed. They say a surge in short-term rentals has exacerbated New Orleans' affordable housing crunch and turned entire residential blocks into de facto hotels. Jane's Place Neighborhood Sustainability Initiative, a local housing group, says there were 4,319 whole-unit Airbnb listings in the city last year, more than double the 1,764 in 2015. The group found that

11 percent of operators, including many from outside Louisiana, control 42 percent of the city's short-term rentals.

The largest operator, a company called Sonder, has 197 short-term rental permits. Nearly 80 percent of Sonder's listings are booked through platforms like Airbnb, according to Sonder's director of communications, Mason Harrison. "That's a different story than the mom-and-pop" narrative that Airbnb often uses to describe its hosts, says New Orleans councilmember Kristin Gisleson Palmer.

City officials say the registration system Airbnb launched in April 2017 didn't give them some data they had requested, such as the identity of the property owner or tenant, the number of bedrooms in the property, and contact information for the property manager. To collect the missing data, city staffers say they had to contact 4,786 applicants over three months. "We could not really effectively use [the data provided] for enforcement and holding folks accountable," Palmer says.

In May 2018, the city council imposed a nine-month freeze in some areas on new permits for renting a home without an owner present. The following month, Airbnb disabled the registration system—including another enforcement-enabling feature, which displayed hosts' license numbers on their Airbnb listings.

A February 15 report by the city's Department of Safety and Permits, obtained by WIRED, states that disabling the registration system caused a year of work by city officials tracking short-term rentals to "disappear overnight." The report concludes that Airbnb and other short-term rental companies had engaged in "deliberate data obfuscation, refusal to provide the required data, and a total failure of cooperation with any enforcement mechanisms pursued by the City." The report notes that Airbnb continues to collect and remit occupancy taxes for its listings in the city.

Airbnb says city officials' description of events is "inaccurate," and that it is supplying all the information that is required. The company says there were "initial bumps in the road that Airbnb was working with the city to address, only to have lawmakers abruptly change the rules in May 2018." Those changes, the company says, made the registration system ineffective.

"Housing affordability is a challenge in New Orleans—in fact 70 percent of our host community have said they rely on the income they make to stay in their homes," Airbnb says. The company says it is committed to working with officials to resolve any concerns.

A February report by the New Orleans Department of Safety and Permits is critical of short-term rental companies.

Blocking New Laws

Airbnb says it complies with laws that require it to collect and pay taxes for hosts. But it has also worked to forestall such laws—even seeking at times to strip cities of authority over short-term rentals. That's what happened in Nashville in late 2017 and early 2018.

As the city inched closer to prohibiting so-called "mini hotels"—non-owner-occupied homes used exclusively as vacation rentals—Airbnb shifted its focus from City Hall to the state Capitol three blocks away. In the latter half of 2017, the company more than doubled the number of lobbyists it employed in Tennessee, to from four to 11, and spent between $225,000 and $350,000 on lobbying between February 2017 and August 2018, according to reports the company filed with the state.

In January 2018, the Tennessee Department of Revenue signed a VCA with Airbnb. The agreement requires Airbnb to collect and pay the 7 percent state sales tax on its bookings, but does not cover the 5 percent occupancy tax in Nashville,

by far its largest market in the state. A few days later, Nashville passed its ordinance prohibiting mini hotels.

Around this time, a political action committee called the Committee to Expand Middle Class By Airbnb, Inc. donated $10,000 to groups representing Tennessee Republicans, according to campaign finance records. The donations included $2,500 to the campaign of state representative Cameron Sexton, who had introduced a bill in 2017 specifying that short-term rentals should not be considered hotels under state law. The bill, known as the Short-Term Rental Unit Act, was drafted in consultation with Airbnb and other short-term rental companies, including HomeAway, according to the *Tennessean*. It included a provision stripping cities of the power to ban existing short-term rentals. The Tennessee General Assembly passed the bill in April 2018.

Local activists say the law cripples cities' ability to tackle an important local issue. "The Tennessee state Legislature and Tennessee's governor decided to severely weaken the basic protections for the health, safety, and well-being of Nashvillians that were created by our local government," John Stern, president of the Nashville Neighborhood Alliance, a residents' group, says via email.

Airbnb says the Tennessee law was the work of "state lawmakers who care deeply about this issue and worked to organize a broad coalition of supporters—including the business, technology, property rights, and home sharing communities." Sexton did not return a request for comment.

Similar scenarios have unfolded elsewhere after cities have moved to restrict short-term rentals. In February 2016, the Austin City Council voted to phase out mini hotels in residential areas by 2022. In the following months, several other Texas cities passed similar restrictions. Then, early in 2017, Texas state lawmakers introduced two bills in the legislature preventing municipalities from banning short-term rentals and enforcing many regulations.

A few months later, in April 2017, Airbnb announced that it had signed a VCA with Texas officials to collect state occupancy taxes. Bennett Sandlin, executive director of the Texas Municipal League, which represents cities, called the deal "a smokescreen to cover the company's refusal to pay taxes." The 2017 bills eventually stalled in the Texas legislature, but lawmakers plan to try again this year.

Airbnb says it has "excellent working relationships" with many Texas cities and hopes to extend the VCA with the state to "new tax agreements with Texas municipalities to help them collect new revenue from home sharing."

Where's the Money?

Gannon, the Palm Beach tax collector, has been tilting at travel companies for a decade. In 2009, she sued Expedia, Orbitz, Priceline, and Travelocity for failing to collect and pay occupancy taxes on the full cost of the hotel rooms they were selling; three years later, the companies settled the suit and agreed to pay nearly $2 million in back taxes.

She then turned to the online home-rental companies. In 2014, she sued Airbnb, HomeAway, and TripAdvisor, alleging they should be classified as "dealers" renting accommodations under Florida law, and thus required to collect occupancy taxes on behalf of their hosts. In January, after five years, a judge ruled that the services were not dealers under Florida law and did not have to collect the taxes for hosts. Gannon is appealing the ruling.

In 2015, the Florida Department of Revenue signed a VCA authorizing Airbnb to collect and remit the 6 percent sales tax for all listings in the state, plus local sales and occupancy taxes for some counties.

Soon after, Gannon asked to see the details of the agreement; state officials told her it was confidential. So she sued the Florida Department of Revenue, alleging that the agency's secrecy violated the state's public records law. A

few hours later, the department faxed a copy of its Airbnb VCA to Gannon's office; she says she was instructed not to share it with anyone. It required Airbnb to provide the state only with aggregate data and allowed the company to withhold "any personally identifiable information" about hosts or guests. Most other VCAs signed with state or local governments contain identical language.

Officials say such details about hosts and their rentals are crucial to enforcing local laws and ensuring the lump sum tax payments match up with detailed data on stays. Shielding names and other details from tax officials "is a gross departure from standard practice," says Bucks, the former tax commissioner.

"We're the middle—the hosts are stuck in the middle."

Maria Vale, Airbnb host in Palm Beach County, Florida

In New Orleans, the February report by the city's Department of Safety and Permits says Airbnb provided officials there with anonymous account numbers in place of addresses or taxpayer identifiers, making it difficult for the city to audit the information. "It is impossible to track whether we are getting all the money that we are supposed to get," says Andrew Sullivan, chief of staff for Palmer, the New Orleans councilmember.

Airbnb disagrees. "Airbnb provides the necessary information to ensure tax payments are accurate, including number of nights, charges, and the amount of tax collected," Nulty says. He says the company welcomes audits; however, many of the company's VCAs prohibit cities from auditing Airbnb more than once every two years.

Airbnb's 2016 VCA with Sonoma County, California.

A Public Clash

Palm Beach County's monthly commissioners meeting is typically a dull affair. But October 16, 2018, was different.

The chambers were packed with people dressed in white, holding hot pink flyers. The reason: Gannon's proposal to amend the county's Tourist Development Ordinance to require platforms such as Airbnb to collect and remit occupancy taxes on behalf of hosts, and to share more data with the county.

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A few weeks earlier, emails from Airbnb had arrived in the inboxes of its hosts in the county. "Home-sharing in Palm Beach County is under attack," many declared in bold letters, asserting that Gannon had proposed an "unfriendly" ordinance that would make hosts' lives more difficult. The emails implored hosts to attend the hearing and "use your voice to oppose this proposal and share the benefits" of home sharing.

Around 100 hosts attended the meeting. But Gannon was prepared. Having seen several of the emails, she assembled a three-page document rebutting what she calls Airbnb's "campaign of misinformation," line by line. The packet was printed on hot pink paper and given to each person who walked through the door.

During the meeting, some hosts expressed doubts about Airbnb's position. Some recalled seeing a message from Airbnb stating that it was collecting and remitting taxes on their rentals, though the company was not. "I have this

underlying fear ... that I am breaking a law that I don't really know about," said Ruth Riegelhaupt-Herzig, an Airbnb host since 2015.

"We thought Airbnb took care of everything, and I was a little scared I was in trouble with the government," host Maria Vale said at the meeting. "All I'm saying is we're the middle—the hosts are stuck in the middle."

Nulty says that Airbnb makes it clear to hosts which taxes it collects via this webpage, which lists areas with VCAs and what taxes they cover. The page does not explain which taxes hosts are required to collect on their own. A different Airbnb page instructs hosts to tell guests to bring extra money when checking in so the host can collect taxes in person. Riegelhaupt-Herzig says that isn't effective, as most guests are wary of paying an additional 6 or 10 percent directly to the host, in addition to the booking charges they paid online through Airbnb.

What's more, all stays booked in the area have a charge labeled "Occupancy Taxes and Fees" added to the final bill, because of the state's VCA. "So for us to turn around and say, 'I'm sorry, you haven't paid the occupancy tax in Palm Beach County,' they think we're scamming them," which isn't good for a reviews-based business, Riegelhaupt-Herzig told WIRED. She says she has been paying the county occupancy tax since October out of her own pocket.

Screenshot of the confirmation for a booking in Palm Beach County, Florida, showing occupancy taxes and fees.

Airbnb

After more than an hour of testimony, commissioner Dave Kerner said Airbnb had allowed its hosts to "be misled" about paying taxes. "That is concerning," Palm Beach County mayor Melissa McKinlay said. "And so I will support this

ordinance today." It was approved unanimously seconds later.

In San Diego last year, Airbnb took a different tack to counter a new law. City officials had signed a VCA with Airbnb in 2015. But they grew unhappy with the setup's lack of transparency and the inability to audit, says San Diego councilmember Barbara Bry. What's more, Airbnb use had skyrocketed in San Diego since then. In March 2015, there were more than 2,600 rental units listed on short-term rental sites in San Diego, according to Host Compliance; by 2019, that total had soared to more than 11,500. Host Compliance says two-thirds of short-term rentals in San Diego are posted on Airbnb. Bry says that the rise of full-time investor-owned short-term rentals in residential areas has hurt enrollment in public schools, transformed neighborhoods into districts of mini hotels, and contributed to a citywide housing shortage.

Last August, the San Diego City Council passed an ordinance that banned the short-term rental of homes that aren't the owner's primary residence and required platforms to collect taxes on behalf of their hosts, effectively overriding their VCA. Bry says she assumed Airbnb would sue, but it didn't. Within days, Airbnb threw its weight behind a movement to overturn the new rules through a citywide referendum.

Public records show Airbnb donated $1.1 million to a California political action committee called "Committee To Expand the Middle Class, Supported by Airbnb, Inc." That group reported spending $300,000 to hire signature gatherers to circulate petitions opposing the San Diego ordinance. Airbnb also directly donated $276,358 to a second group around the same time, records show.

Four weeks after the city council approved the new rules, representatives of Airbnb, HomeAway, and Stand for Jobs delivered more than 62,000 signatures calling for a referendum to rescind the ordinance, nearly twice the number needed to force a citywide vote.

City councilmembers said they didn't want to risk losing the vote, so they rescinded the ordinance, with plans to try again. "I'm disappointed that a corporation reportedly valued at $31 billion descended upon our city with its unlimited millions of dollars and used deceptive tactics to force us to where we are today," Bry said during a council meeting on October 22, just before the council voted to rescind its ordinance.

Airbnb says the petitions garnered so many signatures because the ordinance "would have devastated the local economy, impacted property rights in every San Diego neighborhood, and cost the city millions annually in tax revenue."

The San Diego City Council plans to introduce a new short-term rental ordinance sometime this fall, Bry told WIRED. If Airbnb challenges a new ordinance, Bry says city officials will be more prepared, and will respond with their own public-education campaign and take the contested ordinance to a public vote.

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Airbnb's battles with local officials have intensified since last year's Supreme Court ruling in a case involving online retailers. Some tax experts say the decision undercuts Airbnb's position that it doesn't have to collect taxes for its hosts. "There is no doubt whatsoever now that on a

constitutional basis Airbnb can be required to collect [taxes]," says Bucks. "There is no justification for these special deals anymore." Airbnb says it's monitoring state-by-state developments related to the case.

Airbnb's recent lawsuits against Palm Beach, Boston, and Miami focus on another aspect of those cities' ordinances: a requirement that platforms remove listings that don't comply with the law. Airbnb says the requirements are unconstitutional and technologically unfeasible. But the company does remove illegal listings in its hometown of San Francisco, and has conducted occasional or ongoing purges in New Orleans, Santa Monica, Japan, Berlin, Vancouver, and, briefly, New York City. In New York, Airbnb sued to block a city ordinance requiring it to turn over more detailed information on listings; a judge in January blocked the law from taking effect.

In Boston, city councilor Michelle Wu helped lead the push last year for an ordinance aimed at discouraging hosts from turning apartments and homes into mini hotels. The ordinance requires hosts to register with the city and restricts short-term rentals to owner-occupied units. "Airbnb describes itself as a quaint little home-sharing service … but the reality is that it has grown to be a corporate entity that makes millions of dollars from businesses taking advantage of loopholes and running de facto hotels," she says.

On April 17, Airbnb sent emails to thousands of Boston Airbnb users criticizing Wu. The email claimed that she was aligned with "big hotel interests" and falsely said she intended to place a "restrictive 30-day cap on unhosted stays." Wu says Airbnb never sought to discuss the ordinance or check the claims in the email. Airbnb says Wu's proposal was "anti-tenant, anti-middle class," and "overly restrictive."

The ordinance passed in June. Four months later, Airbnb sued the city, alleging the rules—which went into effect January 1—violate state and federal laws. Wu says the city modeled its ordinance after San Francisco's, which Airbnb

complies with. The Boston lawsuit—much like others recently filed by Airbnb—only challenges requirements that platforms remove illegal listings and share information with local officials to aid enforcement. The suit seeks an injunction against parts of the law, and the city has agreed not to enforce those sections until a judge rules.

A few weeks after Airbnb sued Boston, Massachusetts governor Charlie Baker signed legislation to tax and regulate short-term rentals at both the state and local levels. The law, which goes into effect in July, requires hosts to register with the state. Information about hosts—minus specific house numbers—will be displayed on a publicly available registry, and hosts who run multiple rentals must pay additional taxes. Airbnb says the law will "jeopardize the privacy of our hosts while placing significant and unnecessary burdens" on them. The company says it is working with state officials to address those concerns.

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Airbnb's municipal confrontations have been a boon for Binzer, whose company Host Compliance works with 150 cities to identify short-term rental owners skirting taxes and regulations and to devise an enforcement strategy without striking deals with Airbnb. He used to be an occasional Airbnb host himself—and paid occupancy taxes—when he lived in Tiburon, California; then he was tapped to help local officials quantify Airbnb's business in town. He says cities are

often overmatched by Airbnb, in part because the company periodically tweaks the site in ways that impede tax collectors and enforcement agencies.

For example, Binzer says that until December 2016, Airbnb included the street name of a property in the metadata attached to the listing. Airbnb's terms of service prohibit third parties from scraping its site for this kind of information, but critics say it's crucial for enforcement. Officials in some cities used this data to identify hidden hosts. Then Airbnb removed the street name, and altered the geocoding for listings, changing the latitude and longitude so properties appear in slightly different locations.

"It's a cat and mouse game," Binzer says. "They literally put the pin in the wrong place of where the actual property is."

Airbnb says it shields the street name and other personal information related to hosts "to ensure an added level of privacy when third-party scrape sites aim to compile listing information."

From Negotiation to Litigation

Around the time Palm Beach County Commissioners passed the short-term rental tax ordinance in October, Gannon says she spoke with a representative from Airbnb. She recalls the company floating a gradual implementation strategy: Airbnb would comply with some of the new rules immediately, but others—like a system requiring hosts to be properly registered with tax authorities—would be phased in over time.

Gannon thought that seemed reasonable, as long as Airbnb collected and paid the taxes. But she didn't have time to see the discussion through. A month and a half after the ordinance was passed, Airbnb sued the county. The suit argues Airbnb can't be required to police illegal listings and share host information because "Airbnb is a realization of Congress's [free speech] goals" and a "classic intermediary."

It doesn't question whether the company can be compelled to collect occupancy taxes; Airbnb is not collecting them in the county, though the ordinance went into effect on January 20. HomeAway also sued the county; the suits have since been combined.

"They were just stringing us along until they had their lawsuit ready to file," Gannon says. "It's typical of Airbnb … They're getting ready to issue an IPO and go public."

Airbnb's lawsuit against Palm Beach County, Florida.

Updated 3-21-2019, 5:30 pm EDT: This story was updated to clarify the relationship between the American Hotel and Lodging Association and Airbnb, to clarify a characterization of Airbnb's corporate citizenship, and to add a comment clarifying Airbnb's position about its cooperation with the city of New Orleans. The updated story also makes clear that HomeAway was among the companies that helped draft a Tennessee law and that HomeAway has sued Palm Beach County.

Updated 4-5-2019, 4:50 pm EDT: This story was updated to correct the amount Airbnb spent to oppose a San Diego ordinance.

Updated 4-12-2019, 6:00 pm EDT: This story was updated to incorporate additional comment from Airbnb regarding the company's stance on collecting taxes.

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From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Monday, February 21, 2022 1:38 PM
To: Llerandi, Alexander@Coastal; SanDiegoCoast@Coastal
Subject: Fwd: The economic costs and benefits of Airbnb: No reason for local policymakers to let Airbnb bypass tax or regulatory obligations | Economic Policy Institute

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From: Trudy Grundland <trudygrundland@gmail.com>
Subject: The economic costs and benefits of Airbnb: No reason for local policymakers to let Airbnb bypass tax or regulatory obligations | Economic Policy Institute
Date: February 20, 2022 at 9:28:51 PM PST

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The economic costs and benefits of Airbnb No reason for local policymakers to let Airbnb bypass tax or regulatory obligations

Report • By Josh Bivens • January 30, 2019

Josh Bivens joined the Economic Policy Institute in 2002 and is currently EPI's director of research. His primary areas of research include macroeconomics, social insurance, and globalization. He has authored or co-authored three books (including *The State of Working America, 12th Edition*) while working at EPI, has edited another, and has written numerous research papers, including for academic journals. He appears often in media outlets to offer economic commentary and has testified several times before the U.S. Congress. He earned his Ph.D. from The New School for Social Research. Footnotes with sources at end of report.

Extracts found in this report:

> 10 percent increase in Airbnb listings in a ZIP code leads to a 0.42 percent increase in ZIP code rental prices and a 0.76

percent increase in house prices. They also find that the increase in rents is larger in ZIP codes with a larger share of nonowner-occupied housing.

loss of tax revenue

A further potential cost is the **externalities that property rentals (of all kinds) impose** on neighbors

These potential benefits are likely quite skewed to those with more wealth. While housing is more widely held than most other assets, the total value of housing wealth is (like all wealth) quite concentrated among white and high-income households.

The mirror image of Airbnb's positive supply shock to short-term travel accommodations is its negative supply shock to long-term housing options.

The fact that the cost of long-term housing has become a prime source of economic stress for typical Americans should be considered when weighing the costs and benefits of Airbnb's introduction and expansion.

Airbnb should have to play by the same rules as other lodging providers

Housing costs matter much more to household budgets than short-term lodging costs

Updated March 26, 2019

Summary

"The sharing economy" refers to a constellation of (mostly) Silicon Valley–based companies that use the internet as their primary interface with consumers as they sell or rent services. Because this term is "vague

and may be a marketing strategy" (AP 2019), we refer to these firms less poetically but more precisely as "internet-based service firms" (IBSFs).

Economic policy discussions about IBSFs have become quite heated and are too often engaged at high levels of abstraction. To their proponents, IBSFs are using technological advances to bring needed innovation to stagnant sectors of the economy, increasing the quality of goods and services, and providing typical American families with more options for earning income; these features are often cited as reasons why IBSFs should be excused from the rules and regulations applying to their more traditional competitors.

To skeptics, IBSFs mostly represent attempts by rich capital owners and venture capitalists to profit by flouting regulations and disguising their actions as innovation.

The debates about whether and how to regulate IBSFs often involve theories about their economic costs and benefits. This report aims to inform the debate by testing those theories. Specifically, it assesses the potential economic costs and benefits of the expansion of one of the most well-known of the IBSFs: the rental business Airbnb.

Airbnb, founded in 2008, makes money by charging guests and hosts for short-term rental stays in private homes or apartments booked through the Airbnb website. It started in prototype in San Francisco and expanded rapidly, and is now operating in hundreds of cities around the world. Airbnb is frequently depicted as a boon for travelers looking for lower-cost or nontraditional accommodations, and for homeowners looking to expand their income stream.

But in many local markets, the arrival and expansion of Airbnb is raising questions about its potential negative impacts on local housing costs, quality of life in residential neighborhoods, employment quality in the hospitality industry, and local governments' ability to enforce municipal codes and collect appropriate taxes.

In our cost-benefit analysis, we find:

- **The economic costs Airbnb imposes likely outweigh the benefits.** While the introduction and expansion of Airbnb into U.S. cities and cities around the world carries large potential economic benefits and costs, the costs to renters and local jurisdictions likely exceed the benefits to travelers and property owners.

- **Airbnb might, as claimed, suppress the growth of travel accommodation costs, but these costs are not a first-order problem for American families.** The largest and best-documented potential benefit of Airbnb expansion is the increased supply of travel accommodations, which could benefit travelers by making travel more affordable. There is evidence that Airbnb increases the supply of short-term travel accommodations and slightly lowers prices. But there is little evidence that the high price of travel accommodations is a pressing economic problem in the United States: The price of travel accommodations in the U.S. has not risen particularly fast in recent years, nor are travel costs a significant share of American family budgets.

- **Rising housing costs are a key problem for American families, and evidence suggests that the presence of Airbnb raises local housing costs.** The largest and best-documented potential cost of Airbnb expansion is the reduced supply of housing as properties shift from serving local residents to serving Airbnb travelers, which hurts local residents by raising housing costs. There is evidence this cost is real:
    - Because housing demand is relatively inelastic (people's demand for somewhere to live doesn't decline when prices increase), even small changes in housing supply (like those caused by converting long-term rental properties to Airbnb units) can cause significant price increases. High-quality studies indicate that Airbnb introduction and expansion in New York City, for example, may have raised average rents by nearly $400 annually for city residents.

    - The rising cost of housing is a key problem for American families. Housing costs have risen significantly faster than overall prices (and the price of short-term travel accommodations) since 2000, and housing accounts for a significant share (more than 15 percent) of overall household consumption expenditures.

-
- **The potential benefit of increased tourism supporting city economies is much smaller than commonly advertised.** There is little evidence that cities with an increasing supply of short-term Airbnb rental accommodations are seeing a large increase in travelers. Instead, accommodations supplied via Airbnb seem to be a nearly pure substitution for other forms of accommodation. Two surveys indicate that only 2 to 4 percent of those using Airbnb say that they would not have taken the trip were Airbnb rentals unavailable.
    - Studies claiming that Airbnb is supporting a lot of economic activity often vastly overstate the effect because they fail to account for the fact that much of this spending would have been done anyway by travelers staying in hotels or other alternative accommodations absent the Airbnb option.

-
- **Property owners do benefit from Airbnb's capacity to lower the transaction costs of operating short-term rentals, but the beneficiaries are disproportionately white and high-wealth households.** Wealth from property ownership is skewed, with higher-wealth and white households holding a disproportionate share of housing wealth overall—and an even more disproportionate share of housing wealth from nonprimary residences because they are much more likely to own nonprimary residential property (such as multi-unit Airbnb rentals).

- **The shift from traditional hotels to Airbnb lodging leads to less-reliable tax payments to cities.** Several large American cities with a large Airbnb presence rely heavily on lodging taxes. Airbnb has largely blocked the ability of these cities to transparently collect lodging taxes on Airbnb rentals that are equivalent to lodging taxes on hotel rooms. One study found that the voluntary agreements Airbnb has struck with state and local governments "[undermine] tax fairness, transparency, and the rule of law."

- **City residents likely suffer when Airbnb circumvents zoning laws that ban lodging businesses from residential neighborhoods.** The status quo of zoning regulations in cities reflects a broad presumption that short-term travelers likely impose greater externalities on long-term residents than do other long-term residents. Externalities are economic costs that are borne by people not directly engaged in a transaction. In the case of neighbors on a street with short-term renters, externalities include noise and stress on neighborhood infrastructure like trash pickup. These externalities are why hotels are clustered away from residential areas. Many Airbnb rental units are in violation of local zoning regulations, and there is the strong possibility that these units are indeed imposing large costs on neighbors.

- **Because Airbnb is clearly a business competing with hotel lodging, it should be subject to the same taxation regime as hotels.** In regard to zoning regulations, there is no empirical evidence that the net benefits of Airbnb introduction and expansion are so large that policymakers should reverse long-standing regulatory decisions simply to accommodate the rise of a single company.

Overview of the economics of Airbnb

Airbnb runs an online marketplace for short-term lodging rentals. It largely does not own dwellings or real estate of its own; instead, it collects fees by acting as a broker between those with dwellings to rent and those looking to book lodging.

The perception that Airbnb tries to foster is that its "hosts" are relatively typical households looking to earn supplementary income by renting out rooms in their homes or by renting out their entire residence when they're away. Critics argue that Airbnb bookings have become increasingly concentrated among a relatively small number of "hosts" that are essentially miniature hotel companies.1

Potential economic benefits

At a broad level, the potential economic benefits and costs of Airbnb are relatively straightforward.2

The key potential benefit is that property owners can **diversify the potential streams of revenue** they generate from owning homes. Say, for example, that before Airbnb arrived in a city, property owners setting up residential rental properties faced transaction costs so high that it only made economic sense to secure relatively long-term leases. These transaction costs incurred by property owners could include advertising for and screening of tenants and finding alternative accommodations for themselves if they were renting their own dwellings. But if the rise of internet-based service firms reduced these transaction costs and made short-term rentals logistically feasible and affordable for the first time, it could allow these property owners to diversify into short-term rentals as well as long-term rentals.

Another potential benefit is the **increased supply (and variety) of short-term rentals** available to travelers. This increased supply can restrain price growth for short-term rentals and make traveling more affordable.

Finally, one well-advertised potential benefit of Airbnb is the **extra economic activity that might result** if the rise of Airbnb spurs an increase in visitors to a city or town. Besides the income generated by Airbnb property owners, income might be generated by these visitors as they spend money at restaurants or in grocery stores or on other activities.

Potential costs

The single biggest potential cost imposed by Airbnb comes in the form of **higher housing costs for city residents** if enough properties are converted from long-term housing to short-term accommodations. If property owners take dwellings that *were* available for long-term leases and convert them to short-term Airbnb listings, this increases the supply of short-term rentals (hence driving down their price) but decreases the supply of long-term housing, increasing housing costs for city residents. (We refer to all long-term costs of shelter as "housing," including rentals and owners' equivalent rental costs.)

Another large potential city-specific cost of Airbnb expansion is the **loss of tax revenue**. Many cities impose relatively steep taxes on short-term lodging, hoping to obtain revenue from out-of-town travelers to spend on local residents. The most common and straightforward of these revenue raisers is a tax on traditional hotel rooms. If Airbnb expansion comes at the expense of traditional hotels, and if the apparatus for collecting taxes from Airbnb or its hosts is less well-developed than the apparatus for collecting taxes from traditional hotels, this could harm city revenues.

A further potential cost is the **externalities that property rentals (of all kinds) impose** on neighbors, for example, noise and/or use of building facilities. Since hosts are often not on-site with their renters, they do not bear the costs of these externalities and hence may not factor them into rental decisions. Of course, one could argue that such externalities are also incurred with long-term rentals not arranged through Airbnb. But if the expansion of Airbnb increases total short- and long-term rental activity, or if short-term rentals impose larger externalities than long-term rentals, then Airbnb expansion can increases these externalities.

Finally, if Airbnb expansion comes at the expense of traditional hotels, it could have a **negative impact on employment**. First, since some of the labor of maintaining Airbnb lodgings is performed by the property owners themselves, the shift to Airbnb from traditional hotels would actually reduce employment overall. Second, since the task of cleaning and maintaining rooms and even greeting Airbnb renters is often done by third-party management firms, the shift from the traditional hotel sector to Airbnb rentals could degrade job quality.

The rest of this report evaluates the potential scope of each of these benefits and costs, and ends with an overall assessment of the effect of Airbnb expansion.

Potential benefits of Airbnb introduction and expansion in U.S. cities

This section elaborates on the potential benefits identified in the previous section. For each benefit, it assesses how likely the benefit is to emerge, provides empirical estimates of the magnitude of the benefit, and discusses the likely distribution of the benefit.

Potential benefit one: Property owners can diversify into short-term rentals

The most obvious benefit stemming from the creation and expansion of Airbnb accrues to property owners who have units to rent. Owners of residential property have essentially three options for earning a return on the property: They can live in the residence and hence not have to pay rent elsewhere, they can rent it out to long-term residents, or they can rent it out to short-term visitors.

If the only barrier to renting out residential property to short-term visitors were the associated transaction costs, then in theory the creation and expansion of Airbnb could be reducing these transaction costs and making short-term rental options more viable. It does seem intuitive that transaction costs of screening and booking short-term renters would be higher over the course of a year than such costs for renting to long-term residents (or the costs of maintaining owner-occupied property). However, the potential benefits are only the *difference* between what the property owner earned before the introduction of Airbnb and what the property owners earned from short-term rentals booked through the Airbnb platform.

These potential benefits are likely quite skewed to those with more wealth. While housing is more widely held than most other assets, the total value of housing wealth is (like all wealth) quite concentrated among white and high-income households.

Further, because of the myriad benefits of owning one's own residence, it is likely that much of the benefit of Airbnb's introduction and expansion accrues to those with more than one property (one for occupying and one or more for renting).3 The distribution of property wealth generated by nonprimary residential real estate is even more concentrated than housing wealth overall. **Figure A** shows, by wealth class, the distribution of housing wealth overall and of housing wealth excluding owner-occupied housing.

Housing wealth—particularly wealth from owning a nonprimary residence—is skewedShare of total primary and nonprimary household housing wealth in the U.S. economy held by each wealth class, 2016

Created with Highcharts 4.0.3PrimaryNonprimaryBottom50percentBottom80percentTop 20percent80th-90th90th-95th96th-99thTop 1percent0255075100%

Note: Primary housing wealth is wealth from owner-occupied housing. Nonprimary housing wealth is wealth from nonowner-occupied housing. The wealth classes depicted overlap, with the top 20 percent broken down into households falling within the 80th to 90th, 90th to 95th, and 96th to 99th percentiles.

Source: Author's analysis of microdata from the Federal Reserve Board Survey of Consumer Finances (2016)

This figure shows that the potential benefits of Airbnb introduction and expansion to property owners are highly concentrated. To put it simply, any economic occurrence that provides benefits proportional to owning property is one that will grant these benefits disproportionately to the wealthy. In 2016, for example, 60.0 percent of primary housing wealth (housing wealth in households' primary residences) was held by the top 20 percent of households. (Not shown in the figure is that this share has increased by 5.4 percentage points since 1989.) As we noted earlier, however, many Airbnb listings are actually owned by households with multiple units to rent. Given this, Figure A also shows the share of housing wealth from nonprimary residences held by various groups. This

“nonprimary housing wealth” is far more skewed. For example, the top 20 percent hold 90.1 percent of this type of wealth.

Figure B shows the distribution of housing wealth by race and ethnicity. Across racial groups, more than 80 percent of wealth in one’s primary residence was held by white households. African American households held just 6.5 percent of wealth in primary residences, Hispanic households held 6.0 percent of this type of wealth, while households of other races and ethnicities held 6.9 percent. Not shown is the change in the share of wealth in primary residences held by racial and ethnic groups: Primary housing wealth held by nonwhite households has risen a bit (by roughly 6 percentage points) since 1989. As with the distribution by wealth class, the holdings of nonprimary housing wealth by race and ethnicity are again even more skewed, with white households holding more than 86 percent of this type of wealth. African American households hold just 5.0 percent of nonprimary housing wealth, Hispanic households hold 3.6 percent, and households of other races and ethnicities hold 5.2 percent.

White households disproportionately benefit from housing wealthShare of total primary and nonprimary household housing wealth held, by race and ethnicity

Created with Highcharts 4.0.3PrimaryNonprimaryWhiteBlackHispanicOther0100%255075

Note: Primary housing wealth is wealth from owner-occupied housing. Nonprimary housing wealth is wealth from nonowner-occupied housing. Hispanic means “Hispanic any race” and the race/ethnicity categories are mutually exclusive.

Source: Author’s analysis of microdata from the Federal Reserve Board Survey of Consumer Finances (2016)

In short, what Figures A and B show is that because wealth from residential properties that can produce rental income is concentrated among the wealthy and white households, giving property owners the unfettered option to choose Airbnb over long-term rental uses of their property means conferring an enhanced option to predominantly wealthy and white owners of housing wealth. (**Appendix Table 1** provides the same

analyses shown in Figures A and B for the years 1989, 1998, and 2007, and for the most recent data year, 2016, as well as the change from 1989 to 2016.)

Finally, while Airbnb might make short-term rentals feasible for property owners by reducing transaction costs through the technological efficiencies provided by Airbnb's internet-based platform, the company might also just make short-term rentals feasible by creating a norm of ignoring regulations that bar short-term rentals. **Short-term rentals are effectively banned in many residential neighborhoods in the cities where Airbnb operates, yet they have proliferated after the introduction of Airbnb.4**

The regulations barring or limiting short-term rentals were established to reduce the externalities associated with commercial operations of certain kinds—including hotel operations—in residential neighborhoods.

Airbnb's business model appears to depend significantly on skirting these regulations and dodging competition from traditional hotel owners who are prohibited from operating in these same neighborhoods. If the regulations banning short-term rentals are baseless and serve no useful purpose, then subverting them could be seen as a benefit of Airbnb. But allowing large corporations such as Airbnb to simply ignore regulations—rather than trying to change them through democratic processes—is hardly the basis of sound public policy.

Potential benefit two: Increased options and price competition for travelers' accommodations

Airbnb is essentially a positive supply shock to short-term accommodations. Like all positive supply shocks, it should be expected to lower prices. There is some accumulating evidence that Airbnb does exactly this. Zervas, Proserpio, and Byers (2017) examine the effect of Airbnb expansion across cities in Texas. They find that each 10 percent increase in the size of the Airbnb market results in a 0.4 percent decrease

in hotel room revenue. They find that most of this revenue decline is driven by price declines. Evidence of the positive supply shock is particularly evident in the 10 American cities where Airbnb's presence is largest. Dogru, Mody, and Suess (2019) find a negative correlation between Airbnb expansion and hotels' average daily rates in the 10 U.S. cities with the largest Airbnb presence.

Besides cost, the introduction and expansion of Airbnb could improve the perceived quality of accommodations available. There is some limited evidence that this is the case: a survey by doctoral candidate Daniel Adams Guttentag (2016) finds that "convenient location" is one of the top reasons given by Airbnb guests when asked why they chose the service. But the Guttentag 2016 survey also identifies "low cost" as the *single most-identified* reason people give when asked why they chose Airbnb.

However, it should be stressed that this potential benefit of Airbnb introduction and expansion is overwhelmingly a *redistribution* of welfare, not an *increase* in economywide welfare. Very few people have claimed that Airbnb's spread within a given city has led developers to build *more accommodations* in the city overall. Instead, owners or third parties have often turned long-term rental units into short-term lodging via Airbnb.

The question then becomes, "Has this redistribution of potential accommodations from the long-term to the short-term market increased economic welfare overall?" One way that Airbnb could be increasing economic welfare overall is if it were helping travelers deal with rising travel accommodation costs.

By looking at trends in prices and spending in the short-term lodging sector, we can get a commonsense check on whether high prices for short-term travel accommodations are a pressing economic problem for ordinary American households. If the price of short-term travel accommodations were rising rapidly, then presumably an increase in supply that restrained price increases would be valuable (or at least more valuable than if these prices were not showing any particularly trend). The two lines in **Figure C** show changes in the consumer price index for travel accommodations compared with changes in the overall price index for personal consumption expenditures (PCE). According to Figure C, in the 2010s, the price of short-term travel accommodations has grown faster than prices overall only since 2014—this is the same year that ushered in

the large-scale expansion of Airbnb. So it certainly seems that the launch and growth of Airbnb was not solving any preexisting price pressure—because it was operating and expanding well before recent years' price growth. (Further, it is possible that by substituting more strongly for a less-expensive slice of the traditional hotel market—leisure travel as opposed to business travel, for example—that Airbnb introduction might actually be associated with raising measured short-term travel accommodation prices, through a composition effect.)

The price of short-term travel accommodations has increased slightly faster than prices overall, but only in recent yearsPrice indices for short-term travel accommodations and overall personal consumption expenditures (PCE), 2000–2016

Created with Highcharts 4.0.3Short-term accommodationsOverall consumer goods prices2000201020052015901001101201301401 50

Source: Author's analysis of Bureau of Economic Analysis National Income and Product Accounts (NIPA) Table 2.4.4.

Potential benefit three: Travelers' spending boosts the economic prospects of cities

The lower prices and greater range of options made available by the introduction and expansion of Airbnb could, in theory, induce a large increase in travel and spark economic growth in destination cities. This is precisely the claim made in a report by NERA Economic Consulting (NERA 2017), which says that Airbnb "supported" 730,000 jobs and $61 billion in output globally, with roughly a quarter of this economic gain occurring in the United States.

To be blunt about these claims, they are flatly implausible. They rest on the assumption that all money spent by those renting Airbnb units is money that would not have been spent in some alternative accommodations had Airbnb not existed.

Say, for example, that guests at Airbnb properties spent $10 million in New York City in 2016, including the money spent at restaurants and theaters and other attractions while visiting the city. The rental payment

these guests make is included in the NERA numbers, but is expressed as extra income for Airbnb hosts. NERA then takes this entire $10 million in spending (both nonaccommodation spending by visitors and the extra income going to Airbnb hosts) and runs it through input–output models to generate multiplier effects that yield their final numbers for output and employment supported in each city.

There are a number of problems with the NERA study.

First, it is surprisingly opaque. It does not provide overall global and U.S. spending numbers or break these numbers into their components: nonaccommodation spending by Airbnb guests and income generated for Airbnb hosts. It also does not report the assumed size of the multiplier. Rather, it provides final numbers for global and U.S. output and employment that are functions of primary spending flows multiplied by the effects of their input–output model. The study states that it uses the well-known IMPLAN model, but IMPLAN can generate multipliers of varying size: It would be valuable to know just how large NERA is assuming the multiplier effects of this Airbnb-related spending is, just as a plausibility check.

Second, the study seems clearly written to maximize the perceived support Airbnb might provide local economies—both now and into the future. For example, toward the end of the report NERA provides several tables showing projected support for output and employment for years after the study (from 2017 to 2025). These projected *future* contributions to output and employment dwarf the contribution that is apparent in the actual data analyzed by NERA. But these projections rely on overoptimistic assumptions about Airbnb's future growth. For example, NERA forecasts growth of 75 percent for Airbnb arrivals in 2017,5 but another study (Molla 2017) suggests that these arrivals in fact grew by closer to 25–50 percent, with growth rates particularly slowing in the U.S. and the European Union.6

What is by far the most important weakness of the NERA analysis is its reliance on the assumption that *all* spending done by travelers staying at Airbnb properties is spending that would not have been done had Airbnb not existed.

The possibility that Airbnb visitors would still have visited a city even if Airbnb units were unavailable—by securing alternative accommodations—is completely ruled out by the NERA analysis. This is obviously an incorrect assumption. For example, it assumes that Airbnb and traditional hotels are not seen as potential substitutes for each other in the minds of travelers. But research has shown that they *are* quite close substitutes.

Zervas, Proserpio, and Byers (2017) empirically assess the effect of Airbnb's expansion on the hotel industry in the state of Texas. In their introduction, they write, "Our hypothesis is that some stays with Airbnb serve as a substitute for certain hotel stays, thereby impacting hotel revenue…." In their discussions and conclusions section, they summarize what their empirical investigation has found: "Focusing on the case of Airbnb, a pioneer in shared accommodations, we estimate that its entry into the Texas market has had a quantifiable negative impact on local hotel room revenue." Put simply, this result is completely inconsistent with the assumption that Airbnb has no potential substitutes for those using its services. This in turn means that at least some of the economic activity "supported" in local economies by spending done by Airbnb guests is activity that would have been supported absent Airbnb, likely by these same guests staying in traditional hotels or other accommodations.

As discussed in a previous section, Guttentag (2016) reports the findings of a survey of Airbnb users. Among other questions, the survey explicitly asks how substitutable travelers find Airbnb lodgings. The precise question is, "Thinking about your most recent Airbnb stay—If Airbnb and other similar person-to-person paid accommodations services (e.g., VRBO) did not exist, what type of accommodation would you have most likely used?"

Only 2 percent of Airbnb users responded to this question with the assertion that they would not have taken the trip. The remaining 98 percent identified other lodging possibilities that they would have used. In a similar survey that included some business travelers, Morgan Stanley Research 2017 reports near-identical findings, with between 2 and 4 percent of respondents saying that they would not have undertaken a trip

but for the presence of Airbnb.7 In both the Morgan Stanley Research survey and the Guttentag survey, roughly three-fourths of the respondents indicated that Airbnb was substituting for a traditional hotel.

If the Guttentag 2016 and Morgan Stanley Research 2017 findings are correct, this implies that NERA overstates the support Airbnb provides to local economies by somewhere between 96 and 98 percent. It is possible that some flows of spending might support more local spending when associated with Airbnb instead of traditional hotels—for example, one could argue that income accruing to Airbnb hosts is more likely to be spent locally than money paid to large hotel chains. However, the reverse is also true—for example, Airbnb rentals are far more likely to come equipped with a kitchen, and so Airbnb lodgers might be more likely to eat in rather than patronize restaurants.

Additionally, the local spillover spending associated with Airbnb expansion might not be uniform across neighborhoods. Alyakoob and Rahman (2018) document a modest increase in local restaurant spending associated with expanding Airbnb presence. Essentially, restaurants located away from central hotel cores in cities are unlikely to attract many out-of-town tourists. But if Airbnb penetration in outlying neighborhoods increases, restaurants there might now be able to tap some of this tourist market. Alyakoob and Rahman find that every 2 percent rise in Airbnb activity in a given neighborhood increases restaurant employment in that neighborhood by 3 percent. Crucially, Alyakoob and Rahman make no such calculation for potential employment-depressing effects of restaurants closer to traditional hotels. Further, they find that the boost to restaurant employment given by greater Airbnb activity does not occur in areas with a relatively high share of African American residents.

Finally, given that the overwhelming share of jobs "supported" by Airbnb are jobs that would have been supported by guests in some alternative accommodation, it seems likely that *even if there is a slight increase in spending associated with a slight (about 2 percent) increase in visitors to a city due to Airbnb, there may well be a decline in jobs.*

We have noted previously that it is quite possible that traditional hotels are a more labor-intensive source of accommodation than are Airbnb listings. If, for example, Airbnb operators employ fewer people to provide cleaning and concierge and security services, then each dollar spent on

Airbnb accommodations is likely to support less employment than each dollar spent on traditional hotel accommodations.

We can gauge the employment effect with a hypothetical scenario that assumes that the Guttentag 2016 and Morgan Stanley Research 2017 analyses are correct and that only 2 to 4 percent of the spending supported by Airbnb represents net new spending to a locality. In this case, if even half of the overall spending "supported" by Airbnb is a pure expenditure shift away from traditional hotels, and if traditional hotels are even 5 to 10 percent more labor-intensive than Airbnb units, then introducing Airbnb would actually have a *negative* effect on employment.8

Even if one grants that 2 to 4 percent of the output supported by Airbnb in host cities is net new spending, this spending is just a redistribution away from other, presumably less-Airbnb-intensive, localities. **Given that Airbnb has tended to grow in already rich and desirable cities,** it is unclear why inducing the transfer of even more economic activity away from other cities toward thriving cities would ever be viewed as a positive policy outcome.

In short, the results of the NERA study should be ignored by policymakers seeking an accurate sense of the scale of Airbnb expansion costs and benefits.9

Potential costs of Airbnb introduction and expansion

This section elaborates on the potential costs highlighted in the overview section. It assesses the likely outcome of these costs, estimates their empirical heft, and assesses the likely distribution of these costs.

Potential cost one: Long-term renters face rising housing costs

The mirror image of Airbnb's positive supply shock to short-term travel accommodations is its negative supply shock to long-term housing options.

Again, none of the literature reviewed in this paper suggests that the introduction and expansion of Airbnb has spurred more residential construction overall, so as more units become available to Airbnb customers, this means that fewer potential housing units are available to long-term renters or owner-occupiers in a city.

Earlier, we saw that price increases in short-term travel accommodations have been in line with overall consumer price increases in recent years, suggesting that there is no obvious shortage in short-term accommodations. (It is important to note that the tracking of short-term travel accommodation prices and overall prices was tight well before Airbnb was exerting any serious effect one way or the other on prices.)

However, national prices of long-term housing are rising faster than overall prices, suggesting a shortage of long-term housing. Because of this above-inflation growth in long-term housing costs, any trend that exacerbates this increase is more damaging than if these prices had been relatively flat in recent years.

Figure D shows inflation in the price indices for housing (long-term rentals as well as imputed rents for owner-occupied housing) and for short-term travel accommodations, and in the overall personal consumption expenditures index.

In recent years, long-term housing price growth has clearly outpaced both overall price growth and increases in the price of short-term travel accommodations. This recent rise in the inflation rate of long-term housing, in fact, has become a much-discussed policy challenge that has spurred much commentary and analysis over the past decade.

Housing costs are rising faster than costs of short-term accommodations or overall consumer goodsPrice indices for housing, short-term travel

accommodations, and overall personal consumption expenditures (PCE), 2000–2016

Created with Highcharts 4.0.3HousingShort-term accommodationsOverall consumer goods prices200020102005201590100110120130140150160

Note: The housing price index includes both long-term rentals as well as imputed rents for owner-occupied housing.

Source: Author's analysis of Bureau of Economic Analysis National Income and Product Accounts (NIPA) Table 2.4.4

The fact that the cost of long-term housing has become a prime source of economic stress for typical Americans should be considered when weighing the costs and benefits of Airbnb's introduction and expansion.

Crucially, demand for housing is quite inelastic, meaning that households have little ability to forgo housing when it becomes more expensive. When demand is inelastic, even relatively small changes in housing supply can cause significant changes in the cost of housing.10 This intuition is clearly validated in a number of careful empirical studies looking precisely at the effect of Airbnb introduction and expansion on housing costs.

According to these studies, Airbnb—though relatively new—is already having a measurable effect on long-term housing supply and prices in some of the major cities where it operates. For example, Merante and Horn (2016) examine the impact of Airbnb on rental prices in Boston. The authors construct a rich data set by combining data on weekly rental listings from online sources and data from Airbnb listings scraped from web pages.

They find that each 12 Airbnb listings per census tract leads to an increase in asking rents of 0.4 percent. It is important to note that this is a finding of causation, not just correlation. They put this finding in perspective as follows:

> If Airbnb's growth rate in 2015, 24%, continues for the next three years, assuming constant mean rents and total number of housing units, Boston's mean asking rents in January 2019 would be as much as $178 per month higher than in the absence of Airbnb activity. We further find evidence that Airbnb is increasing asking rents through its suppression of the supply of rental units offered for rent.

> Specifically, a one standard deviation increase in Airbnb listings [an average of 12 units per census tract] relative to total housing units is correlated with a 5.9% decrease in the number of rental units offered for rent. (Merante and Horn 2016)

Barron, Kung, and Proserpio (2018) undertake a similar exercise with different data. They create a data set that combines Airbnb listings, home prices and rents from the online real estate firm Zillow, and time-varying ZIP code characteristics (like median household income and population) from the American Community Survey (ACS).

To account for the fact that rents and Airbnb listings might move together even if there is no causal relationship (for example, if both are driven by the rising popularity of a given city), they construct an instrumental variable to identify the causal effect of rising Airbnb listings on rents.

Using this instrument, they find that a 10 percent increase in Airbnb listings in a ZIP code leads to a 0.42 percent increase in ZIP code rental prices and a 0.76 percent increase in house prices. They also find that the increase in rents is larger in ZIP codes with a larger share of nonowner-occupied housing. Finally, like Merante and Horn, they find evidence that Airbnb listings are correlated with a rise in landlords shifting away from long-term and toward short-term rental operations.

Sheppard and Udell (2018) also undertake a similar exercise, looking within neighborhoods of New York City. Their key finding is that a doubling of Airbnb activity within a tight geographic zone surrounding a home sale is associated with a 6 to 11 percent increase in sales prices. Their coefficient values are quite close to those from Barron, Kung, and Proserpio (2018).11

Wachsmuth et al. (2018) apply the regression results identified by Barron, Kung, and Proserpio (2018) to the large increase in Airbnb rentals in New York City. They find a 1.4 percent increase in NYC rents from 2015 to 2017 due to Airbnb's expansion in that city. For the median NYC renter, this implies a $384 annual increase in rent from 2015 to 2017 due to Airbnb's expansion over that time.

Potential cost two: Local government tax collections fall

For the localities making policy decisions regarding the expansion of Airbnb, perhaps the single biggest consideration is fiscal. Across the United States, total lodging taxes are significant: For the 150 largest cities, the all-in lodging tax rate (including state, county, and city taxes) averaged more than 13 percent (Hazinski, Davis, and Kremer 2018). The temptation for any given locality to set relatively high lodging tax rates (particularly when compared with overall sales tax rates) seems clear—city residents pay little of the lodging tax but still enjoy the benefits funded by the tax. For a number of cities, the total revenue collected is substantial. In 2016, for example, New York City and Las Vegas each collected well over $500 million in lodging taxes, and San Francisco collected just under $400 million.

<u>It seems odd to exclude Airbnb stays from the lodging tax, yet the tax treatment of Airbnb rentals is inconsistent and incomplete. The company has entered into a number of tax agreements with state and local governments and is clearly trying to build the impression that it wants to help these governments collect taxes. Yet a number of tax experts argue that Airbnb's efforts to collect and remit lodging taxes (as well as other taxes) have been wholly insufficient.</u>

A description in Schiller and Davis 2017 of the state of Airbnb's tax agreements as of early 2017 highlights the patchy, voluntary nature of the tax regime that Airbnb faces:

> Airbnb, whose operations in some instances may violate traditional local zoning and rental ordinances, has sought to legitimize its business by negotiating agreements with cities under which it will collect local sales and lodging taxes. "Working together, platforms like Airbnb can help governments collect millions of dollars in hotel and tourist tax revenue at little cost to them," the company stated in a "policy tool chest" it offered in late 2016.
>
> Overall, by Airbnb's count, the company is collecting sales, hotel, or other taxes in 26 states and the District of Columbia (DC) as of March 1, 2017. State-level taxes are collected in 18 of those states. Among this group, some or all local-level taxes are also being collected in every state except Connecticut, which lacks local lodging taxes. In the remaining eight states, Airbnb collects a patchwork of local taxes but no state taxes. In three states—Alaska, Maryland, and New Jersey—Airbnb's tax collection is limited to a single locality (Anchorage, Montgomery County, and Jersey City, respectively). The company has dramatically expanded its tax collection practices in recent years and appears poised to continue its expansion in the months and years ahead. Airbnb recently announced that it will soon begin collecting state lodging taxes in Maine, for instance.

Dan Bucks, a former director of the Montana Department of Revenue and former executive director of the Multistate Tax Commission, wrote a report assessing the tax agreements that Airbnb has struck with state and local governments in different parts of the country. His central finding is that these agreements "[undermine] tax fairness, transparency, and the rule of law" (Bucks 2017).

Bucks examines 12 of the Airbnb tax agreements from across the country that had been made public by mid-2017. He describes them as follows:

> **Airbnb devises and presents to tax agencies what are typically ten to twelve-page documents covering back-tax forgiveness, prospective payments, information access and multiple other terms that produce, as this report documents, serious negative consequences for society. Airbnb labels these documents as "voluntary collection agreements," which they most assuredly are not.**

> These Airbnb-drafted documents do not guarantee the proper collection of taxes due. **They block tax agencies from verifying the accuracy of Airbnb payments.** Airbnb may be seeking to superficially to liken these documents to the high quality "voluntary disclosure agreements" that states use to bring non-compliant taxpayers into full conformity with the law. However, these documents profoundly undermine sound tax administration and the rule of law. For these and other reasons detailed below, we will not use Airbnb's misleading label for these documents but will refer to them objectively as "Airbnb agreements." (Bucks 2017)

The most specific criticism Bucks makes is that these agreements have largely been kept secret from the public, in clear contrast to other "voluntary disclosure agreements." This secrecy, combined with agreements to "cede substantial control of the payment and audit processes to Airbnb," make it impossible for tax authorities to ensure proper payment of lodging taxes. Bucks also argues that these agreements between Airbnb and state and local governments provide large benefits to third parties (Airbnb hosts) who are not signatories and are not obligated to provide anything in exchange for these benefits.

In 2016, an analysis from AlltheRooms.com forecast that Airbnb's failure to ensure the full payment of lodging taxes was on track to cost subnational governments a combined $440 million in revenue unless policymakers moved to guarantee proper payment. Of the total, $110 million in lost revenue was for New York City alone. In October 2016, shortly after the AlltheRooms.com analysis was released, New York City passed restrictions on Airbnb advertisements for rentals of less than 30 days when an owner is not present. While these restrictions may have stemmed the loss of revenue relative to the AlltheRooms.com projection, the analysis that predated the restrictions highlight how the unregulated expansion of Airbnb, and its cannibalization of traditional hotel business market share, could still have large fiscal implications for New York and other cities.

Finally, even if Airbnb were to fully comply with the local jurisdiction's tax system on lodgings and pay the same tax rate per dollar earned as traditional hotels, there likely would still be some small fiscal losses stemming from Airbnb's expansion. The primary appeal of Airbnb to most travelers is lower-price accommodations, so even if the same tax rate were

paid on Airbnb rentals as is paid on hotel rooms, the lower Airbnb prices would lead to less tax revenue accruing to local governments.

Potential cost three: Externalities inflicted on neighbors

When owners do not reside in their residential property, this can lead to externalities imposed on the property's neighbors. If absentee owners, for example, do not face the cost of noise or stress on the neighborhood's infrastructure (capacity for garbage pickup, for example), then they will have less incentive to make sure that their renters are respectful of neighbors or to prevent an excessive number of people from occupying their property.

These externalities could be worse when the renters in question are short term. Long-term renters really do have some incentive to care about the neighborhood's long-run comity and infrastructure, whereas short-term renters may have little to no such incentive. Further, *some Airbnb hosts are renters themselves who are subletting a long-term rental property to short-term travelers, which may further shield the ultimate property owners from bearing the costs faced by immediate neighbors.* In cities where the spread of Airbnb has become a political issue, hundreds (if not thousands) of complaints have been made in this regard.12

The potential for such externalities has been broadly recognized for a long time and was a consideration leading to the prevalence of zoning laws that ban short-term travel accommodations in residential neighborhoods. There is a reason, for example, why Times Square in New York City is a cluster of hotels while the Upper East Side is largely a less noisy cluster of residential dwellings. There is of course no reason why such past zoning decisions need to be completely sacrosanct and never changed, but these decisions were made for a reason, and changes to them should be subject to democratic debate.

While researchers have often noted the possibility that Airbnb may impose externalities on the communities surrounding Airbnb units, we know of no empirical estimates of these externalities. If these externalities were powerful enough in degrading the desirability of neighborhoods, they could in theory lead to reduced rents and home prices. From the evidence of the previous section, we know that Airbnb adoption in neighborhoods has actually boosted rental and home prices. But this price

boost doesn't mean these externalities don't exist—it simply means that price-depressing externalities are offset by the supply effect of moving properties out of the long-term rental market.

Miller (2016) makes an interesting (if likely too abstract) policy proposal for dealing with the externalities associated with home rental via Airbnb. He proposes creating a market in "transferable sharing rights," in which, for example, each resident of a neighborhood would be given the right to rent out one housing unit for one night.

Most residents in a neighborhood won't want to rent out their home. But those who do want to rent out units using Airbnb would want far more than the right to rent out these properties for just one night. To obtain the right to rent out their properties for more nights, they would need to purchase permits from their neighbors. The price it takes to obtain these permits would provide a good indicator of the true costs of the externalities imposed by Airbnb. A city that experimented with these tradeable sharing rights could provide very useful information.

Potential cost four: Job quantity and quality could suffer

We have noted already that when Airbnb enters and expands in a city, it shifts traveler business from hotels to Airbnb, leading to downward price pressure for hotels. This shift from traditional hotels to Airbnb properties also implies either a shift in jobs or a reduction in jobs. As an example, take hotel cleaning workers. As more visitors to a city pick Airbnb units over traditional hotel accommodations, the need for cleaning doesn't go away. Instead, it is either foisted on Airbnb proprietors, done by third-party cleaning services, or left unmet and thus implicitly imposing costs on both travelers and the surrounding neighborhood (think of improperly disposed-of trash).

Given that much of the growth of Airbnb in recent years has been driven by hosts with multiple properties (which, when in a single location, are in effect mini hotels), it is not surprising to see an emergence of cleaning services specifically serving Airbnb hosts.13

These new cleaning services may be less likely to offer decent wages relative to traditional travel lodging; it may also be more difficult for workers to unionize in this context. For example, in the 10 U.S. cities with a particularly large Airbnb presence (including New York City, Los Angeles, and Chicago), combined unionization rates for maids and cleaners in the hotel industry are nearly double the unionization rates of maids and cleaners in other industries in the economy.14

In some sense, the shift in cleaning jobs from traditional hotels to cleaning services for Airbnb hosts is likely analogous in its economic effects to what happens when traditional hotels outsource their own cleaning staffs. Dube and Kaplan (2010) demonstrate large negative wage effects stemming from this type of domestic outsourcing for janitors and security guards. Their findings are reinforced by recent analysis of the German labor market by Goldschmidt and Schmieder (2017), who find similar large negative effects of domestic outsourcing on a range of occupations, including cleaners. While these studies do not directly examine the effect of substituting in-house hotel cleaning jobs for Airbnb cleaning jobs, they both track the effect of "fissuring" between the entity that uses and pays for the service and the entity that manages the service providers. This fissuring has been a key and troubling feature of the American labor market in recent decades, and it is hard to see how the substitution of Airbnb for traditional hotels does not potentially constitute another layer of this fissuring.15

This potential for Airbnb to degrade the quality of cleaning jobs is recognized even by the company itself: Airbnb offers hosts the opportunity to advertise that they have taken the "living wage pledge" by committing to pay a living wage to the cleaners and servicers of their properties. It is not clear how commitment to this pledge is (or can be) enforced, however.

Conclusion: Airbnb should have to play by the same rules as other lodging providers

The current policy debates sparked by the rise of Airbnb have largely concerned tax collections and the emergence of "mini hotels" in residential neighborhoods. At its inception, Airbnb advertised itself as a way for homeowners (or long-term renters) to rent out a room in their

primary residence, or as a way for people to rent out their dwellings for short periods while they themselves are traveling. However, in recent years Airbnb listings and revenues have become dominated by "multi-unit" renters—absentee property owners with multiple dwellings who are essentially running small-scale lodging companies on an ongoing basis.

This evolution of Airbnb into a parallel hotel industry raises questions about the preferential treatment afforded to this rental company. These questions include, "Why isn't Airbnb required to ensure that lodging taxes are collected, as traditional hotels are?" And, "Why is Airbnb allowed to offer short-term rentals in residential neighborhoods that are not zoned for these uses, while traditional hotels are not allowed in these same neighborhoods?"

Housing costs matter much more to household budgets than short-term lodging costsShares of average household personal consumption expenditures devoted to housing vs. short-term travel accommodations, 1979, 2000, and 2016

Created with Highcharts 4.0.30.6%0.8%1.0%13.7%14.9%15.8%Short-term accommodationsHousing19792000201605101520%

Note: The housing price index includes both long-term rentals as well as imputed rents for owner-occupied housing.

Source: Author's analysis of Bureau of Economic Analysis National Income and Product Accounts (NIPA) Table 2.5.5

While there are plenty of other considerations, the spread of Airbnb seems at its core to be a shift of potential housing supply from the long-term residential housing market to the market for short-term accommodations. **This shift of supply can lower prices for travelers but raise housing prices for long-term residents. This seems like a bad trade-off, simply based on the share of long-term housing expenses versus short-term travel expenses in average family budgets.**

Figure E presents the share of total personal consumption expenditures accounted for by housing and by short-term travel accommodations. As the figure shows, housing costs eat up far more of the average household's budget, and rising housing prices mean that long-term housing has grown more as a share of family budgets than short-term travel accommodations.

This rising cost of housing has become a major economic stress for many American households. Anything that threatens to exacerbate this stress should face close scrutiny. A reasonable reading of the available evidence suggests that the costs imposed on renters' budgets by Airbnb expansion substantially exceed the benefits to travelers. It is far from clear that any other benefits stemming from the expansion of Airbnb could swamp the costs it imposes on renters' budgets.

There may be plenty wrong with the status quo in cities' zoning decisions. But the proper way to improve local zoning laws is not to simply let well-funded corporations ignore the status quo and do what they want.

As this report shows, there is little evidence that the net benefit of accelerated Airbnb expansion is large enough to justify overturning previous considerations that led to the regulatory status quo—in fact, **the costs of further Airbnb expansion seem likely to be at least as large, if not larger, than the benefits.**

About the author

Josh Bivens joined the Economic Policy Institute in 2002 and is currently EPI's director of research. His primary areas of research include macroeconomics, social insurance, and globalization. He has authored or co-authored three books (including *The State of Working America, 12th Edition*) while working at EPI, has edited another, and has written numerous research papers, including for academic journals. He appears often in media outlets to offer economic commentary and has testified several times before the U.S. Congress. He earned his Ph.D. from The New School for Social Research.

Distribution of housing wealth (primary and nonprimary), by household characteristics

	1989	1998	2007	2016	1989–2016 change
Primary residence					
Bottom 50 percent	9.8%	14.3%	12.7%	10.4%	0.7%
Bottom 80 percent	45.4%	47.5%	44.0%	40.0%	-5.4%
Top 20 percent	54.6%	52.5%	56.0%	60.0%	5.4%
80th–90th percentile	19.9%	17.9%	17.5%	18.6%	-1.3%
90th–95th percentile	12.6%	11.6%	11.0%	13.9%	1.3%
96th–99th percentile	15.6%	15.0%	18.2%	16.8%	1.2%
Top 1 percent	6.5%	8.0%	9.3%	10.7%	4.3%
Nonprimary residential property					
Bottom 50 percent	2.6%	4.3%	2.2%	1.6%	-1.0%
Bottom 80 percent	16.8%	18.1%	13.9%	9.9%	-6.9%
Top 20 percent	83.2%	81.9%	86.1%	90.1%	6.9%
80th–90th percentile	15.2%	16.8%	10.7%	12.6%	-2.7%
90th–95th percentile	20.6%	15.5%	13.9%	14.9%	-5.7%
96th–99th percentile	28.7%	28.7%	34.0%	29.6%	0.9%
Top 1 percent	18.6%	21.0%	27.5%	32.9%	14.3%
Primary residence					
White, non-Hispanic	86.4%	87.5%	82.6%	80.6%	-5.9%
Black, non-Hispanic	4.9%	5.0%	6.2%	6.5%	1.6%
Hispanic, any race	4.1%	3.7%	6.1%	6.0%	2.0%
Other	4.6%	3.7%	5.1%	6.9%	2.3%
Nonprimary residential property					
White, non-Hispanic	87.3%	89.5%	84.2%	86.2%	-1.1%
Black, non-Hispanic	4.3%	4.1%	4.1%	5.0%	0.7%
Hispanic, any race	3.1%	3.4%	6.7%	3.6%	0.5%
Other	5.3%	3.0%	5.0%	5.2%	-0.1%

Note: Per the Survey of Consumer Finances definitions, primary housing wealth is the total value of the primary residence of a household. Nonprimary housing wealth includes the value of all of other residential real estate owned by the household, including one-to-four family structures, timeshares, and vacation homes.

Source: Author's analysis of microdata from the Federal Reserve Board Survey of Consumer Finances (2016)

Endnotes

1. According to a recent report, "a significant—and rapidly growing—portion of Airbnb's revenue in major U.S. cities is driven by commercial operators who rent out more than one residential property to short-term visitors" (CBRE 2017).

2. Horton and Zeckhauser (2016) provide a deep dive into the economics of internet-based service firms. Slee (2017) provides an excellent popularization of some of the economic issues surrounding IBSFs from a deeply critical perspective.

3. The most obvious benefit to living in housing that one owns is the tax treatment of mortgage interest payments on owner-occupied property, which can be deducted from federal taxes. Another benefit is that the implicit rental income earned by owner-occupiers is not taxed (the money that owner-occupiers are saving by not having to pay rent elsewhere could be viewed as implicit rental income).

4. Wachsmuth et al. (2018), for example, find that just under half of Airbnb listings in New York City had likely taken illegal reservations.

5. "Arrivals" is a term referring to each stay in a unit, regardless of length of stay.

6. For example, Molla (2017) highlights more recent forecasts for 2017 indicating a large slowdown in U.S. Airbnb expansion.

7. The range of 2 to 4 percent represents the range of findings across 2015, 2016, and 2017. The value was 4 percent in 2015, 2 percent in 2016, and 3 percent in 2017.

8. The arithmetic on this is relatively straightforward. The NERA 2017 study asserts that Airbnb supports $14 billion in spending and 130,000 jobs in the United States. This implies each $107,690 supports a job. Say that half of this spending is the direct cost of accommodations and that it represents a pure expenditure shift away from traditional hotels. Assume further that traditional hotels are 5 percent more labor-intensive—so each

traditional hotel job is supported by $102,300 in spending (5 percent less than the ratio identified by Airbnb). This shift from traditional hotels to Airbnb hence reduces employment by 3,400 jobs for each $7 billion in spending. Even if overall spending were to rise by 2 percent due to Airbnb's expansion, this would increase employment by only roughly 2,600 jobs. The key insight here is that once one allows Airbnb to substitute for other forms of accommodation, the link between output and employment might change significantly.

9. Airbnb itself has commissioned and reported on a number of studies claiming that the share of guests who would not have taken the trip absent Airbnb is as high as 30 percent. Even this number is far larger than the independent assessments of Guttentag (2016) and Morgan Stanley Research (2017), but it does highlight just how outlandish the NERA assumption on this is.

10. In a review of housing markets, Albouy, Ehrlich, and Liu (2016) note that "Housing demand is income and price inelastic."

11. The geographic unit implicitly being examined by Sheppard and Udell (2018) is not intuitive. Their observation is an individual home sale. They then track Airbnb listings within five different radii of the sale: 150, 300, 500, 1,000, and 2,000 meters. They interact the number of Airbnb listings with categorical variables for each of the five "buffer zones" defined by the radii and use this as an explanatory variable predicting sales prices.

12. See Office of New York State Attorney General 2014.

13. Lawler (2014) notes that Airbnb was testing out dedicated cleaning services for its hosts as early as 2014.

14. Unionization rates derive from the author's analysis of data pooled from 2008–2017 from the Outgoing Rotation Groups (ORG) of the Current Population Survey (CPS). Code and results are available upon request. The 10 cities are Boston, Chicago, Los Angeles, Las Vegas, Miami, New York City, San Diego, San Francisco, Seattle, and Washington, D.C. In these 10 cities, the unionization rate for maids and cleaners was 23.2 percent in the traveler accommodation industry, but 12.1 percent in all other industries.

15. See Weil 2017 for an overview of labor market fissuring.

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Errata

This report was updated March 26, 2019, to correct errors in the "Bottom 50 percent" rows in Appendix Table 1. These rows had incorrectly shown the numbers for the top 50 percent instead of for the bottom 50 percent.

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, February 17, 2022 11:40 PM
To: SanDiegoSTR@Coastal
Subject: Housing shortage San Diego Real Estate Market: Prices | Trends | Forecasts 2022

Mr. Llerandi:

San Diego has a **one month** supply of houses for sale. That's it. With a huge shortage of housing, and no end in sight to the shortage, it is wrong to stuff our homes with vacationers rather than long term residents who are the backbone of San Diego. What would San Diego be without its residents?

Vacationers should not get top priority!

The 7:1 ratio of STRs to long term housing in La Jolla, Pacific Beach, Ocean Beach is terrible
Yes, that's correct: 7,000 to 1,000. I scraped data from multiple sites (data presented in another email sent today).

A visitor can get a place to stay here easier than someone who has a job and needs to live here.

Investors snap up any property, at any cost because they'll make back their investment. But that's unfair.
We are selling off our coast to investors who are more than happy to host the 18-24-34 y/o's because of the profit margin.

San Diego is not one big vacation resort. It is the 10th largest city in the US, over 3 million people live here long-term.

It's time that our city government recognizes that we are the reason they have a job. They don't work for vacationers.

The locals should get first dibs on housing, not visitors.

Think of the taxi drivers,
Trudy Grundland

Former Director of Central Intelligence R. James Woolsey LAW '68 used to talk to his favorite Washington, D.C., ***taxi drivers*** rather than trust public opinion polls. Speaking on campus Thursday, Woolsey imparted a piece of ***taxicab wisdom*** to the audience.

"[Terrorists] don't hate us for what we've done wrong," he said. "They hate us for what we do right."

Begin forwarded message:

From: Trudy Grundland <trudygrundland@gmail.com>
Subject: Feb. 2022: Housing shortage San Diego Real Estate Market: Prices | Trends | Forecasts 2022
Date: February 14, 2022 at 12:00:57 AM PST
To: Trudy Grundland <trudygrundland@yahoo.com>, Jay Goldberg <jaymgoldberg@gmail.com>

https://www.noradarealestate.com/blog/san-diego-real-estate-market/

San Diego Housing Market: Prices | Trends | Forecasts 2022

by

Home prices & sales are rising across the **Southern California housing market** and **San Diego** is no exception. In Southern California, the median home price has risen by double digits for twelve consecutive months. Homes on the market are selling at a fast pace, often fetching multiple offers well above what the sellers are asking. Homebuyer demand is expected to remain strong in 2022, but it will be tested by increasing mortgage rates.

Extremely low inventory levels, combined with active investor activity in the housing market, are keeping prices high. While gains are diminishing, it is improbable that prices will fall precipitously in 2022. Supply and demand fundamentals continue to favor an expensive housing market like **San Diego.** According to the latest C.A.R. report, the Southern California region slowed down a bit in December, despite showing a year-over-year price growth. The sales of single-family homes posted a decline of 10.7% from last year buy there were still up 4.5% from the previous month.

The median price was $749,000, up 15.4% year over year but down from November's median price. San Diego County exhibited a similar trend. In San Diego County, the median single-family home price increased 14.6 percent year over year to $836,700, while sales fell 11.2 percent. Inventory is low, prices are rising, and pent-up demand alongside low mortgage rates has the San Diego housing market flooded with homebuyers.

The housing demand in San Diego has also been driven by the desire for additional space as people spend more time at home. Housing prices in San Diego County have risen dramatically in the past year due to lower mortgage rates which allow buyers to put more of their monthly payments toward the principal. The record-low interest rates in 2020-2021 fueled San Diego's high house prices, increasing consumer purchasing power.

Since Q3 2021, interest rates began to increase, leveling buying power and reducing homebuyer urgency.

According to the most recent data from Realtor.com, San Diego County is a seller's real estate market. In other words, there are approximately more buyers than active listings.

- In December 2021, the median list price of homes in San Diego County was $780,000, trending up 12.2% year-over-year.
- The median sale price of sold homes was $769,100.
- The median listing home price per square foot was $501.
- Homes in San Diego County, CA sold for approximately the asking price on average in December.
- There are 67 cities in San Diego County.
- La Jolla has a median listing home price of $2.4M, making it the most expensive city in San Diego County.
- Spring Valley is the most affordable city in San Diego County, with a median listing home price of $660,000.
- The median listing home price in San Diego City was $829,000, trending up 18.4% year-over-year.
- The median home sold price was $795,000.
- San Diego, CA is a seller's market which means that there are more people looking to buy than there are homes available.
- There are 100 neighborhoods in San Diego.
- East Village is the most affordable neighborhood in San Diego, with a median listing home price of more than half a million dollars ($550K).

Southern California Housing Market Trends (Most Recent)

Here's how individual counties of Southern California are setting or matching price records as compared to last December (Data released by C.A.R.). Orange County led the pack again with the highest price increase of 24.5% over last year. San Bernardino is the most affordable with a median price of $460,000 (+21.5%) for existing single-family homes. Orange County is the most expensive real estate market in Southern California with a median sales price of $1,182,500. Sales fell in all the six counties of this region.

- In Los Angeles County, the median price rose **16.7% to $826,500** in December, while sales **decreased** by 9.1%.
- In Orange County, the median price rose **24.5% to $1,182,500**, while sales **decreased** by 18.7%.
- Orange County also had the highest decline in sales among all the six counties.
- In Riverside County, the median price rose **20% to $586,000**, while sales **decreased** by 10.3%.
- In San Bernardino County, the median price rose **21.5% to $460,000**, while sales **decreased** by 6.4%.
- In San Diego County, the median price rose **14.6% to $836,700**, while sales **decreased** by 11.2%.
- In Ventura County, the median price rose **14.9% to $850,000**, while sales **decreased** by 8.5%.

San Diego County Housing Market Trends

Data by C.A.R. The forecast is an estimate from various sources. All information provided is deemed reliable, but is not guaranteed and should be independently verified.

San Diego County median home price had topped the $850K market but the current price holds at $836,700, down from last month but it is a gain of 14.6% over last year, according to C.A.R.'s Dec 2021 resale housing report. The report also shows that existing single-family home sales dropped by -0.8% MTM and -11.2% over last year. San Deigo's condo market also saw a sharp increase in the median price as compared to last year. The condo's median price is $578,170, +19.2% YTY and -1.5% MTM. Last year at this time the median price was $485,000.

Months Supply of existing single-family homes is very tight, currently holding at 1.0 months. It is a good indicator of whether a particular real estate market is favoring buyers or sellers. Typically, a market is

considered balanced if it has 4 to 6 months of inventory of homes on hand. A lower number means that buyers are dominating the San Diego housing market and there are relatively few sellers.

Is it a good time to buy a house in San Diego?

Mortgage rates are still low as compared to last year. The 30-Year Fixed-Rate in December 2021 was 3.10% while in Dec 2020, it was 3.07%. The supply is very tight and with all of these factors considered, at this time, it is unlikely that the San Diego housing market will see a price decline in 2022. So, buyers should act now and take advantage of low mortgage rates before they rise to pre-pandemic levels.

- The median price of a one-bedroom house in San Diego County is $450K. If you put 20% down, monthly payment = $2,054
- The median price of a two-bedroom house is $599K. If you put 20% down, monthly payment = $2,735
- The median price of a three-bedroom house is $775K. If you put 20% down, monthly payment = $3,538
- The median price of a four-bedroom house is $1.46M. If you put 20% down, monthly payment = $6,688

Greater San Diego Housing Market Trends

In the **Greater San Diego region**, the decline in existing home sales coincides with rising sales prices, which continued to soar last month, with the median sales price of existing homes up 14.1% compared to last year, *according to the Greater San Diego Association of REALTORS®*.

The percentage change is shown year-over-year for December 2021.

- The Median Sales Price was up 14.1 percent to $850,000 for Detached homes and 19.4 percent to $585,000 for Attached homes.
- Closed Sales decreased 14.6 percent for Detached homes and 21.5 percent for Attached homes.
- Pending Sales decreased 12.5 percent for Detached homes and 16.4 percent for Attached homes.
- Inventory decreased 51.6 percent for Detached homes and 69.2 percent for Attached homes.

- Days on Market decreased 12.0 percent for Detached homes and 19.2 percent for Attached homes.
- The inventory of homes for sale decreased 51.6 percent for Detached homes and 69.2 percent for Attached homes.
- Months Supply of Inventory decreased 50.0 percent for Detached homes and 75.0 percent for Attached homes.

San Diego Housing Market Forecast 2022

What are the San Diego real estate market predictions for 2022? Let us look at the price trends recorded by Zillow (a real estate database company) over the past few years. Since Feb 2011, the typical home value in San Diego County has appreciated by **nearly 135%** — ZILLOW HOME VALUE INDEX. ZHVI represents the whole housing stock and not just the homes that list or sell in a given month.

The price of low-tier housing in San Diego County skyrocketed after the latter half of 2012. 2015 experienced another price increase, due to the boost given by decreased mortgage rates throughout 2015 and 2016. San Diego's high home prices continued to find fuel from increased buyer purchasing power. Although there has been a steady housing price growth from 2012 to 2018 the housing market did cool off from March 2018 till mid-2019. In 2018, home price growth sharply declined in reaction to slowing sales and rising interest rates, which began in late-2017.

The chart clearly shows the flattening of the home price curve in that period. Home prices have since turned back up and the forecast is also positive. **The typical value of homes in San Diego County is currently $834,199.** It indicates that 50 percent of all housing stock in the area is worth more than $834,199 and 50 percent is worth less (adjusting for seasonal fluctuations).

San Diego's home values have gone up 23.6% over the past year. NeighborhoodScout.com's data also shows that in the past ten years, San Diego real estate appreciated by 107.57%. This amounts to an annual real estate appreciation of 7.58%, which puts San Diego in the top 10% nationally for real estate appreciation.

During the latest twelve months, San Diego's appreciation rate has been around 16.98%. In the latest quarter, the appreciation rate has been

7.31%, which annualizes to a rate of 32.58%. Overall, there exists a limited supply of homes in San Diego, and buyers are forced to compete often resulting in higher prices and/or quicker sales that tend to benefit sellers.

San Diego County also comprises the San Diego-Chula Vista-Carlsbad, CA Metropolitan Statistical Area, which is the 17th most populous metropolitan statistical area. The San Diego-Carlsbad, CA Metropolitan Statistical Area is conterminous with San Diego County in Southern California. According to Zillow, the typical value of homes in **San Diego-Carlsbad Metro is $834,199**. The forecast for 2022 is that the shortage of supply and an increase in the demand for housing from millennials will push the prices higher in the next twelve months.

As of now San Diego home prices have reached the highest level in years and upward pressure is expected to continue into the next year even if there is a marginal increase in homes for sale. The inventory can dwindle in just 1 month if no homes are listed. Low mortgage rates will bolster the home buying market and continue pushing up home price growth.

- **San Diego-Carlsbad Metro** home values have gone up **23.6%** over the past year and Zillow predicts they will rise **16.4%** in the next twelve months.
- **San Diego County** home values have gone up **23.6%** over the past year and will continue to rise in the next twelve months.
- **San Diego City** home values have gone up **23.2% (current = $891,746)** over the past year and will continue to rise in the next twelve months.
- **Carlsbad home values** have gone up **29.8% (current = $1,295,689)** over the past year and will continue to rise in the next twelve months.

Both home prices and sales have both risen in recent months, despite the turmoil in other areas of the economy. Low inventory and steady demand are two of the key driving factors affecting San Diego's housing market outlook for 2022. The constraint on available inventory and a decline in new listings is keeping the San Diego housing market skewed to sellers.

The decrease in the number of active listings also indicates that inventory will be very tight over the coming months. It's an opportune time for sellers to list their properties on the market as the sales to list price ratio is

almost 100%. However, when you consider the current supply-and-demand situation, it's easy to see why San Diego's real estate market forecasts are mostly positive for the year 2022.

There aren't nearly enough homes listed for sale to satisfy the current level of demand from buyers. Despite the COVID19 pandemic, San Diego and the entire metro area market is so hot that it hasn't shifted to a buyer's real estate market. In a balanced real estate market, it would take about five to six months for the supply to dwindle to zero.

In terms of months of supply, San Diego can become a buyer's real estate market if the supply increases to more than five months of inventory. And that's not going to happen. This housing market is skewed to sellers due to a persistent imbalance in supply and demand.

This is also true across much of Southern California. The Southern California region was recently singled out as having the steepest decline in housing inventory over the past year or so. It's a positive sign for homebuyers, especially for those to want to invest in San Diego real estate. For buyers in San Diego, the mortgage rates are still low and the positive forecast for the next twelve months nearly guarantees appreciation.

The US housing market has been heating up with an increase in home-buying activity despite the COVID-19 pandemic. The real estate sector has been one of the most resilient areas of the economy during the severe economic shutdown. While uncertainty remains on the resurgence of COVID-19, the healthy housing demand we see today will create significant tailwinds in the near term.

The chart below, created by Zillow, shows the growth of median home values since 2012 and their forecast until Dec 2022.

Courtesy of Zillow.com

San Diego Real Estate Investment Overview 2022

Should you consider San Diego real estate investment? Many real estate investors have asked themselves if buying an investment property in San Diego is a good investment? You need to drill deeper into local trends if you want to know what the market holds for real estate investors and buyers in 2022. Although this article alone is not a comprehensive source to make a final investment decision for San Diego, we have collected ten evidence-based positive things for those who are keen to invest in San Diego real estate now.

Let’s look at the state of the San Diego real estate market and the factors driving the property market short and long term. Affordability has become an issue for many homebuyers in the San Diego area. This is another housing market trend that is affecting many major cities across the country but particularly in the western coastal markets. How big is San Deigo's housing market? San Diego is a moderately walkable city in San Diego County with a population of approximately 1,305,700 people.

It is the second biggest California city and one of the ten biggest cities in the country. San Diego is one of the fastest-growing cities in the U.S, and its economy is strong. San Diego is often overlooked in favor of hotter real estate markets like San Francisco and Los Angeles. However, that's one of the reasons why you should consider investing in the San Diego real estate market. The city of San Diego continues to outpace California's job recovery, which is good news for San Diego's housing industry.

The San Diego metropolitan area is known as the birthplace of naval aviation, serving as a major employment center in the nation for defense and in the Southern California region for scientific research, health care, education, trade, and tourism. The significant military presence supports **hundreds of thousands** of jobs, pays billions of dollars in wages, and has an overall annual economic impact on the San Diego metropolitan area of billions of dollars.

San Diego's housing market remains one of the hottest in the nation (ranked 10th by Zillow). Since home building takes time especially in a heavily regulated environment, there's little chance of diminished demand. San Diego has been one of the hottest real estate markets in the country for many years. During the 20 years from 1998 to 2018, the median home value in San Diego rose by a whopping 217%. But the median household income only rose by around 77% during that same 20-year time frame.

San Diego has a mixture of owner-occupied and renter-occupied housing. As per Neigborhoodscout.com, a real estate data provider, one and two-bedroom single-family detached are the most common housing units in San Diego. Other housing types prevalent in San Diego include large apartment complexes, duplexes, rowhouses, and homes converted to apartments.

There were 4,100 single-family homes and 6,400 multi-family homes built in 2017, compared to 2,200 single-family homes and 7,800 multi-family units in 2016. Today, the general trend for SFR construction in San Diego County is still far below the 2002-2004 numbers. The next peak in single-family residential construction will likely begin around 2021, but it is doubtful to return to the frenzied mortgage-driven numbers seen during the Millennium Boom.

The San Diego Housing Market Is a Relative Bargain

California is known for its insane real estate prices. San Diego stands out as a relatively affordable real estate market. The median home price is around $550,000. This sounds bad if you compare it to the national average of $300,000, but it is a bargain in California. You could snap up several San Diego rental properties for the price of one home in San Francisco.

The San Diego housing market is cooling. Home price appreciation fell below 5%, and home prices in some areas are declining due to decreasing demand. This is an improvement over the 6 to 8% appreciation San Diego had been seeing. The expanding inventory of houses on the market makes this a great time to invest in the San Diego housing market.

San Diego's Housing Supply Is Constrained As New Construction of Homes is Quite Slow

San Diego is a growing housing market. By 2050, the population of San Diego County is expected to grow to 4.5 million, approximately a 50% increase from the population in early 2007 of 3,098,269 people. Population trends have connections with housing trends as it increases the demand for housing supply. However, construction in San Diego has stalled. Single-family residential construction is well below the demand for such homes in the San Diego housing market.

There has been faster growth in the construction of multi-family housing in the San Diego real estate market, but that is also below historic rates. Currently, both single-family and multi-family housing construction is increasing in San Diego. Even though there are more multi-family starts over single-family homes in terms of raw numbers, the percentage of single-family homes being constructed outpaces that of multi-family units.

San Diego also shares several geographic constraints that other California coastal cities do. You can’t build on water. The Cowles Mountains limit how much the city can expand inland, constraining the housing supply. Regulations limit high-density construction, preventing the area from meeting demand with too many tall condo towers. So, do the wilderness areas off-limits to construction like Cuyamaca Rancho State Park and Cleveland National Forest.

The Diverse Student Market Feeds the San Diego Rental Market

San Diego is a major metropolitan area, and it is home to several colleges and universities. The University of California at San Diego is one of the largest. It is sometimes confused with San Diego State University, a different campus, and the University of San Diego. Point Loma Nazarene University is a Christian school in San Diego. National University is located in nearby La Jolla.

Smaller schools like the Art Institute, Alliant International University, Azusa Pacific University, Brandman University, Miramar College, Mesa College, and California College of San Diego fill out the San Diego real estate market.

A side benefit of the diversified student market is that you can buy multiple properties across the San Diego housing market and enjoy a "diverse" investment portfolio. You won't see demand for the property rise and fall based on the popularity of a flagship school, and the strong San Diego housing market allows you to rent it to newcomers to the area or military officers if you can't fill the unit with students.

San Diego's economy isn't as reliant on tourism as other coastal towns. Instead, defense and the military are a larger part of the local economy. This dumps tens of thousands of renters into the San Diego real estate market who will never buy because they could be deployed elsewhere in a year or two. The military also gives generous allowances for those who rent San Diego rental properties, keeping rents near the military base strong regardless of the state of the economy.

San Diego Rental Prices Are Increasing Year-Over-Year

The San Diego real estate market has been ranked among the ten most expensive real estate markets in the country, though it ranks below several other West Coast cities. This creates massive demand for San Diego rental properties by those who simply cannot afford to buy homes. The rental market will continue to grow as the city grows an estimated 500,000 population by 2050, adding tens of thousands each year. The median rent in San Diego is $2700. The rent you'd receive on single-family San Diego rental properties would, of course, be much higher.

If you find a good bargain and make it family-friendly, you could charge well over $3000 a month. If you can convert *San Diego rental properties* into smaller units, you'd receive around $2200 a month for a one or two-bedroom apartment. The cash on cash returns for properties in the San Diego housing market is around 2.5% for traditional rental properties and nearly 2% if you rent on Airbnb. The fact that the city isn't too dependent on tourism means you could rent properties on the beach to newcomers, locals, and students if tourism is slow.

Before the pandemic, the average rent for an apartment in San Diego had been growing at 4% year-over-year (source: RentCafe). About 40% of the apartments can be rented for less than $2000, and 60% of the apartments can be rented for more than $2,000 per month. This shows that rent prices are very high in San Diego.

Homeowners vs Renters Statistics: According to the most recent 2020 American Community Survey census data, San Diego County has a renter percentage of **46.7%** which is the second most renter percentage of all the counties in the greater San Diego County region. The homeowner percentage is **53.3%.** The monthly cost of ownership for property owners in San Deigo is around $2,073.

The median gross rent is $1,658, which is the third most expensive among all other counties in the greater San Diego County region. Comparing rental rates to the United States average of $1,062, San Diego County is 56.1% larger. Also, compared to the state of California ($1,503), San Diego County is 10.3% larger.

Rental Trends: As of February 05, 2022, the average rent for a 1-bedroom apartment in San Diego, CA is currently $2,200. This is an 22% increase compared to the previous year. Over the past month, the average rent for a studio apartment in San Diego increased by 2% to $1,850. The average rent for a 1-bedroom apartment increased by 9% to $2,200, and the average rent for a 2-bedroom apartment increased by 6% to $2,995.

- **Two-bedroom apartment rents average $2,955 (a 25% increase from last year).**
- **Three-bedroom apartment rents average $3,595 (a 12% increase from last year).**

- **Four-bedroom apartment rents average $4,300 (a 9% increase from last year).**

San Diego Real Estate Market Is More Landlord Friendly For Short Term Rentals

We can't say that California is landlord-friendly. However, specific cities are better for landlords and real estate investors than others. One reason to invest in the San Diego housing market over San Francisco or Los Angeles is the fact that San Diego is one of the few big cities that doesn't have rent control. The city has groups fighting proposals to apply rent control to San Diego rental properties in addition to apartments.

San Diego has many tourist attractions. Balboa Park is home to the San Diego Zoo, the Air and Space Museum, the Natural History Museum, the Desert Garden, the local youth Symphony, a Japanese garden, and a golf complex. There's a SeaWorld in San Diego, an MLB stadium, the USS Midway Museum, and the San Diego zoo safari park. On top of this is the mild weather and proximity to the beach. Any San Diego rental properties in easy reach of these attractions command a premium on rental sites like Airbnb.

Demand for rentals in the San Diego real estate market soars during Comic-Con, one of the biggest comic conventions in the country. The only limit on San Diego rental properties has been the fluctuating rules by the city council, such as a measure passed limiting rentals to primary residences that were rescinded a few months later in 2018. Yet permission for rentals is limited in many master-planned communities and condo developments, keeping rents for Airbnb and other short-term rentals strong.

San Diego Is A Great Place Place To Live In

San Diego is a great place to live in which makes real estate investment a lucrative opportunity. It has nice sunny weather and impressive beaches. It has more than 300 parks, including Mission Trails Regional Park, and 40,000 acres of undeveloped open space. Balboa Park has the world-famous San Diego Zoo, Old Globe Theatre, and museums. San Diego Zoo is also one of the prettiest zoos in the world to walk around. U.S. News analyzed 125 metro areas in the United States to find the best places to

live based on the quality of life and the job market in each metro area, as well as the value of living there and people's desire to live there.

San Diego, California was ranked:

- #36 in Best Places to Live
- #51 in Best Places to Retire
- #3 in Best Places to Live in California
- #5 in Most Expensive Places to Live
- #9 in Best Places to Live for Quality of Life
- #12 in Safest Places to Live

San Diego is home attracts millennials with its higher education opportunities and big-city amenities such as excellent restaurants, dive bars or clubs, and great nightlife. The craft beer scene in San Diego is one of the best in the world. North County is desirable for young families whereas millennials are moving downtown and to communities to the northeast as a result of gentrification and the diverse entertainment options centralized in those areas.

Where To Invest In San Diego Real Estate Market?

Are you looking for an investment property in the San Diego real estate market? Maybe you have done a bit of real estate investing in San Diego but want to take things further and make it into more than a hobby on the side. It’s only wise to think about how you can and should be investing your money. In any property investment, cash flow is gold. San Diego offers an ideal mix of limited supply, high demand, and excellent income potential.

San Diego's mild climate, miles of beaches, fun attractions, and great schools make the city one of America's best places to live. If you’re going to invest in California, it needs to be in San Diego. Good cash flow from **San Diego investment properties** means the investment is, needless to say, profitable. On the other hand, a bad cash flow means you won’t have money on hand to repay your debt.

Therefore, finding the best investment property in San Diego in a growing neighborhood would be key to your success. The three most important factors when buying real estate anywhere are location, location, and

location. The location creates desirability. Desirability brings demand. You should focus on neighborhoods with relatively high population density and employment growth.

Both of them translate into high demand for housing. There should be a natural and upcoming high demand for rental properties. Demand would raise the price of your **San Diego rental property** and you should be able to get a good return on your investment over the long term.

The neighborhoods in San Diego must be safe to live in and should have a low crime rate. The neighborhoods should be close to basic amenities, public services, schools, and shopping malls. A cheaper neighborhood in San Diego might not be the best place to live in.

A cheaper neighborhood should be determined by these factors – Overall Cost Of Living, Rent To Income Ratio, and Median Home Value To Income Ratio. It depends on how much you are looking to spend and if you are wanting smaller investment properties or larger deals in Class A neighborhoods. The inventory is low, but opportunities are there.

Some of the popular neighborhoods in or around San Diego are Carmel Valley, Rancho Bernardo, Point Loma, Pacific Beach, Mission Valley, Mira Mesa, Rancho Penasquitos, Bonita, Del Cerro, North Park, La Jolla, 4s Ranch, Mission Hills, Otay Ranch and Rancho Santa Fe.

As we write this, the asking price of single-family homes for sale in San Diego (on Realtor.com) starts from $132,000 for a 3-bedroom house and can go up to $37M for a luxury 10-bedroom house located in the Northern San Diego neighborhood.

You can get a beautiful 3-bedroom new construction single-family house for around $379,000 in the Southern San Diego neighborhood — which is quite an affordable entry price as San Deigo home prices are some of the most expensive in all of the United States.

Here are some of the best neighborhoods in San Diego where you can buy an investment property.

Encanto is one of San Diego's most affordable neighborhoods if you want to buy an investment property. According to Neighborhood Scout Encanto's median real estate price is $469,345, which is cheaper than

71.3% of California neighborhoods and 21.5% of all U.S. neighborhoods. Encanto is a hilly neighborhood located in the southeastern part of San Diego, California. The neighborhood of Encanto is split into two sections, North Encanto (which lies north of Broadway), and South Encanto (which lies south of Broadway).

The name Encanto usually refers to the neighborhood of Encanto, but it can also refer collectively to the neighborhoods of the Chollas Valley planning area, which consists of Chollas View, O'Farrell, Lincoln Park, Emerald Hills, Valencia Park, Broadway Heights, Alta Vista, Rosemont, as well as Encanto. The citizens' community planning group that represents these eight neighborhoods in accordance with the City of San Diego Council Policy 600-24 is named the Chollas Valley Community Planning Group.

The Encanto Neighborhoods Community Plan is designed to expand the existing retail, commercial and light industrial areas along the main transportation corridors and the villages surrounding the trolley stops at 47th and Market streets, and Euclid Avenue and Market Street. Its cultural heart is the Market Street Village, situated along Chollas Creek, and the trolley stop at the intersection of Euclid Avenue and Market Street.

With its proximity to San Diego Bay just 2 1/2 to 5 miles away, temperatures tend to be mild. The area offers excellent opportunities for infill development, including commercial, transit-oriented mixed-use along the main corridors, and view lots for single-family residential in the surrounding hills.

Nestor is another relatively affordable neighborhood in San Deigo having a median real estate price of $579,106, which is more expensive than 42.9% of the neighborhoods in California and 84.6% of the neighborhoods in the U.S. The average rental price in Nestor is currently $1,881, based on NeighborhoodScout's exclusive analysis. Rents here are currently lower in price than 77.6% of California neighborhoods. Nestor is a residential neighborhood in the southern section of San Diego, and part of the Otay Mesa-Nestor community planning area. According to Zillow, Nestor's home values have gone up 29.4% over the past year.

It neighbors Palm City and Otay Mesa West to the east, Egger Highlands to the north, San Ysidro to the southeast, and the Tijuana River Valley to the

south. Major thoroughfares include Coronado Avenue, Saturn Boulevard, Hollister Street, and Tocayo Avenue. According to Areavibes.com, the cost of living in Nestor is 19% lower than the San Diego average and 13% higher than the national average. On their livability index, it ranks better than 42% of areas in San Diego.

The Otay Mesa-Nestor community planning area is located in the southern region of the City and is bounded on the north by Chula Vista, on the east by the community of Otay Mesa, on the south by the Tijuana River Valley and the San Ysidro community, and on the west by Imperial Beach. Twenty percent of the planning area consists of schools, parks, transit, and other public facilities, while vacant, undeveloped, agricultural, and mineral extraction and processing uses comprise the remaining 15 percent.

Emerald Hills is a fairly good neighborhood in San Diego to invest in real estate. It is a calm neighborhood with many green spaces nearby for residents to visit. Most areas in this neighborhood are quiet, as noise from the streets and other parts of the city is rarely an issue. It is bordered by Oak Park and California State Route 94 on the north, Chollas View and Euclid Avenue on the west, Encanto on the east, and Valencia Park and Market Street on the south. Major thoroughfares include Kelton Road and Roswell Street.

Most houses for sale in this neighborhood are located in places that are not very suitable for walking since carrying out daily needs is sometimes difficult. The typical home value in Emerald Hills is $659,983, up 33.0% over the past year.

Another urban area that is great for investment is the Downtown/City Center. It is one of the best places to live in California. It offers residents a dense urban feel and more than 70% of the residents rent their homes. So it is a great neighborhood to buy rental properties due to high demand. Downtown's public schools are above average. It offers good nightlife with restaurants, bars, and entertainment venues. Niche.com ranks it #25 among the best neighborhoods to live in San Diego.

Highest Growing San Diego Neighborhoods For The Last 5 years (List by Neighborhoodscout.com)

1. Main St / S 32nd St

2. National Ave / Sampson St
3. S 28th St / Ocean View Blvd
4. S 32nd St / National Ave
5. Ocean View Blvd / S 45th St
6. S 45th St / Logan Ave
7. Main St / Vesta St
8. Imperial Ave / 19th St
9. Fairmount Ave / Polk Ave
10. 28th St / Market St

The cheapest or most affordable neighborhoods to rent in San Diego are Alta Vista, where the average rent goes for $1100/month, Broadway Heights, where renters pay $1100/mo on average, Emerald Hills, where the average rent goes for $1100/mo, Encanto, where renters pay $1100/mo on average $1,383, Jamacha Lomita with an average rent of $1100, and Skyline, where the average rent price is 1100. In all of these areas, the asking prices are below the average San Diego rent.

Graph Credits: RentCafe.com

Apart from San Deigo, you can also invest in several other real estate markets in California. California has the 6th largest economy in the entire world. This is largely driven by its innovative production, the heavy tech

sectors in the state, and more. Apart from the San Diego real estate market, you can also invest in another hot market in San Jose. San Jose is part of Silicon Valley, a place where $100,000 a year or higher salaries from competing for tech firms has driven up the cost of real estate.

But what about the **San Jose housing market** itself? San Jose is the third-largest city in California, home to roughly a million people. It has the highest cost of living in any area in the U.S., and it is one of the most expensive housing markets in the country. If you want to invest in San Jose real estate, you may not need to buy and renovate. Instead, if you know of industrial or commercial properties near major employers they may need to convert to employee housing, which you could buy now and hold until it sells.

If that doesn't happen, you could still turn it into a co-working space. In January 2018, Redfin ranked the ten hottest neighborhoods in the United States. Nine of the ten were in San Jose. When single home prices fall from 1.2 million to 1 million, homes now sit on the market for several days instead of being snapped up immediately.

The other good place for real estate investment in California is Sacramento. Sacramento is an island of sanity in an overpriced, over-regulated, and overheated West Coast housing market. It reflects the California ideal that most of the state has lost, and that's we recommend it to investors over the "hotter" California metro areas. These are the same factors causing many Californians themselves to vote with their feet and move here instead of moving out of the state altogether.

If you're considering Sacramento real estate investment, the diverse rental market is a definite plus. Being a state capital, it is home to several universities. This allows you to rent to the relatively large student market in addition to the local population. There is, of course, the University of California campus in Sacramento, but you could own investment properties by American River College and other, smaller schools in the area, too.

Buying or selling real estate, for a majority of investors, is one of the most important decisions they will make. Choosing a real estate professional/counselor continues to be a vital part of this process. They are well-informed about critical factors that affect your specific market

areas, such as changes in market conditions, market forecasts, consumer attitudes, best locations, timing, and interest rates.

NORADA REAL ESTATE INVESTMENTS has extensive experience investing in turnkey real estate and cash-flow properties. We strive to set the standard for our industry and inspire others by raising the bar on providing exceptional real estate investment opportunities in many other growth markets in the United States. We can help you succeed by minimizing risk and maximizing the profitability of your **investment properties.**

Not just limited to San Diego or California but you can also invest in some of the **best real estate markets** in the United States. All you have to do is fill up this **form** and schedule a consultation at your convenience with our team to see if **San Diego makes sense as a place to invest today.**

We can help build you a custom portfolio of turnkey properties located in some of the best markets in the United States. By researching and structuring complete **turnkey real estate investments**, we can help you succeed by minimizing risk and maximizing profitability.

Remember, caveat emptor still applies when buying a property anywhere. Some of the information contained in this article was pulled from third-party sites mentioned under references. Although the information is believed to be reliable, Norada Real Estate Investments makes no representations, warranties, or guarantees, either express or implied, as to whether the information presented is accurate, reliable, or current. All information presented should be independently verified through the references given below. As a general policy, Norada Real Estate Investments makes no claims or assertions about the future housing market conditions across the US.

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Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Monday, February 21, 2022 3:12 PM
To: Llerandi, Alexander@Coastal; SanDiegoSTR@Coastal
Subject: Is Airbnb Safe? We Analyzed 127,183 Horror Stories To Find Out (2021)

Mr. Llerandi:

The article below is fact-filled about Airbnb. What happens in my neighborhood is an example of the problems we endure from the STVR.

Airbnb is not Pollyanna of San Diego. They are not inviting the neighbors over to meet the new permitted, TOT certificated new STVR owners, and the rule-enforcing hosts we wish would be good neighbors—but aren't.

Fact, since the STVR (**Airbnb #49876412**) opened on my street (2021), I have complained to:

- Airbnb (noise, fraudulent advertising),
- San Diego City Attorney (**non-permitted business**),
- The Development Services Dept (**CE-0515080/illegal garage conversion**),
- SD police (**legitimate noise complaints after 10 pm or in the early morning**),
- CA Attorney General, the Federal Trade Commission about the Airbnb property #49876412 at 355 Ricardo Place, La Jolla, CA 92037 **posting false**
- **and misleading advertising.**

I assume that the hosts pay to get page 1, position 1as one of the top 10 rentals on Airbnb/SD or Airbnb/La Jolla or Airbnb/Mission Beach; otherwise, how would they have that spot, month after month. *It's not that nice a place.* <u>They often post $108/nt. to sleep 14, 600' from the ocean.</u> <u>Yet, there is no such price, no matter what date, the number of guests.</u>

Today (2/21//22) I spoke to the cleaning lady of **355 Ricardo Place, 92037** and asked to speak to Jenny (host). The woman went into the house, came back, put her AirPod in my ear (so I couldn't see the phone number) and I spoke with Jenny the host (FIRST TIME).

Jenny said she is French. She refused to give me her number when I asked for it.

She stated I have take photos of her guests (on the street), making them uncomfortable, but Mr. James Lindsay (owner, residence Carlsbad) will not stop using the property as a STVR because they are not doing anything wrong! And if you don't like it, too bad.

In addition, I found out from another source, <u>Mr. Lindsay recently purchased another four properties in Sunset Cliffs/Point Loma to use as STVRs, and his other host, Olivier, moved to Los Angeles 2/20/22 to manage STVR properties there.</u>

I tell you this to support the article below, that Airbnb and its property owners & hosts are not squeaky clean and are only in it for one reason. Who owns STVRS? Rich, white, entitled individuals who have lawyers and accountants on retainer.

Mr. James Lindsay owns how many STVRs in San Diego? I know of six. But my source said more.

How will the city track his properties? Determine if he owes back taxes? Penalize him for noise disturbances and a DSD infraction? Reduce him to one
property (haha)? Shell corporations. Family members. There are many ways to get around this loophole.

How will the STR ordinance rein in this one owner, never mind the hundreds of Mr. Lindsays out there?

Trudy Grundland
335 Ricardo Place, La Jolla, CA 92037
858-210-0190

https://www.asherfergusson.com/airbnb/

127,183 Airbnb Guest Complaints Expose Scams, Safety Concerns, Infestations & More 2021

The author, Asher Fergusson conceived the original study method in early 2019 and shortly thereafter began a collaboration with researchers from John Jay College of Criminal Justice and the University of Colorado School of Public Affairs in Colorado Springs. The 2.5-year project was funded by ASIS International (the world's largest membership organization for security management professionals) and via a grant from John Jay College.

We analyzed 127,183 Airbnb guest complaints to find out which problems are most likely to be complained about via Twitter. We reviewed all mentions and replies of @Airbnb, @Airbnb_uk, @AirbnbHelp, etc.

Below is a summary of our key findings and further down the page we list the cities with the most Airbnb complaints.

127,183 Airbnb Guest

This academic research was conducted in c
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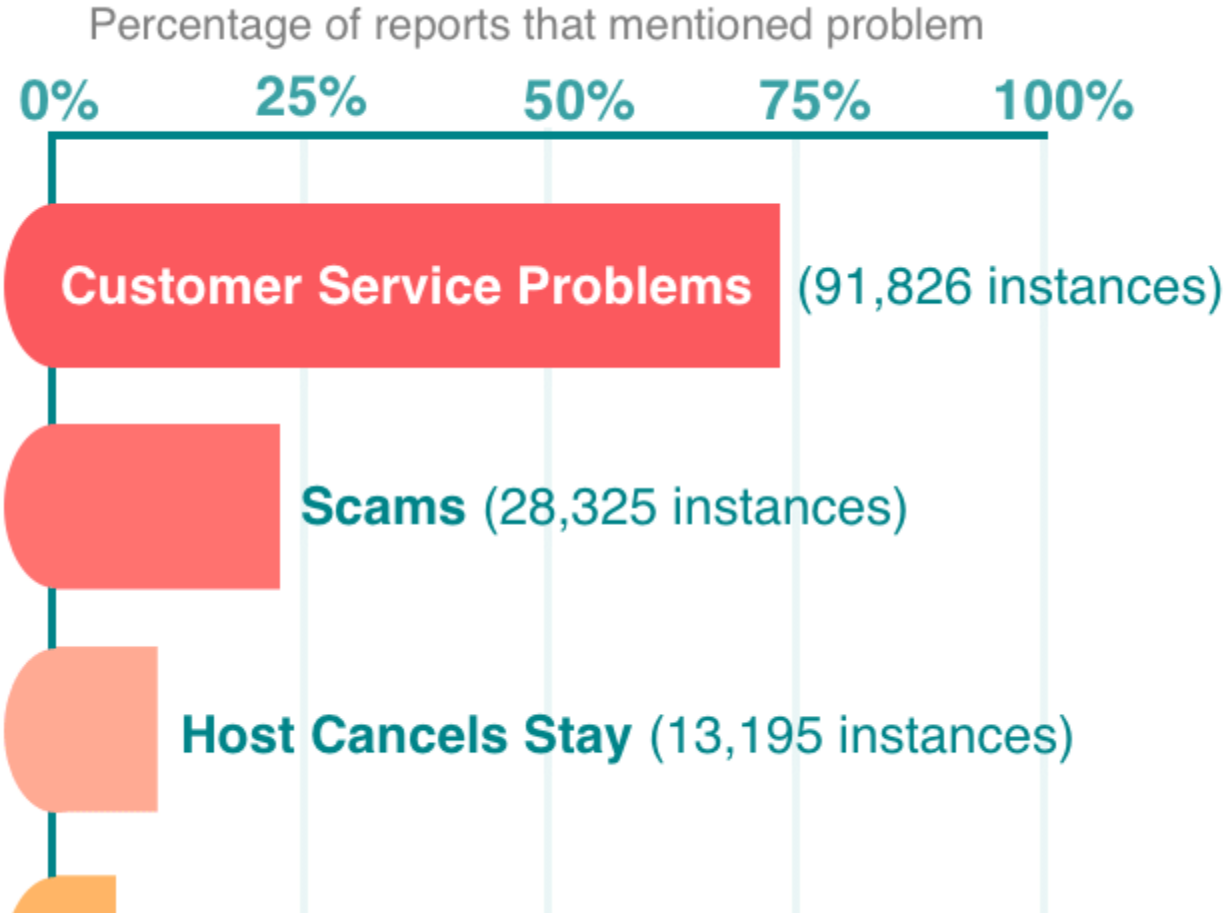


Please note: If you'd like to be the first to know when we update this study or when we publish new research, subscribe HERE →

SECTION 1

Our Methodology

In this academic research, we set out to understand one simple question, *"which Airbnb guest problems are most likely to be complained about via Twitter?"*. We used a combination of human coding of individual Airbnb Twitter complaints, machine learning, and natural language processing techniques to accelerate the categorization and understanding of such a large dataset of 365,250 individual tweets or 169,023 Twitter conversations. Of the 169,023 conversations, 127,183 were from guests reporting their problems.

We had two coders human-review and categorize a total of 5,278 tweets without seeing how the other coder was categorizing each conversation. This allowed us to measure intercoder reliability and we eventually reached 100% reliability by reviewing and correcting all the tweets they did not agree on. Using this "gold standard" dataset we were able to then train our custom-built machine learning system to review the remaining 160,000+ conversations. After several iterations and by employing different natural language processing techniques, we achieved an F1-score ranging from 0.72 to 0.86 across all categories.

Read Our Full Detailed Methodology (Click to expand)

My key research partners were:

- **Chelsea Binns Ph.D.** who is an Assistant Professor in the Department of Security, Fire, and Emergency Management at John Jay College of Criminal Justice. She is an expert in security & investigations, having previously worked in this capacity for the City and State of New York and in the financial industry. She is also a licensed Private Investigator and a Certified Fraud Examiner.

Chelsea has published three books and conducted studies for leading organizations such as ASIS.

- **Robin Kempf JD, Ph.D.** who is an Assistant Professor at the University of Colorado School of Public Affairs in Colorado Springs. Prior to joining academia, she spent more than 10 years working for the state of Kansas as an attorney in a variety of contexts, including Kansas Supreme Court clerk. She has also published numerous articles in peer-reviewed journals.
- **Germán Sanchis Ph.D.** who has a Doctorate degree in Computer Science with more than 15 years of experience in natural language processing and machine learning, both in academic research and industrial applications. He is the author of more than 40 publications in international journals and conferences, a member of the committee in many top-level artificial intelligence conferences, and he has also been co-director of several Ph.D. theses in the field of natural language processing. Currently, he is CEO of Sciling – the firm that built our machine learning platform.
- Shea Connors and Julien Roussel who were top students (now graduates) from the criminal justice programs at John Jay College and St. John's University.
- Lastly, this project took more than 2.5 years to complete and involved more than 1,200 combined hours of work.

SECTION 2

Three Noteworthy Categories of Common Airbnb Complaints

Out of 127,183 Airbnb guest complaints analyzed, here is a breakdown of the most noteworthy examples of unpleasant (and sometimes dangerous) situations including scams, unsafe conditions, and discrimination. Click the links below to navigate to that section of the page where we also share poignant examples embedded directly from Twitter.

1. SCAMS (28,325 instances or 22.27% of all guest complaints)

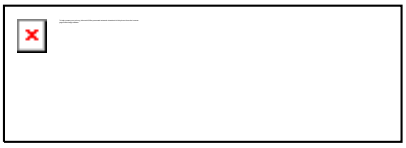
- Multiple Listings of the Same Property (11,652 instances or 9.16% all guest complaints)
- Property Not As Described (7,286 instances or 5.73% of all guest complaints)
- Account Hacked/ Fraudulent Charges (5,872 instances or 4.62% of all guest complaints)
- Fake Listings and/or Reviews (899 or 0.71% of all guest complaints)
- Other Scam or Fraud (2,616 or 2.06% of all guest complaints)

2. UNSAFE CONDITIONS (7,719 instances or 6.07% of all guest complaints)

- Infestations/ Unsanitary/ Unhealthy (4,305 or 3.38% of all guest complaints)
- Serious Safety Concerns (1,274 or 1.00% of all guest complaints)
- Obnoxious Host and/or Environment (1,160 or 0.91% of all guest complaints)
- Unsafe or Broken Amenities (581 or 0.46% of all guest complaints)
- Hidden Cameras (251 or 0.20% of all guest complaints)
- Theft (149 or 0.12% of all guest complaints)

3. DISCRIMINATION (4,851 or 3.81% of all guest complaints)

- Disability (2,891 or 2.27% of all guest complaints)
- Race (1,051 or 0.83% of all guest complaints)
- LGBTQ+ (153 or 0.12% of all guest complaints)
- Other Types of Discrimination (756 or 0.59% of all guest complaints)



SECTION 3

Five Types of Scams Plaguing Airbnb

Our analysis shows that scammers are utilizing home-sharing platforms to target unsuspecting victims. Although we can't quantify the exact amount, these tweets suggest a serious problem. Since Airbnb is a recognizable brand, and the service appears comparable to that of hotels (see Binns

and Kempf 2020: Safety and Security in Hotels and Home Sharing) users are most likely letting their guard down and trusting the app. Guests expecting quality accommodation and service can be lured into a scam and appear to be left with little recourse, as is documented by tweets complaining about the lack of customer support in these situations.

Our research has identified Airbnb scammers' five most common tactics to watch out for. Be aware that there are myriad variations of these scams and scammers will often attempt to change up their tactics as consumers become more aware of them.

1. Multiple Listings of the Same Property

This is by far the most common Airbnb scam reported in the set of analyzed Twitter complaints. The scam looks like this (with variations, of course):

- The host offers nice accommodation for a good price. Unbeknownst to the guest, the property was listed more than once (on Airbnb and potentially other short-term rental platforms), once at a cheaper rate and once at a much higher rate.
- If the host has a new guest make a booking at the higher rate, they cancel the guest who booked at the lower rate (usually last minute).
- Either the guest is out on the street on their own or the host offers a worse property without any discount.
- Airbnb may or may not intervene or offer support on behalf of the guest, giving them few options but to accept or be out the cost of the original listing, plus the cost of premium rates for last-minute accommodations elsewhere.

Check out some examples of this happening to guests:

Guest Examples of Multiple Listing Scams

Below find several more examples of multiple listings scams in the press:

– ***The Points Guy***: Travelers warn of last-minute vacation rental cancellations this summer
– ***WFTV 9***: Families claim vacations were cancelled to charge new renters more
– ***MakeUseOf***: 3 Airbnb Scams You Need to Know About Before Booking Your Trip
– ***The Sun UK***: Airbnb hosts can cancel your reservation at the last minute as part of a 'scam' and there's nothing you can do about it
– ***SFist***: Top 10 Airbnb Scams Bamboozling Users Out of Money Across the World
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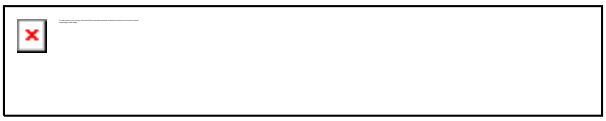

2. Property Not as Described

The second most commonly complained about scams are properties that are misleadingly marketed to make the accommodations appear better than they actually are. This can be achieved through misdirection or staged photos containing amenities that no longer exist (or never existed in the first place). Naive guests arrive at a home that is often drastically different from the photos and descriptions posted on the Airbnb platform e.g. much dirtier than advertised or doesn't contain said luxury amenities, like a backyard hot tub or more simple essentials such as WiFi or running hot water.

Or, sometimes, the photos are complete lies. Guests arrive at the accommodation only to find out it is not at all what was advertised in the pictures, and they may have little recourse or opportunity for a full refund. Or if they are offered a full refund it could take weeks or months to receive the money-back.

Sometimes this scam will include the wrong address. The host will "conveniently" claim that Airbnb mistakenly listed the address and they can't fix it. In this case, there is a good chance that the property owner has

been booted off the platform before but has circumvented the restriction by simply listing a new address under a different name. This scam personally happened to us in Paris in 2017.

Here are some examples of this scam in action:

Even more examples:

Guest Examples of Not as Described Scams

Below find several more examples of Airbnbs listings turning out not as described in the press:

– ***News 5 Cleveland***: Texas mom says Cleveland Airbnb stay turned into a nightmare
– ***Newsweek***: Woman Books Five-Star Airbnb, Turns Out to Be 'Hoarder's House'
– ***SNN News***: No A/C, cockroaches at pricey Siesta Key rental
– **Toronto Sun**: Time to close the door on Airbnb
– ***KHOU***: Woman says she was misled into booking basement room without windows, vents
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3. Account Hacked & Fraudulent Credit Card Charges

Another commonly reported type of fraud that is extremely alarming is where scammers will hack into an Airbnb guests' account (change their password) and book multiple stays at potentially fake listings with the victim's credit card, debit card, PayPal, or another associated payment method. The scammer will likely have ownership or connection to the property they have booked so that they are effectively doing a money transfer with the guests' finances. It is plausible that the hacker is also using this tactic as a money-laundering technique. The Airbnb guest is now locked out of their account may be missing thousands of dollars.

Many reports noted that customer service was not able to help them easily because they "can't verify" the account holder, keeping them stuck in this awful catch-22: can't get support without their account, can't access their account without support. And Airbnb has likely received revenue via the scam regardless, in the form of booking fees. If Airbnb does manage to provide a resolution it can take weeks or longer for the guest to receive a full refund and it may not include all the booking fees.

It was unclear how these account hacks are occurring. However, the fact that this affected almost 5% of all users who complained via Twitter tells us that Airbnb's security measures and ability to block suspicious activity could be improved. Often, guests reported that they believe that Airbnb itself is a scam, because of the lack of support offered by the platform in recovering their account, or their funds.

Here are some examples of this:

Even more examples:

Guest Examples of Account Hacked Scams

Below find several more examples of Airbnb account hacking scams in the press:

– ***USA Today***: Airbnb users getting scammed with fake rentals, account closures
– ***Elliot Advocacy***: This is how I lost $1,181 to an Airbnb hacker (and got blocked, too!)
– ***The Sun***: Airbnb users complain of accounts being 'hacked' saying they've been charged thousands and had bookings cancelled
– ***WKYC***: Money Monday: Check your Airbnb account!
– ***Fox 13 Memphis***: New scam targeting Airbnb accounts, charging people thousands in fake bookings
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4. Fake Listings & Reviews

Sometimes, guests will arrive at what is clearly a completely different home than the one pictured. Or, even worse, the listing never existed at all. Scammers will take pictures of homes off the internet, list them as

available rentals, and the unsuspecting guest shows up to nothing after losing out on hundreds or thousands of dollars. At the time of publishing this article, it is still possible to find fake listings on Airbnb which suggests they have NOT verified all their listings in 2021 even though they pledged they would by the end of 2020. This makes setting up fake listings in certain jurisdictions fairly easy to do.

Fake reviews are an increasingly prolific problem with the home-sharing platform. Fake reviews completely undermine the integrity of the review process. If you don't know how genuine the reviews are, or if they were placed there by a less-than-genuine host, how can you know what you and your family are walking into?

Here are some examples of fake listings and reviews:

Even more examples:

Guest Examples of Fake Listings Scams

Guest Examples of Fake Reviews Scams

Below find several more examples of Airbnb fake listing scams in the press:

– ***LifeHacker***: How to Identify Scam Listings on Airbnb
– ***The Washington Post***: How to spot fake reviews on travel sites
– ***Traveller***: Airbnb are removing some negative reviews. Here's why
– ***CNN***: British couple spends $11,800 on Airbnb rental in Ibiza that doesn't exist
– **Forbes**: Don't Get Duped: Spotting Fake Listings On Airbnb

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5. Other Airbnb Scams

There are plenty of Airbnb scams that don't fall into a simple category. One example of this is the host demanding regional taxes upon arrival, or other various types of fees that were not outlined on the platform. They may insist that the guest cannot stay if they don't pay an extra $20, $50, or more per night. Another example of this is up-charging amenities that were promised to be included in the listing, like access to the pool or the washing machine but for a cash price to be paid directly to the host or listing manager.

Another common trick is where hosts indicate to Airbnb support that the guest damaged their property, when in fact they didn't, and then Airbnb could request the guest pay additional fees.

One more well-known scam is when "hosts" contact guests during the pre-approval phase and send them a link to another website that looks exactly the same as Airbnb.com, but isn't. Guests then log in again and finalize the payment, only to realize after that they had sent money (as well as their banking info, and their Airbnb login information) to scammers who have no real listing at all. These scammers usually do get taken down from the platform, but it's possible for them to get back on with another fake scam listing.

Check these out here:

Even more examples:

Guest Examples of Other Scams

Below find several more examples of other Airbnb scams in the press:

– ***Irish Times***: ‘Alarm bells started ringing’: Friends lose €2,600 in rental property scam
– ***Vice***: Here Are the Most Common Airbnb Scams Worldwide
– ***ABC Action News***: ‘I was scammed’: Couple warns of ‘sophisticated’ rental scheme in St. Pete

– ***Q13 Fox***: Woman falls victim to fake Airbnb site phishing fraud, says no ordinary rental scam
– ***CBD News***: Airbnb customer who lost $3,700 warns others to avoid scammers
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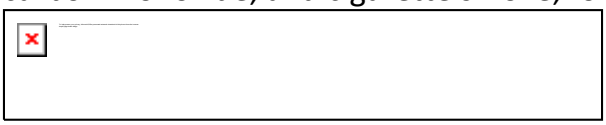
SECTION 4

Six Types of Unsafe or Unsanitary Conditions at an Airbnb

Aggregate data can't fully paint the picture of what a guest goes through when they have a poor Airbnb experience. To demonstrate the frustrating, complicated, messy, and sometimes dangerous circumstances that countless guests have experienced, we've compiled **500+ examples with photo evidence** of the thousands of "unsafe conditions" complaints shared by dissatisfied customers.

Please note: the below examples are only the complaints that included photos. Guests can't easily or safely capture some of the more frequent complaints in images (aggressive hosts, certain serious safety concerns, carbon monoxide, and cigarette smoke, for example).



1. Infestations, Unsanitary, and Unhealthy Accommodations

Of the "Unsafe Conditions" complaints we analyzed, more than half pertained to the cleanliness and hygiene of the listing. Common issues include bug infestations, rodents, pests, mold, bodily fluids, rotting food, and other unsightly or unsafe living conditions. In the age of Covid-19, cleanliness is of extra importance and lack of hygiene can pose a real safety hazard.

Conditions range from inconvenient to downright precarious. Many Airbnb guests report dealing with sanitation problems long after their visit, in the form of pests in their luggage (bedbugs, cockroaches) or residual health problems associated with things like carbon dioxide poisoning, asthma, and mold. Other times, the issue was limited to dirty bedding, dishes in the sink, trash in the living area, and a general lack of cleanliness.

Below are two good examples of bug and rodent problems at an Airbnb.

Hundreds of more photo examples shared by guests

Below are almost 300+ more examples of complaints regarding unsafe and unhealthy conditions found at Airbnbs around the world.

66 Examples of Bug Infestation & Bug Bites

62 Examples of Mold & Mildew

25 Examples of Rats & Rodents

43 Examples of Dirty Bedding & Linens

18 Examples of Listings Not Cleaned After Last Guest

13 Examples of Feces Related Issues

4 Examples of Condom Wrappers

68 Examples of Other Filthy, Smelly, Unhealthy, Unsanitary

Examples shared by media outlets around the world

Below find several more examples of infested, unsanitary or unhealthy conditions found at an Airbnb shared by the press:

– ***The Boston Globe***: How to navigate an Airbnb disaster, bugs and all
– ***CNet***: Bedbugs are giving Airbnb users headaches… and itchy bites
– ***NL Times***: Airbnb blamed for rise in bedbug infestations
– ***The Boston Globe***: How to navigate an Airbnb disaster, bugs and all
– ***Mirror***: Airbnb guest books NYC room – but it's a cupboard with 'dirty' camping mattress
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2. Serious Safety Concerns

Serious safety concerns represent a dark possibility for Airbnb users. Guest complaints range from police interventions, assaults on guests, dangerous neighborhoods, drugs, drug deals, and weapons found in the rental. While

serious safety concerns remain a frequently Tweeted complaint, it is both difficult and dangerous to depict safety concerns in pictures, so we were only able to capture 8 images out of hundreds of concerning complaints around guest safety and wellbeing.

Below are two examples of serious safety problems at Airbnbs.

And even more examples:

5 Examples of Guns, Bullet-related

3 Examples of Harassment, Assault

Below find several more examples of serious safety concerns in Airbnbs shared by the press:

– ***Bloomberg***: Father Says Airbnb Aid After Daughter's Death Was Damage Control
– ***The Hill***: Consumer safety agency asks Airbnb, others to issue warnings on home elevators following child's death
– ***NBC Boston***: Airbnb Host Cancels Vacation Rental After Guest Asks About Camera Surveillance
– ***WRDW***: Aiken man recorded minor female guest during stay, another lawsuit alleges
– ***Los Angeles Times***: Deadly shootings highlight Airbnb's house party problem
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3. Obnoxious Host, Neighbors, and Environment

For Airbnb, a host can really make or break a stay. This category outlines the issues surrounding Airbnb hosts and the environment or neighborhood of a property. The majority of complaints centered around inappropriate/aggressive hosts or unsafe neighborhoods, but compounding issues, including scams, discrimination, cancellations, and unpleasant living environments are frequently indicated problems within this section.

Here are two telling examples of obnoxious houses, neighbors, and environments.

Check out these 68 more examples.

3 Examples of Host Canceling Stay (Often Last Minute)

5 Examples of Ignored Covid Cancellation Requests

9 Examples of Objectionable Signs, Decor, Rules

10 Examples of Other Issues with Host

5 Examples of Website Issues

13 Examples of Other Harms, Potential Safety Issues

2 Examples of Other Misc. Complaints Against the Company

Below find several more examples of obnoxious hosts, neighbors, and environments found at an Airbnb shared by the press:

– ***Wired***: Threats, fear and chaos: the messy fall of an Airbnb scam empire
– ***Fox***: Local woman out thousands of dollars after booking fake property on what she thought was Airbnb
– ***Vox***: A bait-and-switch scam ran unchecked on Airbnb. Here's how it worked
– ***NZ Herald***: Airbnb said no more house parties. Why hasn't the letting app cleaned up its act?
– ***CBC***: Airbnb quietly shut down a top host amid scathing reviews, but hundreds of guests were left to stay with him
– ***Traveller***: Traveller Letters: Airbnb host refused refund, told us to ignore lockdown rules
– ***CBC***: Airbnb quietly shut down a top host amid scathing reviews, but hundreds of guests were left to stay with him
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4. Unsafe, Broken, or Missing Amenities

Many guests were promised amenities that turned out to be unsafe or not working as indicated on the Airbnb website. We were surprised to find

hundreds of examples of gas leaks, missing carbon monoxide and smoke detectors, and other electrical and fire hazards. This category also included things like missing keys and broken toilets.

Tragically, just last week, a Californian couple and their baby were found dead in an Airbnb likely because of a gas leak.

Here are four examples of unsafe or broken amenities.

Check out 92 more examples.

17 Examples of Broken, Faulty Doors, Windows, Ceilings

5 Examples of Missing, Broken, Unsafe Furniture

12 Examples of Missing, Broken, Unsafe Appliances

5 Examples of No Water, Dirty Water

12 Examples of No Heat, No Hot Water

7 Examples of Water Leaks

3 Examples of Fires & Fire Hazards

6 Examples of Electrical Concerns

8 Examples of Other Missing, Broken, Not Working Ammenities

26 Examples of Other Unexpected, Described Listings

Below find several more examples of unsafe, broken or missing ammenities found at Airbnbs shared by the press:

– ***News 4***: Short-term rental companies refuse refunds in Tahoe despite nearby fire, air quality
– ***WPCO Cincinnati***: Airbnb rental turns out to be a windowless basement
– ***Popsugar***: I Got to an Airbnb, and It Was a Nightmare — Here's What Happened Next
– ***Gothamist***: City Sues Over Alleged Airbnb Housing Ring That Made Millions
– **Honey**: Woman horrified after 'five-star' AirBnB is covered in rubbish and looks like a 'hoarder's paradise'
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5. Hidden Cameras

Hidden cameras are a huge privacy violation and safety concern for many Airbnb guests. Though the hidden camera complaints only account for a fraction of our analyzed complaints, it still represents a worrying trend for guests who want to feel private and safe in the listing they've paid for.

Airbnb's official stance on the issue of security cameras is that they have to be disclosed in the listing description. However, in order to have a "hidden camera", that rule is being broken as indicated by guest complaints on Twitter.

It also has to be stated that as camera technology advances, guests may struggle to find the cameras being hidden in smoke detectors, iPhone charging docks, USB adapters, and other clever hiding spots.

Below are two good examples of cameras hidden in Airbnbs.

Check out this recent TikTok video from @malwaretech where he shows you exactly how to find hidden cameras in an Airbnb and just how easy it is for a voyeuristic host to conceal them.

19 Examples of Hidden Cameras

Below find several more examples of hidden camera stories in Airbnbs shared by the press:

– ***The Atlantic***: Airbnb Has a Hidden-Camera Problem
– ***SFGATE***: We rented a California vacation home and got spied on by a surveillance camera
– ***NBC Boston***: Airbnb Host Cancels Vacation Rental After Guest Asks About Camera Surveillance
– ***WRDW***: Aiken man recorded minor female guest during stay, another lawsuit alleges
– ***Sky News***: Family discovers hidden camera livestreaming in Airbnb
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6. Stolen Property & Theft

Theft was the least common type of unsafe incidents in our dataset. For those who complained about theft, the biggest factor was improperly secured listings (sometimes where the thief had a key) or unsafe neighborhoods where thefts might more easily take place.

Here are two examples of stolen property.

Check out several more examples.

5 Examples of Theft of Guest Property

Below find several more examples of thefts at Airbnbs shared by the press:

– ***Washington Post***: They booked an Airbnb for a Christmas getaway. Then their presents and belongings were stolen
– ***KHOU Houston***: Bachelorette weekend nightmare: Houston Airbnb apartment removed from site after thief targeted women
– ***News Channel 3***: Man and woman accused of robbing six guests at gunpoint at a Joshua Tree Airbnb
– ***Yes Weekly***: AIR B&E: Airbnb accused of allowing scam artist to list Greensboro home
– ***WKRN***: Airbnb burglaries persist in Nashville
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SECTION 5

Four Common Forms of Discrimination

While complaints of discrimination only accounted for 3.81% of our Twitter complaints, that is still 4,851 people complaining to Airbnb publicly via Twitter that they were treated poorly based on their race, orientation/gender expression, disability, religion, or for other discriminatory reasons. We've broken down the most common types of discriminatory experiences Airbnb guests have had, with real-life examples from guests.

The sections are split up into **disability** (2,891 complaints), **race** (1,051 complaints), **LGBTQ+** (153 complaints), and **other** discrimination issues (756 complaints).

1. Disability-Based Discrimination

The ability for disabled individuals to have access to safe and accessible accommodations is an issue that is plaguing the short-term rental economy. While hotels and established properties have accessibility standards to adhere to, many private homes on Airbnb do not.

For certain, disabled people *should* be protected under the Americans with Disabilities Act, many Airbnb guests find that their bookings are canceled, their support animals are denied, or the listing that was "wheelchair accessible" was, in fact, very much not.

Here are some examples of disability discrimination:

Even more examples:

Guest Examples of Disability Discrimination

Below find more examples of Airbnb disability discrimination in the press:

– ***The Conversation***: Study shows how Airbnb hosts discriminate against guests with disabilities as sharing economy remains in ADA gray area
– ***The Verge***: Airbnb hosts reject guests with disabilities more often, researchers say
– ***Wired***: Airbnb is massively failing travellers with disabilities

– ***Live + Well***: How a Mother and Daughter Could Help Airbnb Improve Its Accessibility for Traveling Wheelchair Users

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2. Race-Based Discrimination

Thousands of guests arrive to their rentals only to find that the host is rude, insulting or otherwise aggressive based on the their race. That is, if the guest even makes it to the point of actually renting. Many guests find that they may not even receive the booking based on various racial factors.

Check out some examples of this happening to guests:

Further examples of racism at Airbnbs:

Below find several more examples of racism at Airbnb in the press:

– ***Fortune***: How Racism on Airbnb Threatened My 20-Year Friendship
– ***iNews***: There were plenty of Airbnbs available — until their hosts saw that I was black
– ***The Washington Post***: 'Which monkey is gonna stay on the couch?': Airbnb host kicks out black guests in racist exchange
– ***Box***: Airbnb has a discrimination problem. Ask anyone who's tried to #Airbnbwhileblack.
– ***The Washington Post***: 'One word says it all. Asian': Airbnb host reportedly leaves guest stranded because of her race
– ***Yahoo News***: Airbnb algorithm linked to racial disparities in pricing
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3. LGBTQIA-Based Discrimination

Members of the LGBTQIA+ community have also reported discrimination on the house-letting platform. Some guests complain of poor reviews, mistreatment, or not being allowed to book rentals at all based on their LGBTQIA+ status.

Here are some examples of LGBTQIA+ discrimination in action:

Even more examples:

Guest Examples of LGBTQIA+ discrimination

Below find several more examples of LGBTQ+ discrimination:

– ***The Guardian***: Airbnb faces outcry after transgender guest was denied stay by a host
– ***The Irish Times***: Gay male couples 'discriminated against' by Dublin Airbnb hosts
– ***Thrillist***: This LGBTQ-Friendly Alternative to Airbnb Helps Gay Travelers Feel Safe
– **CNN**: Traveling as a trans person: It's complicated

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4. Other Types of Discrimination

This category covers discrimination that doesn't fall into the category of race, LGBTQ+, or disabilities. These factors range from religious

discrimination, prejudice based on nationality, age discrimination, size discrimination, pregnancy discrimination, and more.

Here are some examples of other types of discrimination in action:

Even more examples:

Guest Examples of Other Forms of Discrimination

Below find several more examples of different kinds of discrimination in the press:

– **Travel + Leisure**: Fearing Islamophobic Airbnb hosts, entrepreneurs aim to build 'a Muslim-friendly solution'
– ***The Guardian***: Airbnb curb on under-25s could be discriminatory, UK lawyers warn
– ***Mirror***: 'Fatphobic' Airbnb hosts tried to ban fat people from staying in £199-a-night cottage
– ***The Guardian***: Airbnb suspends Victorian host who rejected couple for receiving Covid vaccine
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SECTION 6

Survey respondants report 24.2% had an Airbnb problem in the past year

When we conducted our original 2017 study we had two separate Airbnb customer service representatives tell us via the phone that "3% to 7% of Airbnb stays turn into a problem". However, for this research, we wanted to get the current state of affairs on Airbnb and ran our own online survey.

Below are our key findings.

What does Airbnb say?

According to an article written by Bloomberg:

"Airbnb says that fewer than 0.1% of stays result in a reported safety issue, but with more than 200 million bookings a year, that's still a lot of trips with bad endings. Only the most serious problems are transferred to the internal safety team."

There are a few issues with this statement. First of all, what constitutes a "reported safety issue"? This opaque phrasing hardly clarifies what is considered a "serious safety concern". Are these only circumstances where guests undergo bodily harm or worse? And this doesn't even begin to capture all of the very expensive, frustrating, and upsetting issues that aren't "safety concerns", like the common complaints we identify above.

But let's also break down Airbnb's numbers: 0.1% of 200 million stays a year is **200,000 safety issues *per year***.

And this is only what Airbnb is willing to admit to.
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SECTION 7

Which cities get the most mentions on Twitter when an Airbnb guest has a problem?

We looked through our full dataset of 127,183 tweets for mentions of 100 popular tourist cities in the US and from around the world and included the 50 with the most mentions below. Since this data is based only on Twitter mentions, it is not necessarily a true reflection of the most problematic cities, however, it is interesting to see a breakdown of which cities get the most complaints per 1,000 Airbnbs (assuming each complaint is about a unique property) and how they compare to other popular destinations.

Also note, I shared this list on Reddit and made the frontpage with over 17,000 upvotes and 2,000+ comments from dissatisfied Airbnb customers sharing their experiences. The overwhelming Reddit consensus agreed with the ranking of many of the top cities on the list and had people

sharing their Airbnb horror stories.

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SECTION 8

Review manipulation issues

Guests are increasingly complaining of review manipulation on the platform. Not only are helpful details such as star ratings (associated individual reviews) not present on the platform, but many guests have also complained that their reviews have been heavily altered or have disappeared altogether from listings they critically and honestly reviewed.

Scammers and Airbnb slumlords are going to great lengths to improve their listings with fake 5-stars ratings. *Wired Magazine* outlined this practice in an interesting article about how individuals and groups are buying up cheap properties, taking misleading or outright fake photos of multiple listings, and saturating the listings with glowing, but very fake, reviews from equally fake guests.

Details follow:

1. Critical reviews are being censored

Countless guests have noticed that their critical reviews are disappearing from the platform–or never making it onto the platform at all.

The Airbnb Review Policy has tricky language that allows Airbnb to essentially take down reviews for a number of reasons that often benefit the hosts. Here's an example of this in action:

“Circumstances entirely outside of another’s control” is hard to quantify and could apply to many things that directly affect the guest experience, like noise, neighborhood, smell, safety. But, even for factors that would immediately impact the guest experience, the host can petition to get these reviews taken down using the opaque language of the policy. This means a massive amount of negative reviews can be removed just by virtue of the issue being “outside of another’s control”.

The tweets we analyzed complained that Airbnb refused to explain what part of the comment violated their policy, leaving guests with no recourse nor way to communicate to future potential guests what’s *really* going on in the rental units.

Here is another example of review censorship from a well-known travel expert – Jeremy from Travel Freak:

"I wrote a review about my bad experience…which was promptly deleted from the Airbnb website just days later, and the entire trip had been removed from my history altogether. It was like my whole trip had just been deleted from their system. Like it never happened."

Here is another example posted online by c k.

"We wrote a bad review of the place citing roaches, overall dated and dirty, no smoke alarm etc. I put some positive things in the review too. I was called a couple days after writing the review saying I had violated Airbnb policies… and my review was rejected… Airbnb made it impossible for me to put an honest review online."

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2. Lack of ability to anonymously provide feedback

Some of these issues around the review system may stem from the inability to leave anonymous reviews, which creates a sort of shame around leaving anything even hinting at critical. As this Business Insider article suggests, having your name and face immortalized on the site alongside your negative feedback feels like a lot of pressure for guests who just want to maintain a good reputation on the site that relies on reputation for remaining "in good standing". That, combined with the fact that hosts can leave responses that can in turn attack the character or judgment of the initial reviewer means it can get ugly, fast. Additionally, guests worry that if hosts see critical reviews they've previously left, they will be denied future rentals because the host won't want a "picky" guest.

This phenomenon of mostly positive reviews is likely due to the "mutually assured destruction (or advantage)" of having both host and guest reviewing one another. The review system seems like it should be a good way for the community to monitor itself, and this does work in theory. But with the long documented history of review manipulation, hosts striking down negative reviews, reviews not being listed chronologically and many critical reviews not making it to the website at all, it makes you wonder what is even the point of a review process that can't be trusted?

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3. Reviews trend toward 5-stars, even with glaring issues

Scrolling through the website or app, you'll notice that the majority of reviews are glowingly positive. Even on listings with subpar ratings, the reviews always tend to say really nice, complimentary things about the space and the host. This makes you wonder, what's going on?

Sociolinguists have written research papers titled, "If nearly all Airbnb reviews are positive, does that make them meaningless?" and

psychologists have shared their thoughts on, "The anatomy of an Airbnb review. All adding to the conversation with this well-known issue of weird, saccharine reviewing tendencies on Airbnb.

Below we show an animated gif of the listing for a highly-rated Hawaiian Airbnb that has reviews that *seem* overwhelmingly positive. With a total score of 4.78, it's hard to argue that this is a very well-rated listing. But add a small negative word and the truth quickly becomes apparent.

Just by searching the word "but", we see that this Airbnb is:
– "really dirty" (July 2021)
– "there's no AC" (June 2021)
– "it's not a 5-star hotel" (May 2021)
– "no private bath, no central air, no closet to hang up clothes and strangers walk through your room to get to the washer and dryer" (April 2021)
– "no AC" (March 2021)
– "we found **cockroaches** every night" (March 2021)
– "there is the neighbor's rooster" (January 2021)
– "the bathroom was quite messy" (January 2021)
– "it smelled a bit like smoke" (January 2021)
– "found the place to be little dirty in maintenance." (December 2020)

So we can quickly see with a simple search that this highly-rated destination listing is actually a dirty, hot, cockroach-filled, smokey spot where strangers walk through the room on regular intervals. **And it's rated 4.78 with 353 reviews!**

If you're planning to use Airbnb, I recommend you only stay at places rated 4.85 or above and spend time disecting all the reviews like a detective!
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4. Inability to filter reviews

Lastly, guests looking at a potential rental cannot filter reviews by ratings. Unlike many sites with user reviews like Amazon where you can, for

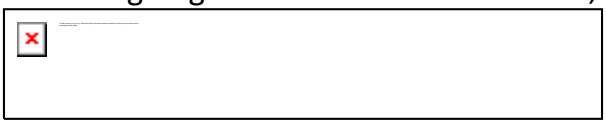
example, see all the 1-star or 5-star ratings at once to get an idea of the range of guest experiences, Airbnb has no such filter option by design. In fact, each individual review does not indicate the actual rating at all, adding to the lack of transparency around how reviews operate on the site.

SECTION 9

Why is their customer service so notorious?

Airbnb is a massive company with a global reach. They boast "5.6M+ listings in 220+ countries and regions". With a company of this size and with no costs of real estate, building maintenance, or typical hospitality staff, you would think that Airbnb would invest in robust, quality customer service.

According to guests who share on Twitter, however, this is far from reality.



1. Overreliance on bots and AI

Typically when guests are experiencing an issue with their listing, whether it's a simple inconvenience or a potentially dangerous crisis, dealing with a phone tree of bots and AI is less than ideal. But guests frequently complain of the seemingly increasingly automated nature of Airbnb's customer service.

Even with one of the most successful ways to get a response, their Twitter account, is coming under scrutiny as behaving like a bot, that leads to a DM bot, that leads… nowhere. A tool that checks the activity of a Twitter account called the Botometer created by Indiana University rates @AirbnbHelp a 4.2/5 (higher scores mean more bot-like activity).

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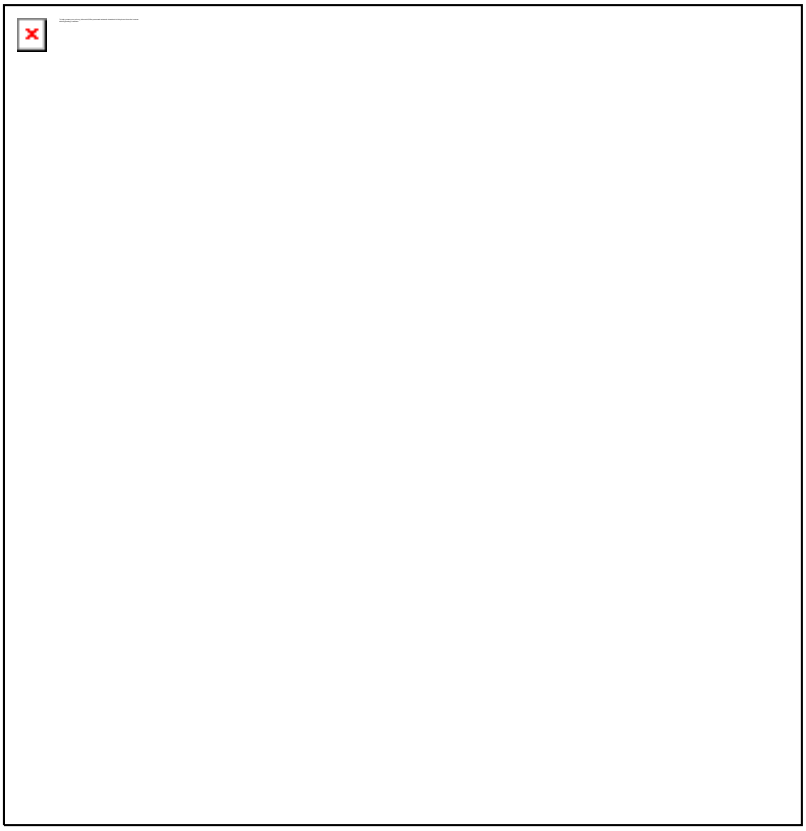
2. Responding fastest to public pressure (i.e. Twitter/Facebook)

Speaking of their Twitter, many guests have expressed frustration that the platform seems to respond quickest to public pressure and high-profile events, and not to their guests who really need it.



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3. Asynchronyous and Confusing Customer Service

According to numerous guests on Twitter and other platforms, Airbnb assigns cases to specific agents (or “Support Ambassadors”). If that agent is overloaded or too busy to get back to you, then you’re left waiting…

Instead of allowing multiple agents to work on tickets as they are available, they seem to assign one Support Ambassador and if that Support Ambassador isn't working or isn't available, well, you'll just keep getting bounced back to them by all the other ~~bots~~ agents until they have the time to get to your ticket (out of, presumably, hundreds or thousands of tickets at any given time).

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4. Delays in refunds lasting weeks (or even months)

Even when the platform does promise to repay fees, partial refunds, or even full refunds, the money doesn't arrive for a long time. If at all.

Airbnb's lack of responsiveness leaves many, many travelers stranded in foreign countries with no place to stay, and no money to find last-minute, premium price accommodations when their Airbnb doesn't work out. This is a scary, vulnerable situation for many who planned well in advance and did not think they would need to anticipate paying for additional accommodations.

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SECTION 10

Class-action lawsuits

According to the Airbnb Terms of Service (that everyone agrees to but nobody reads), section 23.11 states (at the time of publishing this article):

*"**23.11 No Class-Actions or Representative Proceedings.** You and Airbnb acknowledge and agree that, to the fullest extent permitted by law, we are each waiving the right to participate as a plaintiff or class member in any purported class-action lawsuit, class-wide arbitration, private attorney general action, or any other representative or consolidated proceeding."*

I fairly regularly see comments shared by Airbnb users in the comment section of my blog and even on the official Airbnb community forum where people talk about organizing class-action lawsuits. Airbnb's original Terms of Service did not have any "class-action waiver" verbiage but by May 22, 2012, they had added it. The people wanting to participate in a class-action suit clearly have not read or have forgotten what they signed up for when creating an account.

In the current version of the Airbnb Terms of Service, they attempt to make the "class-action waiver" part of the agreement clear by putting a note about it at the very top of the agreement as this screenshot shows.

Basically, Airbnb is attempting to prevent you from participating in a class-action lawsuit. Even for federally-protected reasons, like racial discrimination. Class-action waivers are becoming more common and are quite a controversial topic in the legal field. According to an article on *The New York Times*, *"Class-action cases have been the only effective way to prove and remedy systemic discrimination because you can't prove a pattern of behavior with individually filed cases,"* said Joanne Doroshow, executive director of New York Law School's Center for Justice and Democracy, who specializes in civil justice issues.

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SECTION 11

11 Key safety tips that will help you avoid Airbnb horror stories

1. Never book a place with zero reviews

Ideally, look for a minimum of 50 reviews in popular tourist areas or 25 in quieter areas. New listings are often a red flag because many times a host

will remove a poorly-rated listing and re-list it instead of improving the actual space. This is how we ended up getting scammed in Paris.

2. Only stay at places with a 4.85-star review average or higher

Most people will only leave less than that if they have had a truly horrible experience. And in today's weirdly skewed Airbnb rating economy, leaving a 5-star review is normal and anything much less than a 4.85 almost guarantees something is sub-par with the accommodation. Many people will even leave a 5-star at a *bad* listing, out of guilt, to avoid confrontation, or out of fear of retaliation (feedback can be argued with by hosts, which can reflect poorly on the guest). Nobody wants bad feedback on their guest profile either.

3. Vet reviews very carefully

Additionally (and paradoxically), be mindful that Airbnb appears to censor reviews, and hosts are more frequently being cited as manipulating ratings and inflating their overall rating with bogus reviews. For this reason, I recommend you read all the reviews to make up your own mind of how legitimate the reviews are, and what are the specific concerns other travelers have noted.

4. Use the "Search" feature to your advantage

Always use the review search feature to check reviews for keywords like **"not"**, **"but"**, "bugs", "noise", "wifi", "dirt", "mold", "linens", "neighbors", "smell", "host", "rude", "cancel", "refund", "recommend", etc.

Using the search feature for your specific sticking points will help you quickly identify if you are going to have a bad stay. Those with allergies, for example, may want to search "dander", or light sleepers will want to search "noise/noisy". Guests will often cloak negative experiences within mostly positive reviews, so the search function helps you identify potential concerns.

5. Remember that the vast majority of reviews will *seem* positive even if the guest was unhappy

Sociolinguist Dr. Camilla Vasquez suggests "reading between the lines" when it comes to Airbnb reviews, as reviews tend to trend more positively on Airbnb according to her research, and "bad" reviews are typically written as "lukewarm". So any hint of things not coming across as absolutely glowing from a guest probably has undertones of dissatisfaction that may not seem immediately apparent.

6. Don't just look at your listings reviews, look at your host's overall reviews

Many hosts will have several listings and just because one listing has good reviews, doesn't necessarily mean they're a good host. Check to see if they have other rundown, dirty, undesirable properties on their profile before trusting the reviews of one listing alone. If one of their properties is in disrepair, odds are they all are.

7. Use Superhosts whenever possible

These are supposed to be experienced hosts who cancel less frequently, respond quickly, and have a 4.8 rating or higher. Because of the various metrics involved with becoming a Superhost, they are typically the most reliable hosts on the platform.

8. Only stay with hosts who have provided verified government ID

Many countries only need email and phone verification, which means that poorly-rated hosts can easily circumvent any sort of ban or de-listing by quickly making a new account. And while Airbnb does not seem to consistently verify listings (despite previous promises to do so), having a host with an ID on file gives some semblance of security.

9. Avoid hosts who have more than a couple of properties listed, aka professional Airbnb landlords

Beyond the ethical issues around how Airbnb is affecting the housing and rental markets, professional Airbnb "landlords" often come with their own set of issues. It's much more likely, for example, that your host has little to no idea of the state of their property, choosing to outsource the cleaning and operations to employees. In our experience, we had no idea who we

were *actually* talking to, who had keys to our place, who the point-of-contact was, and other important factors. Additionally, scams can be known to be done as large operations, as reported in this well-known Vice article. There are many reasons to strongly favor small, independent hosts over hosts that seem to run a "commercial Airbnb business".

10. Communicate with your host before your stay

Before you arrive at the property, ask the host if you have any questions about anything you're not sure of. Location, safety, wifi, guest restrictions, pet questions, accessibility, and other important details that might not be outlined on the profile.

Communicating about check-in/check-out times and any other details that need to be ironed out beforehand will save you the stress and frustration of doing it last minute.

11. Document anything that goes wrong with photo and video evidence for help with getting a refund

Avoid going through the messy "he said, she said" with a host by taking your own photos of the property before your stay and after your stay. Make sure to get all the major hotspots like the bathroom, the kitchen, and any heavy traffic areas.

If your host tries to claim unfair damages or give a review that isn't correct, being able to provide photographic receipts may save you a huge headache (and a lot of money). Make sure your photos have timestamps or metadata enabled.

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SECTION 12

Conclusion

Ultimately, we were able to answer our question on, *"which Airbnb guest problems are most likely to be complained about via Twitter"* and via our online survey. We hope it's been as useful and enlightening for you as it was for us.

If you're curious to see what's going on right now with Airbnb complaints you can do so by simply visiting the @AirbnbHelp Twitter profile which literally has 100s of problems reported per day.

Lastly, if you're looking for more specific examples of Airbnb guest (or host) issues, I would be happy to see if I can easily find them for you. Simply use our contact form and clearly state what you're hoping to find.

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Tuesday, February 22, 2022 2:31 PM
To: SanDiegoSTR@Coastal
Subject: Party bus for 14, 2/19/22

Mr. Llerandi:

I and the neighbors were shocked when this bus parked on Saturday 2/19/22 in front of 325 Ricardo to p/u 14 people from 355 Ricardo Place 92037.

We do not like having a hotel on our street.

Trudy Grundland

SPONRITE.COM

Sent from my iPhone

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Monday, February 21, 2022 10:43 AM
To: SanDiegoSTR@Coastal
Subject: Party bus p/u 14 Airbnb 2/19/22 4 pm

The 14 young guys & gals staying 2 nights @ 355 Ricardo Place 92037 2/18/22 got on this party bus at 4pm Saturday 2/19/22. They returned in the middle of the night. 90 minutes after they checked out, a new group of 10 young women from Escondido checked in. (See next photo). On Monday 2/21/22 when the girls left, one beeped her car horn and yelled F' off, flipping me off. I had gone outside and my neighbor had come over to talk to me. He saw the girls and complained he couldn't park in front of his own house or close by because they had filled the end of the cul de sac and not one of them had parked on the Airbnb house driveway. I was still out there and listening to my neighbor. The girls told him to complain to Airbnb. I took a video of their departure, not expecting to get sworn at. Trudy Grundland

Spectrum 10:27 AM

Maureen

Sent from my iPhone

Llerandi, Alexander@Coastal

From: Joseph Lennan <josephlennan@gmail.com>
Sent: Tuesday, February 22, 2022 9:20 AM
To: SanDiegoSTR@Coastal
Subject: Re: Automatic reply:

7555 Herschel Ave, La Jolla, CA 92037 . Grown up here for whole life and can't believe what there doing to America's finest city!!!

On Mon, Feb 21, 2022, 11:05 PM SanDiegoSTR@Coastal <SanDiegoSTR@coastal.ca.gov> wrote:

> The California Coastal Commission thanks you for submitting your comment regarding the City of San Diego's Short Term Rental ordinance. Your comment has been added to the record. Should you wish to be added to the Interested Parties list, so as to receive a Hearing Notice once the item has been formally scheduled for a public hearing, please submit your physical mailing address, as the California Coastal Commission does not send digital Hearing Notices. When the staff report has been finalized and posted, it will be viewable at the following link: http://www.coastal.ca.gov/mtgcurr.html Thank you.

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Thursday, March 3, 2022 3:05 PM
To: SanDiegoSTR@Coastal
Subject: Restore Coastal San Diego to its former beautiful style

Affordable overnight coastal accommodations: According to the commission, the California Coastal Act requires that "overnight accommodations in the Coastal Zone are [be] available at a range of price points."

Mr. Llerandi:

While I believe and support the intent of the commission to serve the general public, common sense must prevail and you must ask yourself, what is our goal?

From the time CCC began in the 1970's, has there ever been a documented shortage of "affordable overnight accommodations (AOARPP)" at a range of price points? And if so, how was this determined? Did the CCC obtain a study that reported a shortage of AOARPPs? How do you know families with children are the primary renters of STRs that fill the typical coastal STR (79%sleep 6+ adults)?

I've looked for such a study. I wanted information from 1980 to present, for San Diego or any/all of the coastal towns in California. I didn't find one study that documented there's a shortage of AOARPPs, or confirmed that extended families rent the STRs, they stay long (5+ days), and an on-site washing machine is a necessity.

What I did find is: there are 7,200 short-term rentals available right now in La Jolla, Pacific Beach, and Ocean Beach versus a paltry 961 long-term rentals.
That 79% of the STRs in these three coastal areas are unsupervised whole houses which sleep 7-16 people, and 51% of the guests are ages 18-34; people who are all too happy to share a bedroom, rather than a tent at a campsite, especially if it means they have only to pay $60-$100/nt. for all the comforts of their parent's home and can do what they want at all hours—without parents or a motel clerk to hush them.

There is another problem, though, besides the "frat/sorority house behavior" and that is with STR investors owning a lot of real estate in neighborhoods and a revolving door of STR strangers inhabiting our residential streets and the impact that has had on our *briny-air* city.

By 2017 San Diego was no longer rated in the top 100 places to live in the United States, a major decline from 2006 when it was rated the fifth-best place to live in the United States in 2006 by *Money* magazine.[121

The lost of "neighborhood character" combined with a downward shift in public school enrollment (especially in coastal areas) iand lack of affordable permanent housing (especially in coastal areas) are three of the primary contributing factors for our decline as a "good place to live" to now being unaffordable and, sadly, no longer family oriented. But it doesn't make sense, considering our top employers; businesses which attract a talent pool that have children.

According to the city's 2021 Annual Comprehensive Financial Report,[168] the top employers in the city are:

Employer	Employees
Naval Base San Diego	43,003
University of California, San Diego	35,807
Sharp HealthCare	19,321
County of San Diego	17,285
Scripps Health	14,001
San Diego Unified School District	13,559
Qualcomm, Inc.	11,200
City of San Diego	11,295
Kaiser Permanente	9,166
Northrop Grumman Corporation	5,652

The military infrastructure in San Diego is still growing and developing, with numerous military personnel stationed there, numbers of which are expected to rise. This plays a significant role in the city's economy, as of 2020, it provides roughly 25% of the GRP and provides 23% of the total jobs in San Diego.[138][139][140] There are more than 400 biotechnology companies in the area.[165] In particular, the La Jolla and nearby Sorrento Valley areas are home to offices and research facilities for numerous biotechnology companies.[166]Major biotechnology companies like Illumina and Neurocrine Biosciences are headquartered in San Diego, while many other biotech and pharmaceutical companies have offices or research facilities in San Diego. San Diego is also home to more than 140 contract research organizations (CROs) that provide contract services for pharmaceutical and biotechnology companies.[167]

The employees of these businesses—**not one associated with the tourist industry**—want to live in a family-oriented community, not a *mega-resortland,* which is how the proliferation of STR investors and whole home STRs in the past seven years have negatively impacted our city.

San Diego home prices peaked in 2005, and then declined along with the national trend. As of December 2010, prices were down 36 percent from the peak,[169] median price of homes having declined by more than $200,000 between 2005 and 2010 (just as a smart phone app allowed bookings on Airbnb and the

STR market took off.[170] As of May 2015, the median price of a house was $520,000.[171] In November 2018 the median home price was $558,000. In 2018 the median property value in San Diego was $654,700. In January 2022, San Diego home prices were selling for a median price of $811K, even though people were supposedly “financially hurting due to Covid." Demand exceeds supply.

Consequently, San Diego has experienced negative net migration since 2004. A significant number of people moved to adjacent Riverside County, commuting daily to jobs in San Diego, while others are leaving the region altogether and moving to more affordable regions.[173]

Do not shrug off the amazing assortment of 64,000 hotel rooms available at all price points with easy access to our coastal area. Pre-Covid we had 23.1 million hotel room nights and sold 17.7 million. There is plenty of AOARPP in coastal San Diego!

CCC REPORT

Mr. Llerandi, in addition to the above, I have specific questions regarding information mentioned in the February, 2022 CCC report on SD STR ordinance.

pg 13 - no statistics on the noise, litter, parking caused by STRs. There is no mention of calls to police reporting noise. How many police calls are made related to STR disturbances? You should know. (FYI: Calls made by multiple neighbors on my street to the police do not show DUP, they show one event number. This “error” in reporting minimizes the problems associated with STR guests). Your report excludes important data. No statistic like what I found of 7,200 short term vs 961 long term rentals available 1/22/22 in LJ, PB, OB.

Will the city limit the number of STRs in any neighborhood by street/block? Could my entire street become STRs? All the houses along the water? What’s to prevent this?

THE LEGAL LOOPHOLES THE STR INVESTORS WILL USE: NO LIMIT ON LICENSES for dwellings if owner occupied or rented less than 21 days/yr. But what if the Owner wants to live in a tent on the property, or in a camper? Who’s to say not? Who will know if the owner is on site all day/week/month/year? This is how whole house rentals will get around the lottery. There is no minimum stay of 2 nights at a Tier 1 & Tier 2. These tiers will be the swinging door hotels. And they will proliferate like mosquitoes on a wet area. Totally unmanageable! Every STR operator with an eye on $$ will take advantage of this loophole. I can imagine the owner of the STR on my street will claim he’s living there.

pg. 16- Why are you treating Mission Beach like it’s meant to be a “party zone?” It’s inundated with Trash. Rats. Traffic. Drug dealers. The former elementary school property was sold in 2013 to a developer. The new individual condos have only two parking spaces for the 3 bedroom units. This will strain the parking problem in Mission Beach. This makes it difficult to find parking spaces on the street during the week. Parking will over flow onto the parking lots. This will create more of a traffic problem as people drive around looking for parking spaces on the weekends. Thus, all of San Diego is being denied access to use of the beach by **Developmental Services** allowing the building to be built bigger than any other condo that has been built in Mission Beach since 1979.

pg. 17 - lottery for Tier III & Tier IV licenses. “define no verifiable complaints” Does this mean no DSD complaints and/or no police complaints? From what I read in the small print, the complaints have to be with DSD, not the police. Will the city match the police records to the applicants? Let me complain right now. Airbnb property 49876412/355 Ricardo Place, La Jolla, CA 92037 (coastal!) sleeps 14, has an owner and a manager/host who refuse to give their contact information, they will take anyone, for any length of time as guests.

pg. 19 - Pollyana vision of coastal visitors as extended families. What facts support this? Certainly not the Travel Tech, a travel industry association, that represents Airbnb, report! (Would you like to see the pictures and videos I have on my phone of the STR guests who have been on my street?)

Opinion

I have facts. Go on the Airbnb website like I did and do a stroke tally by number of guests. I did this.You should have statistics in your report. For the coastal area, I counted properties in La Jolla, Pacific Beach, Ocean Beach. Stop with your pipe dream about families renting these big properties so they can gather around the dining room table or watch television in the living room while the washing machine is swishing in the background. 79% of coastal properties in LJ, PB, & OB sleep 7-16 adults. Woo hoo! 51% of the guests are ages 18-34. 23% are ages 35-44, 14% are ages 45-54, 7% are ages 55-64, 6% are age 65+ (source: Airbnb). Not quite as many grandparents, parents, and married adults with children as you might believe.

I walk and ride a bike through these areas and can see who is visiting the coast. Not many “extended families.” The young people typically stay for 2-5 days. They don’t need laundry facilities. They’re not traveling around the country in a camper or taking trains to see the USA. They come to SD. They go home. They order in pizza and fish tacos and go to bars.

In summary, there is no strong evidence to support the concept of lack of availability of “affordable overnight accommodations” and there is much reported about the lack of transparency from Airbnb about their guests and the problems brought about by the intrusiveness of STRs in residential neighborhoods. All indications are that the long-term residents are suffering for lack of housing and loss of community, for no good reason and the city isn’t any richer or prettier or happier because of the STRs.

It is my recommendation that the CCC should not behave like Don Quixote, the knight errant, in chasing a fabricated enemy. And, instead, should help to restore the warm and inviting “seaside character” of San Diego’s coastal communities, maintain areas which are zoned residential as strictly residential and not allow businesses, i.e. hotels/STRs to be mixed in amongst homes, which is what locals and visitors have loved about the California coast. The CA coast had a “laid back" atmosphere. California Dreaming was more than a song. I guarantee everyone will praise the California Coastal Commission if you accomplish this.

Sincerely,

Trudy Grundland
Homeowner and advocate for the support of zoning laws
335 Ricardo Place, La Jolla, CA 92037
858-210-0190

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Monday, February 21, 2022 7:17 PM
To: SanDiegoSTR@Coastal
Subject: San Diego housing: City ranks least affordable in US to buy a home '22

Mr. Llerandi:

Due to a housing shortage (consider effect of STR's gobbling up RE inventory) & low wages, the average worker is priced out of San Diego. A few days at the beach is hardly a top priority.

Please consider this data when determining the issue of STRs vs long term rentals and homes for sale. There is no city without permanent citizens.

Affordable housing for vacationers needs to rank after housing for San Diegans is satisfied.

Trudy Grundland
858-210-0190

https://fox5sandiego.com/news/business/san-diego-ranks-as-least-affordable-city-in-us-to-buy-a-home/

San Diego ranks as least affordable city in US to buy a home

Liberty ZabalaFeb 21, 2022 / 10:59 AM PST

Business
Posted: Feb 18, 2022 / 05:23 PM PST / Updated:

SAN DIEGO — America's Finest City tops the list for having the nation's most unaffordable housing market, according to a new report.

It doesn't mean we have the most expensive homes, though.

San Diego beat out San Francisco in terms of being the least affordable city to buy a home. That's because San Diego wages have not caught up with skyrocketing housing prices.

“People who are buying houses, if you’re a family, it’s very challenging right now,” realtor Jesse Zagorsky told FOX 5 Friday. “We had a client representing, writing an offer — they were competing against 21 other offers.”

The OJO Labs report released Feb. 3 found San Diego’s median home price jumped more than 14% over the past year to a whopping $764,000 price tag.

San Francisco has the highest home prices with a median home price of more than one million dollars. But San Francisco’s median price actually fell 4.2% over the last year.

“What’s happening is we’re lagging in terms of income,” Alan Gin, an economics professor at University of San Diego, told FOX 5.

When you compare wages, the median household income in San Diego was just over $79,000 in 2019, according to the U.S. Census Bureau.

But the median income in San Francisco was just over $112,000.

“And everything started breaking down back two years ago, and our whole supply chain just hasn’t opened up again,” Zagorsky said. “Our limited inventory, the amount of houses that people have to choose from is so dramatically lower than what is in a normal market and lower than what we have ever had historically in San Diego period. So that’s what’s causing this incredible appreciation. **There’s no houses for people to choose from.”**

San Diego also has some of the highest rent prices, gas prices and electricity rates in the country.

“I’m really concerned for people at the lower end of the income distribution,” Gin said. “Their rents are going up and they’re being priced out of the market.”

Other least affordable cities that made the list include Los Angeles, Mobile, Alabama, Pensacola, Florida and Boise, Idaho.

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Tuesday, February 22, 2022 3:48 PM
To: SanDiegoSTR@Coastal
Subject: STVR 355 Ricardo news update

Mr. Llerandi,

In addition to working, caring for an adult disabled daughter, trying to exercise, have a relationship with my spouse, ever since the STR opened on my street, I've had to deal with that monster.

The owner has 6-10 STVRs. Jim Lindsay of Carlsand is blatantly flouting any rules. He's quickly building a hotel empire. His 31 y/o daughter, Jamie Lindsay, with Compass RE La Jolla, brags on her work-related Facebook page how she bought her first multi unit in SD in 7/21 and can't wait to add ADUs.

That's just two individuals who think this STVR & ADU game is just ripe for the picking; a great way to become very rich.

The city shouldn't condone or enable rich investors to get richer by decimating the housing supply and ruining residential neighborhoods.

I'm not alone in this opinion. The 1 STVR on my street is disliked by the 34 residents it impacts with its noise, activity and lack of common courtesy exhibited by the guests and hosts and owner.

I have stayed in an Airbnb or VRBO. But I would never behave like what I've witnessed. The entitlement! The attitude!

Remember, I stroke tallied all the Airbnb listings for SD. 79% of the properties are whole houses that sleep 7-16 adults.

51% who rent are age 18-34. (15% are 18-24.) On the official Airbnb data page they use pale lettering and a pale wedge for this demographic—so your eyes pass over it).

Airbnb fed Travel Tech the data that sounds good. TTech is a travel industry association. Of course they have to paint a pretty picture about Airbnb.

I don't believe 22% of trips to the coastal zone have children age 2-12.

I live here. I walk the PB boardwalk. I bike the boardwalk around Mission Bay. I see who's standing outside the ice cream shops, who is at the restaurants.

The crowd is NOT 22% families. Maybe 5%. I do know that "some" Airbnb'ers lie about who is renting because a family with children sounds better than a bunch of young people coming to party. Yes, guests to #49876412/355 Ricardo Place have admitted this. Yes, yes, yes.

We have been lied to so many times by the Airbnb guests that it's not even funny.

Take the Travel Tech report with a grain of salt.

The average listing does not have a capacity for 5.8 people. 79% can sleep 7-16! Don't believe me. Just eyeball Airbnb/San Diego or Airbnb/La Jolla.

Trudy Grundland
335 Ricardo Place 92037
Sent from my iPhone

Begin forwarded message:

From: TRUDY Grundland <trudygrundland@yahoo.com>
Date: February 22, 2022 at 11:03:42 AM PST
To: Jay Goldberg <jaymgoldberg@gmail.com>
Subject: 355 Ricardo news

Hi,

This was a tough weekend. The guests at 355 were obnoxious.

On top of that, I found out yesterday:
1) one of the hosts, Olivier, moved to LA to manage STRs in Malibu.
2) James Lindsay recently bought 4 properties in Sunset Cliffs/Pt. Loma.
3) I tried but couldn't get the phone number for Jenny, the other host for 355.
I asked the cleaning lady at 355 if I could have the phone number for Jenny/host (she lives in MB). The lady went into the house, came back out and put her Airbud in my ear. Jenny was less than cordial. Told me I could take pictures, think I was affecting their rental business but they would never sell the house or stop using it as a STR. She bitched at me, I said she was hiding. Too afraid to share her number or talk to me in person. Then I removed the Airbud and left.

4) James Lindsay's realtor daughter Jamie Lindsay (DOB 1991, age 31), has on her business facebook page how she bought her 1st multi unit **7/21,** and can't wait to add adu's.

TG

Llerandi, Alexander@Coastal

From: TRUDY Grundland <trudygrundland@yahoo.com>
Sent: Monday, February 21, 2022 3:31 PM
To: SanDiegoSTR@Coastal
Subject: The RSF Guide to Driving Uber/Lyft in San Diego - Cities / San Diego SAN - Uber Drivers Forum For Customer Service, Tips, Experience

Mr. Llerandi,

I hope you will consider this data when making your determination of the STR ordinance in San Diego.
The ride sharing forum states below the best times and places for making money as a driver. The paragraph just above the street grid map mentions the "inebriates" in Pacific Beach.

La Jolla is one of the hot areas. We have had 10+ Ubers come up/down our little cul-de-sac in a matter of 30 minutes, picking up, dropping off. **The hot times are after 10 p.m. and after 2 a.m.,** which, in the summer, makes for a lot of disturbance. Our homes are without air conditioning and the neighbors sleep with their windows open. Prior to the Airbnb on our street, noise was never a problem.

Jenny & Olivier, the Airbnb hosts for 355 Ricardo Place 92037, have told me I have a lot of nerve to complain. This is the real world, not the one I live in.

Besides making white, rich Airbnb owners and the white, rich STVR owner of 355 Ricardo Pl, Mr. Lindsay, richer, what good is this STVR?

The scientific studies I sent to you have proof that 98% of people would find other accommodation if there wasn't an Airbnb/VRBO.
Studies show that long-term housing is more important to families than their few days at the beach.
Studies prove that the city isn't making more in tax revenue from STVRs than they would from legitimate hotels.
It is documented that the owners are making money, not the cities, from owning STVRs.

Trudy Grundland

Begin forwarded message:

From: Trudy Grundland <trudygrundland@gmail.com>
Subject: The RSF Guide to Driving Uber/Lyft in San Diego - Cities / San Diego SAN - Uber Drivers Forum For Customer Service, Tips, Experience
Date: February 20, 2022 at 8:03:44 PM PST
To: Trudy Grundland <trudygrundland@yahoo.com>

https://www.ridesharingforum.com/t/the-rsf-guide-to-driving-uber-lyft-in-san-diego/1027

The RSF Guide to Driving Uber/Lyft in San Diego

Introduction

Driving in cities varies according to each cities geography, social layout, and hot spots. The traffic issues have a major impact on how a city manages its transportation issues, and that is why public transport systems don't cover the needs of the many. This is why rideshare has become so popular since it provides a personalized solution to a time old problem; how do I get from where I am to where I want to be? So here at RSF, I decided to start preparing guides for my readers, comprehensive insights into anything and everything rideshare related.

RSF City Guides for Drivers

This series will look at specific cities and focus on issues that are related to each and every city. Take into account that all information provided will change over time. Cities tend to change their transportation routes, and business, as well as social locations, move around.

San Diego, California

Here are some of the busier areas in San Diego where demand is highest:

- Encinitas
- Del Mar
- La Jolla
- Downtown San Diego
- San Diego international Airport
- Pacific Beach
- Gaslamp District

Weekday Rush Hours

- Monday - Friday: 8am - 10am and 5pm - 8pm

Weekend Peak Hours

- Friday: 7pm - 2am

- Saturday: 7pm - 2am
- Sunday: 11am - 10pm

The top 10 food and drink destinations

Pacific Beach

- Backyard Kitchen
- PB Shore Club

Gaslamp District

- Barleymash
- Rustic Root

Little Italy

- Ballast Point
- Kettner Exchange

Marina

- The Headquarters

Harbor Island

- C-Level
- Island Prime

East Village

- Moonshine Flats

Downtown

- House of Blues

The Big Uber/Lyft Gigs

Comic-Con. Take heed when Comic-con starts and prepare accordingly. You will be riding everyone and anyone you either knew existed or dreamt of existing. Remember to be cool and with it and enjoy driving Thor and

Asterix together with R2D2 and something you know but just can't quite remember.

Fireworks. 4th of July in San Diego is known for its extravagant fireworks displays. This is called the Big Boom Boom, and you will be driving a lot of comers and goers.

Balboa Park. This is one of San Diego's oldest and nicest locations. A public recreation park with everything in it; the world-famous San Diego Zoo, botanical gardens and much more.

Downtown San Diego. The word downtown should really be enough, and Sa Diego's downtown is no exception. The Gaslamp quarter is one of the nicest shopping venues in the world, and Seaport village provides concentrated entertainment, more shopping a gorgeous harbor view. 5rth Avenue is for the night life, and you can see the cruise ships from Embarcadero.

Old Town. Why does any location that starts with the world "old" sound so inviting? Like mini explorers into the first Spanish settlement of California, Old Town is a cultural overload, and they boast one of the worlds most haunted houses "Whaley House."

Fiesta Island hosts the Over the Line Tournament. This tournament started out in Mission Beach in the 1950s. You will get a load of the passenger to and from this location during the tournament days.

San Diego LGBT Pride Parade. No need to say much more, just be ready for a lot of visitors, a lot of colors and a lot of good tipping passengers.

San Diego Beach , all 70 miles of it. The two best locations are in the summer and include the Children's Pool in La Jolla and Ocean Beach Pier Tide Pools.

San Diego County Fair. Just like all fairs, draws a massive local crowd, so you will get a lot of rides from all over San Diego to this great festivity.
San Diego Fair

Navigational Aids

To start off with, in my experience the best times to drive for Uber driver income are after 6 pm. These locations are the length of the beaches on the Pacific Coast Highway (PCH) between Encinitas south to Del Mar.

These riders tend to concentrate on bars and restaurants and are all quick pickups from the curb. You can also try out driving up to Birmingham drive for access to the 5, and reach the train stops at Encinitas and Solana Beach.

Driving Via de la Valle is a good route for bisecting thoroughfare to Escondido by Del Dios Highway. You might also try encircling Jimmy O's bar and the L'auberge Hotel using Jimmy Durante Boulevard and going around along South Cedros Avenue and the Belly Up Tavern.

Downtown San Diego is also a great hot spot for cruising. If you come from the north, head down the 5th and exit at the airport ramp. Then turn right onto Laurel Street, which will take you to downtown. If you are already at the Airport on North Harbor Drive, as you drive by it, slow down and check which place you are positioned at in their automatic queuing system, you might be lick and be next in line, in which case turn into the airport and pick up the fare.

Another downtown driving tip is to exit onto the market street, you can head either east or west across the avenues but don't turn north onto the 5th because this will snare you in its traffic. Its best you use the 1st and the 6th to mark your way across the city center and ask passengers to walk to locations that are easier for you to pick them up from.

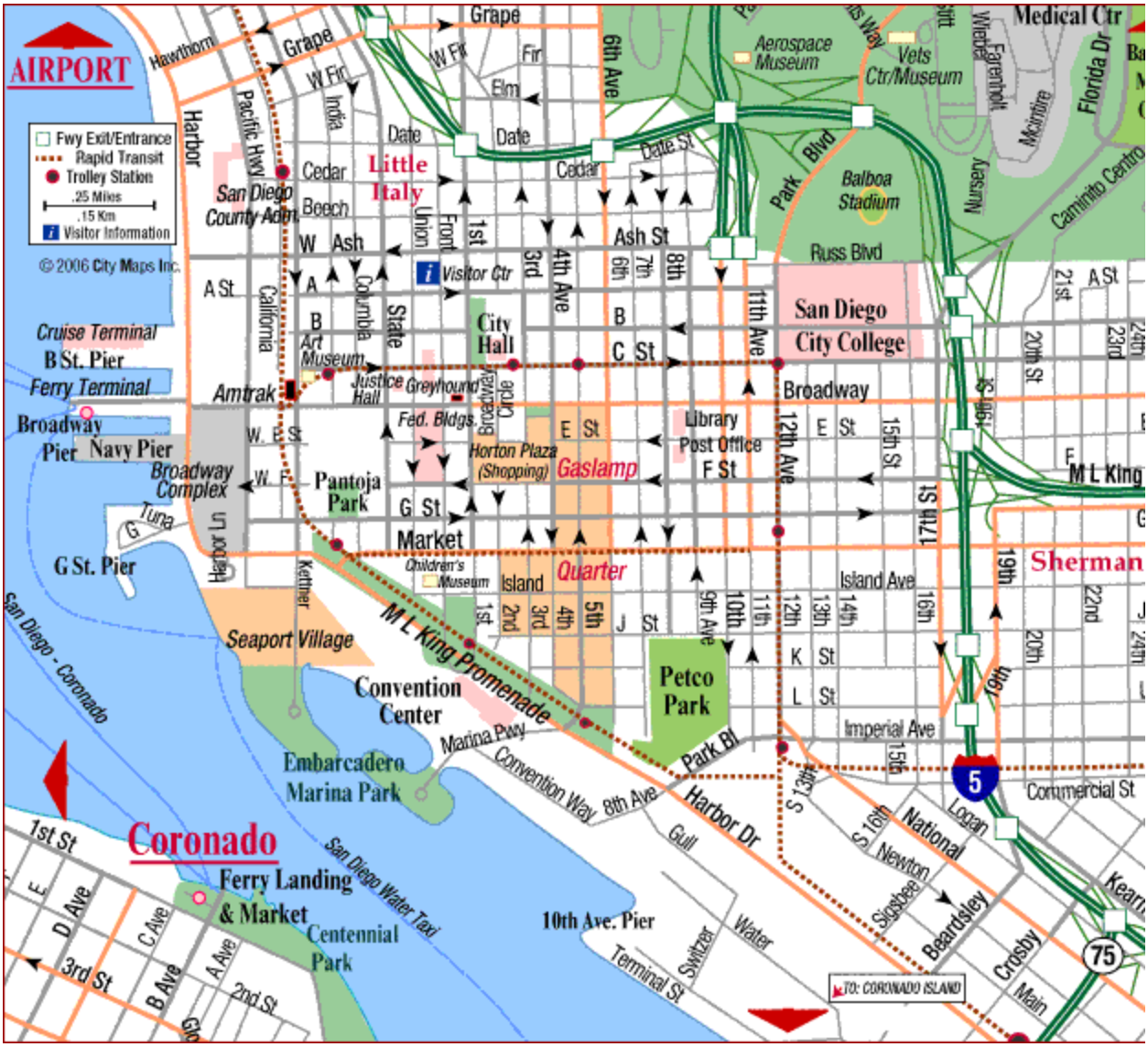
You will find a parking lot outside the Omnia nightclub which is just off Island Avenue. I use this as a staging area for my rides in this area since it provides a quick exit onto the 1st taking me to the 5th North and South. Also, do not accept to pick up rides between the 4th and the 5th below West Broadway since this is a police hazard area where you will get cited for blocking a fire hydrant, standing at a red curb or blocking traffic.

You can also take 11th Avenue to 163 North without hitting any significant traffic issues.

For the parties and student, gigs ride around University Avenue and El Cajon Boulevard between the 805 and 5th. Also check out Missions Hills, Hillcrest, University Heights and North Park. Although you will find that riders here prefer Lyft, its cheaper and they tip better too. You can take University Avenue all the way east to La Mesa, and I prefer to navigate Downton by taking 30th via Upas Street to Pershing Drive and through the park.

I suggest you avoid Garnett and Grand Avenue along the 5th off Mission Bay Drive as well as PB connecting Ingraham Street to Ocean Beach and Point Loma, also Mission boulevard and La Jolla since they produce minimum fares and even if you combine Uber and Lyft, you will still not make much money here.

If you want to really boost your rides and income and need to finish a power week, drive up to PB and take on all the inebriates. You might have to clean your car a few times and deal with those more unstable characters, but it pays well. If you prefer a quieter but less lucrative crowd, head out to La Jolla but just remember that La Jolla is far from highways. Just note that students tend to head either to PB or downtown and that you can use Genesee Avenue to connect directly with La Jolla Village Drive east near the Westfield Mall in UTC.



San Diego is a more relaxed city in terms of clientele, so be prepared to chat, have fun, hear or tell jokes and generally enjoy driving strangers that can truly enhance your daily life.

The San Diego Highways

Freeways of San Diego are just like anywhere else; they have their dangers as well as their benefits. Knowing how to navigate the San Diego Freeways is key to a successful Uber and Lyft shift.

San Diego Freeway tips to make your life easier and more profitable. (Yes, you can have a win-win situation when driving for Uber and Lyft.)

1. Most of the San Diego Freeways have four lanes, the left most lane is always number 1, and the right most is number 4.
2. Lane 1 is for fast cars, while lane 4 is for trucks, trailers, cars pulling trailers and slow vehicles.
3. Lane 1 speed is usually around 80 mph, while lane 4 averages out at 55 mph.
4. Don't use the carpool lanes unless you are expert in navigating the exits.
5. If you feel uncomfortable about driving at 85 mph constantly, don't drive in lane 1, you will only piss off the fast drivers, cause confusion and even create congestion.
6. The safest lane to drive in is lane 3. You can drive relatively fast and have quick access to all the exits.
7. I-5 Freeway originates at the Mexican border and ends in Canada. This is the east coasts main freight land line. This is why there are

lots of trucks and semis driving along it, and you should bear in mind that they get pissed off with incompetent drivers. If you need to overtake a truck, do so quickly.

8. San Diego has its fair share of crazy and incompetent drivers. Don't rely on anyone to keep you safe but yourself. Watch out constantly for that idiot with the cell phone, three screaming kids, and a low (nearly flat) tire.
9. Use Waze, its best in San Diego and don't just rely on your own knowledge. Take into account road blockages that Waze reports.
10. Rush hour in San Diego is the same as anywhere else. Avoid it or shut up. If you have to hit the rush hour, make sure you know all the alternative routes.

Winter Weather Tips

If you think that Southern California is a sunshine state, think again. We have winters here and get stormy weather with rain. Sure, its not Oklahoma, but it has an effect on drivers, and we need to be prepared for all weather conditions.

Some Statistics

According to the U.S. Department of Transportation. most of Southern California's road accidents occur during he winter season.

- 73% of accidents occur on wet pavement
- 46% of accidents occur during rainfall
- 17% of accidents occur during snow or sleet
- 13% of accidents occur on icy pavement
- 14% of accidents occur on snowy or slushy pavement

Winter driving rules

- Drive slowly, the first rain will always create a slippery rod surface and will become more stable after the second and third downpour.
- Keep a longer distance, your braking power is slower in the rain, and you can skid on wet surfaces.
- Check your tires, and make sure you have the proper ones for winter.

- Hydroplaning is an issue that comes with both wet surfaces and icy ones. Remember, DON'T BRAKE, just ease off the gas and steer.
- Don't brake hard, remember, wet surfaces lead to longer braking distances. If you drive too fast and brake, you will hit what you are trying to avoid.
- Don't accelerate from a stand still too fast; you will skid rather then drive.
- When its raining, visibility is lower than usual, so turn on your headlights.

Other Driving Hazards

Take into account that San Diego has its fair share of mud slides, rock slides, and flash flooding. So, check out the weather channel at all times. If you happen to be an SUV or full Jeep type driver, don't drive in flooded area's even if you know for sure you can cross it. Remember, you are driving passengers, take the longer route, get paid for being safe.

Sometimes winds can be crazy, if that's the case, find a safe haven to park and just wait for the winds to die down. The last thing you need is a box or plastic bag covering your windshield, and that's the good stuff.

The best tip for winter driving is, slow down, watch out for route changes and be happy.

Top Mission Beach, San Diego Pl

airbnb.com/s/Mission-Beach--San-Diego--CA--USA/homes?tab_id=home_tab&refinement_paths%5B%5D=%2Fh...

Map area | Weekend in summer | Add guests

Become a Host

Price | Entire place | Free cancellation | Beachfront | Pool | Wifi | Kitchen | Free parking | Filters

The average nightly price is $532

min price
$ 10

max price
$ 1000+

Clear

Save

Search as I move the map

$205

$165

$599

$600

$720

$456

Show list

Google

Keyboard shortcuts | Map data ©2022 Google | Terms of Use

Top Mission Beach, San Diego Pl

airbnb.com/s/Mission-Beach--San-Diego--CA--USA/homes?tab_id=home_tab&refinement_paths%5B%5D=%2Fh...

Map area | Weekend in summer | Add guests

Become a Host

$520 - $540 | Entire place | Free cancellation | Beachfront | Pool | Wifi | Kitchen | Free parking | Filters

Entire vacation home in Mission Beach

Steps to Mission Bay&Beach -Patio Fire-pit Parking

2 guests · Studio · 1 bed · 1 bath

Free parking · Wifi · Kitchen

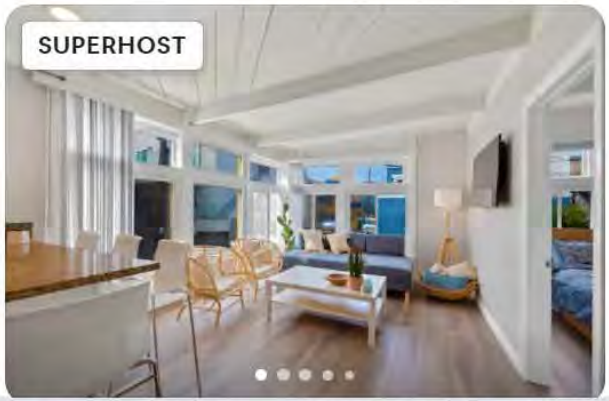
Jul 29 – 31 | More

$533 per night plus fees for 2 guests in a studio

★ 5.0 (6 reviews)

$533 / night

$1,358 total before taxes



Entire rental unit in Mission Beach

BOHO PAD MISSION BEACH PARTIAL VIEWS BOARDS

4 guests · 1 bedroom · 1 bed · 1 bath

Wifi · Kitchen · Washer

Missing: ~~$520 - $540~~

Aug 5 – 7 | More

Show map

$599 plus fees for a 1 bedroom

★ 4.74 (102 reviews)

$599 / night

$1,476 total before taxes

https://www.airbnb.com/rooms/53077430?adults=1&children=0&infants=0&check_in=2022-07-29&check_out=2022-07-31&previous_page_section_name=1000&federated_search_id=aece9843-1f...

3:45 PM
3/4/2022

Top Mission Beach, San Diego Pl | Request to book

airbnb.com/book/stays/53077430?numberOfAdults=1&numberOfChildren=0&numberOfInfants=0&checkin=202...

Request to book

Your trip

Dates Edit

Jul 29 – 31

Guests Edit

1 guest

Choose how to pay

Pay in full $1,482.95

Pay the total now and you're all set.

Pay part now, part later $700.50

Pay $700.50 now, and the rest ($782.45) will be automatically charged to the same payment method on Jul 14, 2022. No extra fees.

More info

Entire vacation home

Steps to Mission Bay&Beach -Patio Fire-pit Parking

5.0 (6) · Superhost

Price details

$532.50 x 2 nights	$1,065.00
Cleaning fee	$125.00
Service fee	$168.00
Occupancy taxes and fees	$124.95
Total (USD)	**$1,482.95**

Average unit at $533 per night after fees costs $740 per night

3:45 PM 3/4/2022

Airbnb Data on 1,440 Vacation R

airdna.co/vacation-rental-data/app/us/california/san-diego/mission-beach/overview

AIRDNA MARKETMINDER

San Diego | Mission Beach | Purchase | View Unlocked Market | kh

- Research
  - Overview
  - Occupancy
  - Rates
  - Revenue
- Price
  - Smart Rates
  - Pacing
  - Seasonality
- Invest
  - Rentalizer
  - Top Properties
  - Market Comparison
  - My Properties
- Enterprise Services
- Resources
- Contact

©2022 AirDNA 9.6.1

Market Grade

Overall

- Rental Demand 84
- Revenue Growth
- Seasonality
- Regulation
- Investability

Average Daily Rate

View Rates →

Occupancy Rate

View Occupancy →

Revenue

View Revenue →

1,440 Active Rentals

Rental Type

Rentals 1,433 (100%)

99% Entire Home rentals

Entire Home
Private Room
Shared Room

0 500 1K

Rental Channel

airbnb	Vrbo	Listed on Both
31%	21%	48%

Rental Size

2.4 Bedrooms | 7 Guests on average

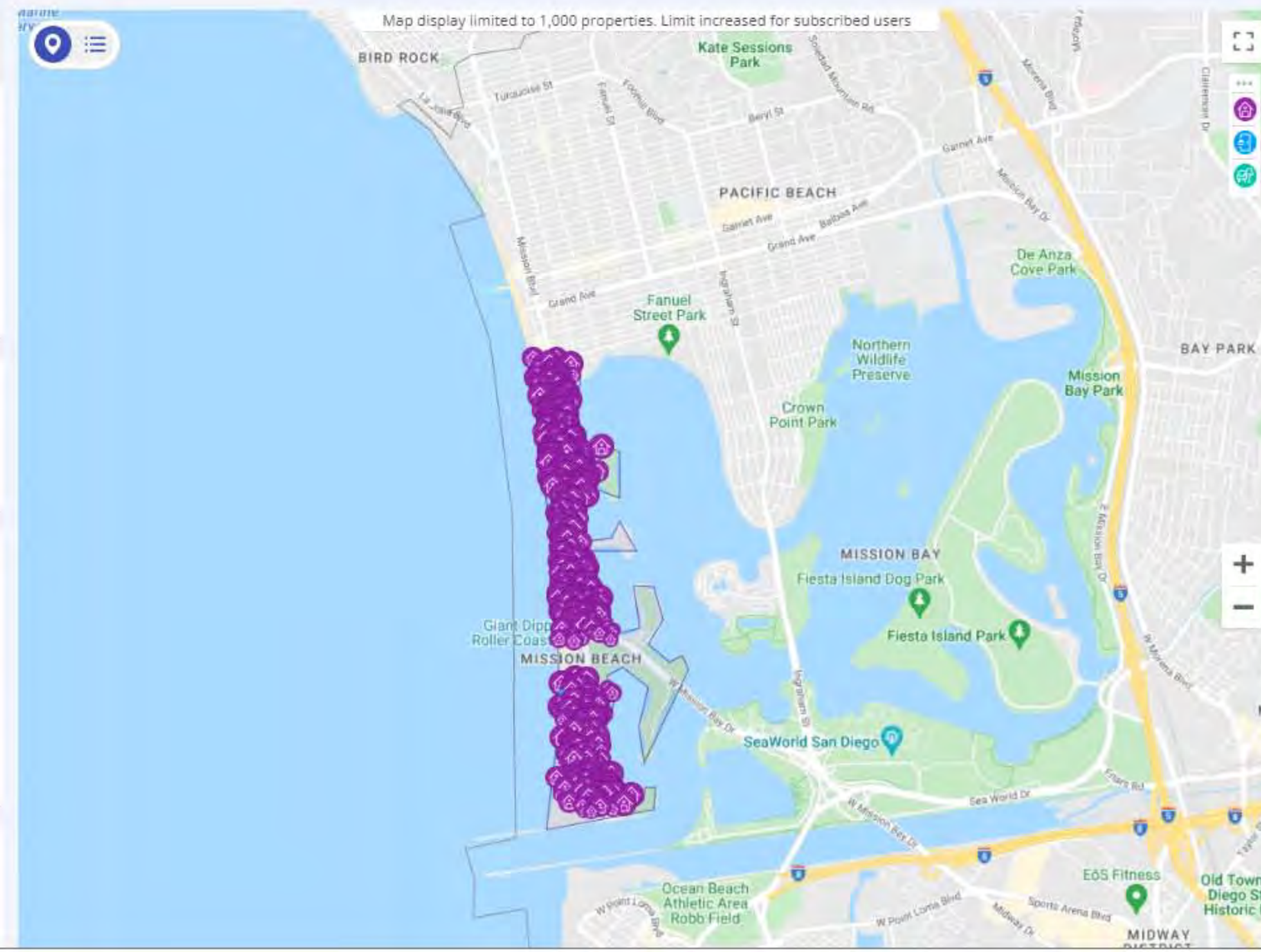
400 300 200 100 0

Studio 1 2 3 4 5+ Rooms

Rental Growth

-8% Quarterly Growth

1.5K



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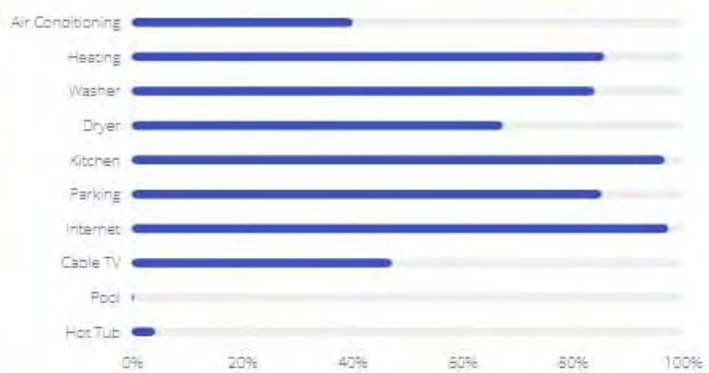
Amenities



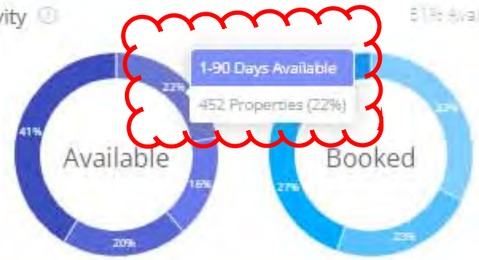
Airbnb Ratings

Overall Rating
4.66

Rated at Least 4.5 Overall:
78%

Rental Activity

51% Available Full Time



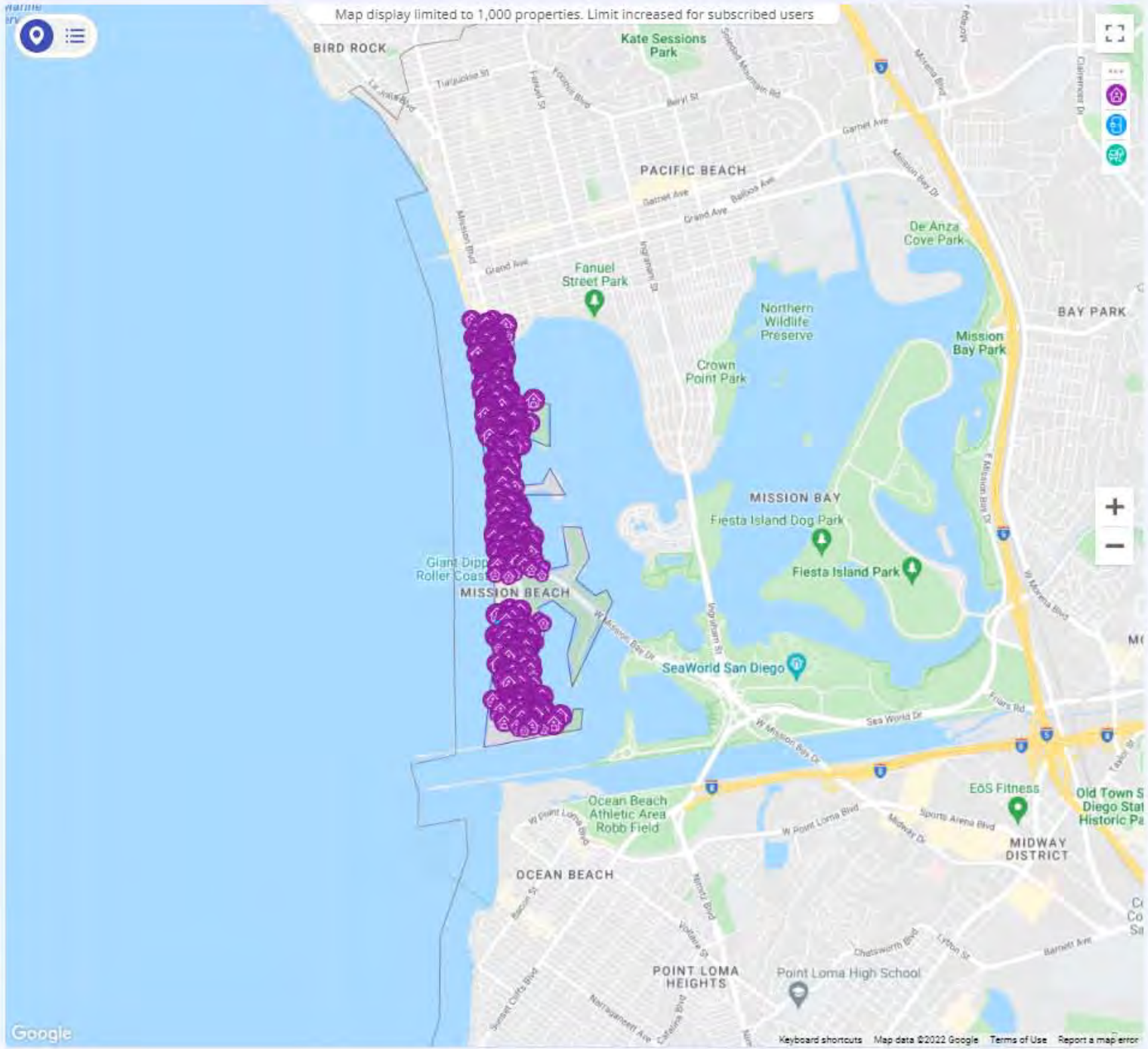
Rental Settings

Cancellation Policy

flexible | moderate | n/a | strict

Minimum Stay

1 Night | 2 | 3 | 4-6 | 7-29



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airdna.co/vacation-rental-data/app/us/california/san-diego/mission-beach/overview

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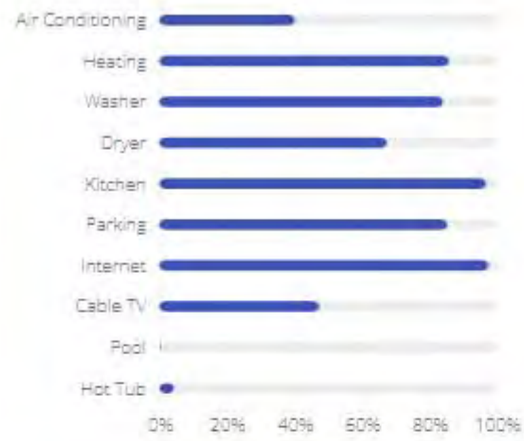
Amenities



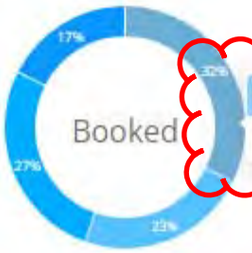
Airbnb Ratings

Overall Rating:
4.66

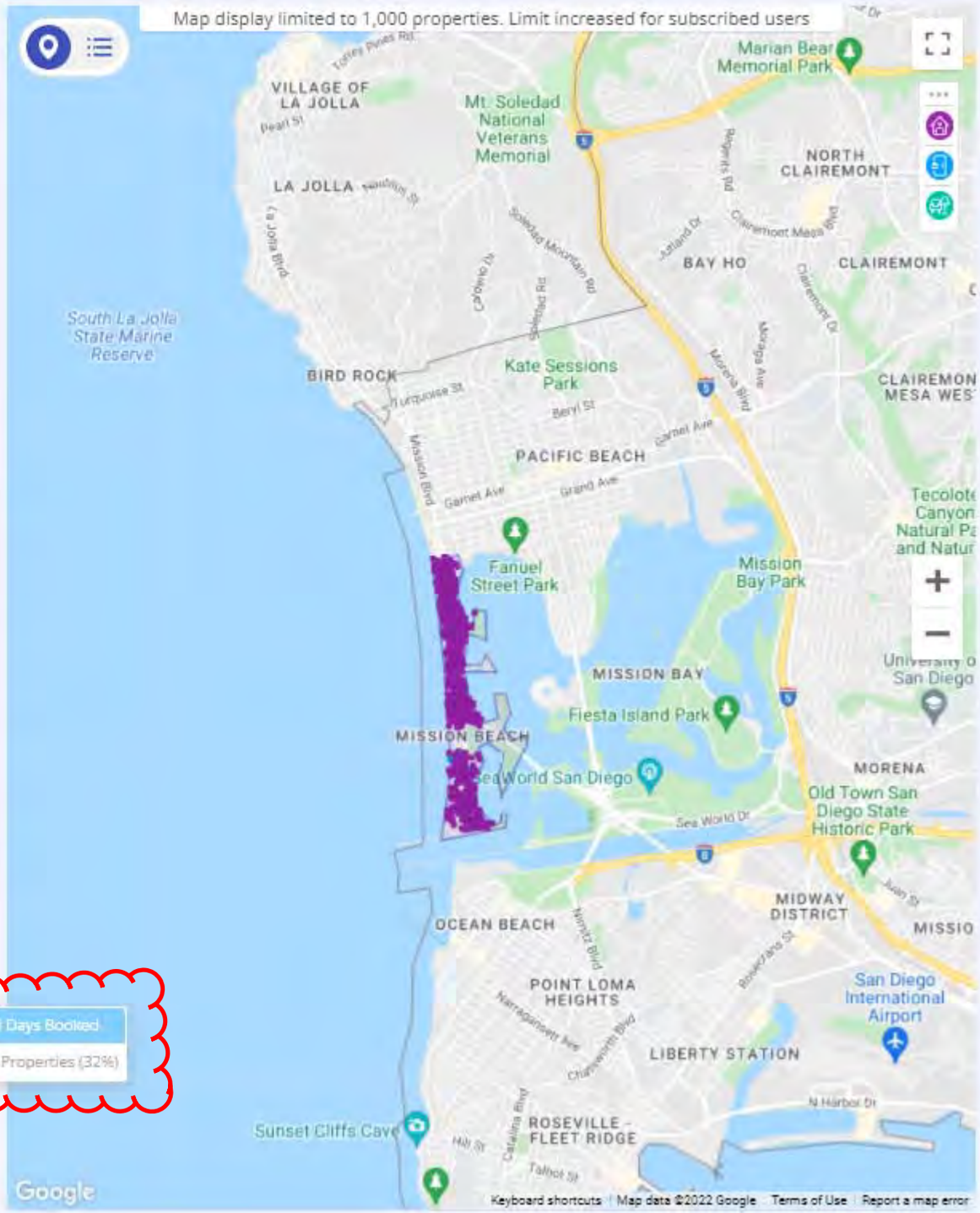
Rated at Least 4.5 Overall:
78%

Rental Activity

61% Available Full Time



1-90 Days Booked
655 Properties (32%)



Inside Airbnb: San Diego. Adding

Not secure | insideairbnb.com/san-diego/?neighbourhood=Mission%20Bay&filterEntireHomes=true&filterHighlyAvailable=false&filterRecentReviews=true&filterMultiListings=false

Inside Airbnb
Adding data to the debate

About | Behind | Data | Donate!

Like 5 | Share | Tweet

San Diego

Filter by:
Mission Bay

758
out of 1,578 listings (48%)

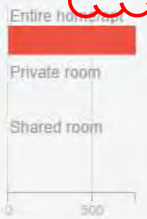
About Airbnb in San Diego

Room Type

☑ Only entire homes/apartments

Airbnb hosts can list entire homes/apartments, private or shared rooms.

Depending on the room type, availability, and activity, an airbnb listing could be more like a hotel, disruptive for neighbors, taking away housing, and illegal.



100%
entire homes/apartments

$270
price/night

758 (100%)
entire home/apartments

0 (0%)
private rooms

0 (0%)
shared rooms

Activity

☑ Only recent and frequently booked

Airbnb guests may leave a review after their stay, and these can be used as an indicator of airbnb activity.

The minimum stay, price and number of reviews have been used to estimate the **occupancy rate**, the number of **nights per year** and the **income per month** for each listing.

How does the income from Airbnb compare to a long-term lease?

Do the number of nights booked per year make it impossible for a listing to be used for residential housing?

And what is renting to a tourist full-time rather than a resident doing to our neighborhoods and cities?

173
estimated nights/year

2.6
reviews/listing/month

63,093
reviews

$270
price/night

47.3%
estimated occupancy

$3,419
estimated income/month

load reviews

Barcelona Takes On Airbnb and Short-Term Private-Room Rentals

By PAIGE McCLANAHAN

It's been a busy summer for Lucas Ezequiel Hernández, a 29-year-old designer who lives with his brother in central Barcelona. In June, he listed the extra bedroom in their apartment on Airbnb, and for more than two months, hosted a steady stream of tourists at a rate of 40 euros, or about $47, per night. But by the end of August, a couple of weeks after a new ban on short-term, private-room rentals had taken effect, he was reconsidering his options.

"I think I'm going to cancel the reservations that I have," said Mr. Hernández, who added that he had used his rental earnings to help fund the launch of his fashion brand. "I can get problems by renting on Airbnb, so I think I'm not going to do it anymore."

The ban, which took effect on Aug. 6, sets Barcelona apart as the only major city in Europe to have forbidden short-term private room rentals, even as it continues to allow the renting of entire apartments — so long as the owner of the property holds the appropriate license.

The new rule has added fuel to Barcelona's already-heated debate over how to support the local economy and safeguard residents' quality of life following the rapid growth in tourism in the decade before the pandemic hit. Critics maintain that the crackdown on accommodations has resulted in unjustifiably heavy fines for hosts and cut out an important source of income for many residents. But the city government says that restricting private tourist accommodation is one of the few effective tools that it can deploy to rein in excessive tourism and address the city's housing problems.

"People in Barcelona can still rent out a room for a year to a student coming from abroad," said Janet Sanz, Barcelona's deputy mayor and the driving force behind the crackdown.. "But for less than 31 days, it's such a tricky market to regulate that, from now on, we have to stop it."

Airbnb maintained that its rentals do no harm to the city, and that half of its hosts in Barcelona rely on the income to pay their bills and stay in their homes.

"In Barcelona, the absence of clear rules for hosts who share a room in their home has no impact on our business, but we are concerned about the negative impacts of City Hall's proposals on local families," said Patrick Robinson, Airbnb's head of policy for Europe, the Middle East and Africa. "We are confident that we can work with the authorities on a better way forward."

PHOTOGRAPHS BY SAMUEL ARANDA FOR THE NEW YORK TIMES

Tourists along Las Ramblas, in the heart of Barcelona. Lucas Ezequiel Hernández, right, has hosted visitors to the city for 40 euros, or about $47, per night, for a room in his apartment. A ban has made him reconsider doing so. Below, residential buildings in Barcelona.

The beginnings of a problem

Forty years ago, Barcelona wasn't high on most tourists' lists of must-see cities in Europe. But that changed after the city hosted the Summer Olympics in 1992: An enormous public investment in beautifying the city coincided with a prime spot on the global stage.

By 2019, Barcelona — a city of about 1.6 million — registered over 21.3 million overnight stays, more than double the figure from 2005. And that's not even counting the more than three million cruise ship passengers who passed through the city's port that year.

When Airbnb arrived in 2009, Barcelona had no specific regulations governing private rentals to tourists, but interest in the service was evident: By the middle of 2016, there were some 20,000 listings of both private rooms and entire apartments in Airbnb's Barcelona section, according to data from Inside Airbnb, which tracks listings in cities around the world. The hosts in Barcelona were operating in a kind of "gray market" in those early years of growth: It wasn't explicitly legal, nor was it clearly forbidden.

But as tourist numbers grew, so, too, did the sense among many in Barcelona that the city was nearing its capacity for visitors. In the summer of 2014, anti-tourism protests erupted in the Barceloneta neighborhood, where locals had grown frustrated with the noise and raucous behavior of visitors. Anti-tourism graffiti sprouted up and in 2017, a group of left-wing activists vandalized an open-top bus filled with tourists. Many residents — as well as some at City Hall — pointed the finger at Airbnb.

"For a long time, tourism was seen as nothing but a positive thing for the city, but now we're starting to feel all of the impacts," said Mar Santamaría Varas, a Barcelona-based architect and cofounder of 300.000 Km/s, an urban planning agency. With regard to tourist accommodation, she added that her analysis has revealed three main problems: gentrification, crowding in public spaces, and the disappearance of corner stores and other retailers that are essential for residents.

Airbnb maintains that private room rentals have little to no impact on the availability of local housing, as people who rent out private rooms live in the same property. But a study published last year in the Journal of Urban Economics found that Airbnb activity in Barcelona has increased rents by 7 percent and housing prices by 17 percent in the neighborhoods that have the highest levels of activity on the platform.

A new era

The 2015 election of Ada Colau as Barcelona's mayor marked a turning point in the city's relationship with tourism, ushering in the first real efforts to regulate short-term rentals. Already famous in Spain for her work fighting housing evictions, the left-wing Ms. Colau took a much harder line on tourism than her predecessor. City Hall enacted a moratorium on new tourist licenses for entire-apartment rentals; launched a major crackdown on illegal apartment listings; banned the construction of new hotels in the city center; and introduced neighborhood-specific rules to regulate the establishment of souvenir shops and other businesses that cater to tourists.

But in other ways, the city's hands were tied. Legally, the Colau administration couldn't revoke the roughly 10,000 tourist licenses that the previous administration had issued for the renting of entire apartments, said Ms. Sanz, the deputy mayor. At the same time, rules governing both the Barcelona airport and port — which is the largest cruise ship harbor in the Mediterranean — remain beyond the jurisdiction of City Hall.

But so-called home-sharing — the renting of a room inside a home — remained unregulated, and thus became a target for the city's tourism control measures. Indeed, the market in Barcelona had started to shift away from entire apartments and toward private rooms just as the crackdown on illegal listings picked up.

According to data from Inside Airbnb, the number of private room listings in Barcelona overtook entire home listings for the first time in 2017. As of Aug. 8 of this year, two days after the ban on short-term private room rentals took effect, 45 percent of the more

than 16,000 active Airbnb listings in Barcelona were for private rooms. When a journalist approached 20 of these hosts for a one-week tourist stay in their private room rentals — which would be illegal under the current law — within a day, half of the hosts had responded with an invitation to reserve.

Enforcing the rules

Mr. Robinson of Airbnb said that the company has cooperated with the city in regulating the activity on its platform. He added that Airbnb requires hosts to agree to allow certain personal details — including their name, address and identification number — to be shared with authorities, and said that more than 7,000 rule breakers have been removed because of Airbnb's collaboration with City Hall.

"Airbnb has always reminded hosts to follow local rules before they list on the platform," Mr. Robinson said. "We also provide hosts with clear information about the latest regulation in Spain."

As for the ban on short-term private room rentals, Airbnb questioned whether the new regulation affected rentals to business travelers or other types of non-tourist visitors, and said that it was impossible for the company to distinguish between such types of guests. But a company spokesman said that Airbnb would remove any private room listings from the platform if City Hall officially requested it do so.

Ms. Sanz insisted that there are no exceptions to the law, including for business travelers. She added that the city is gathering the information it needs to make its official takedown request for short-term private room rentals.

More broadly, Ms. Sanz said, one of City Hall's biggest complaints with Airbnb is that the company continues to allow new hosts of apartments to declare themselves "exempt" from the law that requires them to have a tourist license, without asking them to provide any evidence to that effect. She added that Airbnb has taken down illegal listings that have reappeared on the platform, sometimes days later. She worries that the same will happen with room rentals.

"This is a major problem that we have now, and we have been having it with Airbnb for the past several years," said Ms. Sanz. She added that such problems have put tremendous pressure on City Hall, which now spends 2 million euros per year to inspect Airbnb listings and enforce the city's rules on home-sharing and tourist apartment rentals. Ms. Sanz added that the city has found that many hosts are professionals who are "speculating" on the housing market, not individuals looking to cover their basic needs.

Data from Inside Airbnb show that, as of Aug. 8, 27 percent of Barcelona's private room listings were in a portfolio of three or more private rooms, while 54 percent of the private rooms were offered by hosts who had only a single listing. Airbnb disputed these numbers.

"This data is flawed. Public scrapes of our site use inaccurate information and flawed methodology to make misleading assumptions about our community," an Airbnb spokesman said. "As of Aug. 8, 2021, 78 percent of private room listings in Barcelona were offered by hosts with only one private room listing; 93 percent were offered by hosts with one or two private room listings only."

Hosts respond

Manel Casals, the general manager of Barcelona's hotel association, welcomed the ban, saying that Airbnb is "a concern for cities everywhere" because it deprives local governments of taxes, disrupts residential areas, and fails to ensure adequate health and safety standards for guests. "It will help Barcelona to prohibit this," he said, adding that the city's hotels don't consider Airbnb a competitor as they serve a different customer base.

But Airbnb hosts like Martha Ruiz were disappointed with the ban. Ms. Ruiz, who lives near Barcelona's Collserola Park, stopped taking reservations for short-term guests following the imposition of the ban in August. "They can regulate, yes — but not prohibit something that isn't doing any harm to anyone."

Jose Luis Rodriguez Fried, the legal representative of Veïns i Amfitrions de Catalunya, an association of roughly 500 Catalonian hosts that has lobbied the government on home-sharing regulations, said that Barcelona's ban on short-term private room rentals was "unjustified" and "undemocratic."

"The paradox is that we have a Barcelona City Council with progressive roots that is supposedly sensitive to the problems of residents and the community, but their response has been to erect a barrier behind an ideological, anticapitalist message instead of taking advantage of the system on behalf of the city and its inhabitants," Mr. Rodriguez Fried said.

"By renting out their rooms, these people have found a way to pay their rents and mortgages," he added. "Now they are again at risk of losing their homes and also, let's be honest, their dignity."

Hosts who violate the city's rules risk attracting the attention of inspectors, and sanctions start at 6,000 euros. Plenty of fines have already been imposed: Since 2016, City Hall has initiated more than 9,000 legal proceedings. Ms. Sanz said that a crackdown on private room rentals will begin soon.

Policymakers across Europe will no doubt be watching how things play out in Barcelona, which is a member of an association of nearly two dozen European cities — including Amsterdam, Paris and Prague — that are lobbying European leaders to support their efforts to regulate tourist rentals.

Cities that take such a strong stance on the issue can ultimately compel Airbnb to cooperate, said Daniel Guttentag, an assistant professor of hospitality and tourism management at the College of Charleston in South Carolina.

"When cities are cracking down in a way that is more aggressive than Airbnb would like, then the company absolutely plays hardball and fights back to push for regulations that they find to be more amenable," Dr. Guttentag said.

"There are examples of Airbnb participating in enforcement," he added, citing cases in San Francisco, London and Paris. "But this is only when they've really been obligated to do so."

THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: February 19, 2021 **IBA Report Number:** 21-06

City Council Docket Date: February 23, 2021

Item Number: 330

Impacts of Proposed Short-term Residential Occupancy (STRO) Regulations on TOT Revenue

INTRODUCTION

On February 23, 2021, the City Council will consider a proposal by Council President Campbell to regulate short-term vacation rentals, also known as short-term residential occupancy (STRO). A key component of the proposal is the requirement that STRO hosts must apply for one of four different STRO License Tiers, depending on the type and frequency of short-term rental activity. Two of the four STRO License Tiers (Tier 3 and Tier 4 for whole home rentals operating more than 20 days per year in Mission Beach or elsewhere in the City) would be caped under the proposal thereby limiting the number of housing units operating in this capacity. Prepared at the request of Council President Campbell, this report endeavors to quantify the potential fiscal impact the proposed licensing caps would have on City Transient Occupancy Tax (TOT) revenue generated from STRO activity.

It should be noted that there is little publicly available information regarding STRO activity in the City. For purposes of our analysis, we utilized data available from the website *InsideAirbnb.com*, the City Treasurer's Office, past STRO analyses, and other available information; we also had discussions with knowledgeable market participants to provide insight and help us better develop reasonable assumptions to apply to the data we gathered to develop our estimates.

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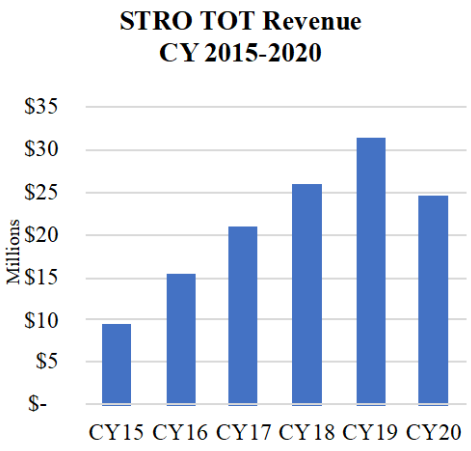
FISCAL/POLICY DISCUSSION

STRO activity has grown significantly over the last several years, much of which can be attributed to online platforms like Airbnb and VRBO which have facilitated an efficient means for both hosts and travelers to connect. According to the City Treasurer's Office (CTO), TOT paid by STRO hosts and online platforms grew from approximately $9.5 million in calendar year 2015 to a high point of $31.5 million in CY 2019. While some of this growth is due to increased TOT auditing activities conducted by the CTO, it nonetheless reflects a significant amount of growth over a short period of time. The COVID-19 pandemic has significantly reduced tourism in the City and brought STRO related TOT revenue down to approximately $24.5 million in CY 2020.



In terms of the number of STRO listings in the City, it has previously been estimated that up to 16,000 STROs were operating as of March 2018. Based on our review of actual listing data available on the website *InsideAirbnb.com* and information on TOT collections provided by the CTO, we estimate that on average there were approximately 19,000 rental listings over the course of the CY 2019 (i.e., the last full year prior to the COVID-19 outbreak). When removing all inactive listings[1], as well that those for which the minimum advertised stay duration is more than one month, we estimate that the average number of active listings that were subject to pay TOT was approximately 14,700. The breakdown of this estimated number of active STRO listings by location and rental type, as well as estimated average rental rates, is provided in the table below.

Based CY 2019 Data using Online Platform Rental Type Classifications	CY 2019 Avg. Listings	% of total Listings by Location	CY2019 Avg. Rental Rates
Mission Beach	1,667	100%	$ 405
Entire Home/Apt	*1,642*	*99%*	*$ 410*
Private Room	*25*	*1%*	*$ 89*
Shared Room	*-*	*0%*	*$ -*
Outside Mission Beach	13,046	100%	$ 209
Entire Home/Apt	*9,660*	*74%*	*$ 254*
Private Room	*3,291*	*25%*	*$ 82*
Shared Room	*96*	*1%*	*$ 56*
Estimated Total	**14,713**	**100%**	

It should be noted that the classifications of rental types included in the table above are from online booking platforms which differ from the proposed STRO regulations.

The proposed STRO regulations require hosts to obtain one of four license tiers depending on the type of short-term rental, the amount of rental activity, and the rental location. These factors are summarized in the matrix on the following page, in addition to the number of licenses which are to be initially allotted for each tier.

[1] Listings were determined to be inactive if they have zero nights available for rent over the next 365 days, or if the host's booking calendar has not had a change over the preceding 12 months.

License	Rental Type	Rentals per CY	Rental Location	# of Licenses
Tier 1	Any	< 20 days	Citywide	Unlimited
Tier 2	Home Share	> 20 Days	Citywide	Unlimited
Tier 3	Whole Home	> 20 Days	Outside Mission Beach	5,364
Tier 4	Whole Home	> 20 Days	Mission Beach	1,081

A **Whole Home** rental is generally defined in the proposed ordinance to be a rental of the host's entire dwelling unit while the host is not present and residing in the dwelling unit. Whole Home rentals of more than 20 days per year outside of Mission Beach would initially be restricted to 5,364 licenses; Whole Home rentals of more than 20 days per year in Mission Beach would be restricted to 1,081 licenses.

Conversely, a **Home Share** is generally defined to be the rental of a room (or rooms) in the host's primary residence, or a separate dwelling unit on the same premises of the host's primary residence (e.g., duplex properties and eligible Companion Units/ADUs), while the host is present. The number of licenses for any type of Home Share would not be limited.

The table below summarizes how listings under each of the rental type classifications used by online booking platforms would be distributed based on the proposed STRO regulations.

Rental Types as Classified by Online Platforms	Rental Types as Categorized by Proposed STRO Regulations	License Tiers
Entire Home/Apt	Any Whole Home < 20 Nights **Whole Home outside of Mission Beach** **Whole Home in Mission Beach** Home Share (e.g., Duplex/ADUs)	Tier 1 **Tier 3** **Tier 4** Tier 1 or Tier 2
Private Room	Home Share	Tier 1 or Tier 2
Shared Room	Home Share	Tier 1 or Tier 2

Quantifying this listing distribution as outlined in the table above, and determining the impact associated with limiting the number of available licenses for the rental types highlighted in bold, constitutes the basis for our analysis.

The most significant unknown variable for purposes of our analysis is the number of Whole Home rentals with less than 20 nights of activity per year. This is meaningful given its direct relationship to the overall impact the proposed STRO regulations will have on TOT (i.e., the larger share this category comprises, the lower the impact to TOT). No online booking platforms have made this information publicly available, nor were we able to find any reliable sources elsewhere. With that said, based on information we have reviewed and discussions with knowledgeable market participants we estimate this rental category to represent approximately 15-25% of the total number of "Entire Home/Apt" listings, as classified by the online booking platforms. Given that there were an estimated 11,302 Entire Home/Apt listings in CY 2019 Citywide, this would result in approximately 1,700-2,800 Whole Home listings with less than 20 nights booked per year.

In the table below, we provide estimates reflecting the distribution of CY 2019 listings based on the proposed STRO regulations. Included are three scenarios, at 15%, 20%, and 25%, for the aforementioned range related to Whole Home rentals with less than 20 nights of activity.

Based CY 2019 Data using Proposed STRO Regulation Categorizations	# of Licenses	*Whole Home < 20 Nights* as a Percent of *"Entire Home/Apt"*		
		25%	20%	15%
Mission Beach		1,667	1,667	1,667
Whole Home > 20 Nights	***1,081***	***1,131***	***1,213***	***1,295***
Whole Home < 20 Nights	*Unlimited*	*411*	*328*	*246*
Home Share (Duplex/ADU)	*Unlimited*	*101*	*101*	*101*
Home Share (Private Room)	*Unlimited*	*25*	*25*	*25*
Home Share (Shared Room)	*Unlimited*	-	-	-
Outside Mission Beach		13,046	13,046	13,046
Whole Home > 20 Nights	***5,364***	***6,965***	***7,448***	***7,931***
Whole Home < 20 Nights	*Unlimited*	*2,415*	*1,932*	*1,449*
Home Share (Duplex/ADU)	*Unlimited*	*280*	*280*	*280*
Home Share (Private Room)	*Unlimited*	*3,291*	*3,291*	*3,291*
Home Share (Shared Room)	*Unlimited*	*96*	*96*	*96*
Citywide Total		**14,713**	**14,713**	**14,713**

As the assumed number of Whole Home rentals with less than 20 nights (highlighted yellow) decreases, the assumed number of Whole Home rentals with more that 20 nights (in bold) increases, and thus moves from a rental category for which licenses are unlimited, to a category that is limited.

The estimated difference between the number of Whole Home rentals with more than 20 nights and the number of available licenses represents the estimated number of listings that would be lost under the proposed STRO regulations. As you can see in the table below, the estimated number of listings lost ranges between 1,601 and 2,567. This result is then multiplied by our estimate for the average amount of TOT contributed per host which varies given the assumed mix for the number of listings with more or less and 20 nights. The results are shown in the bottom portion of the table below. The associated TOT loss/impact is estimated to range between $4.4 million and $7.3 million, approximately 14% to 23% of the total amount of TOT collected in CY 2019 from STROs ($31.5 million).

Based CY 2019 Data using Proposed STRO Regulation Categorizations	*Whole Home < 20 Nights* as a Percent of *"Entire Home/Apt"*		
	25%	20%	15%
Mission Beach			
Tier 4 Licenses	*1,081*	*1,081*	*1,081*
Whole Home > 20 Nights	*1,131*	*1,213*	*1,295*
Listings Lost	*(50)*	*(132)*	*(214)*
Estimated TOT Per Host	*$ 8,910*	*$ 8,385*	*$ 7,916*
Estimated TOT Impact	*$ (448,393)*	*$ (1,110,456)*	*$ (1,698,358)*
Outside Mission Beach			
Tier 3 Licenses	*5,364*	*5,364*	*5,364*
Whole Home > 20 Nights	*6,965*	*7,448*	*7,931*
Listings Lost	*(1,601)*	*(2,084)*	*(2,567)*
Estimated TOT Per Host	*$ 2,438*	*$ 2,306*	*$ 2,184*
Estimated TOT Impact	*$ (3,901,642)*	*$ (4,803,281)*	*$ (5,604,521)*
Total Listings Lost	**(1,651)**	**(2,216)**	**(2,781)**
Total TOT Lost ($)	**$ (4,350,034)**	**$ (5,913,737)**	**$ (7,302,879)**
Total TOT Lost (%)	**-14%**	**-19%**	**-23%**

Note: Figures may not sum due to rounding.

Because the proposed STRO regulations limit the number of licenses available for Whole Home rentals (those rented for more than 20 nights a year), we estimate there would be a reduction in TOT ranging from 14% to 23% of the total TOT derived from vacation rentals. If the proposed STRO regulations were to have been in effect in calendar year 2019 (the last full year of activity before the pandemic), we estimate there would have been a reduction in TOT ranging from $4.4 million to $7.3 million. However, when considering the ongoing impacts of the pandemic on tourism and a proposed implementation date in January or February 2022, we estimate the fiscal impact of the proposed STRO regulations on the FY 2022 General Fund budget (which begins on July 1, 2021) would be less than half of this estimated range.

Beginning in FY 2023, we expect tourism to begin approaching normalized levels and estimate that the potential loss of TOT may begin nearing the estimated range above. It should be noted, however, that other factors could increase (e.g., limited growth of new whole home rentals) or decrease (e.g., increased demand for a limited number of whole home rentals drives demand to hotels or otherwise leads to increased rental rates thereby increasing TOT) the estimated range of TOT lost pursuant to adoption of the proposed STRO regulations.

Other Considerations Associated with Proposed Adoption of the STRO Regulations

Our Office estimates adoption of the proposed STRO regulations will annually reduce the amount of TOT revenue the City receives from short-term vacation rentals by approximately 14% to 23%. This is an important consideration given the significant budget deficits projected for the City's General Fund beginning in FY 2022. Having said that, it is important to also acknowledge some fiscal and non-fiscal benefits cited by proponents of the proposal. The Council may wish to consider some of these other potential STRO regulation benefits while evaluating the requested action. Potential benefits include, but may not be limited to, the following:

- Establishes regulations within the San Diego Municipal Code for the longstanding, important and previously unregulated short-term vacation rental industry
- Endeavors to protect the integrity or character of existing neighborhoods
- Plans to establish a host fee to cover the cost of administration and ensure enforcement
- Slows conversion of homes to short-term rentals; returns some to the City's housing stock
- Allows for growth in the number of whole home rental units that is proportionate with the growth in the City's housing stock.

CONCLUSION

Council President Campbell requested that our Office endeavor to estimate the fiscal impact of the City adopting the proposed STRO regulations. Using available data and discussing this data with knowledgeable industry participants, we estimate the potential loss of TOT to be between 14% to 23% of total TOT collected from STROs. In CY 2019, these percentages would have translated to a reduction ranging from $4.4 million to $7.3 million of the total TOT collected from STROs ($31.5 million). However, given the proposed effective date for the proposed STRO regulations (January or February 2022) and the expectation that tourism will continue to trend below normal in FY 2022, we estimate the fiscal impact of the proposed STRO regulations on the FY 2022

General Fund budget (which begins on July 1, 2021) would be less than half of this estimated range – something less than $2.2 million to $3.6 million. The full impact of our estimate would more likely be realized in FY 2023 or FY 2024 when there is an expectation that tourism will return to pre-pandemic levels.

We also note that there are a number of factors that could increase or decrease our estimated range of TOT lost pursuant to the adoption of the proposed STRO regulations. For example, restricting the growth of new whole home rentals could increase the estimated amount of TOT lost going forward. Another possibility is that increased demand for a limited number of whole home rentals could redirect demand toward hotels or otherwise lead to increased whole home rental rates which would reduce the estimated loss of TOT to the City.

It is particularly difficult to sustain a loss of General Fund revenue when budget deficits are projected in the coming fiscal years. Having said that, we note the magnitude of the proposed TOT revenue loss would likely be less than one-half of 1% of total General Fund revenue. We also must acknowledge the potential legal and policy benefits associated with the proposed STRO regulations. We have highlighted five of the key benefits cited by the proponents in the preceding section for Council consideration.

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City of San Diego STRO
Mission Beach Community Requests

The following recommendations/requests are from the Mission Beach Town Council, and the Mission Beach STR Community Group and on behalf of the Mission Beach community. The Mission Beach STR Community Group has been formed by the MBTC with the primary purpose to track the STR Ordinance's efficacy in Mission Beach. We will assess how the ordinance is working in the Mission Beach community and report back quarterly.

A copy of the Mission Beach Town Council-approved STR proposal accompanies our requests. The document details how the Mission Beach community would like to handle qualifications, permitting, and enforcement. MB STRO Proposal from 2019

Administrative Recommendations:

1. The "Home Share" definition under Tier 2 requires the Host to occupy their primary residence for no less than 275-days a year, and further allows for the whole home (without the Host being on the premises) to be rented for up to 3-months. Tier 2 Hosts who rent for over 20-days a year would cause the 30% cap in Mission Beach (Tier 4) to be meaningless. Define "Home Share" as allowing for 20-days per year only. Hosts who wish to rent their properties for more than 20-days without them being on the premises would be required to apply for a Tier 4 license.

2. The definition of "Home Share" needs to be consistent with the section of the ordinance that begins with "Where As STRO is the hosts' primary residence, also known as home sharing, requires the host to OCCUPY the premises...." This section is listed on the 3rd page of the ordinance, which stipulates the host must be on premise.

3. The MBTC previously approved a 30% cap on Short Term Rentals as a reasonable limit in Mission Beach. Regardless of the percentage the city approves, ALL revenue generated by the Mission Beach STRs (application fees & fines) must be dedicated to the administration and enforcement of the STR ordinance in Mission Beach.

4. Ensure all units on premises, including STR unit, are compliant with the City Municipal Code and the Mission Beach PDO. This requirement must be met prior to licensing and to qualify the host's eligibility to participate in the initial and future lottery.

5. Clearly define the term "Host."

- "Host" shall mean a natural person who owns at least 25% of the dwelling unit whether personally or through an entity such as a corporation, LLC, or partnership (allowing for one SS# to qualify for only one STR)? Documentation confirming the Host's hostship interest must be submitted as part of the application.
- For a Trust versus a Corporation, should the city use SS# or APN#?

  Note: Host definition should prevent loopholes enabling LLC hosts to own, sell, or transfer STR license with the LLC property. Host license ends with sale. The Host definition should also prevent a multiple STR-unit host from paying "renters" who become Hosts to file for STR licenses for the host's multiple units.

Regulation Recommendations:

6. Regardless of Tier (1-4), all hosts/operators must be accessible and accountable 24/7.

7. Clearly define and limit the maximum number of guests at each property: two (2) persons per legal bedroom + two (2).

   Note: Occupancy limit required in Ordinance to reduce propensity for illegal parking, excess cars, trash, large crowds, and noise.

8. All units on STR property must have a minimum of one (1) legal parking spot.

9. Increase the size of the STR Ordinance sign. The content of interior sign should be defined by the MB STRO Proposal from 2019 . The exterior signs should provide the current 24/7 contact information (one-hour, onsite response), maximum occupancy, number of parking spaces, and STR license/certification number.

   Note: MBTC defines the standard exterior sign format as 20" x 24" minimum with a 54 - 60-point font so signs are legible at night when disturbances occur. Signs should be posted in front and back of the unit and should include STR license/certification number, 24-hour contact information for onsite response (and/or STR Compliance Enforcement), physical address of STR, and maximum occupancy and parking allowed.

10. Require that the Unit Floor & Site plans, and documents verifying the hosts ownership interest in the STR (e.g., deeds; Trust, LLC, Partnership documents if

host is not a natural person) be added to the application for license. The application and all supporting documents must be available to the public.

Note: This is needed to verify eligibility for STR certification, the maximum number of occupants, minimum requirement for parking spaces, and adequate trash control, etc.

11. Require primary Guest/renter – who shall be a minimum of 25 years old – to be present at rented unit or property for the duration of rental period. Must be enforced by the host/operator and/or rental platform.

Substantive Ordinance Changes:

12. The minimum number of nights in Tier 4 shall be three (3) nights minimum (as defined and agreed upon in the MBTC recommendations).

Enforcement Recommendations:

13. Strengthen enforcement – shorten the punitive process to 60 Days. *Any escalation after the initial verbal warning shall be mandatory and not discretionary.* The words "The selection of which shall be at the discretion of the City Manager, without any requirement that the actions escalate in severity" should be removed from 510.0109 (b). The current timeline allows for 5 - 6 months for each violation appeal process and three violations prior to revocation of the license, at the City Manager's discretion.

    Note: The STRO enforcement timelines could take as long as six (6) months from the time "bad behavior" occurs and the Host's license is revoked. This is too much time to allow a serious problem to continue. Each violation becomes final within thirty (30) days and, once the license is revoked, the Host is not eligible for another STR license for three (3) years.

    Violations of Section a) (1) - (3) should result in revocation of license for three (3) years. Criteria must be developed for what constitutes a violation of a regulatory action under Section (b)(1) - (4) as well as establish a limit on the number of violations before escalation. Eliminate the word "discretion" in this section.

14. Regarding any enforcement language in the ordinance, remove any ambiguity. For example, remove "should" and replace with "shall" and/or remove "may" and replace it with "shall."

15. Hold the online platform and/or management company financially responsible for ensuring only STR-licensed listings are supported. If an unlicensed STR is supported on the platform or by a management company, the platform or management company should be fined for each violation, in increasing increments. The platform and/or management company must be the first line of defense against unlicensed STR units.

    Note: Trying to track and prevent unlicensed STRs individually, by holding just the host responsible, is like trying to enforce no scooters on the boardwalk, one scooter rider at a time. The platform/management company must track and verify each unit listing for valid STR licenses.

16. The STR software solution the City plans to procure should have the following capabilities to give the City the ability to track and enforce the STRO:
    - Maintain a copy of the floor plan and site plan to verify maximum number of occupants, minimum required parking spaces, and ensure adequate trash control.
    - Identify and validate current host and operator and contact information by STR address.
    - Verified violations are counted over a rolling six to nine (6-9) month period from the date of the first violation.
    - Give the host/operator the ability to track a Nuisance Response Protocol, acknowledge regulations, state corrective actions, and deal with complaints.
    - Offer a 24/7 STR nuisance complaint hotline, online and by phone, that has the following abilities:
        - To track all complaints and outcomes.
        - Route the first complaint immediately and directly to the Host AND Operator for immediate response.
        - Upon three (3) verified complaints, the City shall issue a violation and levy fines as follows:
            - 1st verified violation: $1,000
            - 2nd verified violation: $2,500
            - 3rd verified violation: $4,500 and a notice of pending permit revocation and right to appeal.

17. Upon license renewal, an applicant is required to submit the current information (floor plans, parking, hostship etc.) to ensure there are no changes and, therefore, no material changes from the last application. The STR application and its attachments must be submitted and signed by the applicant “UNDER THE PENALTY OF PERJURY” (fines and license revocation apply).

City of San Diego STRO
Mission Beach Community Requests

Please Note: In our opinion, we have identified significant inconsistencies between the Mission Beach PDO and the new STRO that may pose significant risk for legal actions.

Any STRO regulations applicable to Mission Beach must be added to the appropriate sections of the Mission Beach PDO and terms need to be defined consistently across all documents. Please review Chapter 15 Article 13 Divisions 1, 3, and 4. Not addressing these issues will likely create significant legal risk to the city and an ineffective ordinance. Once these measures are taken, the following recommendations/requests will be applicable.

Via Electronic Mail (SanDiegoCoast@coastal.ca.gov)

March 4, 2022

California Coastal Commission
455 Market Street, Suite 300
San Francisco, CA 94105

Re: Public Comment on March 2022 Agenda Item Wednesday 14f - City of San Diego LCP Amendment No. LCP-6-SAN-21-0046-2 (Short Term Rentals)

Dear Chair Brownsey, Vice Chair Hart, and Honorable Commissioners:

On behalf of Airbnb, thank you for the opportunity to offer our thoughts on the City of San Diego's ("City") proposed Local Coastal Program Amendment(s) ("LCPA"), which will regulate short-term rentals ("STRs") in the City's coastal zone (the "SD Coastal Zone"). For the last 12 years, Airbnb has worked closely with communities around the world to help them realize the significant benefits that vacation and other short-term rentals ("STRs") provide to travelers, hosts, and local economies. STRs offer unique affordable access opportunities, particularly for families and groups of individuals, in communities throughout California, including on the Coast, where traditional hotel accommodations are in limited supply, often prohibitively expensive, or both.

Airbnb commends the California Coastal Commission ("Commission") for its continued efforts to protect access to the California coast and advance policies that offer the opportunity to experience this distinct and valuable public resource. We also recognize and appreciate the City's efforts to adopt a LCPA that will balance the need for STRs to preserve Coastal access with other City priorities. We further recognize Commission staff's efforts to suggest modifications to the LCPA to protect against unintended and unforeseen impacts to access.

Given the critical role STRs play in California coastal access generally and San Diego coastal access specifically, we recommend the Commission propose and approve both the suggested modifications by Commission staff and the additional minor modifications proposed in this letter. The proposed modifications are consistent with the City's proposed LCPA implementation approach and will help the San Diego coast remain open and affordable to the millions of visitors it receives every year.

STRs Play a Crucial, Sustainable Role in Advancing the Coastal Act's Access Mandate

As reported by the California Coastal Conservancy ("Conservancy") in 2019, Californians took over 40 million overnight trips to the coast in 2016. However, the Conservancy also acknowledged that many Californians continue to face barriers to access:

> [T]he majority of those surveyed said that they do not stay overnight at the coast. This result was particularly pronounced among younger people, low-income

> households, and people of color… ***Respondents cited financial concerns as the primary reason they do not stay overnight at the coast***.[1]

These concerns are not surprising. Between 1989 and November 2016, Commission staff reported that the state had lost 24,720 "economy" rooms.[2] Given the dramatic loss of economy rooms over the last three decades, STRs—and the technology that facilities their utilization—have played a significant role preserving affordable and equitable access to the coast, particularly for groups and families. As recently summarized by Commission staff:

> [STRs] provide a significant supplement to traditional visitor-serving overnight accommodations, promoting public access and visitor-serving opportunities to coastal communities. The provision of overnight visitor-serving accommodations, such as short-term lodgings, serves a significant purpose as a subset of visitor-serving uses that promotes public coastal access and provides California residents and visitors opportunities to access and recreate along the coast. Overnight visitor-serving accommodations allow public members who do not reside within a day's journey to the coast an opportunity to enjoy the coastline. Depending on site-specific circumstances, short-term lodging units, provide a lower cost option than a traditional hotel.[3]

Also, importantly, the vast majority of hosts in California ***utilize their existing homes to provide overnight accommodations***. By sharing their existing spaces, the hosts can more sustainably provide overnight accommodations without the need for new construction. And, as noted, these accommodations are direly needed.

STRs Play a Critical Role in Providing Access to the San Diego Coast

San Diego is one of the largest markets for coastal tourism in California and plays an oversized role in the State's coastal access opportunities. The San Diego coast is not only relatively accessible in quantity/area, it also has developed relatively robust infrastructure and amenities to facilitate broad coastal access. STRs—particularly those in the SD Coastal Zone—are an important component of this access. Nearly 40% of San Diego's STR listings fall within the SD Coastal Zone, and over 40% of vacation stays occurred in the SD Coastal Zone. These listings experience high occupancy—nearly 80% on average for the year and nearly 90% in the summer months. The SD Coastal Zone offers an important destination for families, accounting for approximately 25% of trips.[4] Given its oversized role, the Commission's decisions impacting access to SD Coastal Zone

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[1] California Coastal Conservancy, *Explore the Coast Overnight* (Mar. 2019), p. 14, *available at* https://scc.ca.gov/webmaster/ftp/pdf/sccbb/2019/1903/20190314Board04E_ETCO-Report.pdf (Attachment B).

[2] *See* California Coastal Commission, *Staff Report on Coastal Development Permit Application No. 5-20-0181 (B&J Capital Group Investments)* (Jan. 2021), p. 10 (Attachment C): "In its report to the Commission in November 2016, staff found that out of six 'cost' categories ranging from 'economy' to 'luxury,' ***a total of 24,720 economy rooms were lost,*** compared to 11,247 rooms of the remaining five classes. Economy rooms have been lost over the same time period at over twice the rate of all other cost categories combined. ***Thus, all told, nearly 70% of all rooms that have been lost since 1989 have been economy rooms*** …" (emphasis added).

[3] California Coastal Commission, *Staff Report on City of Newport Beach Local Coastal Program Amendment No. LCPA 5_NPB-20-0070-3 (Section 21.48.115 Short Term Lodging)* (Oct. 2021), p. 13 (Attachment D).

[4] "Family Trips" are defined as having a Child (2-12) or Infant (0-2) count of > 0 (using Airbnb data). *See* Attachment A.

will have broad implications to coastal access in California in general. Any LCPA implementing STR restrictions in San Diego must adequately take this into account.

Commission Staff's Suggested Modifications to the LCPA and Minor Additional Proposed Modifications

As noted in the Staff Report, City staff has formulated a stratified and weighted lottery approach for the allocation of STR permits. This proposed lottery will be stratified by distributing licenses to "community planning area[s] in proportion to the percentage of the overall applicable pool each community planning area represents."[5] Coastal staff's suggested modification to the LCPA "adds ordinance language requiring that Tier III licenses distributed by lottery must be proportionate to community planning area participation in the lottery application to ensure adequate distribution of STRO licenses to the [SD Coastal Zone]."[6] Commission staff also suggests a modification to add a sunset clause given the risks the LCPA will have "the unforeseen consequence of reducing the [STR] volume even further." Commission staff notes that the sunset clause will, at the end of seven years, allow "all parties .. to review the available data to determine if the amendment met expectations and should proceed further, or if further amendments are required to ensure a proper balance between public access and community character."[7] We support these suggested modifications.

As reflected in the Staff Report, Exhibit 6, in addition to distributing licenses via community plan area demand, City staff has formulated a weighted lottery approach for the allocation of STR licenses that takes into account, among other things, the host's prior booking activity. This is an important consideration. Given the fact the LCPA will reduce the number of available STRs by approximately half, any license allocation approach must provide for a sufficient number of STR "nights" going forward.[8] We appreciate that the City's proposed lottery system does contemplate prioritization of license issuance to property owners with a demonstrated histories of offering their STRs a meaningful number of nights. However, given the importance of maintaining as many nights as possible from the remaining STRs in the SD Coastal Zone post-LCPA adoption, we recommend also including the prioritization concept in the LCP itself.

We also recommend that the LCPA include a provision directing the City to provide annual updates to the Commission to facilitate the City's and the Commission's review of the LCPA's effects on coastal access. Given the potential for "unforeseen consequences" associated with the LCPA, annual updates prior to the LCPA's sunset will help ensure the LCPA's implementation maintains consistency with the California Coastal Act—in particular the goals of maintaining and encouraging lower-cost visitor accommodations in the SD Coastal Zone where demands for such accommodations are high.

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[5] City of San Diego, *Staff Report re An Amendment to the City's Municipal Code and Local Coastal Program to Impose a License Requirement and Operating Regulations for Short Term Residential Occupancy etc.* (Feb. 2021), p. 3 ("We are also working to comply with the Coastal Commission's requirement to provide low cost accommodations on the coast") (hereinafter *City STR Staff Report*) (Attachment E).

[6] *Id.*, p. 4.

[7] *Id.*

[8] *See, e.g.*, *City STR Staff Report*, pp. 5, 10 ("We are also working to comply with the Coastal Commission's requirement to provide low cost accommodations on the coast"); SDMC §510.0107(c).

Accordingly, we recommend the following additional language (shown in **bold double-underline**) to the LCPA. Note Commission staff's currently proposed modification language to this LCPA section is shown in blue italic.

510.0104 Short-Term Residential Occupancy Regulated

[...]

(d) Tier Three License: Whole Home Short-Term Residential Occupancy Outside of Mission beach Community Planning Area.

[...]

(5) Tier Three licenses issued on a lottery basis shall be issued to each Community Planning Area in proportion to the Community Planning Area's percentage of the overall Tier Three applicant pool. **The Tier Three lottery shall provide prioritization for applicants with proof of booking activity of more than 90 days per calendar year and proof of operation during the calendar year prior to the lottery.**

Section 510.0104(e) shall be modified as follows:

510.0104 Short-Term Residential Occupancy Regulated

[...]

(e) Tier Four License: Whole Home Short-Term Residential Occupancy Within Mission beach Community Planning Area.

[...]

(5) Tier Four licenses issued on a lottery basis shall provide prioritization for applicants with proof of booking activity of more than 90 days per calendar year and proof of operation during the calendar year prior to the lottery.

510.0112 Sunset **and Reporting** Clause

The provisions of Sections 510.0102 and 510.0104 that are part of the City of San Diego's certified Local Coastal Program shall be in effect in the Coastal Overlay Zone until January 1, 2030. This section may be amended prior to the expiration date, however, if not amended by January 1, 2030, then the licensing requirement for STROs will no longer be in effect in the Coastal Overlay Zone. The January 1, 2030, deadline may be extended for good cause by the Executive Director of the Coastal Commission. **Beginning one year from the effective date of LCP-6-SAN-21-004-2, and annually thereafter, the City shall provide the Executive Director with a report detailing the number of Tier 3 and Tier 4 licenses (along with the nights rented by license)**

issued to properties within the Coastal Overlay Zone and an assessment of the impacts of the regulations set forth in this section on the availability and affordability of overnight accommodations in the Coastal Overlay Zone.

Conclusion

At Airbnb, we have seen that technology-enabled, people-to-people home sharing promotes healthy and sustainable tourism and travel—tourism and travel that benefits the hosts who share their homes, the guests who are seeking authentic, affordable experiences, and the local residents whose cultures, customs and economies are respected, observed, and supported. We have also witnessed our hosts offering thousands of families opportunities to experience the California Coast in an affordable, sustainable way, and we look forward to facilitating this access for decades to come.

With that, we recognize and appreciate San Diego's efforts to find an appropriate balance between access and other local interests and to develop and implement a licensing system designed to preserve STRs in SD Coastal Zone. We do, however, believe that the Commission should consider and approve both Commission staff's suggested modifications and our proposed modifications to protect against the potential unintended or unforeseen access consequences.

Thank you again for the opportunity to comment on this matter. We look forward to working with the Commission in the future on these important issues.

Sincerely,

John Choi

Policy Manager

A

TRAVEL TECH
The Travel Technology Association

September 22, 2021

San Diego City Council
202 C Street, 10th Floor
San Diego, CA 92101

Dear Council President Jennifer Campbell:

This information is provided in response to a request for data on the short-term rental (STR) industry in the City of San Diego. This data was acquired from Transparent Intelligence (Transparent), a leading, independent data intelligence provider for the short-term rental industry. All data points, except where otherwise noted, reflect analysis inclusive of Airbnb and Vrbo.

The number of short-term rentals in any given market can fluctuate over time, including year over year. Fluctuations are caused by a number of potential factors, including health mandates and COVID restrictions, other types of government regulations, and market trends. These numbers are a snapshot of listings available for booking as of September 1, 2021.

- Overall, in San Diego there are roughly 12,300 listings, with 84% entire homes vs 16% private or shared rooms, and the average listing has a capacity of 4.8.
- 39% of San Diego listings fall within the Coastal Zone, which is itself more weighted toward entire home listings (93%), and the average listing is larger, with a capacity of 5.8.
- City-wide, 74% of listings are apartments or houses, 8% are hotels, 1% are hostels, with all other listing types making up 17%. In the Coastal Zone, these values are 78%, 7%, 1%, and 15% respectively.
- In San Diego, the ADR is $216. Within the Coastal Zone, this increases to $306.
- Overall, San Diego hosted roughly 1.7M nights in the past 12 months, with the average listing hosting 160 nights. 85% of these nights occurred in Entire Home listings.
- The Coastal Zone accounted for 42% of these Nights, and the average listing there hosted 172 nights. 94% of these nights occurred in Entire Home listings.
- In San Diego, summer is the busiest season, with June, July and August receiving the highest nights booked. Overall occupancy is roughly 75% for the year, but increases to 83% in June, July, and August.
- The same is true within the Coastal Zone, however occupancy is uniformly higher: 78% overall, and 86% in peak months.
- The average trip was 4.4* nights for San Diego and 4.2* nights within the Coastal Zone.
- 18%* of trips in San Diego were Family Trips**. In the Coastal Zone this was even higher at 22%*.

Notes about these data points:
- Family Trip % determined using Airbnb data only
- "Family Trips" are defined as having a Child (2-12) or Infant (0-2) count of > 0
- ADR calculated using the base price taken from the calendar view of listings, exclusive of fees, long-term discounts, and taxes.

TRAVEL TECH
The Travel Technology Association

Sincerely,

Stephen Shur
President

About Travel Tech
The Travel Technology Association (Travel Tech) is the voice of the travel technology industry, advocating for public policy that promotes transparency and competition in the marketplace to encourage innovation and preserve consumer choice. We represent the leading innovators in travel technology, including Global Distribution Systems, online travel agencies and metasearch companies, short-term rental platforms, and travel management companies

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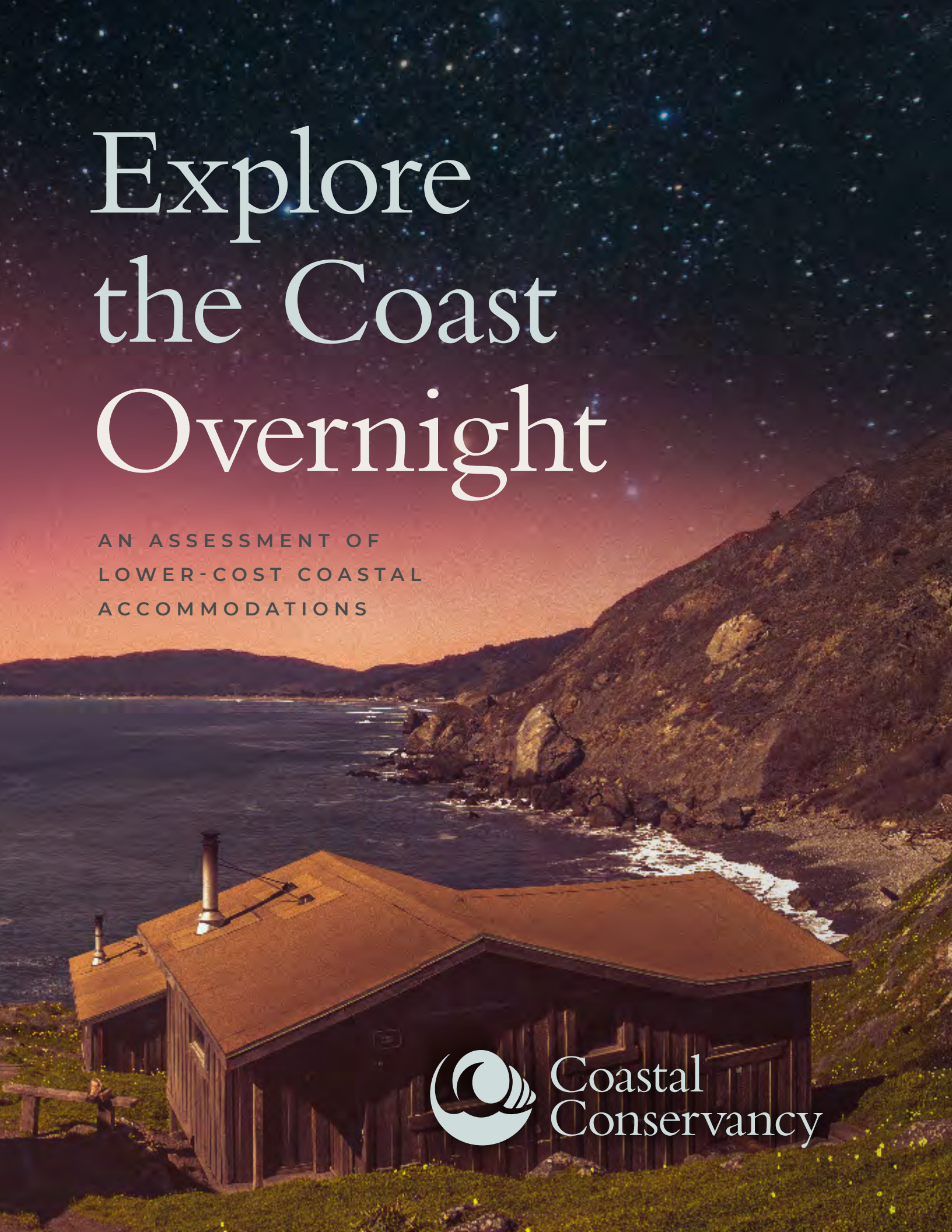
B

Explore the Coast Overnight

AN ASSESSMENT OF LOWER-COST COASTAL ACCOMMODATIONS



Coastal Conservancy

Explore the Coast Overnight

Expanding Opportunities for All Californians to Stay on the Coast

Coastal Conservancy

STATE *of* CALIFORNIA

Coastal Conservancy
STATE *of* CALIFORNIA

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Explore the Coast Overnight

ASSESSMENT

"Well, one of the biggest barriers for me is…wanting to stay…in a hotel to spend the night there, and just enjoy the next night at the beach again because we're a really big family. You know, hotels aren't really cheap, they're really expensive, especially if you want to stay at a nice one and enjoy the view."

COURTNEY,
SCC FOCUS GROUP PARTICIPANT
IN FRESNO

Introduction

California's coast is a world-renowned treasure, celebrated for its spectacular scenery, temperate climate, and unrivaled recreational opportunities. The image of the California coast is such a vital part of the national psyche that it is often a prominent feature in popular songs and movies. People are drawn to the coast for many reasons, but the main reason is to relax and enjoy its extraordinary scenic features and recreational opportunities. The beaches, bluffs, trails, piers, harbors, waterfronts, estuaries, parks, cities, and towns along the coast offer abundant opportunities for discovery and adventure during weekend trips or even lengthy vacations. Californians overwhelmingly consider the coast personally important to them and a substantial majority say they wish they could visit it more often.[1]

After much public pressure to preserve the coast, in 1976 the California State Legislature passed the California Coastal Act,[2] which expanded the California Coastal Commission (CCC) and mandated the protection and enhancement of natural and scenic resources, as well as the development of public access to and along the coast. With regard to public access, the Act states: "Maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people…"[3] The State Coastal Conservancy (SCC), CCC's sister agency, was established under Division 21 of the Public Resources Code, and likewise declares that "it is the policy of the state that the right of the public to access and enjoyment of coastal resources should be effectively guaranteed."[4]

For over 40 years, the State of California, through CCC and SCC, has worked to increase public access by protecting coastal lands, opening access for visitors from the nearest roadways to the beaches, installing directional and interpretive signs, providing amenities such as restrooms and parking lots, completing sections of the California Coastal Trail (CCT), and funding educational programs and interpretive facilities.

Concerning public access, the California Coastal Act also declares, "Lower cost visitor and recreational facilities shall be protected, encouraged, and where feasible, provided."[5] In carrying out this policy over the past 40 years, CCC, SCC, and the California Department of Parks and Recreation (DPR) have worked hard to protect and provide for Lower-Cost Coastal Accommodations (LCCAs). CCC has approved numerous Local Coastal Program policies and coastal development permits that protect existing accommodations and provide new ones by requiring development of campgrounds adjacent to new hotels, such as the Long Beach Convention Hotel, the Ventana Inn in Big Sur, and Costanoa in San Mateo County. CCC has also required payment of over $25M of in-lieu fees for mitigation, with portions of those funds transferred to SCC and DPR for the development of new LCCAs.

Over the past several decades, SCC has funded numerous hostel and campground projects. More than $7 million in SCC funds have helped establish new hostels in the cities of Santa Cruz, Monterey, and Santa Monica, which today provide 330 beds. Additionally, SCC helped expand hostel facilities in Point Reyes National Seashore in Marin County, and is helping to do the same at Jug Handle Farm and Nature Center in Mendocino County. SCC is also providing assistance to add cottages in Crystal Cove State Park in Orange County. In San Luis Obispo County, a new campground at Port San Luis Harbor with car camping, and walk-in and bike-in campsites is now in development because of SCC funding to design and permit the project.

In addition to CCC's and SCC's work to-date on lower-cost accommodations, Parks Forward, an independent commission comprised of 12 members, was created to assist DPR in improving efficiency, increasing accessibility, and meeting the needs of a growing and changing

1 *State Coastal Conservancy Statewide Survey, April 2017, Probolsky Research.*
2 *Division 20 of the Public Resources Code.*
3 *Public Resource Code Section 30210.*
4 *Public Resource Code Section 31400.*
5 *Public Resource Code Section 30213.*

population. The Parks Forward Commission released a set of final recommendations in 2015. Of relevance to coastal access and overnight visitation, these recommendations include increasing the number and variety of state park overnight accommodations, expanding access to parks in underserved and urban areas, improving transportation options to broaden park access, and developing a strategic marketing and communications strategy to reach potential new park visitors. [6]

Despite the various access efforts of CCC, SCC, DPR, and other agencies and organizations, barriers to coastal access remain. These barriers include inaccessible stretches of coastline, lack of visitor-serving amenities in many areas, and increasingly, the scarcity of overnight accommodations for low and middle-income individuals and families on the coast. The most expensive part of a coastal vacation is typically lodging, and the supply of LCCAs, including hotels, motels, hostels, campgrounds, and cabins, is substantially lower than the demand. Low and middle-income households, people of color, and young people are less likely than higher-income, white, or older Californians to stay overnight at the California coast. Financial reasons are the most common barrier cited. [7]

To address this need for coastal accommodations, in 2017 the California State Legislature enacted AB 250 (Gonzalez-Fletcher), codified as Chapter 10 of Division 21 of the Public Resources Code Sections 31411-31414. The Legislature declared the following policy findings and goals:

- The right of access to the coast is guaranteed to the people of California by the California Constitution and the California Coastal Act of 1976 (Division 20 [commencing with Section 30000]), which requires that coastal development be regulated, and public access rights to our state's beaches be protected.
- California's Parks Forward Commission has emphasized the need to expand access to parks and public lands throughout California to ensure that all Californians and visitors to the state, including those from low-income and under-resourced communities, are able to benefit from outdoor experiences.
- Lower-cost coastal accommodations, including hotels, motels, hostels, cabins, and camping opportunities, are essential elements of coastal and park access because they enable Californians and visitors from a variety of backgrounds, including those of low and middle-income, to enjoy California's beaches and parks and encounter the full range of recreational, educational, spiritual, and other experiences offered.
- A lack of affordable accommodations remains a barrier to coastal access. California's historic supply of lower-cost coastal accommodations has been reduced and continues to be diminished because of high coastal property values and economic pressures to develop new accommodations that are too expensive to be affordable to most visitors.
- California should invest in new strategies and partnerships to improve the availability of lower-cost coastal accommodations, particularly for low and middle-income families. A strategic program to provide affordable accommodations in appropriate areas of our coastal parks and public lands can play an important role in improving public access to the coast. California should also support innovative pilot projects that enable the state to partner with nonprofit organizations and the private sector to provide coastal access.

To carry out the policy goals above, AB 250 calls on SCC to work with CCC and DPR to develop and implement the Explore the Coast Overnight program to facilitate the improvement of existing and the development of new lower-cost coastal accommodations.[8] It further provides that both coastal programs and facilities will serve low and middle-income families. To accomplish these goals, SCC is required to prepare an assessment of lower-cost coastal accommodations to guide the establishment of the new Explore the Coast Overnight program.[9] This Explore the Coast Overnight assessment fulfills this legislative requirement. SCC and CCC, in partnership with public agencies, such as DPR and local and regional park districts, and with nongovernmental organizations (NGOs), such as Hosteling International and others, can use the recommendations in this Explore the Coast Overnight assessment to reduce barriers faced by low and middle-income people who want to experience and enjoy the California coast

6 *A New Vision for California State Parks, Recommendations of the Parks Forward Initiative, February 2015.*
7 *State Coastal Conservancy Statewide Survey, April 2017, Probolsky Research.*
8 *Public Resources Code Section 31412(a).*
9 *Public Resources Code Sections 31412(a) and 31413.*

GOALS

GOALS OF THE EXPLORE THE COAST OVERNIGHT PROGRAM

The goals of SCC's Explore the Coast Overnight program are to undertake actions as follows:

1. Help improve existing and develop new lower-cost coastal accommodations within 1.5 miles[10] of the California coast and/or within the coastal zone[11], with consideration given to projects farther from the coast.
2. Ensure that new or renovated coastal accommodation projects supported by the Explore the Coast Overnight program will be affordable and available for all Californians, in particular low and middle-income individuals and families.
3. Ensure that lower-cost coastal accommodations will be affordable and available to NGOs and public entities that support a range of programs for young or under-resourced populations, including education, service learning, healthy living, recreational, or similar opportunities.
4. Support innovative pilot projects that enable the state to collaborate with NGOs, public agencies, and the private sector to provide coastal access.
5. Create and preserve a variety of lower-cost coastal accommodations that will serve the great diversity of California residents and enhance the public's experience when visiting the coast.
6. Maintain and increase the stock of lower-cost coastal accommodations on coastal public lands and land owned or managed by NGOs, which will likely become the focus of SCC's Explore the Coast Overnight program due to the ability of NGOs to maintain lower-cost coastal accommodations and operate them in conjunction with programs that target low and middle-income Californians.

GOALS OF THE EXPLORE THE COAST OVERNIGHT ASSESSMENT

This Explore the Coast Overnight assessment includes the following:

1. Description of the context, history, and goals of the Explore the Coast Overnight program.
2. Description of the existing supply of LCCAs on the California coast, including the supply relative to population within 150 miles of the coast, anticipated costs of new development, and the demand for enhancing and creating a variety of LCCAs.
3. Analysis of relevant factors for identifying facility and programmatic opportunities for LCCA projects. This analysis includes, but is not limited to, factors such as rates, seasonality, the cost of land and construction, maintenance costs, permitting, environmental review, geography, community perspectives, transportation issues, Americans with Disabilities Act requirements, Fire Marshal requirements, and projected climate change issues.
4. Identification of potential criteria that may be used to prioritize investment of program funds in LCCA projects, such as legal requirements applicable to funds, project proximity to the coast or within the coastal zone, vulnerability to sea level rise, availability of collaborating agencies or NGOs, adequacy of existing infrastructure, and financial feasibility.
5. Identification of potential sources of funding and financing mechanisms for LCCA projects.
6. Identification of potential opportunities and sites for improving existing and developing new LCCAs, both on public lands, and private lands owned or operated by NGOs.
7. Description of anticipated measures needed to ensure projects supported by the Explore the Coast Overnight program are affordable and available to (1) low and middle-income families, and (2) to NGOs or agencies that provide young or under-resourced populations with educational and similar opportunities.

10 *Pursuant to Public Resources Code Section 31412(a), the Explore the Coast Overnight program facilitates improvement of existing and development of new lower-cost coastal accommodations within 1.5 miles of the coast.*

11 *California Coastal Commission maps of the coastal zone boundary are available here: www.coastal.ca.gov/maps/czb/*

*"My first overnight trip was really eye opening…
After being able to finally get to those further destinations
on trips with Outdoor Outreach, I really came to love
what was beyond those barriers and not letting it scare me.
Now those are my favorite places that I go to all the time."*

LUIS,
FORMER PARTICIPANT AND CURRENT
EMPLOYEE AT OUTDOOR OUTREACH

Supply and Demand of Lower-Cost Coastal Accommodations

SUPPLY

In 2016, SCC contracted Sustinere, Inc. to collect data about the existing stock of coastal overnight accommodations. For this study, "ower-cost coastal accommodations" were defined as those accommodations within the coastal zone, as well as within one mile of the coastal zone boundary. The coastal zone varies in distance from the edge of the coast throughout California. This study did not consider coastal accommodations at private residences through short-term rental services such as Airbnb or HomeAway, or private web-based camping services such as Hipcamp. Information collected by Sustinere included:

- The number of units available at a facility: A unit was defined as a hotel room, camping or RV site, hostel bed or private room, or a cabin, yurt, or similar type accommodation.
- Ownership type: Types of ownership included private for-profit entities, public agencies, NGOs, or U.S. military. While data was collected on facilities serving only U.S. military personnel and their families, these facilities were not included in the analysis of the availability of lower-cost coastal accommodations because they are not available to the public.
- Type of accommodation: Types of accommodations included hotels, motels, cabins, camping, RVs, and hostels.
- Cost per night: Because there is often a significant difference between the summer, peak season cost, and the winter, off-season cost, Sustinere collected data on peak, as well as off-peak costs where possible.

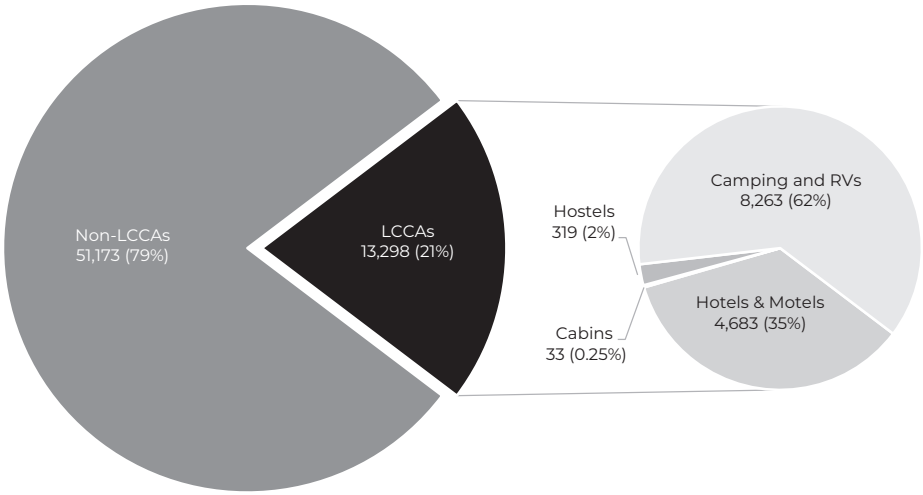
There are numerous ways of defining "lower-cost" with regard to accommodations, and lower cost does not necessarily translate to affordability for people of low and middle-incomes. For the Sustinere analysis, "lower-cost" coastal accommodations were defined as those having a daily rate that was 75% or less of the statewide average daily rate (ADR) in 2015.

Sustinere found that out of approximately 64,471 commercially available coastal accommodations, approximately 13,298 (21%) qualify as LCCAs (at or under $112 per day year-round or $123 per day during the summer, both of which represent 75% of the average daily rate in 2015). Sustinere was unable to obtain cost data for 5% of accommodations, so it is unknown whether they qualify as LCCAs or not.

Sixty two percent of the LCCAs were either camping or RV sites, with only 35% being hotel or motel type accommodations and 3% being hostels. The data is summarized in Figure A (although cabins were included in the survey, 0.25% was too small to register on Figure A).

The rates used for the research on the existing supply of LCCAs are not being used by SCC to define "lower-cost". The Potential Prioritization Criteria section in this Assessment describes how overnight rates will be used to evaluate facility projects. SCC is not establishing a set rate for units or projects to be considered lower cost. Overnight rate plans for LCCAs should maximize access, including access for visitors from low and middle-income families and for organizations that serve youth or other under-resourced populations.

FIGURE A:
NUMBER OF LOWER-COST COASTAL ACCOMMODATIONS ACROSS CALIFORNIA



Camping and RV LCCAs are evenly distributed between public and private ownership (Figure B). However, the lower-cost coastal hotels or motels are almost exclusively in private ownership. Research conducted by CCC found that the volume of lower-cost accommodations in coastal counties in California has been declining in recent decades, as lower-cost motels and hotels have been redeveloped into higher-cost lodging or residential units.

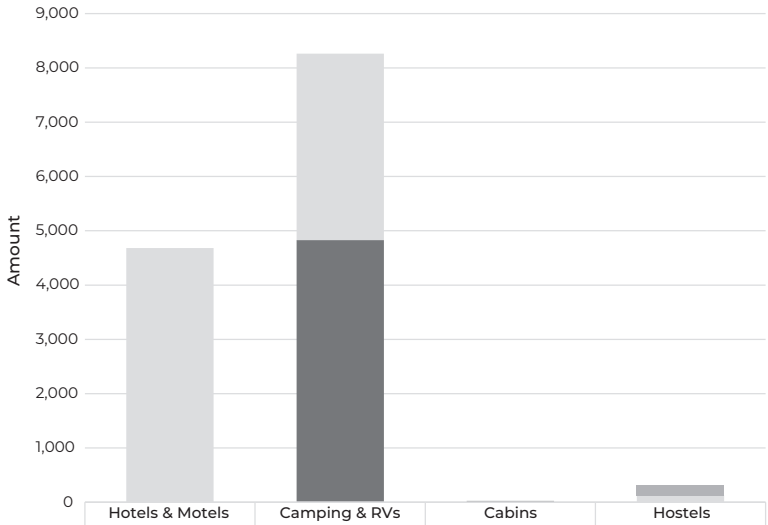
There is a high risk of ongoing loss of LCCAs. Of the approximately 13,000 lower-cost coastal accommodations currently available, just over 5,000 are on publicly owned lands, such as state parks, and are thus to some degree protected. That leaves over 8,000 accommodations that are privately owned and potentially at risk of conversion to other uses, such as higher-cost lodging or residential units.[12]

Sea level rise and coastal erosion pose other threats to the future of LCCAs. Many coastal hotels, motels, and campgrounds are in low-lying areas that may be vulnerable to sea level rise or on coastal bluffs that may be vulnerable to coastal erosion during this century.

Figure C below indicates the number of LCCAs found in each county within the coastal zone as well as one mile inland of the coastal zone boundary. This figure also shows the total number of households for the entirety of each county.

Note that the number of LCCAs can vary throughout the year depending on seasonal openings and closings. This distribution of LCCAs relative to population is discussed in detail in the Demand for Lower-Cost Coastal Accommodations section below.

FIGURE B:
TYPES AND MANAGEMENT OF LOWER-COST COASTAL ACCOMMODATIONS



	Hotels & Motels	Camping & RVs	Cabins	Hostels
NGO	0	0	0	188
Private	4683	3433	13	131
Public	0	4830	20	0

12 *California Coastal Commission Staff Report on Lower-Cost Visitor-Serving Accommodations, October 2016.*

Figure C below indicates the number of LCCAs found in each county within the coastal zone as well as one mile inland of the coastal zone boundary. This figure also shows the total number of households for the entirety of each county.

Note that the number of LCCAs can vary throughout the year depending on seasonal openings and closings. This distribution of LCCAs relative to population is discussed in detail in the Demand for Lower-Cost Coastal Accommodations section below.

FIGURE C:
LOWER-COST COASTAL ACCOMMODATIONS BY COUNTY [13]

Coastal Zone + 1 mile inland

13 *Number of rooms per coastal county is based on Sustinere data. County population numbers are from American Community Survey's 2016 5-Year Estimate. A room is defined as a hotel or motel room, a camping or RV site, hostel bed or private room, or a cabin, yurt, or similar type of accommodation.*

DEMAND

The California coast is one of the most cherished features of the state. It is beloved and heavily utilized by Californians. In 2016, California's 39.5 million residents took over 200 million leisure trips within the state, and over 20% of overnight trips were to the beach. Californians make three out of every four tourism trips in California.[14]

SCC contracted Probolsky Research in 2016 and 2017 to conduct six focus groups and statewide phone surveys on the topic of coastal access. The survey found that close to 90% of Californians have a very strong emotional tie to the coast, including its beaches and ocean. A substantial majority even feel a deep connection to the California coast when they are not there.[15] It seems the experience of visiting the coast lingers positively in the mind of millions of Californians.

Despite this fact, the majority of those surveyed said that they do not stay overnight at the coast. This result was particularly pronounced among younger people, low-income households, and people of color, as shown in Figure D. The study revealed that the only California populations with a majority who stay on the coast overnight are white, aged 55 or more, and/or with a family income greater than $200K.[16] Respondents cited financial concerns as the primary reason they do not stay overnight at the coast. Over 45% of Californians said that overnight accommodations at the coast were inconvenient or unaffordable.or RV sites, with only 35% being hotel or motel type accommodations and 3% hostels. The data is summarized

Through a recent on-line survey conducted by SCC and distributed with the help of CCC and the California State Lands Commission, a strong demand for lower-cost coastal accommodations was confirmed. Approximately 170 survey respondents agreed that there is a lack of lower-cost coastal accommodations, and the existing ones lack the volume needed to handle the demand. "The accommodations are very limited and it wouldn't be too crowded with just a couple more cabins or campsites," stated a survey participant about a campground in Marin County. Another respondent stated the need in Monterey County for "[m]ore low-cost camping areas that are actually available." Ideas were submitted for LCCA projects, with nearly every coastal county receiving five or more suggestions each for such things as new or expanded hostels, bike-in or hike-in campsites, low-cost cabins or yurts, RV camping, and short-term rentals. Respondents also promoted educational and recreational programs for youth and suggested improving accessibility for persons with disabilities.

GEOGRAPHIC DEMAND

As shown in Figure C, there are approximately 13,000 LCCAs on the California coast, just[17] 21% out of nearly 65,000 coastal accommodations. At the same time, of the 12.6 million California households within 150 miles of the coast, roughly 50% are low-income.[18]

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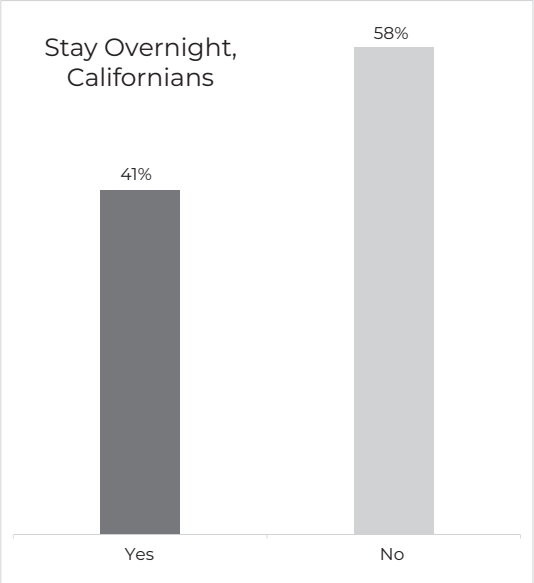
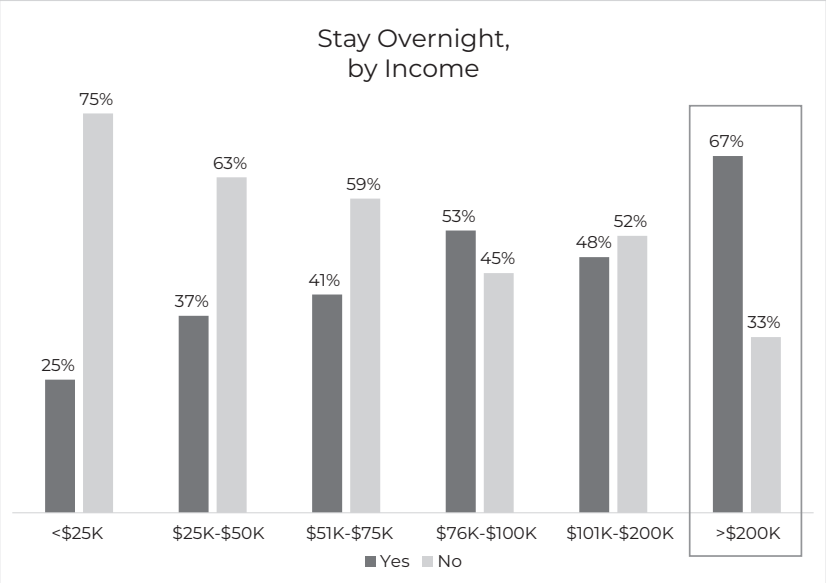
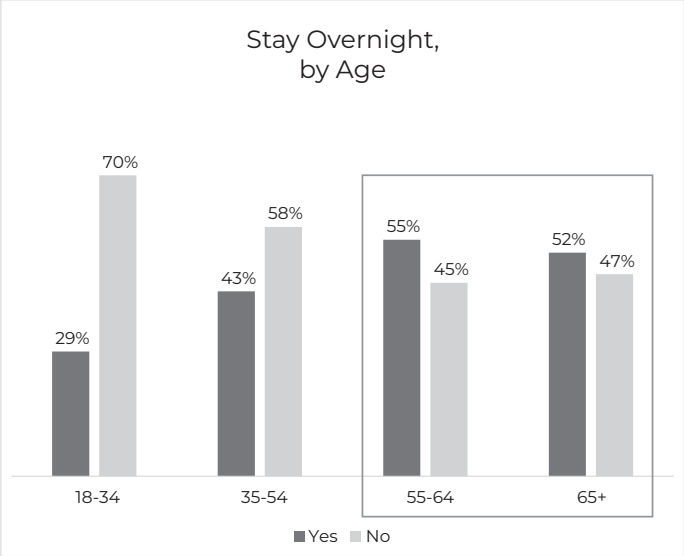
14 *Domestic Travel to California, 2016, Visit California.*
15 *State Coastal Conservancy Statewide Survey, April 2017, Probolsky Research.*
16 *State Coastal Conservancy Statewide Survey, April 2017, Probolsky Research.*
17 *The combined Coastal Zone and 1.5-miles from shoreline buffer.*
18 *Low-income is define as 80% of median income by county.*

FIGURE D:
"DO YOU EVER STAY OVERNIGHT WHEN YOU VISIT THE CALIFORNIA COAST?"







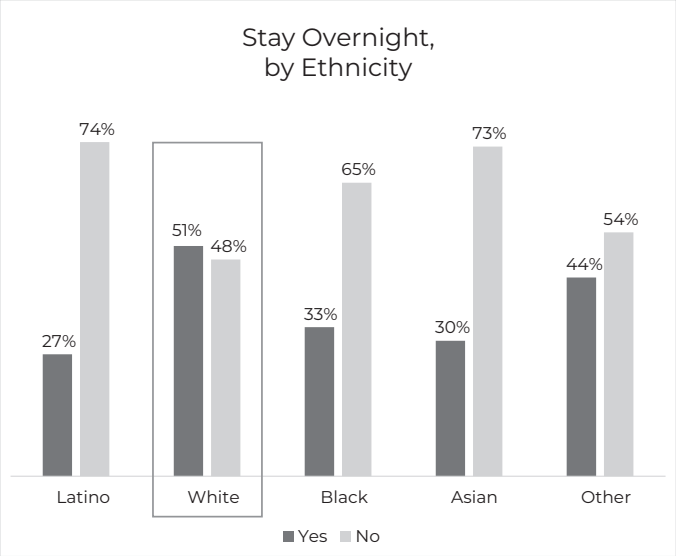


FIGURE E:
DISTRIBUTION OF LCCAS REGIONALLY
COMPARED TO DISTRIBUTION OF LOW-INCOME HOUSEHOLDS
(LCCA UNITS: 1,000 LOW-INCOME HOUSEHOLDS WITHIN 150 MILES)

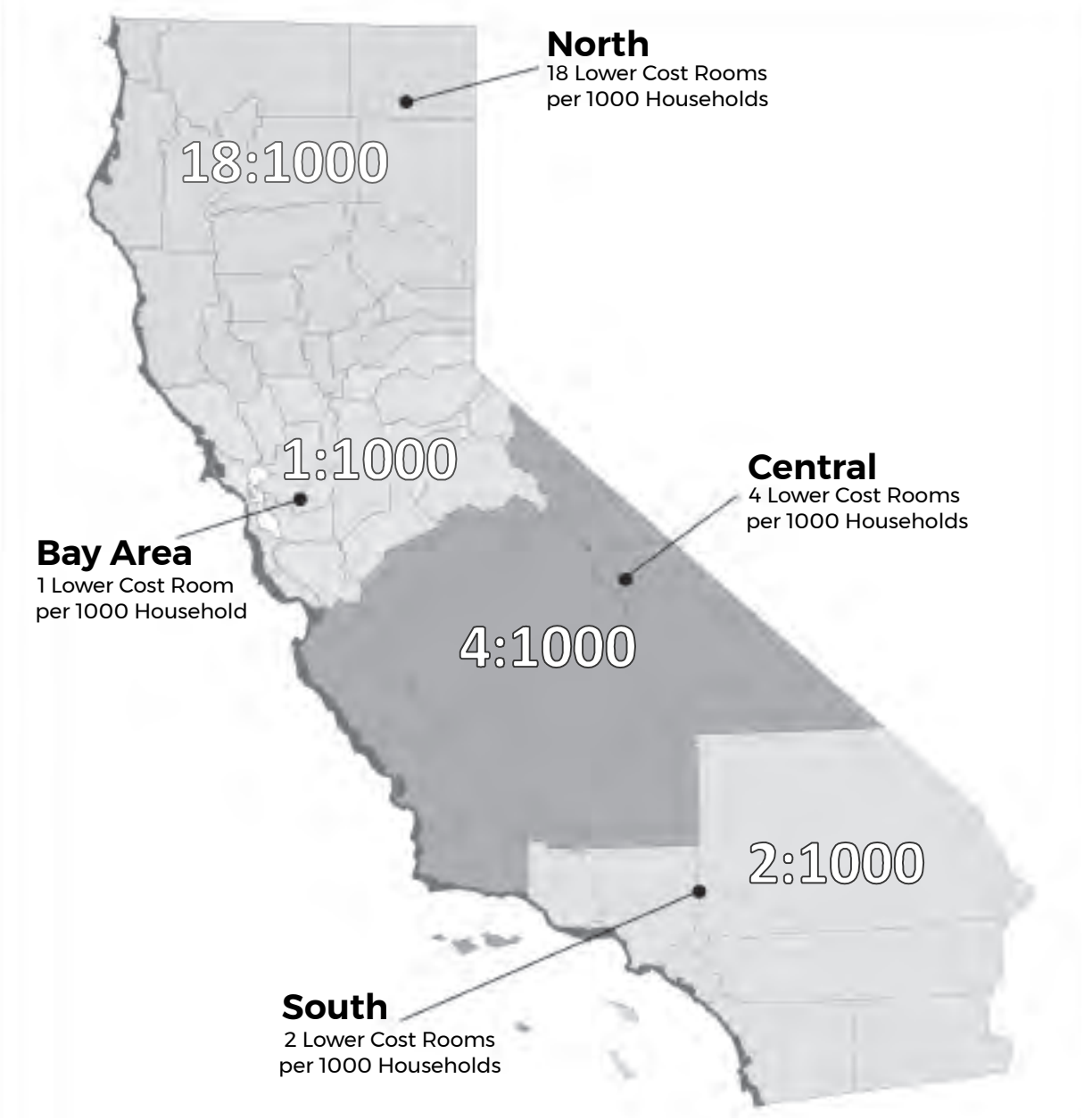


Figure E shows the distribution of LCCAs regionally as compared to low-income households within 150 miles of the coast. Figure F summarizes the number of low-income households in different geographic regions of the state. Over half of the low-income households in California are located in Southern California. The ratio of supply to demand is low throughout California but is especially low in the Bay Area and Southern California. In short, the potential demand for lower-cost coastal accommodations appears to outstrip significantly the supply, particularly in heavily urbanized areas.

Occupancy rates provide additional evidence of the underlying demand for various types of facilities. While occupancy rates are difficult to obtain from privately owned facilities, recent data collected by Visit California, a tourism industry nonprofit, indicates that the average annual occupancy rate in coastal counties is 70%. North of San Francisco, the annual occupancy rate is 60%, while in Southern California the rate rises to 80% or higher, with San Diego County at 84%.[19]

Year-round occupancy rates at DPR campgrounds on or near the coast have averaged 65% to 70% in recent years and during the summer months have typically exceeded 90%. Due to a larger demand than existing supply, making a reservation for a DPR campsite on the coast, especially in the summer months and/or on weekends, is difficult. At coastal hostels, occupancy rates can reach 97% during the summer season and up to 85% throughout the entire year, indicating a greater demand than current supply can meet.

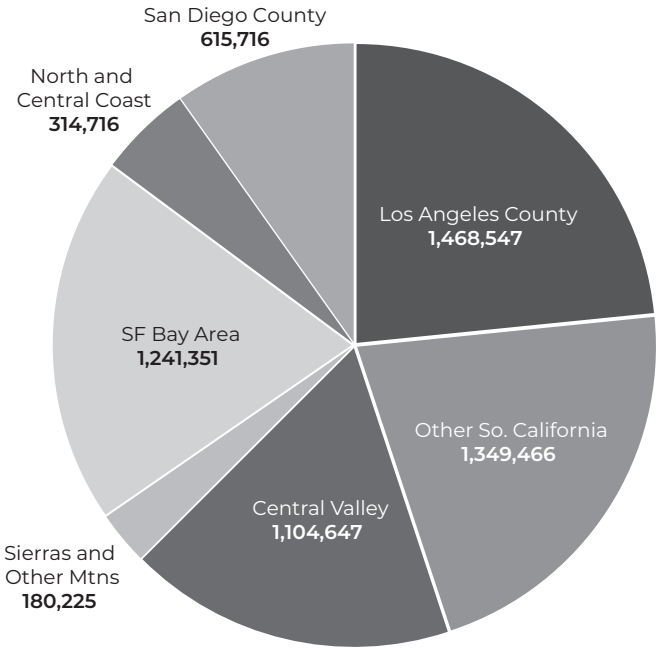
Other factors besides occupancy rates may influence demand for new or renovated LCCAs, such as the condition or uniqueness of the facility, amenities offered by the facility, proximity to points of interest, or affordability.

PREFERENCES FOR A VARIETY OF LOWER-COST COASTAL ACCOMMODATIONS

In the development and implementation of the Explore the Coast Overnight program, SCC will consider, among other factors, the type of accommodations that are currently available relative to the needs and preferences among Californians. In their 2015 report, Parks Forward recommended that DPR "increase the number and variety of overnight accommodations," and elaborated on the importance of this action:

> "Overnight stays can help visitors of all ages and backgrounds connect with their parks. Today, overnight visitors can stay at thousands of campsites using tents or recreational vehicles, but for those who don't own such equipment, lodging options – ranging from on-site cabins and yurts to off-site lodges and hotels – are fewer and often more expensive. Increasing the number, variety, and affordability of overnight accommodations, particularly for young people and others who have not yet built personal connections to parks and the outdoors, is a key Parks Forward recommendation."[20]

FIGURE F:
LOW-INCOME HOUSEHOLDS IN CALIFORNIA BY GEOGRAPHIC REGION



Within state parks and on other public and private land along the California coast, a variety of lower-cost lodging with a mixture of amenities is necessary to serve the diverse needs and preferences of Californians. SCC's statewide surveys of Californians included questions about overnight accommodations along the coast, providing an understanding of what types of accommodations are currently used or would be considered by Californians.

Californians indicate a robust interest in camping, cabins, or dorms, as well as hotel/motel rooms. Camping indoors (such as in a cabin, cottage, or bunkhouse) appeals to almost half of respondents while 40% would also consider camping outside, indicating a need for the

19 *California Lodging Report, Visit California, STR Inc., 2018.*
20 *A New Vision for California State Parks, Recommendations of the Parks Forward Initiative, February 2015.*

FIGURE G:
"WHAT KIND OF ACCOMMODATION DO YOU USE WHEN YOU VISIT THE CALIFORNIA COAST?" [21]

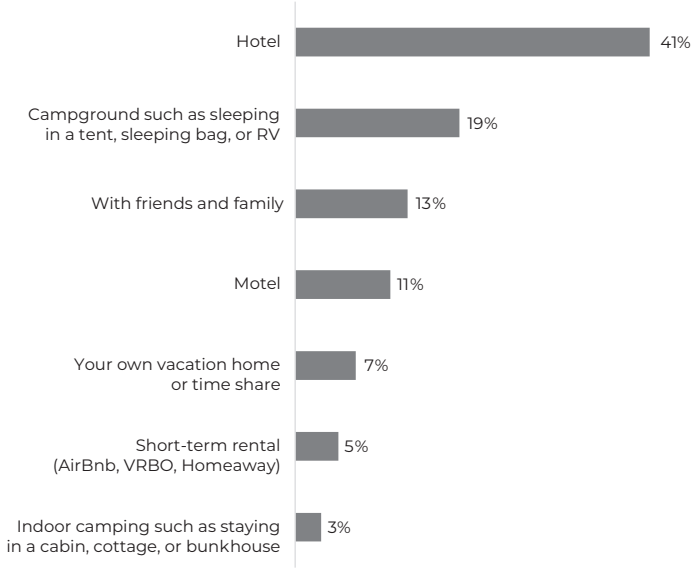
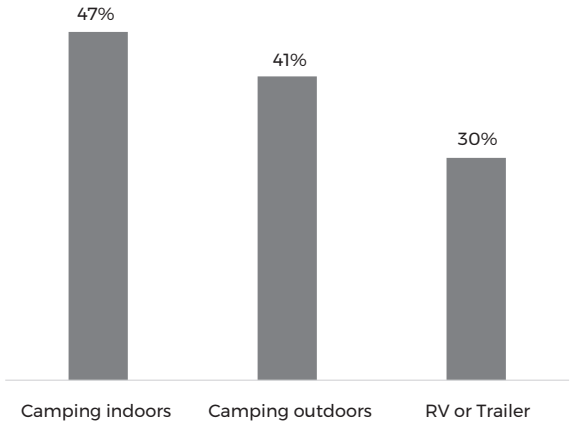


FIGURE H:
OVERNIGHT ACCOMODATION OPTIONS, CALIFORNIANS

QUESTION: "When considering overnight accommodations along the california coast, which of the following would be options for you and your family? Choose as many as apply: camping indoors, such as staying in a cabin, cottage or bunkhouse; camping outside, such as in a tent or sleeping bag; rv (recreational vehicle) or trailer equipped with living space and amenities." [22]



Explore the Coast Overnight program to support cabins, cottages, or yurts in existing and new campgrounds, in addition to increasing the number of traditional campsites. RV or trailer camping is slightly less appealing than camping indoors or outdoors, possibly due to the need for an initial investment in equipment. Staying in dorms, or similar accommodations, with shared bathrooms, appeal to 40-47% of low and middle-income Californians and should be an area of focus for the Explore the Coast Overnight program.

A large number of Californians, however, are not interested in camping, staying in a cabin, or using a dorm or hostel, due to a desire for privacy, comfort, convenience, or security; not being comfortable with shared bathrooms; lack of the necessary equipment for camping; or personal preference. Clearly, hotels, motels, and hostels with private bathrooms are popular and will need to be part of the effort to increase LCCAs on the coast.

Among the 41% of Californians who stated that they do stay overnight when they visit the California coast, hotels were the most commonly used accommodation, with smaller percentages stating that they camp, stay in cabins, motels or short-term rentals, or use other types of accommodations, as shown in Figure G below. It should be noted that only those who currently stay overnight on the coast were asked this question; thus, the respondents skew higher-income and older.

When Californians, including those who do not currently stay overnight at the coast, were asked the broader question, "When considering overnight accommodations along the California coast, which of the following would be options for you and your family?", and presented with a number of options besides hotels and motels, many were open to alternative forms of lodging. As shown in Figure H below, 47% of Californians stated that camping indoors would be an option for them, 41% would camp outdoors, and 30% would stay in an RV or trailer. Even though a fairly small percentage of Californians who stay overnight on the coast now choose camping, cabins, or other alternative forms of lodging, as shown in Figure G, a larger percentage of Californians have expressed a willingness to try other accommodations besides hotels, as shown in Figure H. The relatively lower interest in staying in an RV, or even in camping outdoors, may reflect the lack of equipment necessary to do so. RVs can be an expensive investment with ongoing costs for operation and storage, out of reach financially to low and

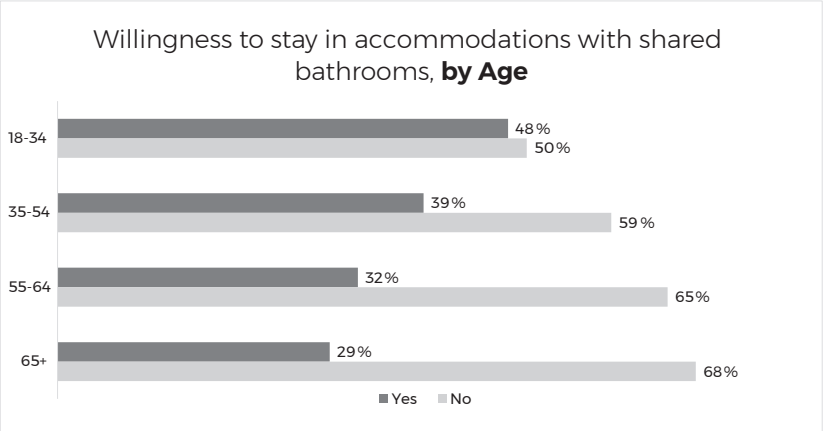
21 *State Coastal Conservancy Statewide Survey, April 2017, Probolsky Research.*
22 *State Coastal Conservancy Statewide Survey, April 2017, Probolsky Research.*

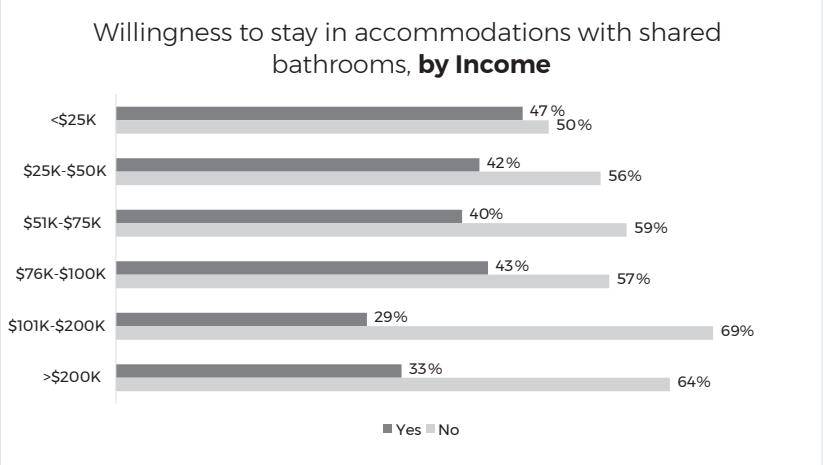
middle-income families. Even camping equipment has an initial cost that creates barriers.

Respondents were also asked if they would be willing to stay in accommodations with shared bathrooms, such as college dorms (when vacated for the summer and holidays) or hostels. Accommodations with shared bathrooms are generally less expensive but can raise issues of privacy and convenience. Slightly over one-third of Californians would choose accommodations with shared bathrooms. Those who showed more acceptance of these types of accommodations included younger people and low-income households (see responses in Figure I below). Women were slightly less likely than men are to choose a dorm-style accommodation with a shared bathroom.[23]

Continued research into the preferences of low and middle-income families and other under-resourced populations in California on their preferences for overnight accommodations on the coast will increase understanding of which LCCA categories best fit the needs of target populations.

FIGURE I:
"IF THERE WAS AN OPTION TO STAY IN COLLEGE DORMS NEAR THE COAST, OR OTHER SIMILAR ACCOMMODATIONS WITH SHARED BATHROOMS, FOR A MODEST PER NIGHT PRICE, WOULD YOU EVER CHOOSE TO STAY THERE?"[24]





23 *State Coastal Conservancy Statewide Survey, April 2017, Probolsky Research.*
24 *State Coastal Conservancy Statewide Survey, April 2017, Probolsky Research.*

"I'm a server and a stay at a place like this would have been impossible to us without Crystal Cove."

APRIL AND DAVINA,
CRYSTAL COVE COTTAGES GUESTS

Lower-Cost Coastal Accommodations Categories

SCC has identified the following categories of LCCAs for the Explore the Coast Overnight program. As described in the Demands for Lower-Cost Coastal Accommodations section, ongoing outreach in multiple languages of low and middle-income people and other under-resourced populations on their specific preferences will aid in determining which LCCA categories best fit the needs of the target populations.

HOTELS AND MOTELS

Hotel and motel rooms offer some significant amenities that are not available with the other types of LCCAs, including a fully secure, protective, and heated structure that can be used in all weather and has a private bathroom. Because many people desire these amenities, or at least would not want to do without them for long, they are the most popular type of accommodations.

HOSTELS

Hostels typically offer visitors a bed in a room shared with others, although some offer private family rooms, and a shared bathroom. Hostels typically have a shared kitchen and/or dining area. On a per person basis, hostels can be quite inexpensive, but since costs are typically charged per person, the cost of a hostel stay is usually greater for a family than for a single person or couple. In recent years, some hostels have begun offering private rooms, though bathrooms continue to be shared.

CAMPING

Camping is a significantly different experience from staying in a hotel and is often chosen by users for reasons other than its cost. That said, on a comparative basis, a campsite costs significantly less than a hotel room and can provide a unique coastal experience at a low cost. However, camping is vulnerable to inclement weather and seasonal closures, involves a shared bathroom, and offers little privacy. Campsite users typically must provide all their own camping equipment, though there are a handful of programs that will supply basic camping equipment to groups. Refer to the appendix for lists of campgrounds on the coast.

RVS AND TRAILERS

The RV camping experience varies significantly depending on the type of RV. Cost can also vary significantly depending on the additional services provided by the campground. In general, RVs and trailers offer a more private and protective space for users, sometimes with a private bathroom. Ownership of an RV can be an expensive initial investment and can be out of reach financially to low and middle-income families. RVs can provide a lower-cost overnight option once purchased, however there are ongoing costs to operate, maintain, and store an RV. In some campgrounds, primarily privately-owned, proprietors have set up popular, charming trailers as permanent accommodations for rent by the night. Generally, rates are on par with hotels for these types of accommodations, but it might be possible to operate such a facility at a lower cost. There

are also RV rentals by private companies, but again, these typically cost about the same as hotels.

CABINS AND YURTS

Cabins, cottages, huts, yurts, tent cabins, and similar structures offer an option somewhere between tent camping and a hotel room. They provide a protected space from the weather, privacy, and in some cases a private bathroom. They range from simple accommodations with minimal amenities, such as a sleeping platform and communal bathroom, to deluxe accommodations with a mattress, electricity, lighting, linens, water, and a private bathroom. Some even accommodate cooking inside. Because they provide shelter and some furniture, cabins and yurts typically require less equipment than traditional camping. Cabins can provide a camping experience for low and middle-income Californians who do not own camping equipment and/or prefer an "indoor" camping experience.

SEMI-PERMANENT "RV CABINS"

RV cabins are similar to regular cabins except that they are built on a trailer. Because these structures are considered mobile and not permanent, the permitting process can be simpler. RV cabins are sometimes hooked up to electricity, water, and sewage, allowing for private bathrooms, kitchens, and other amenities. The units are typically owned by the campground owner or manager and rented as a type of lodging. Some campgrounds use actual RVs (as opposed to RV cabins) in the same way – as a rentable type of lodging. The provision of RV cabins by public agencies, nonprofits, or private concessionaires at campgrounds can provide a camping experience for those who cannot afford to buy, rent, store, operate, and maintain an RV.

DORM ROOMS

There are a number of colleges, universities, and boarding schools on the coast of California with dormitories. Some of these schools already allow third parties to use their facilities in the summer for such things as conferences and retreats. Dorm rooms provide a private, protected space for users, and some include a private bathroom. Increasing the availability of existing coastal dorm rooms for organized groups, such as environmental education nonprofits, might be a cost-effective option for increasing the supply of LCCAs during the summer season. Refer to the appendix for a list of coastal colleges and universities with dormitories.

RESIDENTIAL OUTDOOR EDUCATION FACILITIES

Residential Outdoor Education Facilities (ROEFs) provide overnight accommodations for youth and program participants as part of an environmental educational program. Many school districts maintain their own ROEFs incorporated within their local school systems. ROEFs plays a part of their overall science or outdoor education curriculum. Non-profits that operate ROEFs often use their facilities as part of their own environmental education programming and can partner with schools that do not own ROEFs to offer lower-cost coastal accommodations to students. When not in partnership with a school, non-profit ROEFs open their facilities and program to the general public. This provides Californian youth opportunities to learn about environmental stewardship while staying on site in dormitory style rooms. Refer to the appendix for a list of ROEFs located 1.5 miles along the coast.

Examples of Lower-Cost Coastal Accommodation Facility Development Models

DEVELOPMENT AND MANAGEMENT OF LCCAS BY PUBLIC ENTITIES ON PUBLIC LAND

With almost 70% of California's nearly 40 million residents living on or near the coast, coastal properties that could be developed into LCCAs are scarce and expensive. The limited space on which to build LCCAs may be the program's greatest challenge. However, there are large areas of coastal land already owned by public agencies, some of which may be suitable for development of new or expansion of existing LCCAs. The most likely partners for SCC in development of LCCAs on public land include DPR; federal agencies such as the National Park Service, Bureau of Land Management, or U.S. Forest Service; local harbor, port, or regional park districts; and county or city park departments.

PUBLIC-PRIVATE PARTNERSHIPS

For purposes of this assessment, SCC views public-private partnerships as any project involving both public and private entities. An example is a nonprofit or for-profit entity operating a LCCA on public land, such as Hostelling International operating a hostel on state land under a lease. This arrangement may also include development of a LCCA on NGO-owned land supported with public funding. Issues that may have to be assessed in such a partnership include whether funding the project is a gift of public funds, whether the project is a private activity if funded by a state bond, and other regulatory and legal constraints.[25] Given the potential issues, these types of arrangements are sometimes difficult to negotiate and structure, although they could potentially be an effective way to develop new LCCAs.

CONCESSIONS AND OPERATORS

One common example of a public-private partnership is a public entity working with a concession. Concessions and operators are businesses under contract with a facility or landowner that provide specific products or services. Concession contracts can include many services, including stores, restaurants, and overnight accommodations. The owner of a concession typically does not own the land or the building that houses the operation. Under some concession contract models, the concession splits a portion of their earnings with the facility or landowner. Concessions are a possible option for operating new LCCA facilities if a public or NGO landowner is not interested or capable. If the Explore the Coast Overnight program funds the acquisition of an existing hotel or motel property by public agencies or NGOs, a concession contract may be an effective way to manage the property.

25 *These topics are further explored in the Funding Sources and Financing Mechanisms section of this Explore the Coast Overnight assessment.*

"This was my first time going to an overnight field trip and it was the best…In the future I would like to be an instructor in the Ocean Institute."

ISSAC,
OCEAN INSTITUTE'S
PROGRAM PARTICIPANT

Program Options & Opportunities

While increasing the volume of LCCAs is necessary, additional effort is needed to address other barriers to coastal access to ensure that coastal overnight trips are accessible to low and middle-income households and to organizations that serve youth and other under-resourced populations. A program that is flexible in nature, taking into consideration a multitude of economic, social, or cultural stressors, will increase options and opportunities for all Californians to enjoy the California coast.

The Explore the Coast Overnight's target populations broadly include low and middle-income families and organizations that serve youth and other under-resourced populations, but individual LCCA projects should more specifically define their intended target populations. One method to reach under-resourced populations include the use of criteria, such as targeting families that qualify for free and reduced school lunches, the California Alternate Rates for Energy Program, Supplemental Security Income (SSI), the California Work Opportunity and Responsibilities to Kids (CalWORKS), or other programs. Projects could also reach target populations by working with Title 1 schools, engaging families in affordable or subsidized housing, or focused outreach in Disadvantaged Communities or Severely Disadvantaged Communities. However, setting criteria for use or participation in programs can be challenging and the application of metrics can result in increasing barriers to coastal access. When developing outreach and engagement programs, facility managers are encouraged to work with state or local agencies that have expertise in providing social services and to partner with NGOs that have a record of serving target populations.

This section describes some options and opportunities that SCC and others can consider when developing LCCA projects. [26]

26 *Some programming options identified within Dr. Nina S. Roberts' LCCA support study, 2018 Lower-Cost Coastal Accommodations: Support for California Coastal Conservancy AB 250/LCOA Assessment Investigation of State and National Models, are included in this assessment as potential models and examples to consider when developing LCCA facilities or program structures.*

ADDRESSING ECONOMIC COST BARRIERS

- *Flexible Fee Programs, Including Discounts, Vouchers, and Coupons:* Flexible fees, discounts, vouchers, and coupons can be used to provide discounted or subsidized lodging for individuals or groups. Vouchers or coupons could be distributed directly to individuals with proof of their low-income status for redemption at participating facilities. These discounts also can be offered as part of a partnership with an organization or community group working directly with a targeted population (e.g. discounts to persons with disabilities, veterans, or foster youth) or as part of a partnership, or with tour providers to offer discounts to groups. Existing discount programs provided by public agencies and non-profits can serve as models, be better advertised to target populations, and even be expanded. For example, DPR's Distinguished Veteran Pass entitles the holder to camp at no charge, the Disabled Discount Pass provides a 50% discount on family camping, and the Golden Bear Pass (for people eligible for Supplemental Security Income or CalWorks) and Limited Use Golden Bear Pass (for people 62 or older) allow for free day use at state parks that charge a vehicle entrance fee.
- *Financial Incentives for Existing or Potential LCCA Developers:* To encourage development or protection of LCCAs, SCC or other partners could offer grants or loans for facility development with the condition that a portion of the property or development be set aside for LCCAs.

- *Restructure Funding Criteria to Prioritize Organizations Working with Targeted Populations:* Public agencies that give out grants can reframe their project selection criteria or develop grant programs that prioritize funding to community groups or organizations that help targeted populations overcome barriers to visiting the coast. An example would be a nonprofit that works closely with Title I schools, children, and youth from under-resourced populations, low-income individuals living in affordable or subsidized housing, or youth with emotional, physical, or developmental needs.
- *Programs to Provide Camping Equipment:* The average American who goes camping spends about $546 on camping gear and between $200 and $400 on gear when preparing for a first time camping trip. [27]Programs that provide people with camping equipment or introductory training to camping lessen the burden of transporting camping equipment, and increases the enjoyment of the initial camping experience. DPR's "FamCamp" program is a good example of a program that provides both camping equipment and training for participants interested in learning more about how to organize overnight outdoor recreational experiences. Through DPR's Outdoor Recreation Leadership program, individuals affiliated with a non-profit, community-based organization can attend a three-day, two-night training designed to build outdoor recreation leadership, youth development principles, and community building skills. Upon completion, participants can lead a FamCamp program, bringing their group to a participating state park and utilizing a group campsite and camping gear at no cost. The creation, growth, and ongoing management of programs that provide free or low-cost loans of camping gear should be supported to address barriers to camping due to a lack of oftentimes expensive camping equipment. These programs can be operated by public agencies, nonprofits, camping supply companies, and concessionaires or private facility operators.

ADDRESSING OPERATIONAL BARRIERS

- *Reservation System Improvements and Set-Asides:* Improve existing reservation systems to make it easier for users to locate and reserve affordable overnight accommodations such as campsites, hotel/motel/hostel rooms, or RV trailers. The on-line reservation systems for campsites can create barriers for low and middle-income households. For example, it may not be possible for someone who works to be online at 8:00 a.m. on a weekday in order to make a reservation for a summer camping trip. Online reservation systems can be challenging to understand and navigate. There may also be distrust in using on-line reservation systems for government-run facilities, particularly by immigrants. Reservation systems should be continuously evaluated and improved to ensure equitable access. A significant part of the issue with reserving coastal campsites during the summer and/or on weekends is due to the higher demand than the existing supply can accommodate. Having a number of reservation slots set aside for targeted populations, such as NGOs that serve under-resourced populations, can eliminate the pressures of reservation competition and ensure access to reservations. NGOs can play a crucial role in reaching under-resourced populations, navigating reservation systems, and introducing people to overnight opportunities at the coast.
- *Programs to Provide Transportation:* Transportation is one of the main barriers to Californians accessing and enjoying the coast. Many Californians lack transportation that links the neighborhood or community they reside in to the coast, even if they are closer to the ocean than other Californians living in the state. SCC's Explore the Coast Grant Program and similar funding programs that help subsidize transportation have opened up routes for people to access the coast. Shuttle services that pick up people from low-income communities or community carpools that take people to coastal destinations are options that should be explored. Support for expansion of public transit options to the coast should also be encouraged, which requires partnerships with transit agencies. Access to the coast could be improved with additional or expanded bus routes, increased bus service, or new coastal stops along on existing rail lines. The Metro Expo Line in Los Angeles is an example of expanding access opportunities to the California coast for millions of people.
- *Partner with Existing Organizations that Offer Affordable Outdoor Recreational Programs:* Utilize existing resources by building partnerships with organizations that already offer affordable coastal or outdoor recreational programs or have established connections with target populations. One example of this type of partnership could be a LCCA owner who partners with a nonprofit

27 *American Camper Report, Coleman Company, Inc. and the Outdoor Foundation*

that takes youth from under-resourced communities or from Title I schools to the beach during the day but is looking for opportunities to expand into overnight trips. NGOs that work with under-resourced populations play a crucial role in providing overnight programs at facilities on the coast. Partnerships between LCCA facility managers and NGO program providers can help reach target populations and provide for meaningful, relevant programming.

- *Continue to monitor and evaluate existing LCCA facilities and programs:* Monitoring and collecting user data will be useful for determining the success of any program. Such data can be qualitative or quantitative, such as household income, family size, zip code, gender, race/ethnicity, or choice of transportation. By collecting various types of information on LCCA facilities and programs, administrators of Explore the Coast Overnight programs can ascertain whether the program serves the needs of visitors and other community members or needs further improvement. Transparency on the use of the data for program improvements is critical.

ADDRESSING CULTURAL AND SOCIAL BARRIERS

- *Adapt Programs and Facilities to Incorporate Input from Target Populations:* Facility spaces and program content should respond, to the extent practical, to the expressed desires of the populations to be served by these programs. Through early and honest dialogue, LCCAs and affiliated programs can create spaces and experiences that make participants feel welcome.
- *Outdoor Environmental Education Programs:* Programs that focus on building knowledge of the outdoors will encourage program participants to view the outdoors as approachable and safe. Conservation programs can fill gaps in science learning and inspire environmental responsibility and environmental stewardship among youth. To strengthen partnerships with schools or school districts, educational programs can be encouraged to connect outdoor learning to California's educational standards.
- *Environmental Leadership Training Programs:* Investing in environmental leadership training can empower youth and young adults to access the outdoors. By building confidence and inspiring program participants to engage more with the outdoors, such programs are a significant avenue to increase diversity and leadership in the environmental field.
- *Internship and Job Programs:* Having internships and job opportunities within LCCA operations can create pathways to employment for low to middle-income youth and young adults. Paid internships for low-income students attending local colleges or high schools can build familiarity and engagement with the outdoors and introduce more diversity into the existing outdoor industry workforce.
- *Marketing and Outreach to Target Populations:* LCCA facility managers should develop marketing and outreach materials and strategies to reach target populations. One strategy is for LCCA managers to partner with other organizations, such as social service NGOs that work with low-income individuals, to reach a larger number of people. When creating marketing programs and developing the LCCA facility, culturally relevant information should be included to ensure that people of different backgrounds have the information they need to enjoy their experience to the fullest.
- *Cultural Sensitivity Training:* Incorporating cultural sensitivity into program operations and staff training will help visitors feel welcome. Cultural sensitivity training improves the ability to learn, understand, and work with people from a wide variety of backgrounds and life experiences. Being considerate of cultural differences and similarities can improve overall visitor experience, bring inclusivity, and transform the outdoor experience into a safe space.
- *Cultural Interpretation:* Incorporating accurate cultural interpretation into programming objectives can open conversations and increase awareness among visitors of the wide array of people and communities who have lived along California's coast and played a role in its history. Starting with Native Californians, through generations of immigrants from around the world, California's coast has provided many people and communities with livelihoods, cultural and spiritual identity, and recreation, but has also been a place of misappropriation of land and resources. Stories, historical lessons, interpretive plaques, and signs should reflect the histories of indigenous peoples, immigrant communities, and people of color on the coast.

"Many of our students have never slept away from home, let alone in tipis without access to technology. They learn about all the natural world has to offer, how it can be their playground and source of life."

KATIE,
LIGHTHOUSE CHARTER SCHOOL
5TH GRADE TEACHER

Feasibility Considerations

Below is a list of potential considerations that can factor into the feasibility of a LCCA project. While SCC has identified the items below as some of the important considerations in evaluating the feasibility of a LCCA project, this list is not definitive nor exhaustive:

PERMITTING

One of the biggest challenges facing any major plan for construction, whether it be private or public, is the acquisition of required federal, state, and local permits from government agencies. The development of new LCCAs or the expansion or improvement of an existing LCCA on or near the coast is subject to multiple requirements. Some common types of permits are further described below.

COASTAL ACT AND LOCAL COASTAL PROGRAM COMPLIANCE

The CCC, or a local government pursuant to its Local Coastal Program, requires a Coastal Development Permit (CDP) for development in the coastal zone. Local Coastal Programs are basic planning tools used by local governments to guide development in the coastal zone, in partnership with the CCC. Securing a CDP is often time consuming and can be costly. The construction of a small cabin on public land, for example, can sometimes require the same permitting process as a much larger development project.

ZONING

Zoning consists of laws and policies that determine what type of land use is allowed or prohibited for a given area. The zoning process is determined by cities or by counties for unincorporated areas. Typically, a proposed development must adhere with the land's zoning designation. Sometimes a variance can be granted, which allows the applicant to use the land in a way that it was not previously zoned for, in which case, a conditional use permit will likely be required. If the zoning designation for an area needs to be changed to allow a LCCA to be developed, it would involve working with the local jurisdiction. However, this permitting process can be time-consuming, as well as controversial and costly. For example, a zoning change may require city council approval, or a majority vote by the electorate.

ENVIRONMENTAL REVIEW

LCCA projects are subject to state and federal environmental review requirements, such as the California Environmental Quality Act (CEQA). Generally, as part of the CEQA environmental review process, consideration must be given to the potential environmental impacts of the project, and, if significant environmental impacts are anticipated, measures to avoid, mitigate, or minimize those impacts and feasible alternatives to the project must be considered. If a project involves wetland habitat, discharges to waterways, or special status species, additional state and federal regulatory and resource agencies may need to provide permits or be consulted.

CALIFORNIA DEPARTMENT OF PARKS AND RECREATION GENERAL PLAN

DPR actively develops general plans and management plans that dictate the long-range development and management of its state parks. If LCCA facilities are developed in state parks, the facilities may be subject to a general plan or management plan. Additionally, in some instances, a plan may need to be approved prior to the development of facilities in the park.

AMERICANS WITH DISABILITIES ACT

Generally, parties that own, lease, or manage new or altered accommodations must comply with the requirements of the Americans with Disabilities Act (ADA). For outdoor areas, accessibility standards are determined by the Architectural Barriers Act Accessibility Guidelines for Outdoor Developed Areas. Depending on site conditions, meeting these standards can be a significant endeavor and can increase the complexity of the site design and the overall project cost.

FIRE MARSHAL REQUIREMENTS

New or altered LCCAs must meet the requirements of state and local fire codes. For example, if electricity is provided to enclosed structures such as cabins and yurts, then stricter codes may apply. In many such cases, sprinklers are required, which can add considerable cost.

ORGANIZATION BUY-IN AND COMMUNITY SUPPORT

To ensure a successful LCCA project, all participating organizations must work in cooperation to expand opportunities for visitors to have an affordable and enjoyable experience on the coast. Project stakeholders should engage potential users in the planning and design of the facility or programs and consult with nearby communities to build support for the LCCA project.

FLOODING, SEA LEVEL RISE, COASTAL EROSION, TSUNAMI HAZARDS

As part of the project planning process, LCCA projects will need to consider flooding, as well as threats from future sea level rise and related erosion hazards. The State of California's Sea Level Rise Guidance should be used as part of the planning process for new or enhanced LCCA facilities.

OPERATION AND MAINTENANCE FUNDING

Any LCCA facility will require the development of a business plan that considers ongoing operation and maintenance costs. In some cases, revenue from the LCCA will be sufficient to cover the operation and maintenance costs, but in other cases, additional revenue will be needed. Public agencies may be able to fund LCCA operational and program activities. NGOs could, in addition to funding LCCA operations with existing funds, also turn to donors, foundations, investors, or perhaps even establish an endowment. Associated revenue-generating activities, such as restaurants, gift shops, and special events, could also offset operations and maintenance costs for LCCAs. Alternatively, an LCCA could subsidize its lower-cost facilities and programming with market-rate facilities. For a more in-depth discussion on available funding, see Funding Sources and Financing Mechanisms section.

CAPITAL FUNDING

Unlike operations and maintenance funds, capital funding is used for purchasing land and any other long-term "hard" investments, such as materials or building structures. If property is to be acquired, for instance, or a hostel built, it requires capital funding. The capital costs should be included in the business plan for the LCCA. A capital campaign by a NGO or "friends" group to a public agency can be used to raise funds to construct a LCCA, as well as provide an endowment for operations and maintenance. Capital funding for LCCA projects could also come in part from state general obligation bond funds, CCC's in-lieu fee program, local or regional agencies, or from philanthropic or individual donations. In addition, LCCA project developers could receive funding from private investors. For a more in-depth discussion on available funding, see Funding Sources and Financing Mechanisms section.

PREVAILING WAGE

Prevailing wages apply to public works projects, which can include a project developed by a private party that receives public funding. State prevailing wage rates depend on the classification or type of work performed by a worker and are determined by the Department of Industrial Relations.

TRANSPORTATION OPTIONS

LCCAs operators need to be aware of how transportation requirements can affect their visitors. There is nothing enjoyable about being stuck in traffic while trying to access the coast, and the reality of needing to plan extra travel time to account for heavy traffic can be a significant disincentive. For this reason, LCCAs need to analyze methods of transport, including public transportation, to and around popular coastal areas. Some parks already provide shuttle services, ushering cars into parking areas, and using shuttle buses to get to points of interest, such as trailheads, viewpoints, accommodations, and restaurants, especially during busy seasons.

Potential Prioritization Criteria

SCC has developed a list of potential LCCA projects based on ideas submitted by public agencies, nonprofits, private entities, and individuals. For more information, please see the Potential Projects section of this assessment. Currently, there are two types of "projects" that have been considered: 1) projects to plan or construct new LCCAs or improve or acquire existing facilities, such as campsites, cabins, hostels, motels, and hotels; and 2) projects, such as reservation improvements, outreach efforts, environmental education or service-learning programs, job programs, subsidies, or shuttle/transportation programs, that increase use of LCCAs by target populations. SCC has identified the following potential criteria that may be considered when evaluating Explore the Coast Overnight projects. Several of these criteria are only applicable to LCCAs and other criteria for projects that increase the use of LCCAs. While SCC is required to provide prioritization criteria as part of this assessment, the criteria that SCC ultimately uses to evaluate funding for individual LCCA projects may change, depending on funding sources and other considerations:

PROXIMITY TO COAST AND OCEAN

Priority will be given to projects that are on or near the coast. The closer the LCCA is to the coast, the easier it will be for visitors to access a full range of scenic and recreational features, such as the ocean, beaches, bluffs, and piers. LCCAs close to these features also expose visitors to the full range of coastal experiences, including the sight and sound of the surf and the feel of the sea breeze. Projects within view and walking distance of the ocean, coast, or beach would likely provide a highly desirable coastal experience, though it is acknowledged that these sites are potentially more expensive to acquire and develop, and are potentially more vulnerable to coastal hazards and sea level rise. LCCA projects within 1.5 miles of the coast and/or within the coastal zone[28] are highest priority. Projects farther from the coast can be considered. In many cases, sites not directly on the coast may be less expensive to acquire and more feasible to develop. When LCCA projects are located farther than walking distance to the coast, existing and potential transportation options (including private and public transportation) will be evaluated to ensure relatively easy access to the coast to the extent possible.

OVERNIGHT RATES

Priority will be given to projects that create coastal accommodations that are lower cost. SCC is not establishing a set rate for units or projects to be considered lower cost, but seeks assurance that any funded projects will provide rates for some significant periods of the year. Each project should include an overnight rate plan that provides accommodations at a lower cost that maximizes access, including access for visitors from low and middle-income households and for organizations that serve youth and other under-resourced populations. While accommodations costing 75% or less of the average daily hotel rate (ADR) in California was the criterion used as an initial method of determining LCCA supply, this method may not be appropriate in some locations,

28 *California Coastal Commission maps of the coastal zone boundary are available here: www.coastal.ca.gov/maps/czb/*

especially when considering the type of accommodation and the intended target populations. When analyzing a specific project, the ADR in California or in a specific location may be a useful guide. However, there are many criteria that lower or raise the acceptable overnight rate, such as the number of people that can be accommodated in a room or unit, type of overnight accommodations (such as a campsite, cabin, yurt, hostel room, hotel room, or motel room), geographic location, availability of private or shared bathrooms, nearby attractions, and other amenities provided as part of the overnight rate, as well as the intended target populations.

Priority will be given to projects that demonstrate affordability and availability to low and middle-income families and to organizations that serve young or at-risk populations. Further, it is anticipated that projects funded with public funds will provide the lowest rate feasible. Overnight rate plans for LCCAs should expand and maximize access for visitors from low and middle-income households and for organizations that serve youth or other under-resourced populations.

POPULATION SERVED

Priority will be given to projects that benefit defined target populations. The Explore the Coast Overnight's target populations broadly include low and middle-income families and organizations that serve youth and other under-resourced populations (such as veterans or persons with disabilities), but projects should more specifically define the target populations they intend to serve. The benefits of the project to target populations should be shown through plans for outreach and engagement, reserving a portion of the rooms or campsites for the targeted audience, integrating culturally relevant policies such as cultural sensitivity training, and/or hosting educational programs aimed at building outdoor recreational skills.

OUTREACH AND ENGAGEMENT

Priority will be given to projects that demonstrate meaningful engagement of and outreach to target populations, to ensure that projects will serve under-resourced communities. Projects should engage target populations in the development and planning of new or enhanced LCCAs and work in partnership on the design of facilities and programs to ensure relevancy. Outreach and management plans should demonstrate how target populations will be notified about the availability of LCCAs, how LCCAs will be made available or set aside for target populations, how partnerships with NGOs that serve under-resourced populations will be leveraged, and/or how culturally-relevant policies and programs will create welcoming environments for under-resourced communities.

ACCESSIBILITY/PROXIMITY TO TARGET POPULATIONS

Priority will be given to projects that are accessible to low and middle-income families and/or under-resourced populations, such as youth. Consideration will be given to the type of transportation (car or public transportation) that is needed to get to the LCCA, how far away it is from target populations, how much time it takes to get there, how much it costs to get there, and the condition of the roads along the route.

POPULAR AREAS WITH HIGH DEMAND AND INADEQUATE SUPPLY

Priority will be given to project sites located within a heavily-visited coastal destination (based on recent tourism data). "Heavily-visited" destinations are where existing LCCAs have a high occupancy rate and low availability. Priority will also be given to areas with a low percentage of existing LCCAs compared to overall stock of overnight accommodations, as well as areas with little to no overnight accommodations.

QUALITY OF COASTAL EXPERIENCE

Priority will be given to LCCA projects that provide a unique, memorable, educational, or other enjoyable coastal experience. Experiences may include wildlife watching, visiting cultural or historical features, recreational opportunities, and scenic vistas, nearby attractions, restaurants, or other characteristics and qualities.

NUMBER OF ACCOMMODATIONS

Priority will be given to LCCA projects that increase the number of lower-cost rooms or campsites and aid SCC in meeting its Strategic Plan objectives for increasing LCCAs in California. The number of accommodations can be measured by the number of people that the LCCA could serve at any one time, as well as over the course of a year.

DIVERSITY OF LCCA TYPE

Priority will be given to projects that result in an increased diversity of LCCA types within a distinct

geographic area or destination. For instance, in an area with existing camping opportunities, priority will be given to projects that increase the number of other types of LCCAs (such as cabins, hostels, or motels) to better meet a range of preferences for overnight accommodations.

SITE FEASIBILITY

Priority will be given to projects that already have suitable and sufficient infrastructure (e.g., roads, water, sewer/septic, electricity) or where such infrastructure could be developed cost-effectively. Projects will be evaluated for their ability to meet ADA and other requirements; the feasibility of the LCCA project to be permitted by CCC and/or other regulatory and resource agencies; and the consistency of the LCCA project with zoning and local land use laws. The project cannot be considered without a willing landowner, whether a public agency, nonprofit, or private entity.

SITE VULNERABILITY AND RESILIENCE

Priority will be given to projects that are resilient to hazards, such as bluff erosion, tsunami, flooding, earthquake, wildfire, sea level rise, and other natural and human-induced disasters. No site is immune to hazards, but priority will be placed on public safety and the long-term viability of the LCCA.

VIABLE PLAN FOR OPERATIONS

Priority will be given to projects with a viable operations and maintenance plan. For example, having a willing and qualified public agency or operator, a concessionaire agreement, or a partnership to operate the facility. LCCA managers who do not own the land or facility should have a long-term agreement with the land or facility owner.

FINANCIAL FEASIBILITY

Priority will be given to projects with per unit development costs that are cost-effective relative to other comparable options in the region, as well as those with construction funding that is available or has a reasonable chance of being secured. The business plan will be evaluated for how well it demonstrates that operations and maintenance can be covered through income or other sources.

INNOVATIVE PILOT PROJECTS

Priority will be given to projects that can serve as pilots or demonstration projects for new, potentially more effective approaches to developing and operating LCCAs on the California coast.

POTENTIAL CRITERIA FOR PROGRAMS THAT MAY INCREASE USE OF LCCAS BY TARGET POPULATIONS

Priority will be given to programs that encourage and increase opportunities for low and middle-income families or organizations that serve youth or other under-resourced populations to stay overnight on the coast. Programs may include environmental education, service learning, employment development, shuttles or other transportation support, reservation set-asides, subsidies or coupons, culturally relevant interpretation, and/or outreach to target populations. Programs may be provided by LCCA facility owners or managers, be part of a formal partnership, or may informally support or utilize LCCAs on the coast. SCC may consider the following factors when evaluating the program:

- Number of people served
- Ability of program to reach and serve target populations
- Quality of the program
- Cost-effectiveness
- Ability to successfully manage the program
- Extent to which the program serves as a model or pilot for others
- Partnerships with community organizations or institutions
- Partnerships with existing or planned LCCAs

CURRENT STATE COASTAL CONSERVANCY PROJECT SELECTION CRITERIA

In addition to the criteria above, SCC will also assess LCCA projects with SCC's board-approved Project Selection Criteria and Guidelines (which are periodically updated) below:

REQUIRED CRITERIA

- Promotion of SCC's statutory programs and purposes
- Consistency with purposes of the funding source
- Promotion and implementation of state plans and policies (specific plans and policies that are being considered or implemented)

- Support from the public
- Location (must benefit coastal, ocean resources or the San Francisco Bay region)
- Need (desired project or result will not occur without SCC's participation)
- Greater-than-local interest
- Sea level rise vulnerability (consistent with Executive Order S-13-08, for new projects located in areas vulnerable to future sea level rise, planning shall consider a range of sea level rise scenarios in order to assess project vulnerability and, to the extent feasible, reduce expected risks and increase resiliency to sea level rise.)

ADDITIONAL CRITERIA

- Urgency (threat to a coastal or ocean resource from development or natural or economic conditions; pressing need; or a fleeting opportunity)
- Resolution of more than one issue
- Leverage (contribution of funds or services by other entities)
- Conflict resolution
- Innovation (for example, environmental or economic demonstration)
- Readiness (ability of the grantee and others to start and finish the project timely)
- Realization of prior SCC goals (advances previous SCC projects)
- Return to SCC (funds will be repaid to SCC, consistent with the SCC's long-term financial strategy)
- Cooperation (extent to which the public, nonprofit groups, landowners, and others will contribute to the project)
- Minimization of greenhouse gas emissions (project design and construction methods include measures to avoid or minimize greenhouse gas emissions to the extent feasible and consistent with the project objectives)
- Vulnerability from climate change impacts other than sea level rise (project objectives, design, and siting consider and address vulnerabilities from climate change impacts other than sea level rise)

Funding Sources and Financing Mechanisms

SCC will be able to draw from a number of funding sources to support the Explore the Coast Overnight program. The following is a list of public and private funding sources and financing mechanisms that could potentially be used for Explore the Coast Overnight program purposes.

FUNDING SOURCES

STATE BOND FUNDS

Bond funds represent the largest source of SCC's funding and have traditionally been used to fund the majority of the agency's projects. However, use of bond funds is generally limited to planning and construction-related activities and they would not be available for LCCA operations and maintenance ("O&M") activities. Additionally, restrictions on bond funding may make it difficult to use them to fund other types of coastal programs designed to increase the use of LCCAs by low-income residents, such as educational programs or transportation programs.

Proposition 68 (California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018), approved by California voters in June 2018, specifically allocates up to $30 million to SCC to provide lower-cost coastal accommodation grants and project development to public agencies and nonprofits, as well as $30 million to DPR to support lower-cost coastal accommodation projects in the California State Parks system. Prop 68 also includes funding for community access.

NON-BOND STATE FUNDS

SCC may also draw upon non-bond state funding sources for LCCA projects. These funds could potentially support O&M or programming (e.g., educational programs, transportation, subsidies). However, these funding sources often have additional and substantive requirements. Some examples of non-bond state funding mechanisms that could be directed to LCCA projects are provided below.

PROPOSITION 99 (CIGARETTE AND TOBACCO TAX FUND)

This source could potentially fund programs for enhancement of state and local park and recreation purposes. However, the legislature would have to allocate funds to SCC from the tobacco tax and none has been allocated for many years.

CALIFORNIA URBAN WATERFRONT AREA RESTORATION FINANCING AUTHORITY ("CUWARFA")

This financing source was established to restore, revitalize, and develop coastal and inland urban waterfront areas of the state in cooperation with local governments. CUWARFA consists of five members: State Treasurer, Director of the Department of Finance, State Controller, Secretary of the Natural Resources Agency, and the Executive Officer of SCC. While CUWARFA successfully funded one project in 1989 (a reimbursable grant was authorized to the Los Angeles Council of American Youth Hostels, Inc. to construct a hostel), it has otherwise been dormant for many years. If there is a desire to revisit the potential of CUWARFA to fund LCCA projects, there should be additional studies on the economics and financial viability of using the funds in this way.

COASTAL ACCESS ACCOUNT

The State Legislature in the annual Budget Act allocates these funds to SCC, providing funds to public agencies and NGOs for the development, maintenance, and operation of new or existing facilities that provide public access to the shoreline.

CA ENVIRONMENTAL LICENSE PLATE FUND (ELPF)

These funds are generated from sales of special California license plates. ELPF resources appropriated to SCC may be granted to public agencies, nonprofits, and private research organizations with environmental purposes for projects consistent with SCC's statute.

CALIFORNIA COASTAL COMMISSION IN-LIEU FEES

CCC collects in-lieu mitigation fees for LCCA projects pursuant to California Coastal Act Section 30213. The fees are collected to mitigate the impacts of new development on LCCAs in the coastal zone. The in-lieu fees are generally used for new or expanded LCCA facilities in the coastal zone, rather than supplement existing lower-cost programs. Specific terms for spending the funds are subject to MOUs between CCC and the entity holding the funds, which is sometimes SCC. Today, nearly $13 million is available to fund future LCCA projects; including $2 million for two projects in the initial design and planning phases in San Diego and Big Sur. CCC is able to direct in-lieu fees that have not been spent on designated projects within seven years to any LCCA project(s) that are consistent with the California Coastal Act, if CCC's Executive Director determines that the original intent of the in-lieu fee will be better utilized by the proposed project(s). [29]

CALIFORNIA INFRASTRUCTURE & ECONOMIC DEVELOPMENT BANK

This funding entity was created in 1994 to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy, and improve the quality of life in California communities. The Development Bank has broad statutory authority to issue tax-exempt and taxable revenue bonds, provide loans to state and local governments for public infrastructure and economic expansion, and provide loan guarantees to help small businesses. Infrastructure State Revolving Fund (ISRF) loans are currently funded with the proceeds of tax-exempt ISRF revenue bonds. Eligible applicants must be located in California and may include any subdivision of a local government such as a city, county, special district, assessment district, joint powers authorities, or nonprofit organization sponsored by a government entity. Funded projects may include parks, recreational, educational, cultural, and social facilities.

SB-1 (ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017)

While these funds are not directly available to SCC, DPR currently receives funds from this source that could be directed to the development, operation, and maintenance of LCCAs. "This bill, commencing November 1, 2017, would transfer the gasoline excise tax revenues attributable to boats and off-highway vehicles from the new $0.12 per gallon increase, and future inflation adjustments from that increase, to the State Parks and Recreation Fund, to be used for state parks, off-highway vehicle programs, or boating programs."[30]

NON-BOND, NON-STATE PUBLIC FUNDS

LCCA projects may also receive funding from other federal or local funding sources. These funding sources come from outside of the environmental conservation arena in areas such as economic development, education, and public health. This funding would likely go directly to the project rather than through SCC, but could serve as important matching funds. Some examples are listed below:

COMMUNITY REVITALIZATION AND INVESTMENT AUTHORITIES (CRIA)

CRIA was enacted via AB 2 (Alejo and E. Garcia, Chapter 319, Statutes of 2015), which authorized the revitalization of disadvantaged communities through planning and financing infrastructure improvements and upgrades, and economic development activities. CRIAs can fund improvements to existing structures, acquire property, and provide direct assistance to businesses. However, only city and county governments can create CRIAs, 25% of revenue must be used towards affordable housing, and they must operate within designated

29 *Public Resources Code Section 30607.8(b)(1).*
30 *Senate Bill No. 1.*

disadvantaged communities. Creating a CRIA for purposes of supporting LCCAs would likely require a local government to lead this effort.

ENHANCED INFRASTRUCTURE FINANCING DISTRICT (EIFD)

EIFD was enacted via SB 628 (Beall, Chapter 785, Statutes of 2014), with further refinements via AB 313 (Atkins, Chapter 320, Statutes of 2015). EIFDs can be created in a city or county to finance a wide variety of public infrastructure and private facilities. Like a CRIA, the money comes from property tax increments of the taxing agencies (aside from school districts). EIFDs are also authorized to combine tax increment funding with other funding sources. Unlike CRIAs, EIFDs (1) may fund parks, recreational facilities, and projects that implement a "sustainable community" strategy, (2) are not limited to disadvantaged communities, and (3) do not have to dedicate 25% of revenue to affordable housing. Like CRIAs, leveraging EIFDs would also likely require a local government to lead the project and fund development.

HOUSING AND URBAN DEVELOPMENT COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

This federal funding source must benefit low-income households, create jobs, or accommodate business expansion or retention. It can fund public services, community facilities, and public works projects.

CENTERS FOR DISEASE CONTROL PREVENTATIVE HEALTH AND HEALTH SERVICES BLOCK GRANT

These grants can fund unique public health needs and could be applied towards coastal access and recreation.

PRIVATE FUNDING SOURCES

LCCA projects could receive matching funds from a mix of private sources, such as foundations, NGOs, private donors, private investors, and commercial banks.

PRIVATE INVESTORS

Private investment can come in various forms, from less formal sources such as friends and families to more formalized entities and groups like an investor network. Private investors are individuals or companies that invest their own money into a project, company, or development, expecting a return from their investment.

COMMERCIAL BANKS

Commercial banks are lending institutions that offer loans and related financial services to the public, nonprofit organizations, and companies. Commercial loans can assist with funding needed for operational costs or equipment purchases, as well as funding for site acquisition and construction.

PRIVATE PHILANTHROPY AND FOUNDATIONS

Foundations can make grants or Program Related Investments (PRIs), which can be a source of funding for LCCAs as foundations seek to support NGO and philanthropic activities that benefit the community. Unlike a foundation grant, PRIs are investments that involve a potential return of capital. Foundations commonly use PRIs to further their charitable mission and can use PRI dollars to contribute to affordable housing and community development projects, historical and natural site preservation, or even emergency loans to social service agencies.

CORPORATE GIVING OR IN-KIND GIFTING

Corporate giving is a monetary donation made by a company to NGOs to support charitable needs such as arts, education, the environment, human services, and public benefit. In-kind gifting is the charitable gifting of tangible resources like goods and services instead of financial capital. In-kind gifts can contribute to LCCA design and development, marketing and outreach, and/or operations by providing resources.

NON-GOVERNMENT ORGANIZATIONS (NGOS)

Environmental or shelter construction NGOs can provide resources, such as volunteers and management, and some funding for LCCA projects.

REVENUE FROM THE LCCA

Once the LCCA is established and in use, there is potential for the project to generate revenue, which could be used for O&M, repayment of loans, or for additional expansions of the LCCA site.

FUNDING & FINANCING MECHANISMS

SCC may employ the following mechanisms to fund LCCA projects:

GRANTS

For the Explore the Coast Overnight program, SCC can provide grants to governmental agencies, nonprofits, and, in certain cases, for-profit entities.[31] Depending on the funding source and structure of the project, grants can pay for the acquisition of property, facility design, permitting, construction, O&M, and programs to increase the use of LCCAs by low and middle-income families. Since lodging often involves revenue-generating activities, bond-funded grants may require an evaluation of whether the funding will be deemed a "private activity," which comes with tax consequences to the state. In addition, projects receiving grant funding will need to be evaluated for whether the grant is considered a "gift of public funds." [32]

DIRECT CONTRACTING FOR SERVICES

SCC can directly contract for services for a LCCA project, such as for design and permitting, construction, or O&M. A primary benefit of direct contracting is the ability of SCC to control the funded activity. However, SCC may not have the staffing capacity to fully manage the development and/or operation of an LCCA project and may have greater legal and regulatory constraints compared to a private developer. For example, SCC may be subject to public works project requirements.

LOANS

SCC has the statutory authority under AB 250 (PRC Section 31414(b)) to provide loans to for-profit or nonprofit entities for purposes of acquiring or improving accommodations. Loans could generate revenue from loan interest to fund additional projects (e.g., revolving loan). However, if the funding comes from bonds and is lent to a for-profit, nonprofit, or federal agency, SCC has to be mindful of the potential for the loan to be deemed a "private activity," which comes with tax consequences to the state. Loans typically require repayment of the balance with interest, though interest-free or low-interest loans from SCC can also be an option. As in the case with grants, SCC must be assured that the proposed project for which the loan is granted has a substantial public purpose to avoid the loan being deemed a "gift of public funds."

OWNERSHIP

SCC has the statutory authority under AB 250 to provide a wide range of "financial assistance" to non-profit and for-profit entities for acquiring or improving accommodations. SCC also has authority under AB 250 to acquire property or existing accommodations. This authority would potentially allow SCC to own, wholly or in part, property or an accommodation facility. As an owner, SCC could retain a certain level of control over the implementation of the project, as well as potentially receive revenue to fund additional projects. Unlike a loan, the return to SCC could be based on performance of the project (rather than a flat interest rate), making this structure potentially more attractive to nonprofit and for-profit entities. However, as with loans, if the funding comes from bonds, SCC has to be mindful of the funding investment being categorized as a "private activity" with potential tax consequences to the state.

In 2013, SCC and the Port San Luis Harbor District entered into an agreement to work together to develop a new campground on land owned by the Port. SCC provided $450,000 in up-front capital to complete the necessary design and permitting work through a direct contract for services. The Port is responsible for managing the project and securing a developer to construct and operate the campground. Under the terms of the agreement with the Port, SCC will receive a portion of the campground revenue over a specified period. A Coastal Development Permit was secured in 2015, and in 2018, the Port executed a 50-year lease agreement with a private campground developer and operator. The campground is scheduled to open in early 2020.

31 *Public Resources Code Section 31414(b) permits SCC to provide grants to private entities for purposes of acquiring or improving accommodations.*

32 *The California Constitution, Article XVI, Section 6 prohibits gifts of public money to any individual, municipal or other corporation. Generally, a grant of public funds is not a gift if the funds, while incidentally beneficial to a private recipient, promotes a direct and substantial public purpose within the authorized mission of the public agency appropriating the funds (see California Emp. etc. Com. v. Payne (1947) 31 Cal.2d 210, 216; County of Alameda v. Janssen (1940) 16 Cal.2d 276, 281; Johnston v. Rapp (1951) 103 Cal.App.2d 202, 207; California Housing Finance Authority v. Elliot (1976) 17 Cal. 3d 575, 583).*

Explore the Coast Overnight

POTENTIAL PROJECTS

"A retreat from 'real life' for a couple of days. Falling asleep to the sound of the waves. The sunsets! The view!"

RACHEL,
CRYSTAL COVE COTTAGES GUEST

Potential Projects

There are many types of projects that can be planned and implemented to meet the goals of SCC's Explore the Coast Overnight program. Other parties, such as DPR, CCC, and other agencies or NGOs, may also implement projects that are consistent with this program. The potential projects described below were identified by SCC staff via discussions, meetings, and workshops with public agencies and NGOs, and through a survey distributed to thousands of stakeholders.

This Potential Projects section is divided into two parts. The first part includes descriptions of "High Opportunity" projects. Based on an initial assessment, these projects may meet the prioritization criteria described in this Explore the Coast Overnight assessment. There are five high opportunity projects in Northern California, four in Central California, and seven in Southern California.

Following this list of high opportunity projects is a lengthier list of over 50 project ideas that require further assessment to determine if they are feasible and meet the prioritization criteria. To further explore potential opportunities for developing or expanding LCCAs, this assessment includes an appendix that contains lists of state parks campgrounds or cabins on the coast, non-state parks campgrounds or cabins on the coast, hostels along the coast, residential outdoor education facilities on the coast, and coastal colleges and universities that could potentially partner to provide lower-cost accommodations at their dormitories during certain times of the year.

While some of these potential projects are already in-progress, some projects are in the preliminary exploration stage only; some have yet to be evaluated for feasibility; and none of these projects has been assessed as part of the Explore the Coast Overnight program. Accordingly, meeting the prioritization criteria described in this Explore the Coast Overnight assessment does not guarantee approval or funding of any specific project, and does not indicate a project's potential feasibility. SCC shall determine, in its sole discretion and through specific project authorization, whether SCC will fund or implement any project based on its assessment of the merits of a specific project, its consistency with Chapter 10 of Division 21 of the Public Resources Code, environmental review as required by the California Environmental Quality Act, availability of funding, consistency with proposed funding sources, and any other factors SCC deems relevant.

Not all of these projects, including the high opportunity projects, will move forward, receive funding, or be part of the Explore the Coast Overnight program, but they are illustrative of the wide range of project types and geography desired for this program. Finally, these projects are representative and not a comprehensive list of potential opportunities for Explore the Coast Overnight program projects. Some potential projects are not included in this list to protect the confidentiality of third parties. SCC will continue to explore and evaluate other potential projects that may be a fit with Explore the Coast Overnight program goals.

HIGH OPPORTUNITY PROJECTS **NORTHERN CALIFORNIA**

HUMBOLDT LAGOONS STATE PARK

COUNTY: Humboldt County, CA

LOCATION OF PROJECT:

Humboldt Lagoons State Park

NAME OF ORGANIZATIONS INVOLVED:

California Department of Parks and Recreation

LANDOWNER:

California Department of Parks and Recreation

DESCRIPTION:

There are approximately five group sites at this location that are accessible along a paved road that is in poor condition. The group sites can accommodate up to ten people per site but need camp furnishings appropriate for the number of occupants. The gated road to these sites also needs to be upgraded and the gate replaced. The proposed project sites can be configured to allow for ADA compliant grades, furnishings, and to accommodate a double vault toilet.

STATUS: This project is in the pre-planning stage.

MANAGEMENT/OPERATION PLAN:

The management and operation of this development could be tied to the Patrick's Point State Park using DPR's reservation system and staff. Additional patrol, maintenance, and interpretive services could be expanded from operations at Patrick's Point State Park.

HUMBOLDT LAGOONS STATE PARK. SOURCE: PARKS.CA.GOV

HIGH OPPORTUNITY PROJECTS **NORTHERN CALIFORNIA**

MATTOLE BEACH CAMPGROUND EXPANSION

COUNTY: Humboldt County

LOCATION OF PROJECT:

Adjacent to Mattole River Estuary and Beach, Humboldt County

NAME OF ORGANIZATIONS INVOLVED:

Bureau of Land Management

LANDOWNER: Bureau of Land Management

DESCRIPTION:

The Mattole Beach campground is a rustic, 14-site campground directly adjacent to Mattole Beach at the mouth of the Mattole River. The campground is popular because it provides the northern jumping-off point for hikers on the famed Lost Coast Coastal Trail, and it also is one of the few locations in Humboldt and Del Norte counties where one can camp on the beach. Despite its remote location, BLM reports that the campground is full on holiday weekends and throughout most of the summer season. Each site provides a tent area, fire pit, and picnic table, and the campground has vault toilets and bear-proof garbage cans, but no shower facilities. BLM is working to restore the campground's water system to provide once again drinking water to the site. If implemented, the proposed campground expansion project would create 12-15 new campsites at this popular facility, doubling the number of available sites. Anticipated construction costs if implemented are estimated to be low, as BLM would provide the planning and construction oversight.

STATUS:

BLM is consulting with in-house natural resource and archeology specialists to determine any site constraints.

ANTICIPATED COMPLETION/OPENING DATE:

If funding is identified and if the project is approved in 2018, subject to environmental review under CEQA, new campsites could be constructed and available in summer 2019.

MANAGEMENT/OPERATION PLAN:

BLM currently manages the campground and would add the new sites into its existing management structure.

BUDGETS FOR PLANNING, CONSTRUCTION, OPERATIONS AND MAINTENANCE:

BLM would provide the planning for the campground as an in-kind contribution and would absorb the O&M costs in its existing campground budget. The initial estimate for constructing the 12-15 new sites and rehabilitating some of the old sites is less than $100,000.

ANTICIPATED OVERNIGHT RATES: $8/site

AERIAL VIEW OF PROJECT LOCATION.

HIGH OPPORTUNITY PROJECTS **NORTHERN CALIFORNIA**

JUG HANDLE CREEK FARM AND NATURE CENTER BUNKHOUSE

COUNTY: Mendocino County

LOCATION OF PROJECT: Community of Caspar

NAMES OF ORGANIZATIONS INVOLVED:

Jug Handle Creek Farm and Nature Center; State Coastal Conservancy

LANDOWNER:

Jug Handle Creek Farm and Nature Center

DESCRIPTION:

Jug Handle Creek Farm and Nature Center (JHCFNC) is a 501 (c) 3 nonprofit, whose mission is to educate about the stewardship and sustainable use of coastal land and water resources while providing affordable accommodations for nature loving visitors. The 39-acre property is adjacent to the Jug Handle Creek Ecological Reserve in the Community of Caspar, approximately 4 miles south of the City of Fort Bragg. The site is adjacent to DPR's Jug Handle State Natural Ecological Reserve, and is a short, 5-minute walk to the beach along an existing nature trail. JHCFNC currently provides lodging through seven shared bedrooms in its farmhouse, three sleeping cabins, and seven campsites. The proposed project will provide an additional 25 beds in a new bunkhouse, which will include two family rooms, two bunkrooms, and a classroom area. The expansion will also include new shower and restroom facilities, parking and site improvements.

STATUS:

JHCFNC has completed the design, environmental review, and permitting process. SCC has awarded funds for the bunkhouse project, and JHCFNC has awarded a construction bid for the bunkhouse. Funds for the shower/restroom facilities were donated by a founding JHCFNC board member. Additional funding is needed to construct the future outdoor covered cooking area.

ANTICIPATED COMPLETION / OPENING DATE: Summer 2019

LOCATION OF PROJECT, MENDOCINO, CA.

BUNKHOUSE DESIGN.

BUNKHOUSE VIEW FROM TRAIL.

HIGH OPPORTUNITY PROJECTS **NORTHERN CALIFORNIA**

CARRINGTON RANCH

COUNTY: Sonoma County

LOCATION OF PROJECT:

Adjacent to Highway 1 and Coleman Valley Road, north of Salmon Creek and the Community of Bodega

NAME OF ORGANIZATIONS INVOLVED:

Sonoma County Regional Parks; Sonoma County Agricultural Preservation and Open Space District (SCAPOSD)

LANDOWNER:

Currently SCAPOSD, but in the process of transferring to Sonoma County Regional Parks

DESCRIPTION:

The 335-acre Carrington Ranch was acquired by SCAPOSD in 2003 because of its beautiful ocean and coastal views, natural resources, and potential for recreational access and trail connections. The property is now being transferred to the Sonoma County Regional Parks for the potential creation of a new county park. The ranch includes a relatively flat portion north of Coleman Valley Road, which has the potential to provide camping and cabin opportunities, and Sonoma County Regional Parks is interested in exploring the opportunity for a new campground.

STATUS:

As of April 2018, a feasibility study is needed to determine whether a campground could be constructed on this popular stretch of the coast.

CARRINGTON RANCH. SOURCE: SONOMACOUNTY.CA.GOV

HIGH OPPORTUNITY PROJECTS **NORTHERN CALIFORNIA**

WILLOW CREEK ENVIRONMENTAL CAMP

COUNTY: Sonoma County

LOCATION OF PROJECT:

On Willow Creek Road within the northern part of Sonoma Coast State Park, next to the Russian River

NAME OF ORGANIZATIONS INVOLVED:

California Department of Parks and Recreation

LANDOWNER:

California Department of Parks and Recreation

DESCRIPTION:

Willow Creek Campground offers 11 first-come, first-serve campsites with fire rings, picnic tables, and pit toilets. The walk-in campsites are within a quarter mile of the parking lot and are close to the Russian River for swimming and fishing. Blue heron, egrets, osprey, and river otters can be seen by the river. The site does not contain running water. There is the potential to expand the existing Willow Creek Campground to accommodate two or three times the number of current campsites. With close proximity to heavily used corridors, such as Highway 1 and Highway 116, the site is accessible and near developed areas.

STATUS: The project is in the pre-planning stage.

SONOMA COAST STATE PARK. SOURCE: PARKS.CA.GOV

HIGH OPPORTUNITY PROJECTS **CENTRAL CALIFORNIA**

FORT ORD DUNES CAMPGROUND

COUNTY: Monterey County

LOCATION OF PROJECT:

In the dunes of Fort Ord State Park

NAME OF ORGANIZATIONS INVOLVED:

California Department of Parks and Recreation

LANDOWNER:

California Department of Parks and Recreation

DESCRIPTION:

Fort Ord Dunes State Park is located along Monterey Bay, adjacent to the cities of Monterey, Seaside, Marina, and Sand City. The park is also within close proximity to large urban areas such as the Salinas Valley, Santa Cruz, the South San Francisco Bay Area, San Jose, and the Silicon Valley. The property includes approximately 990 acres of California State Parks land, including four miles of ocean beach. The park provides an expansive seascape, dune habitat, and undeveloped seashore that is rich in both natural and cultural resources. As part of the former Fort Ord Army Base, the park's distinctive history provides a unique opportunity for the interpretation of local and Fort Ord history.

Added in January of 1995, Fort Ord Dunes State Park is one of the newest units of the State Parks system. The land was transferred to the state by the National Park Service through the Federal Lands to Parks program and the park was opened to the public in 2009.

This project plans to add 95 new campsites to the California State Parks system, including 45 RV campsites with electrical and water hookups, 40 traditional tent campsites, and 10 walk-in or bike-in campsites accessible from the California Coastal Trail. The campground also will include a parking lot, four restroom buildings with showers, a community building, a modern campfire center/amphitheater with a traditional fire ring and full audiovisual facilities, and will be Wi-Fi ready.

The project will fill a geographical void for public camping opportunities along the coast of Monterey Bay. DPR has designed the project in full compliance with state and federal accessibility codes. When completed, the campground will have four accessible RV campsites, four accessible traditional campsites, two accessible traditional double family sites, an accessible dump station, and accessible restrooms and showers. In addition, the project will include compliant parking, routes, and beach access.

STATUS:

Environmental review pursuant to CEQA has been completed. Additional permitting is required including the development of a Habitat Conservation Plan that is expected to occur by fall 2018. Upon state and federal permit approval, construction of the new campground can begin in 2019.

ANTICIPATED COMPLETION/OPENING DATE:

A target opening date has not been set but would likely be in 2020 or 2021, pending completion and approval of the HCP.

ANTICIPATED OVERNIGHT RATES:

Standard DPR camping rates

ADDITIONAL DETAILS:

https://www.parks.ca.gov/?page_id=28340

CAMPGROUD PLAN. SOURCE: PARKS.CA.GOV

HIGH OPPORTUNITY PROJECTS **CENTRAL CALIFORNIA**

BIG SUR CABINS

COUNTY: Monterey County

LOCATION OF PROJECT:

Pfeiffer Big Sur Campground

NAME OF ORGANIZATIONS INVOLVED:

California Department of Parks and Recreation, California Coastal Commission, State Coastal Conservancy

LANDOWNER:

California Department of Parks and Recreation

DESCRIPTION:

DPR is proposing to build 12 new cabins of the "State Fair" model. There is one 4-person cabin already in operation. DPR proposes that a concessionaire be identified to develop three more of the 4-person cabins and nine of the 8-person cabins along with the supporting infrastructure, such as restrooms and showers.

STATUS:

As of September 2018, the potential project is anticipated to begin the planning and environmental review phases.

ANTICIPATED COMPLETION/OPENING DATE:

2022 pending permit approval and environmental review.

MANAGEMENT/OPERATION PLAN: Concession

ESTIMATED PROJECT COST:

The total development cost for the 12 new cabins is estimated to be $2.7 million if undertaken in 2019. This total equates to approximately $215,000 per cabin (in 2019 dollars).

ANTICIPATED OVERNIGHT RATES:

Standard DPR cabin rates.

MODEL WEDGE CABIN AT PFEIFFER BIG SUR CAMPGROUND.

HIGH OPPORTUNITY PROJECTS **CENTRAL CALIFORNIA**

PIEDRAS BLANCAS CAMPGROUND

COUNTY: San Luis Obispo County

LOCATION OF PROJECT:

Hearst San Simeon State Park, northern San Luis Obispo County coast near the town of San Simeon

NAME OF ORGANIZATIONS INVOLVED:

California Department of Parks and Recreation, State Coastal Conservancy

LANDOWNER:

California Department of Parks and Recreation

DESCRIPTION:

Located in northern San Luis Obispo County near the gateway to the Big Sur coast, the Piedras Blancas Campground is situated within Hearst San Simeon State Park where 20 miles of pristine coastline are open for the public to enjoy. Nearby attractions include Hearst Castle, beaches, piers, elephant seal viewing areas, Piedras Blancas Lighthouse, and the quaint shops and restaurants of Cambria. These attractions, combined with a year-round average daytime temperature of 70 degrees, make the area a popular destination for millions of visitors annually. If completed, the Piedras Blancas Campground anticipates offering 40 tent camping sites, 15 cabins, and associated restrooms situated on a coastal terrace with panoramic views of the Pacific Ocean to the west and the rolling hills of the Hearst Ranch and Los Padres National Forest to the east.

STATUS:

As of April 2018, permitting and CEQA environmental review are in progress.

ANTICIPATED COMPLETION/OPENING DATE:

2020 pending permit approval and completion of environmental review.

MANAGEMENT/OPERATION PLAN:

Either DPR will manage the campground directly or through a concession with a private operator such as Aramark, which currently manages visitor services at the Hearst Castle.

ESTIMATED PROJECT COST:

Construction is estimated to be $1 million.

ANTICIPATED OVERNIGHT RATES:

Standard DPR camping rates

ADDITIONAL DETAILS:

http://kcbx.org/post/groundwork-continues-piedras-blancas-cabin-and-campground-project#stream/0

AERIAL VIEW OF PROJECT LOCATION.

SAN SIMEON PIER.

HIGH OPPORTUNITY PROJECTS **CENTRAL CALIFORNIA**

PORT SAN LUIS HARBOR TERRACE CAMPGROUND

COUNTY: San Luis Obispo County

LOCATION OF PROJECT:

Port San Luis Harbor, adjacent to Avila Beach

NAME OF ORGANIZATIONS INVOLVED:

Port San Luis Harbor District, State Coastal Conservancy

LANDOWNER: Port San Luis Harbor District

DESCRIPTION:

Located within a four-hour drive of both San Francisco and Los Angeles, the new Harbor Terrace Campground will no doubt attract many visitors. Port San Luis Harbor is adjacent to the beach town of Avila Beach, popular for its wide sandy beaches, pier, calm ocean waters, and its variety of shops and restaurants. Facing south and protected by Point San Luis, the area is sheltered from the gusty northwest winds that dominate the coast most afternoons, thus making for pleasant weather most days of the year. In addition to the harbor, piers, and the Avila Beach waterfront, another nearby attraction is the Point San Luis Lighthouse, where visitors can tour the grounds and hike along the Pecho Coastal Trail.

When completed in 2020, Harbor Terrace will provide visitors with 65 low-cost tent camping sites overlooking the harbor, plus restrooms, showers, swimming pool, restaurant, and other amenities.

STATUS:

As of April 2018, all entitlements and environmental review pursuant to CEQA have been completed. Construction is expected to begin in the fall of 2019.

ANTICIPATED COMPLETION/OPENING DATE:
2021

MANAGEMENT/OPERATION PLAN:

Lease Agreement / Private Concession. The campground will be built and operated by a private management company under a 50-year lease agreement with the Port San Luis Harbor District, which owns the land.

ESTIMATED PROJECT COST:

Planning - $450,000; Construction - $10 million

ANTICIPATED OVERNIGHT RATES:

Standard rates for tent camping sites

ADDITIONAL DETAILS:

https://www.portsanluis.com/2173/Harbor-Terrace and http://pointsanluislighthouse.org/

PORT SAN LUIS. SOURCE: PORTSANLUIS.COM

SITE LAYOUT PLAN. SOURCE: PORTSANLUIS.COM

HIGH OPPORTUNITY PROJECTS **SOUTHERN CALIFORNIA**

MCGRATH STATE BEACH

MCGRATH STATE BEACH. SOURCE: PARKS.CA.GOV

COUNTY:

Ventura County

LOCATION OF PROJECT:

McGrath State Beach

NAME OF ORGANIZATIONS INVOLVED:

California Department of Parks and Recreation

LANDOWNER:

California Department of Parks and Recreation

DESCRIPTION:

McGrath State Beach is one of the best bird-watching areas in California, with the lush riverbanks of the Santa Clara River and sand dunes along the shore. Two miles of beach provide surfing and fishing opportunities. The park currently offers campsites by the beach, and hopes to develop new cabins in a new proposed campground.

STATUS:

The campground is in the initial planning stages.

HIGH OPPORTUNITY PROJECTS **SOUTHERN CALIFORNIA**

COASTAL RESIDENCE HALL ROOMS MALIBU

COUNTY: Los Angeles County

LOCATION OF PROJECT: City of Malibu

NAME OF ORGANIZATIONS INVOLVED:

Pepperdine University

LANDOWNER: Pepperdine University

DESCRIPTION:

On a hill overlooking the Pacific, Pepperdine University offers beautiful scenery to visitors and students. Located immediately inland of Pacific Coast Highway, visitors to Pepperdine are within walking distance of Amarillo Beach, which extends along Malibu Road, and a short drive to Malibu Lagoon State Park, a beautifully restored coastal lagoon. The area is popular with surfers and bird watchers, and close to Malibu's upscale and rustic retail centers.

Between May 15 and August 1, dorm-style housing is available to groups that include school-aged children, and apartment style housing that includes kitchenettes are available for groups of adults. Facilities are rented to groups whose purposes are consistent with Pepperdine's educational mission, as well as in compliance with all Pepperdine policies. Rental rates in 2018 are $78.00 per person per night double occupancy, including three meals per 24-hour period, use of athletic facilities (as available), parking, and meeting space (as available). Rental requirements include provision of insurance, a tour of campus prior to booking, and at least 90 days advance commitment.

Situated between the Pacific Ocean and the Santa Monica Mountains, residence hall rooms at Pepperdine are ideally located for groups interested in the Malibu Creek watershed; the rare Mediterranean habitat of this area; surfing; the ecology and function of Malibu Lagoon; and the fascinating history of tile manufacturing in Malibu as exhibited at the Adamson House in Malibu Lagoon State Park.

STATUS:

Pepperdine is open to developing potential programs.

PEPPERDINE UNIVERSITY. SOURCE: FLICKR.COM

HIGH OPPORTUNITY PROJECTS **SOUTHERN CALIFORNIA**

EXPANSION OF HOSTELLING INTERNATIONAL LOS ANGELES SANTA MONICA HOSTEL

COUNTY: Los Angeles County

LOCATION OF PROJECT:

1436 2nd Street, Santa Monica, CA 90401

NAME OF ORGANIZATIONS INVOLVED:

Hostelling International USA

LANDOWNER:

Hostelling International USA

DESCRIPTION:

Hostelling International USA is planning to build 21 to 28 additional sleeping rooms (8,000+ sq. ft.). The initial set-up of these rooms is expected to be:

1) 21 private rooms with 2-4 person occupancy (66 "pillows") or
2) 21 private rooms plus 7 more dorms rooms with 34 additional "pillows"

This expansion will replace a wing that currently is only a one-story dining hall with a new dining hall and three to four stories above for sleeping rooms.

As of this assessment, the conceptual planning has been completed, the design development phase has begun, and funding for the additional fifth floor is under consideration. A city zoning change in July 2017 has allowed for more square footage than expected, so currently considering 28 rooms (five stories) instead of 21 rooms (four stories).

ANTICIPATED COMPLETION/OPENING DATE:

April 2020

MANAGEMENT/OPERATION PLAN:

Expansion of current hostel operations

BUDGETS FOR PLANNING, CONSTRUCTION, OPERATIONS AND MAINTENANCE:

Early construction and soft cost estimates, which ranges from $8-$10.2 million, depend on whether four or five stories will be built.

ANTICIPATED OVERNIGHT RATES:

Private rooms $149-$199; Dorms $32-$59

PHOTO OF SANTA MONICA'S HOSTEL COURTYARD.
SOURCE: HOSTELLING INTERNATIONAL

HIGH OPPORTUNITY PROJECTS **SOUTHERN CALIFORNIA**

CRYSTAL COVE COTTAGES

COUNTY: Orange County

LOCATION OF PROJECT:

Crystal Cove State Beach

NAME OF ORGANIZATIONS INVOLVED:

Crystal Cove Conservancy and California Department of Parks and Recreation

LANDOWNER:

California Department of Parks and Recreation

DESCRIPTION:

Crystal Cove State Park Historic District (South Orange County) is full of charm and nostalgia stemming from its development in the early 20th century as a community of beachfront cottages. Forty-six cottages were constructed in the 1920's and 30's, of those, 22 were restored and made available to the public in the summer of 2006, and another seven cottages were restored and made available to the public in 2011. Crystal Cove represents one of the existing Lower-Cost Coastal Accommodations (LCCAs), along the coast of California. Occupancy rates are consistently at 98.8% year-round and the demand for reservations is unprecedented. With the reservation system now available daily, for six months in advance, they are booked within minutes.

Currently, 24,000 guests stay in the low-cost accommodations each year. In addition to the restored cottages, the Historic District of Crystal Cove State Park contains a roadside café, a restaurant, and bar, making the site a full-service beach destination. The restored cottages have kitchenettes and bathrooms. Free parking for two cars is included in the per night rental rate. Guests may also take advantage of a wide range of education programs for park visitors.

ANTICIPATED COMPLETION/OPENING DATE:

An additional 17 cottages, a total of 22 keys, on the North Beach will be restored for use by the general public. Of these, a future dorm-style cottage with shared bathrooms will be available to house school groups participating in the coastal engineering education programs currently being developed with University of California, Irvine. Once this project is completed, the occupancy will be doubled to 48,000 heads on pillows each year. Planning and permitting began in 2012 with the Coastal Development Permit approved in 2017. The project was designed to meet the California Coastal Commission's 2050 projections for sea level rise. This 5-year construction project is estimated to be completed in 2023 based upon final fundraising efforts.

BUDGETS FOR PLANNING, CONSTRUCTION, OPERATIONS AND MAINTENANCE:

The total cost of the project is $38 million for all site work and infrastructure and to restore the final cottages. Over half of this cost is due to the very complex nature of this historic coastal site. The first $19 million in infrastructure cost was raised as of October 2018. The remaining balance of $19 million is still needed to complete the actual cottage restoration and the final vision for this park.

ANTICIPATED OVERNIGHT RATES:

Dorm beds, dorm rooms, and full cottages range from $36 for 2 guests to $251 per night for 9 guests and will mirror the existing rates.

PHOTO OF CRYSTAL COVE COTTAGE (BEACHCOMBER'S LODGE, #38).

HIGH OPPORTUNITY PROJECTS **SOUTHERN CALIFORNIA**

MAGNOLIA TANK FARM GUESTHOUSE

COUNTY: Orange

LOCATION OF PROJECT:

12345 Magnolia Street Huntington Beach (adjacent to the Huntington Beach Wetlands and Huntington State Beach)

NAME OF ORGANIZATIONS INVOLVED:

Shopoff Realty Investments (SRI)

DESCRIPTION:

As part of a Specific Plan for a 29-acre site it owns adjacent to the Huntington Beach Wetlands, Shopoff Realty Investments (SRI) is proposing a 217-room hotel (Lodge). Forty of the rooms will be designed to accommodate several individuals per room (e.g. families and groups seeking budget-oriented overnight accommodations). The lower-cost accommodations will be an integrated part of the Lodge. The first floor will be comprised of the lobby and visitor-serving amenities such as food and beverage services with outdoor dining areas overlooking the wetlands and ocean. The second and third floors will feature forty lower-cost rooms with multiple beds. The design and configuration of the rooms will permit flexible, family and group-focused overnight accommodations. The interior and exterior of the Lodge will be designed to complement the aesthetic and ecological functions of the adjacent wetlands—celebrating unique local coastal resources and repurposing the site of the former Magnolia Tank Farm to be a gateway to the marsh and the beach.

In view of the Lodge's location next to the wetlands, SRI has partnered with the Huntington Beach Wetlands Conservancy (HBWC) in developing an educational interpretive program designed to give coastal visitors of the Lodge docent led tours of Magnolia Marsh – the northernmost segment of the Huntington Beach Wetlands. The wetland interpretive program, conducted by HBWC, will focus on educating visitors on the important role wetlands play in marine ecosystems. The Bolsa Chica Conservancy also offers wetlands education programs at the nearby Bolsa Chica State Ecological Reserve north of the property. SRI is also exploring opportunities to partner with the Bolsa Chica Conservancy to provide wetlands educational programs at the ecological reserve as well as Magnolia Marsh.

STATUS:

Entitlement applications for the Magnolia Tank Farm Specific Plan have been submitted to the City of Huntington Beach and environmental review is underway. It is anticipated that approval of the specific plan will occur in the third quarter of 2019.

ANTICIPATED COMPLETION/OPENING DATE:

Construction is anticipated to commence in 2021.

MANAGEMENT/OPERATION PLAN:

SRI will partner with an experienced hospitality operator to oversee management of the Lodge.

BUDGETS FOR PLANNING, CONSTRUCTION, OPERATIONS AND MAINTENANCE:

±$5.4 million for construction; ≈$700,000 annually for operations and maintenance

ANTICIPATED OVERNIGHT RATES:

Of the total of 215 rooms in the Lodge, 175 rooms will be market rate. As required in the specific plan, forty rooms will be rate restricted based on an annual survey of hotel/motels in the coastal zone within ten miles of the Lodge. The rates for the forty lower-cost rooms shall be in the bottom thirty percent of room rates within the survey area.

GUESTHOUSE MODEL.

HIGH OPPORTUNITY PROJECTS **SOUTHERN CALIFORNIA**

SILVER STRAND STATE BEACH CAMPSITES

COUNTY:

San Diego County

LOCATION OF PROJECT:

Ocean side of Silver Strand State Beach

NAME OF ORGANIZATIONS INVOLVED:

California Department of Parks and Recreation

LANDOWNER:

California Department of Parks and Recreation

DESCRIPTION:

DPR would like to locate seasonal tent cabins on existing parking lots when parking demand is low. Upcoast of the site is the town of Coronado. Downtown San Diego is a short drive or ferry ride away, or a bike ride along the Bayshore Bikeway. Just across the road is South San Diego Bay, which offers excellent bird watching opportunities. To the south lies the Tijuana Valley and the regional and state parks that are located there.

STATUS:

DPR is initiating a feasibility study and developing funding for planning and public outreach.

SILVER STRAND STATE BEACH. SOURCE: PARKS.CA.GOV

HIGH OPPORTUNITY PROJECTS **SOUTHERN CALIFORNIA**

TIJUANA RIVER VALLEY REGIONAL PARK CAMPGROUND AND NATURE EDUCATION

COUNTY: San Diego County

LOCATION OF PROJECT:

Tijuana River Valley Regional Park

NAME OF ORGANIZATIONS INVOLVED:

San Diego County Department of Parks and Recreation

LANDOWNER: San Diego County

DESCRIPTION:

San Diego County Department of Parks and Recreation is planning a new campground with approximately 76 campsites, possibly including tents, cabins, and/or yurts, about one mile inland of the beach in Tijuana River Valley Regional Park. The tent sites plan to include a separate area for equestrian campers, as horseback riding is very popular in the area and particularly along this southernmost stretch of California's coast. The campground is planned to be close to the Tijuana River National Estuarine Research Reserve, which offers trails and bird watching opportunities; close to Border Field State Park and the border with Mexico; and within a short drive to the cities of Imperial Beach and San Diego.

STATUS:

A final Mitigated Negative Declaration is currently being prepared for consideration by the County of San Diego Board of Supervisors at a future public hearing, and potential construction to begin in spring of 2019.

ANTICIPATED COMPLETION/OPENING DATE: Spring/Summer 2020

MANAGEMENT/OPERATION PLAN:

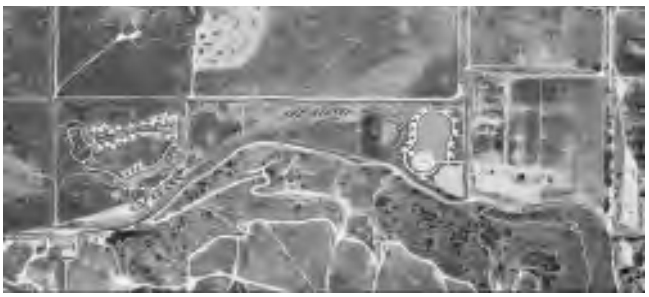
San Diego County Department of Parks and Recreation will manage the campground.

BUDGETS FOR PLANNING, CONSTRUCTION, OPERATIONS AND MAINTENANCE:

- Planning / Design / Construction: Estimated $13 million project ($3.3 million secured, $6 million pending)
- Operations and Maintenance – $1 million per County Parks' Operations Plan (General Fund)

ANTICIPATED OVERNIGHT RATES:

Unknown at this point. County Parks sets fees based on market value, but within the range approved by the County Board of Supervisors. Fees will be at or below the maximum daily rate for LCCAs, as identified by SCC.



TIJUANA RIVER VALLEY REGIONAL PARK CAMPGROUND PLAN

VIEW OF TIJUANA RIVER VALLEY PARK.

OTHER POTENTIAL PROJECT IDEAS

County	Landowner/Manager	Location(s)	Opportunity	Next Steps
Del Norte	County of Del Norte	Clifford Kamph Memorial Park	Revamp and expand campsites	Assess feasibility
Del Norte	Not Yet Identified	Del Norte County	Identified need for a hostel to replace the closed hostel in Redwood National and State Parks	Identify suitable location
Humboldt	Not Yet Identified	Trinidad	Interest in increased camping	Identify suitable location
Humboldt	Humboldt County Parks	Clam Beach	Increase number of campsites	Assess feasibility
Humboldt	Not Yet Identified	Humboldt Bay Dunes	Identified as an area with insufficient camping opportunities	Identify suitable location
Mendocino	Not Yet Identified	Mendocino or Fort Bragg	Identified need for hostel in Mendocino, Fort Bragg, and/or Westport	Identify suitable location
Mendocino	Jug Handle Creek Farm and Nature Center	Jug Handle Creek Farm and Nature Center	Improve site by adding restroom/shower and kitchenette facilities for three cabins, restrooms for seven campsites, and two additional visitor serving cabins	Secure funding for permitted improvements
Mendocino	Not Yet Identified	Point Arena	Identified as area needing hostel, cabins, and/or increased camping	Identify suitable location
Mendocino	California Department of Parks and Recreation	MacKerricher	Develop 18 cabins to replace 2 older cabins and 6 platforms for use in the spring and fall by environmental education camp and summer and winter by general public	Develop conceptual design
Sonoma	Sonoma County Agricultural Preservation and Open Space District	Poff Ranch	Potential hike-in/Environmental Camp	Assess feasibility
Sonoma	Sonoma County Regional Parks	Stillwater Cove	Develop off grid modest hut and 2-4 backpacking campsites	Address identified constraints
Sonoma	Sonoma County Regional Parks	Stillwater Cove	Reuse footprint of existing office to construct bunkhouse with small office	Address identified constraints
Sonoma	Sonoma County Regional Parks	Gualala Point Regional Park	Develop overnight RV parking for self-contained vehicles	Develop conceptual design
Sonoma	The Wildlands Conservancy	Jenner Headlands	Potential hike-in to adirondak shelters	Develop conceptual design
Sonoma	Not Yet Identified	South West County	Increase cabins/campsites	Identify suitable location
Sonoma	California Department of Parks and Recreation	Salt Point State Park	Potential to develop 4-5 yurts or cabins	Identify suitable location

OTHER POTENTIAL PROJECT IDEAS

County	Landowner/Manager	Location(s)	Opportunity	Next Steps
Sonoma	California Department of Parks and Recreation	Bodega Dunes Campground	Potential for cabins or alternative camping, including trailers, tents, yurts, etc.	Assess feasibility
Marin	Point Reyes National Seashore	Historic Lifeboat Station Complex, Chimney Rock	Interior upgrades to the lifeboat station and the Officer-in-Charge residence to provide accommodation to organized groups	Develop conceptual design
Marin	Point Reyes National Seashore	Various	48 boat-in and hike-in campsites	Assess feasibility
Marin	Point Reyes National Seashore	Bear Valley Complex Campground	Create a front country campground to include group sites, indoor camping, and gathering spaces for programing	Assess feasibility
Marin	Point Reyes National Seashore	Laguna Complex	Reclaim facility to expand family camping and enhance residential environmental education	Assess feasibility
Marin	Not Yet Identified	West Marin	Identified as an area with high, unmet demand	Identify suitable location
Marin	California Department of Parks and Recreation	Tomales Bay State Park – Marconi Cove Tomales Bay State Park – Heart's Desire	Potential for RV, tent, and boating concession Popular day use area. Potential to open up hike and bike sites and expand to walk-in or car camping. Nice location for summer learning or group camping	Assess feasibility
San Francisco	California Department of Parks and Recreation	Angel Island State Park	Good potential for cabins to be concession operated	Assess feasibility
San Francisco	Golden Gate National Recreation Area	West Fort Miley above Lands End	Develop new group campground	Assess feasibility
San Mateo	Golden Gate National Recreation Area	Rancho Corral de Tierra	Develop new campground and/or hiker hut	Assess feasibility
San Mateo	Golden Gate National Recreation Area	Sweeny Ridge	Identified as a potential area for a new hiker hut	Assess feasibility
San Mateo	Hostelling International and Coast Guard	Point Montara Lighthouse	Expand existing facility by adding an annex building in high demand area	Address identified constraints
San Mateo	California Department of Parks and Recreation and Hostelling International	Pigeon Point Lighthouse	Expand existing facility in high demand area	Address identified constraints
San Mateo	Peninsula Open Space Trust	Wavecrest Open Space	Develop new campground with diverse types of accommodations (e.g., tent camping, cabins, etc.)	Assess feasibility
San Mateo	Peninsula Open Space Trust	Alpine Ranch	Construct new hiker hut	To be opened in 2019

OTHER POTENTIAL PROJECT IDEAS

County	Landowner/Manager	Location(s)	Opportunity	Next Steps
San Mateo	California Department of Parks and Recreation	Green Valley Trail	Repurpose site from a residential duplex with 5-7 tent sites, vault toilet, and water. Electricity and septic currently exist New trail is planned from Devil's Slide area across Caltrans property and through Green Valley	Feasibility study for the campground completed.
San Mateo	California Department of Parks and Recreation	Año Nuevo State Park, Lake Elizabeth	Potential for a small tent camping facility or a larger campground to accommodate cars and small RVs adjacent to Lake Elizabeth	Assess feasibility
San Mateo	California Department of Parks and Recreation	Butano State Park, Gazos Mountain Camp	This property has several buildings and cabins in close proximity to the coast that could be repurposed for overnight and day use camping	It is currently in caretaker status and not available to the public.
Santa Cruz	Bureau of Land Management	Coast Dairies National Monument	Develop new campground with diverse types of accommodations	Assess feasibility
Santa Cruz	Santa Cruz Barrios Unidos	Barrios Unidos Headquarters	Expand existing facility by building hostel and tiny house village for overnight visitors and day use	Secure funding for permitted improvement and develop conceptual design
Santa Cruz	Santa Cruz Barrios Unidos	Walter Guzman Retreat Center	Expand existing facilities and improve site by adding restrooms/showers and common kitchen for five cabins, and one conference room	Secure funding for permitted improvements and develop conceptual designs
Santa Cruz	Not Yet Identified	Santa Cruz	Identified as an area with high, unmet demand	Identify suitable location
Monterey	Fort Ord Hostel Society	Seaside Fort Ord Eco-Hostel	Develop a 12-room, 48-bed eco-hostel at Fort Ord.	Raise funding to construct
Monterey	Hostelling International	Monterey Hostel	Expand existing facility into parking lot in high demand area	Address identified constraints
Monterey	California Department of Parks and Recreation	Andrew Molera State Park	Develop 10-15 cabins with central restroom/shower facilities. Location has good public access, would optimize park use	Assess feasibility
Monterey	Hostelling International	Big Sur	Interest in operating a hostel in Big Sur	Identify suitable location
Monterey	Monterey Peninsula Regional Park District	Palo Corona Regional Park	Develop new LCCA facilities including potentially backcountry backpack, equestrian, or bike-in campsites; and cabin or campsites	Assess feasibility

OTHER POTENTIAL PROJECT IDEAS

County	Landowner/Manager	Location(s)	Opportunity	Next Steps
San Luis Obispo	Not Yet Identified	Morro Bay and Cayucos	Identified as an area with high, unmet demand	Identify suitable location
San Luis Obispo	California Department of Parks and Recreation	Oceano Dunes	Develop a campground at Oso Flaco	Develop a Public Works Plan
San Luis Obispo	County of San Luis Obispo	El Chorro Regional Park	Develop new campground with diverse types of accommodations	Assess suitability of location
San Luis Obispo	Not Yet Identified	Guadalupe Dunes vicinity	Identified as an area with unique coastal experience and community need for economic development	Identify suitable location
Santa Barbara	Santa Barbara County Parks	Rancho Guadalupe Dunes	Provide lower-cost coastal accommodation opportunities.	Assess feasibility
Santa Barbara	Santa Barbara County Parks	Point Sal Open Space	Provide lower-cost coastal accommodation opportunities.	Assess feasibility
Santa Barbara	Santa Barbara County Parks	Jalama County Park	Expand existing facility with additional cabins	Develop conceptual design
Santa Barbara	El Capitan Canyon Campground and Resort	El Capitan Canyon/Ocean Mesa Campgrounds	Expand programs and facilities to provide and enhance coastal access	Develop plan
Santa Barbara	Not Yet Identified	City of Santa Barbara	Identified as an area with high, unmet demand	Identify suitable location
Santa Barbara	Not Yet Identified	Carpinteria	Identified as an area with high, unmet demand	Identify suitable location
Ventura	Not Yet Identified	Ormond Beach	Create new campground	Identify suitable location
Ventura	California Department of Parks and Recreation	Point Mugu State Park	Convert La Jolla Canyon group campsite into a mixed-use area consisting of traditional campsites and up to 12 four-person cabins	Assess feasibility
Ventura	California Department of Parks and Recreation	San Buenaventura State Beach	Additional overnight camping sites	Assess feasibility
Los Angeles	Santa Monica Mountains Conservancy	Cameron Nature Preserve at Puerco Canyon	Develop youth camping program and lower-cost coastal accommodations	Complete plan
Los Angeles	Santa Monica Mountains Conservancy	Corral Canyon Park	Offer safe parking at night in parking lot for persons who live in their vehicles as a no-cost coastal accommodation that provides easy coastal access to homeless community	To be opened soon
Los Angeles	Santa Monica Mountains Conservancy	Ramirez Canyon Park	Increase visitor amenities and programs for 16 campers per night. Restore damages from Woolsey fire.	
Los Angeles	California Department of Parks and Recreation	Topanga State Park	Redevelop Topanga Ranch Motel	Develop plan

OTHER POTENTIAL PROJECT IDEAS

County	Landowner/Manager	Location(s)	Opportunity	Next Steps
Los Angeles	LA County Department of Beaches and Harbors & California Department of Parks and Recreation	Dockweiler Beach State Park	Expand the existing campground	Assess feasibility
Orange	Not Yet Identified	Dana Point	Identified as an area with high, unmet demand	Identify suitable location
San Diego	Not Yet Identified	Encinitas	Identified as an area with high, unmet demand	Identify suitable location
San Diego	Hostelling International	Ocean, Mission or Pacific Beach area	Looking for suitable facilities in the Ocean Beach, Mission Beach, and Pacific Beach neighborhoods	Identify suitable location

Explore the Coast Overnight

APPENDIX

"On one of my very first experiences at San Clemente State Beach, I remember spending time with a group of high school students at the campground. We watched the sunset, and it was a moment of pure peace."

DEVEN,
OUTDOOR OUTREACH INSTRUCTOR
AND PAST PARTICIPANT

SAMPLE CHECKLIST FOR LOWER-COST COASTAL ACCOMMODATION PROJECT DEVELOPMENT

When starting a new LCCA project or enhancing an existing LCCA project, project sponsors should consider whether they have the resources and capacity to manage successfully the LCCA development or expansion. Having the knowledge, skill, time, and ability to work through the design, permitting, environmental, fundraising, and construction of the project can ensure that project goals are achieved and help avoid setbacks or roadblocks.

Because each project is different, this checklist is not a comprehensive outline of what needs to be completed for a "perfect" LCCA facility, but instead should serve as a guide to identify potential issues that may arise throughout the development or enhancement process. For example, the checklist can assist in determining how much capital resources will be necessary to contract for required services, such as developing a business plan, preparing CEQA documentation, undertaking coastal and other permitting, and drafting construction plans and specifications.

Some steps in the checklist may occur concurrently. The checklist also assumes ownership or control of the project site. For more information, links have been provided within sections of the checklist. If there are additional questions, contact SCC staff.

GETTING STARTED

- ☐ Establish clear project goals early in the process (SEE POTENTIAL PRIORITIZATION CRITERIA)
- ☐ Determine the target populations to be served
- ☐ Create a plan to identify and engage stakeholders throughout the planning and development process. Examples of community engagement:
  - ☐ Build relationships with community organizations or schools
  - ☐ Involve local nonprofits or governmental agencies in the decision making
- ☐ Identify resources, such as staffing, consultants, and funding, needed for each phase
- ☐ Have a preliminary budget and financing plan for project costs including construction, acquisition, planning, and environmental review
- ☐ Identify potential sites for new LCCAs

SITE ASSESSMENT

- ☐ Evaluate feasibility of the site. Common existing conditions that may affect feasibility include:
  - ☐ Environmental Conditions
    - ☐ Sea level rise
    - ☐ Coastal erosion
    - ☐ Tsunamis hazard
    - ☐ Earthquake hazard

- ☐ Hydrology
- ☐ Topography
- ☐ Geology/Soil
- ☐ Sensitive Habitats
- ☐ Hazardous/chemical contaminants
- ☐ Wildfire frequency/intensity

☐ Regulatory Restrictions

- ☐ Americans with Disabilities Act
- ☐ Safety and Fire Marshall requirements
- ☐ Clean Water Act
- ☐ Clean Air Act
- ☐ Endangered Species Act
- ☐ Environmentally Sensitive Habitat Areas as defined in the Coastal Act
- ☐ Historic and Cultural Preservation Act
- ☐ Local zoning regulations
- ☐ California Coastal Act and Local Coastal Plan
- ☐ California Environmental Quality Act
- ☐ National Environmental Protection Act

☐ Existing Infrastructure

- ☐ Water supply
- ☐ Electrical lines
- ☐ Septic or sewer
- ☐ Roads

☐ Identify additional opportunities and constraints within the site (REFER TO FEASIBILITY CONSIDERATIONS SECTION)

FINANCIAL ASSESSMENT

☐ Develop a business plan based on assumptions related to:

- ☐ Occupancy rate
- ☐ Cost per unit
- ☐ Operations and maintenance costs
- ☐ Financing sources/funding strategies
- ☐ Long-term capital improvement costs
- ☐ Construction costs
- ☐ Permitting and regulatory compliance costs
- ☐ Marketing and outreach strategies and its associated costs
- ☐ Strategic goals and programming objectives
- ☐ Progress and metrics tracking

☐ Develop a financing plan (REFER TO FUNDING SOURCES AND FINANCING MECHANISMS)

CONCEPTUAL DESIGN DEVELOPMENT

☐ Consider target population needs, development costs, and site feasibility when designing the project

☐ Engage stakeholders and form partnerships early during concept planning

☐ Evaluate potential project tradeoffs (e.g. facility type, habitat, traffic, landscape, view) and identify alternatives

☐ Decide which LCCA structure(s) are suitable (REFER TO LOWER-COST COASTAL ACCOMMODATION CATEGORIES)

☐ Develop budget that is reflective of design objectives and addresses contingencies as needed

☐ Consider regulatory, planning, and permitting factors that may impact design such as:

- ☐ Local Coastal Programs
- ☐ Coastal Development Permits
- ☐ California Coastal Act
- ☐ Environmental regulations
- ☐ Zoning regulations
- ☐ California Environmental Quality Act[33]
- ☐ National Environmental Protection Act (NEPA)[34]
- ☐ State sea level rise planning guidance and climate change policies

OPERATIONS PLAN DEVELOPMENT

☐ Determine the operations model for the LCCA (REFER TO LOWER-COST COASTAL ACCOMMODATION FACILITY DEVELOPMENT MODELS SECTION)

☐ Develop a LCCA Operations and Management Plan based on:

- ☐ Site size and visitor capacity
- ☐ Primary services provided

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33 *Refer to http://resources.ca.gov/ceqa/for more information*
33 *Refer to https://www.epa.gov/nepa for more information*

- ☐ Utilities
- ☐ Maintenance and capital improvements
- ☐ Continued marketing and outreach strategies

☐ Determine programming (REFER TO PROGRAM OPTIONS AND OPPORTUNITIES SECTION)

DESIGN REFINEMENT

☐ Develop preliminary design

- ☐ Integrate conceptual designs into a set of preliminary plans and specifications and include updated cost estimates
- ☐ Complete CEQA/NEPA review for the project
- ☐ Evaluate design compliance under the California Coastal Act

☐ Finalize design

- ☐ Based on project review by permitting agencies, modify final project design as necessary
- ☐ Develop engineer's cost estimate

☐ Identify and secure the types of permits needed, including:

- ☐ Building permit
- ☐ Coastal Development Permit
- ☐ Grading permit
- ☐ Electrical permit
- ☐ Plumbing permit
- ☐ Mechanical permit
- ☐ Natural resource permits (e.g. U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, State Department of Fish and Wildlife)

CONSTRUCTION MANAGEMENT

☐ Identify construction method (e.g. offsite fabrication, on site construction, or a mix)

☐ Release project bids/solicitation for construction and select contractor

☐ If public funds are being used, understand state, federal, or local requirements

- ☐ For more information related to state requirements, refer to prevailing wage

☐ Consider all applicable construction costs including both hard and soft costs

☐ Consider contracting for construction management

☐ Note shifting circumstances such as legal, permitting, or hazardous weather that may impact project timeline

OPERATION AND MAINTENANCE

☐ Continue to build and develop collaborations with regional or local organizations

☐ Ensure proper maintenance of site and accommodations

☐ Adapt and/or expand facility and programming as needed

☐ Identify sources of funding for ongoing operations (REFER TO FUNDING SOURCES AND FINANCING MECHANISMS)

STATE PARK CAMPGROUNDS/CABINS ON THE COAST

This is a list of State Parks, State Beaches, State Historic Parks, and State Vehicular Recreation Areas on the coast that offer camping opportunities. Those with alternative camping opportunities (tent cabins/shelters, rustic cabins, yurts, bunkhouses, or modern lodge/motel/detached cabins) are identified with an asterisk (*).

Tolowa Dunes State Park
Del Norte County
Kellogg Rd, Crescent City, CA 95531

Jedediah Smith Redwoods State Park (*)
Del Norte County
1440 Hwy 199, Crescent City, CA 95531

Del Norte Coast Redwoods State Park
Del Norte County
1111 2nd St, Crescent City, CA 95531

Prairie Creek Redwoods State Park (*)
Humboldt County
127011 Newton B. Drury Pkwy, Orick, CA 95555

Humboldt Lagoons State Park
Humboldt County
15336 US-101, Trinidad, CA 95570

Patrick's Point State Park (*)
Humboldt County
4150 Patricks Point Dr, Trinidad, CA 95570

Sinkyone Wilderness State Park (*)
Humboldt County
Briceland Thorn Rd, Whitethorn, CA 95589

Westport-Union Landing State Beach
Mendocino County
Westport, CA 95488

MacKerricher State Park
Mendocino County
24100 Mackerricher Park Rd, Fort Bragg, CA 95437

Point Cabrillo Light Station State Historic Park (*)
Mendocino County
13800 Point Cabrillo Dr, Mendocino, CA 95460

Russian Gulch State Park
Mendocino County
CA-1, Mendocino, CA 95460

Van Damme State Park
Mendocino County
8001 CA-1, Little River, CA 95456

Navarro River Redwoods State Park
Mendocino County
Elk, CA 95432

Manchester State Park
Mendocino County
44500 Kinney Rd, Manchester, CA 95459

Salt Point State Park
Sonoma County
25050 CA-1, Jenner, CA 95450

Fort Ross State Historic Park
Sonoma County
19005 Coast Hwy, Jenner, CA 95450

Sonoma Coast State Park
Sonoma County
CA-1, Bodega Bay, CA 94923

Marconi Conference Center State Historic Park (*)
Marin County
18500 CA-1, Marshall, CA 94940

China Camp State Park
Marin County
100 China Camp Village Rd, San Rafael, CA 94901

Mount Tamalpais State Park (*)
Marin County
3801 Panoramic Hwy, Mill Valley, CA 94941

Angel Island State Park
Marin County
Tiburon, CA 94920

Half Moon Bay State Beach
San Mateo County
95 Kelly Ave, Half Moon Bay, CA 94019

Pigeon Point Light Station State Historic Park (*)
San Mateo County
Pigeon Point Rd, Pescadero, CA 94060

Big Basin Redwoods State Park (*)
Santa Cruz County
21600 Big Basin Way, Boulder Creek, CA 95006

Wilder Ranch State Park
Santa Cruz County
1401 Coast Rd, Santa Cruz, CA 95060

New Brighton State Beach
Santa Cruz County
1500 Park Ave, Capitola, CA 95010

Seacliff State Beach
Santa Cruz County
201 State Park Dr, Aptos, CA 95003

Sunset State Beach
Santa Cruz County
Sunset Beach Rd, Watsonville, CA 95076

Asilomar State Beach (*)
Monterey County
Sunset Dr, Pacific Grove, CA 93950

Andrew Molera State Park
Monterey County
45500 CA-1, Big Sur, CA 93920

Pfeiffer Big Sur State Park (*)
Monterey County
47231 CA-1, Big Sur, CA 93920

Julia Pfeiffer Burns State Park
Monterey County
52801 CA-1, Big Sur, CA 93920

Limekiln State Park
Monterey County
63025 CA-1, Big Sur, CA 93920

Hearst San Simeon State Park
San Luis Obispo County
500 San Simeon-Monterey Creek Rd, Cambria, CA 93428

Morro Strand State Beach
San Luis Obispo County
Morro Bay, CA 93442

Morro Bay State Park
San Luis Obispo County
60 State Park Rd, Morro Bay, CA 93442

Montaña de Oro State Park
San Luis Obispo County
3550 Pecho Valley Rd, Los Osos, CA 93402

Pismo State Beach
San Luis Obispo County
555 Pier Ave, Oceano, CA 93445

Oceano Dunes State Vehicular Recreation Area
San Luis Obispo County
1001 Cabrillo Hwy, Oceano, CA 93445

Gaviota State Park
Santa Barbara County
US-101, Goleta, CA 93117

Refugio State Beach
Santa Barbara County
35 Refugio Beach Rd, Goleta, CA 93117

El Capitan State Beach
Santa Barbara County
Exit #117 from Hwy 101, Goleta, CA 93117

Carpinteria State Beach
Santa Barbara County
5361 6th St, Carpinteria, CA 93013

Emma Wood State Beach
Ventura County
Pacific Coast Hwy,Ventura, CA 93001

McGrath State Beach
Ventura County
2211 N Harbor Blvd, Oxnard, CA 93036

Point Mugu State Park
Los Angeles County
9000 West Pacific Coast Hwy, Malibu, CA 90265

Leo Carrillo State Park
Los Angeles County
35000 Pacific Coast Hwy, Malibu, CA 90265

Topanga State Park
Los Angeles County
20828 Entrada Rd, Topanga, CA 90290

Dockweiler State Beach
Los Angeles County
12001 Vista del Mar, Playa del Rey, CA 90293

Bolsa Chica State Beach
Orange County
17851 Pacific Coast Hwy, Huntington Beach, CA 92649

Crystal Cove State Park (*)
Orange County
8471 N Coast Hwy, Laguna Beach, CA 92651

Doheny State Beach
Orange County
25300 Harbor Dr, Dana Point, CA 92629

San Clemente State Beach
Orange County
225 Avenida Calafia, San Clemente, CA 92672

San Onofre State Beach
San Diego County
Old Pacific Highway, San Clemente, CA 92672

South Carlsbad State Beach
San Diego County
4477 Pacific Hwy, San Diego, CA 92110

San Elijo State Beach
San Diego County
2050 S Coast Hwy 101, Cardiff, CA 92007

Silver Strand State Beach
San Diego County
5000 CA-75, Coronado, CA 92118

NON-STATE PARK CAMPGROUNDS/CABINS ON THE COAST

This is a non-exhaustive list of current private campgrounds and cabins on the coast:

Village Camper Inn RV Park
Del Norte County
1543 Parkway Dr, Crescent City, CA 95531

Sounds of the Sea RV Park & Cabins
Humboldt County
3443 Patricks Point Dr, Trinidad, CA 95570

Redwood Coast Cabins & RV Resort
Humboldt County
4050 US-101, Eureka, CA 95503

Shoreline RV Park
Humboldt County
2600 North 6th Street, Eureka, CA 95501

Emerald Forest Cabins & RV
Humboldt County
753 Patricks Point Dr, Trinidad, CA 95570

Promo RV Park & Campground
Mendocino County
17999 Tregoning Ln, Fort Bragg, CA 95437

Manchester Beach / Mendocino Coast KOA
Mendocino County
44300 Kinney Rd, Manchester, CA 95459

Point Reyes National Seashore Campground
Marin County
1 Point Reyes-Petaluma Rd, Inverness, CA 94937

Bicentennial Campground
Marin County
948 Fort Barry, Sausalito, CA 94965

Kirby Cove Campground
Marin County
948 Fort Barry, Sausalito, CA 94965

San Francisco RV Resort
San Mateo County, California
700 Palmetto Ave, Pacifica, CA 94044

Santa Cruz North / Costanoa KOA
San Mateo County
2001 Rossi Rd, Pescadero, CA 94060

Santa Cruz / Monterey Bay KOA
Santa Cruz County
1186 San Andreas Rd, Watsonville, CA 95076

Moss Landing KOA Express
Monterey County
7905 Sandholdt Rd, Moss Landing, CA 95039

Marina Dunes RV Resort
Monterey County
3330 Dunes Rd, Marina, CA 93933

Kirk Creek Campground
Monterey County
CA-1, Big Sur, CA 93920

Plaskett Creek Campground
Monterey County
69345 CA-1, Big Sur, CA 93920

Big Sur Campground & Cabins
Monterey County
47000 CA-1, Big Sur, CA 93920

Fernwood Campground and Resort
Monterey County
47200 CA-1, Big Sur, CA 93920

Ventana Campground
Monterey County
48123 CA-1, Big Sur, CA 93920

Bella Vista by the Sea
San Luis Obispo County
350 N Ocean Ave, Cayucos, CA 93430

Avila / Pismo Beach KOA
San Luis Obispo County
7075 Ontario Rd, San Luis Obispo, CA 93405

Pacific Dunes Ranch RV Resort
San Luis Obispo County
1205 Silver Spur Pl, Oceano, CA 93445

Pismo Sands RV Park
San Luis Obispo County
2220 Cienaga St, Oceano, CA 93445

Golden Shore RV Resort
Los Angeles County
101 Golden Shore, Long Beach, CA 90802

Oceanside RV Park
San Diego County
1510 S Coast Hwy, Oceanside, CA 92054
Campland On the Bay
San Diego County
2211 Pacific Beach Dr, San Diego, CA 92109

Mission Bay RV Resort
San Diego County
2727 De Anza Rd, San Diego, CA 92109

San Diego Metro KOA
San Diego County
111 N 2nd Ave, Chula Vista, CA 91910

Chula Vista RV Resort
San Diego County
460 Sandpiper Way, Chula Vista, CA 91910

COASTAL COLLEGES AND UNIVERSITIES WITH DORMITORIES

SCC has identified the following colleges and universities along the California coast that have dormitories within their respective campuses. These colleges and universities could be potential locations to offer lower-cost accommodations during times when there are no students present.

College of the Redwoods
Humboldt County
7351 Tompkins Hill Rd, Eureka, CA 95501

Humboldt State University
Humboldt County
1 Harpst St, Arcata, CA 95521

Cal Maritime
Solano County
200 Maritime Academy Dr, Vallejo, CA 94590

CSU East Bay
Alameda County
25800 Carlos Bee Blvd, Hayward, CA 94542

UC Berkeley
Alameda County
1125 Jackson St, Albany, CA 94706

Academy of Art University
San Francisco County
79 New Montgomery St, San Francisco, CA 94105

San Francisco State University
San Francisco County
1600 Holloway Ave, San Francisco, CA 94132

University of San Francisco
San Francisco County
2130 Fulton St, San Francisco CA 94117

Northwestern Polytechnic University
Alameda County
47671 Westinghouse Dr, Fremont, CA 94539

CSU Monterey Bay
Monterey County
100 Campus Center, Seaside, CA 93955

UC Santa Cruz
Santa Cruz County
1156 High St, Santa Cruz, CA 95064

UC Santa Barbara
Santa Barbara County
UC Santa Barbara, Santa Barbara, CA 93106

Pepperdine University
Los Angeles County
24255 Pacific Coast Hwy, Malibu, CA 90263

Loyola Marymount University
Los Angeles County
1 Loyola Marymount University Dr, Los Angeles, CA 90045

Otis College of Art and Design
Los Angeles County
9045 Lincoln Blvd, Los Angeles, CA 90045

CSU Long Beach
Los Angeles County
1250 Bellflower Blvd, Long Beach, CA 90840

Laguna College of Art and Design
Orange County
2222 Laguna Canyon Rd, Laguna Beach, CA 92651

UC San Diego
San Diego County
9500 Gilman Dr, La Jolla, CA 92093

University of San Diego
San Diego County
5998 Alcala Park, San Diego, CA 92110

Point Loma Nazarene University
San Diego County
3900 Lomaland Dr, San Diego, CA 92106

HOSTELS ON THE COAST

This is a non-exhaustive list of current hostels on the California coast:

NORTH COAST

Humboldt County to Marin County

Lakeside Hostel & Guest House
1175 Lakeview Drive
Crescent City, CA 95531

The Redwood Lily Eco-Hostel
955 12th Street
Arcata, CA 95521

Hostelling International USA – Point Reyes Hostel
1390 Limantour Spit Road
Point Reyes, Station, CA 94956

Hostelling International USA – Marin Headlands Hostel
941 Rosenstock Road
Sausalito, CA 94965

SAN FRANCISCO BAY

San Francisco County

Hostelling International USA – San Francisco
Fisherman's Wharf Hostel
240 Fort Mason
San Francisco, CA 94123

Hostelling International USA – San Francisco,
Downtown
312 Mason Street
San Francisco, CA 94102

Green Tortoise Hostel San Francisco
494 Broadway Street
San Francisco, CA 94133

Orange Village Hostel
411 O'Farrell Street
San Francisco, CA 94102

Adelaide Hostel
5 Isadora Duncan Lane
San Francisco, CA 94102

Hostelling International USA – San Francisco, City
Center
685 Ellis Street
San Francisco, CA 94109

USA Hostels San Francisco
711 Post Street
San Francisco, CA 94109

Amsterdam Hostel
749 Taylor Street
San Francisco, CA 94108

Music City Hotel/Hostel
1353 Bush Street
San Francisco, CA 94109

Hostelling International USA – San Francisco
Fisherman's Wharf Hostel
240 Fort Mason
San Francisco, CA 94123

European Hostel
761 Minna Street
San Francisco, CA 94103

CENTRAL COAST

San Mateo County to Santa Barbara County

Hostelling International USA – Point Montara Lighthouse Hostel
8800 Cabrillo Highway
Montara, CA 94037

Hostelling International USA – Pigeon Point Lighthouse Hostel
210 Pigeon Point Road
Pescadero, CA 94060

Hostelling International USA – Santa Cruz Hostel
321 Main Street
Santa Cruz, CA 95060

Hostelling International USA – Monterey Hostel
778 Hawthorne Street
Monterey, CA 93940

The Wayfarer
500 East Montecito Street
Santa Barbara, CA 93103

SOUTH COAST

Ventura County to San Diego County

Hostelling International USA – Los Angeles South Bay Hostel
3601 South Gaffey Street
San Pedro, CA 90731

Haus de Baum
1400 East 3rd Street
Long Beach, CA 90802

Samesun Venice Beach
25 Windward Ave
Los Angeles, CA 90291
USA Hostels Hollywood
1624 Schrader Blvd
Los Angeles, CA 90028

Olympic Hostel
985 3rd Ave
Los Angeles, CA 90019

Hostelling International USA –
Los Angeles Santa Monica Hostel
1436 2nd Street
Santa Monica, CA 90401

Surf City Hostel
26 Pier Ave
Hermosa Beach, CA 90524

Hostelling International USA – San Diego, Downtown
521 Market Street
San Diego, CA 92101

Hostelling International USA – San Diego, Point Loma Hostel
3790 Udall Street
San Diego, CA 92107

Hostel on 3rd
542 3rd Ave
San Diego, CA 92101

R.K. Hostel
642 West Hawthorne Street
San Diego, CA 92101

USA Hostels Ocean Beach San Diego
4961 Newport Ave
San Diego, CA 92107

California Dreams Backpacker's Hostel
743 Emerald Street
San Diego, CA 92109

ITH Adventure Hostel San Diego
1658 Front Street
San Diego, CA 92101

Lucky D's Hostel
615 8th Ave
San Diego, CA 92101

USA Hostels San Diego
726 Fifth Ave
San Diego, CA 92101

RESIDENTIAL OUTDOOR EDUCATION FACILITIES (ROEFS) ON THE COAST

While the assessment does not fully address the role of residential outdoor education facilities (ROEFs) in providing overnight stays, we would like to acknowledge the accommodation services ROEFs provide while implementing outdoor environmental education. ROEFs operated by non-profits offer lower-cost accommodations as part of their program curriculum, in which participants, usually students and youth, stay overnight on site while learning about nature and engaging in outdoor activities. ROEFs represent an opportunity for California youth to be able to enjoy the coast and learn about environmental stewardship while staying in dormitory style rooms.

The below list of ROEFs is not comprehensive. For purposes of this assessment, we are only focusing on potential lower-cost coastal accommodations that are within 1.5 miles of the coast. However, there are additional ROEFs located more inland that may include transportation from the facility to the nearest beach or coastal site if their environmental lessons include marine science.

Slide Ranch
2025 Shoreline Hwy
Muir Beach, CA 94965

NatureBridge – Golden Gate
1033 Forth Cronkhite
Sausalito, CA 94965

Call of the Sea
3020 Bridgeway #278
Sausalito, CA 94965

Point Bonita YMCA
981 Fort Barry
Sausalito, CA 94965

Clem Miller Environmental Education Center
1 Bear Valley Road, Bldg 70
Point Reyes Station, CA 94956

Camp Kern Environmental Education Program (KEEP) – Ocean
3350 Pecho Valley Road,
Los Osos, CA, 93402
Point Fermin Outdoor School
Barlow Saxton Road
San Pedro, CA 90731

Malibu Outdoor Science School
11495 E. Pacific Coast Highway
Malibu, CA 90265

Ocean Institute
24200 Dana Point Harbor Dr.
Dana Point, CA 92629

"When I got to the Ocean Institute I had goose bumps all over my arms. I had never seen the ocean and it was a beautiful sight."

GUADALUPE,
OCEAN INSTITUTE'S PROGRAM PARTICIPANT

ACKNOWLEDGEMENTS

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Matthew Armsby, Program Officer, Resources Legacy Fund

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Azul

Bay Area Outreach and Recreation Program

Bay Area Ridge Trail Council

Bike San Gabriel Valley

Brown Girl Surf

Call of the Sea

City of Eureka

City of Laguna Beach

County of Del Norte

County of Humboldt Parks Department

County of Napa Regional Park and Open Space District

County of Santa Barbara Community Services Department

County of Santa Barbara Parks Department

County of San Diego Department of Parks and Recreation

County of San Luis Obispo

County of San Mateo Parks and Recreation

Crystal Cove Conservancy

Dornbusch Associates

Earth Team

El Capitan Canyon Campground and Resort

Fathers and Families of San Joaquin

Fort Ord Hostel Society

From Lot to Spot

Golden Gate National Parks Conservancy

Groundwork San Diego

Hostelling International USA

Jug Handle Farm and Nature Center

Land Trust of Santa Cruz County

Latino Outdoors

Literacy for Environmental Justice

Maurice Robinson and Associates, LLC

Mendocino Woodlands Camp Association

MIG, Inc.

Monterey Peninsula Regional Park District

Mountains Recreation and Conservation Authority

NatureBridge

Nature for All

Ocean Discovery Institute

Ocean Institute

Orange County Coastkeeper

Outdoor Outreach

Peninsula Open Space Trust

Pepperdine University

Pillar Point Harbor District

Point Reyes National Seashore Association

Port of San Diego

Port San Luis Harbor District

Priority Strategies

Project Access

Santa Monica Mountains Conservancy

Shopoff Realty Investment

Smith River Alliance

Sonoma County Agricultural Preservation and Open Space District

Sonoma County Regional Parks

State of Oregon Parks and Recreation Department

Surfrider Foundation

The Nature Conservancy

The Sierra Club

The Wildlands Conservancy

The Wildlife Conservancy

Trust for Public Land

United Camps, Conferences, and Retreats

U.S. Bureau of Land Management

U.S. National Park Service

Ventana Wildlife Society

Wood Environment and Infrastructure Solutions, Inc.

YMCA Point Bonita

Youth Outside

Coastal Conservancy

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C

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Th14g

Filed	8/27/20
180th Day:	2/23/21
Staff:	CP – LB
Staff Report:	1/21/21
Hearing Date:	2/11/21

STAFF REPORT: REGULAR CALENDAR

Application No.:	**5-20-0181**
Applicant:	**B&J Capital Group Investments**
Agent:	Srour and Associates (Attn: Brandon Straus)
Project Location:	70 10th Street, Hermosa Beach, Los Angeles County (APN: 4187-003-019)
Project Description:	Construction of a new 2,742 sq. ft., 3-story 5-unit hotel building and conversion of an existing 1,841 sq. ft. single-family residence to a hotel room for a total of a two-structure hotel with 6 high-cost units.
Staff Recommendation:	Approval with conditions.

SUMMARY OF STAFF RECOMMENDATION

The applicant is proposing to construct a new 2,742 sq. ft., 3-story 5-unit hotel building and convert an existing 1,841 sq. ft. historic single-family residence to a 1-unit hotel to create a two-building hotel with a total of 6 high-cost units. The main issue raised in the application is related to the provision of lower-cost overnight accommodations in the coastal zone.

The Coastal Act requires protection and provision of lower-cost visitor and recreational facilities, including overnight accommodations, pursuant to Section 30213 of the Coastal Act. In past actions, the Commission has required 25% of new higher-cost

visitor accommodations to be provided at lower-cost rates in order to ensure that overnight accommodations in the Coastal Zone are available at a range of price points. In this case, the existing structure is an historical single-family residence and there are currently no visitor-serving facilities on-site; therefore, no lower-cost rooms are being replaced with high-cost rooms. The development of a hotel in this area would fulfill "visitor-serving" use priorities; however, the hotel will not offer lower-cost overnight accommodations. The proposed development is a small, boutique hotel and due to economic constraints, the applicant is not feasibly able to provide on-site lower-cost rooms. Thus, the applicant is proposing 6 high-cost units and is proposing to pay a mitigation fee of $150,000 in-lieu of providing lower-cost rooms. When proposed new high-cost hotels have not included low-cost rooms on-site, the Commission has, in some past actions, required an in-lieu fee to ensure that lower-cost rooms can be constructed off-site in the region in which the high-cost hotel is being constructed. Such in-lieu mitigation must be sufficient to ensure that lower-cost units can actually be constructed with such funds. Recent evidence indicates that new lower-cost rooms cost approximately $100,000 per room to construct, not including land costs.

To ensure that overnight accommodations are available at a range of price points in the coastal zone, **Special Condition 1** requires the applicant to submit an in-lieu mitigation fee of $150,000, paid prior to the issuance of the of the Certificate of Occupancy for the hotel, or within 3 years of Coastal Commission approval, whichever is sooner, and ensures that the funds will be directed toward the State Coastal Conservancy, to support expanding availability of lower-cost overnight visitor accommodations in the coastal zone. The preferred use of the in-lieu fee is for the provision of low-cost rooms; however, the condition was written broadly to allow for any form of lower-cost visitor accommodation. As conditioned, the proposed development will increase the amount of visitor-serving opportunities in the coastal zone and also contribute toward providing lower-cost accommodations.

The construction of the two-building hotel allows for four on-site parking spaces, one regular parking space, two tandem parking spaces, and one Americans with Disabilities Act (ADA) parking space. The City has required the applicant to pay an in-lieu fee, in the amount $28,900 per required parking space not provided on-site. Therefore, the applicant has agreed to purchase from the City of Hermosa Beach 2 in-lieu parking fees totaling $57,800 as mitigation for the 2 parking spaces**.** The fee will be deposited into an established fund that will be used for future construction of public parking opportunities near the beach in Downtown Hermosa Beach. All costs associated with the relocation of on-street parking spaces, meters, and signage are at the expense of the applicant. In addition, two of the hotel units are required to be vehicle-free whenever the property is more than 65% occupied. The proposed project will not result in the reduction of any on-street parking spaces. As proposed by the applicant, hotel guests will also be given a 10% discount if they stay at the property without a vehicle, the applicant will provide an electric vehicle that can be used by hotel guests, and there will be an electric vehicle charging station provided on-site for guest use.

The Commission certified the City's LUP in 1982. However, the City does not yet have a certified Local Coastal Program (LCP). Therefore, the standard of review for this project

is Chapter 3 of the Coastal Act and the certified Land Use Plan (LUP) for Hermosa Beach provides guidance.

Commission staff recommends that the Commission **APPROVE** coastal development permit application 5-20-0181, as conditioned. The motion is on page 5. The standard of review is Chapter 3 of the Coastal Act.

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Exhibit 2 – Site Plans

Exhibit 3 – Hermosa Certified LUP Map

Exhibit 4 – Feasibility Analysis

Exhibit 5 – Cost-Per-Sq. Ft. Analysis from Applicant

Exhibit 6 – Parking Constraints of the Proposed Development

I. MOTION AND RESOLUTION

Motion:

I move that the Commission approve Coastal Development Permit No. 5-20-0181 pursuant to the staff recommendation.

Staff Recommendation of Approval:

Staff recommends a **YES** vote on the foregoing motion. Passage of this motion will result in approval of the permit as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution to Approve the Permit:

The Commission hereby approves a coastal development permit for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.

II. STANDARD CONDITIONS

1. **Notice of Receipt and Acknowledgment**. The permit is not valid and development shall not commence until a copy of the permit, signed by the applicant or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.

2. **Expiration**. If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.

3. **Interpretation**. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.

4. **Assignment**. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.

5. **Terms and Conditions Run with the Land**. These terms and conditions shall be perpetual, and it is the intention of the Commission and the applicant to bind all future owners and possessors of the subject property to the terms and conditions.

III. SPECIAL CONDITIONS

1. **Lower-Cost Overnight Accommodations Mitigation Fee.** Prior to the issuance of the of the Certificate of Occupancy for the hotel, or within 3 years of Coastal Commission approval of this permit, whichever is sooner, the applicant shall pay the mitigation fee for 25% of the number of high-cost rooms developed on-site, totaling $150,000. The Executive Director may extend this deadline for good cause.

    A. The $150,000 in-lieu fee shall be deposited into an interest-bearing account(s), to be established and managed by the California State Coastal Conservancy (the “Conservancy”).
    B. Prior to expenditure of any funds contained in this account, the Executive Director shall review and approve, in writing, the proposed use of the funds as being consistent with the intent and purpose of this condition. The Conservancy shall use the funds to support expanding availability of lower-cost overnight visitor accommodations, such as lower-cost hotel rooms, hostel beds, tent campsites, cabins or campground units, at appropriate locations within the coastal area of Hermosa Beach or the greater Los Angeles County coastal area, or a similar project to promote access to the coast.
    C. The in-lieu fee will be transferred to the Conservancy; therefore, the funds shall be used pursuant to the existing MOU between the Coastal Commission and the Conservancy, dated August 2018, and for the purposes described in subsection B, above. In addition, at least thirty days prior to the transfer of the funds, the Permittee shall provide the Conservancy with any documentation necessary to the Conservancy, including information needed to effectuate transfer of the Funds to the Conservancy, unless the Permittee receives a waiver of this requirement in writing from the Conservancy’s Executive Officer.

2. **Storage of Construction Materials, Mechanized Equipment and Removal of Construction Debris.** The applicant shall comply with the following construction related requirements:

    A. No demolition or construction materials, debris, equipment or waste shall be placed or stored in any location where it may enter or impact sensitive habitat areas, streams, wetlands, receiving waters or a storm drain, or be subject to wave, wind, rain, or tidal erosion and dispersion.

B. The permittee shall employ Best Management Practices (BMPs) to ensure that erosion is minimized and the sea is protected from sedimentation.
C. Any and all debris resulting from demolition or construction activities shall be removed from the project site within 24 hours of completion of the project.
D. Demolition or construction debris and sediment shall be removed from work areas each day that demolition or construction occurs to prevent the accumulation of sediment and other debris that may be discharged into coastal waters.
E. All trash and debris shall be disposed in the proper trash and recycling receptacles at the end of every construction day.
F. The applicant shall provide adequate disposal facilities for solid waste, including excess concrete, produced during demolition or construction.
G. Debris shall be disposed of at a legal disposal site or recycled at a recycling facility. If the disposal site is located in the coastal zone, a coastal development permit or an amendment to this permit shall be required before disposal can take place unless the Executive Director determines that no amendment or new permit is legally required.
H. All stock piles and construction materials shall be covered, enclosed on all sides, shall be located as far away as possible from drain inlets and any waterway, and shall not be stored in contact with the soil.
I. Machinery and equipment shall be maintained and washed in confined areas specifically designed to control runoff. Thinners or solvents shall not be discharged into sanitary or storm sewer systems.
J. The discharge of any hazardous materials into any receiving waters shall be prohibited.
K. Spill prevention and control measures shall be implemented to ensure the proper handling and storage of petroleum products and other construction materials. Measures shall include a designated fueling and vehicle maintenance area with appropriate berms and protection to prevent any spillage of gasoline or related petroleum products or contact with runoff. The area shall be located as far away from the receiving waters and storm drain inlets as possible.
L. Best Management Practices (BMPs) and Good Housekeeping Practices (GHPs) designed to prevent spillage and/or runoff of demolition or construction-related materials, and to contain sediment or contaminants associated with demolition or construction activity, shall be implemented prior to the on-set of such activity
M. All BMPs shall be maintained in a functional condition throughout the duration of construction activity.

3. **Public Access.** The permittee shall ensure that public access to the nearby beach and coastal access off of 10th Street is not inhibited by the construction or operation of the development.

4. **General Occupancy Agreement.** BY ACCEPTANCE OF THIS PERMIT, the applicant agrees that all hotel facilities shall be open to the general public. No

timeshare or other fractional ownership or long-term occupancy of units is permitted without an amendment to this permit. No rooms shall be rented for more than 30 consecutive days. Rooms shall be rented in accordance with any local government limitations on length of hotel stay.

5. **Compliance with Local Conditions Approval.** All conditions imposed by the City under legal authority other than the Coastal Act continue to apply.

6. **Deed Restriction.** PRIOR TO ISSUANCE OF THIS COASTAL DEVELOPMENT PERMIT, the applicant shall submit to the Executive Director for review and approval documentation demonstrating that the landowner has executed and recorded against the parcel(s) governed by this permit a deed restriction, in a form and content acceptable to the Executive Director: (1) indicating that, pursuant to this permit, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of that property; and (2) imposing the special conditions of this permit as covenants, conditions and restrictions on the use and enjoyment of the Property. The deed restriction shall include a legal description of the entire parcel or parcels governed by this permit. The deed restriction shall also indicate that, in the event of an extinguishment or termination of the deed restriction for any reason, the terms and conditions of this permit shall continue to restrict the use and enjoyment of the subject property so long as either this permit or the development it authorizes, or any part, modification, or amendment thereof, remains in existence on or with respect to the subject property.

IV. FINDINGS AND DECLARATIONS

A. Project Location and Description

The subject site is located at 70 10th Street, within the City of Hermosa Beach, in Los Angeles County **(Exhibit 1)**. The site is currently developed with an historic two-story single-family residence of 1,841 sq. ft that was built in 1910. The lot is 4,025 sq. ft. and is located approximately 400 feet from the inland extent of the beach. The site is directly adjacent to residential uses along its western and southern borders and commercial uses to the north and east of the project location. The site is zoned C-2 (Restricted Commercial) and the City of Hermosa Beach's certified Land Use Plan (LUP) designation is General Commercial **(Exhibit 3)**.

The applicant proposes to construct a new 2,742 sq. ft., three-story 5-unit hotel building and convert the existing two-story, 1,841 sq. ft. single-family residence to a single-unit hotel for a total of a two-building hotel with 6 high-cost units **(Exhibit 2)**. The conversion of the existing single-family residence would result in a beach bungalow hotel unit that is 1,841 sq. ft. The proposed beach bungalow hotel unit would have two bedrooms, two bathrooms, a living room, a dining room, a full kitchen, and a laundry room with a washer and dryer. The five other units would be in the new three-story building that is proposed to have the same architectural design and style as the beach bungalow. The applicant has worked with a historical consultant to design a 5-unit structure behind the

existing historic single-family residence that the applicant contends will complement the existing historic single-family residence's original architecture. Each of the five units in the new building would be approximately 550 sq. ft., inclusive of a bedroom and bathroom. The applicant is proposing 4 on-site parking spaces and to pay in-lieu fees for 2 parking spaces to the City of Hermosa Beach. The applicant is also proposing to install a bicycle rack that can accommodate at least 8 bicycles and to provide a minimum of four shared bicycles to be provided on-site for hotel guests. In addition, the applicant is proposing to give hotel guests a 10% discount if they stay at the property without a vehicle, the applicant will provide an electric vehicle that can be used by hotel guests, and there will be an electric vehicle charging station provided on-site. The hotel will be managed by an off-site local real estate broker and property management firm and will use a local cleaning service that offers drop-off and pick-up of cleaning staff thus eliminating the need for staff parking spaces on-site.

B. Lower-cost Overnight Accommodations

Section 30213 of the Coastal Act states:

> Lower-cost visitor and recreational facilities shall be protected, encouraged, and where feasible, provided. Developments providing public recreational opportunities are preferred. The commission shall not: (1) require that overnight room rentals be fixed at an amount certain for any privately owned and operated hotel, hotel, or other similar visitor-serving facility located on either public or private lands; or (2) establish or approve any method for the identification of low or moderate income persons for the purpose of determining eligibility for overnight room rentals in any such facilities.

Section 30222 of the Coastal Act states:

> The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

Sections 30213 and 30222 of the Coastal Act establish a higher priority for visitor serving and recreational uses over lesser priority uses such as residential, industrial, or general commercial. These policies prioritize visitor serving uses within the coastal zone. Section 30213 requires permitted development to protect, encourage and, where feasible, provide lower-cost visitor and recreational facilities. There are numerous examples of the Commission applying this policy to protect and provide lower-cost overnight accommodations for the visiting public with new development applications for overnight accommodations. In order to protect a range of overnight accommodations in the coastal zone, the Commission has interpreted this policy to require that when new overnight accommodations are proposed, the accommodations will provide facilities that serve people with a range of incomes, including lower economic means, or will otherwise provide for lower-cost overnight accommodations.

Overnight Accommodations Trends

Historically, the Commission has approved new hotel developments along the coastline because they are visitor-serving facilities. These hotels, however, are often exclusive because of their high room rates, particularly in recent years. The Commission has required mitigation for the use of land that would have been available for lower-cost and visitor-serving facilities (NPB-MAJ-1-06 Part A).[1] The Commission has approved projects and LCP amendments that require that development of overnight accommodations provide facilities which serve the public with a range of incomes HNB-MAJ-2-06 (Huntington Beach-Timeshares)[2]; A-6-PSD-8-04/101 (San Diego-Lane Field)[3]; A-5-RPV-2-324 (Rancho Palos Verdes-Long Point)[4]; RDB-MAJ-2-08 (Redondo Beach)[5]; SBV-MAJ-2-08 (Ventura)[6]; 5-98-156- A17[7] (Long Beach-Pike Hotel); LOB-MAJ-1-10 (Long Beach-Golden Shore).[8] If the development does not provide for a range of affordability on-site, the Commission has required off-site mitigation, such as payment of an in-lieu mitigation fee, to fund construction of lower-cost overnight accommodations such as hostels, RV parks, and campgrounds.[9]

As more high-cost hotels are developed, the remaining lower-cost to moderate-cost hotel accommodations in the coastal zone tend to be older structures that become less economically viable as time passes. Further, as more redevelopment occurs, the stock of lower-cost overnight accommodations tends to be reduced, since it is often more lucrative for developers to replace these structures with higher-cost accommodations. Commission staff prepared a 2016 study of Low-cost Visitor Accommodations, which reviewed statewide data about overnight accommodations lost in the coastal zone since 1989. In its report to the Commission in November 2016, staff found that out of six "cost" categories ranging from "economy" to "luxury," a total of 24,720 economy rooms were lost, compared to 11,247 rooms of the remaining five classes. Economy rooms have been lost over the same time period at over twice the rate of all other cost categories combined. Thus, all told, nearly 70% of all rooms that have been lost since 1989 have been economy rooms, whereas less than 10% of the rooms lost have been in the upscale and luxury categories, and less than 0.2% have been lost in the luxury category. Such trends have made it that much more difficult for lower-cost visitors to

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[1] https://documents.coastal.ca.gov/reports/2007/7/T14a-7-2007.pdf
[2] https://documents.coastal.ca.gov/reports/2007/4/W13a-4-2007.pdf
[3] https://documents.coastal.ca.gov/reports/2009/1/Th13a-1-2009.pdf
[4] https://documents.coastal.ca.gov/reports/2003/8/Th17c-8-2003.pdf
[5] https://documents.coastal.ca.gov/reports/2009/7/Th11a-7-2009.pdf
[6] https://documents.coastal.ca.gov/reports/2009/11/Th11b-11-2009.pdf
[7] https://documents.coastal.ca.gov/reports/2009/12/W18a-12-2009.pdf
[8] https://documents.coastal.ca.gov/reports/2011/6/Th18a-6-2011.pdf
[9] https://documents.coastal.ca.gov/reports/2020/6/F18a/F18a-6-2020-report.pdf; https://documents.coastal.ca.gov/reports/2014/2/Th16e-2-2014.pdf; https://documents.coastal.ca.gov/reports/2015/10/w9a-10-2015.pdf

access the coast. This is particularly true for visitors traveling from inland locations that cannot easily make the trip to the coast and back home again in a single day.

Although statewide demand for lower-cost accommodations in the coastal zone is difficult to quantify, there is no question that low-cost hotels, camping, and hostel opportunities are in high demand in coastal areas, and that there is an on-going need to provide more lower-cost opportunities along California's coast. In a survey conducted in an assessment of low-coast over-night accommodations, "…respondents cited financial concerns as the primary reason they do not stay overnight at the coast. Over 45% of Californians said that overnight accommodations at the coast were inconvenient or unaffordable."[10]

The reduction in low- and moderate-cost overnight accommodations in the coastal zone is an environmental justice issue. The Commission's Environmental Justice Policy, adopted in March 2019, states in part "…the conversion of lower-cost visitor-serving facilities to high-cost facilities is also a barrier to access for those with limited income, and contributes to increased coastal inequality." In light of the trend in the market to provide luxury hotels, as well as the demolition of existing lower-cost hotels and hotels along the coast, it is becoming increasingly important to protect and provide lower-cost overnight accommodations in the coastal zone as required by Section 30213 of the Coastal Act. With far fewer low-cost lodging facilities, a large segment of the population will be effectively excluded from overnight stays at the coast. "Financial reasons" was listed as the number one barrier to staying overnight at the coast, as identified by respondents to a State Coastal Conservancy-commissioned survey in 2017. By forcing this economic group to lodge elsewhere (or to stay at home), there is an adverse impact on the public's ability to access the beach and coastal recreational areas. Therefore, by protecting and providing low-cost lodging for the price-sensitive visitor, a broader segment of the population will have the opportunity to visit the coast.

In order to protect and provide for lower-cost visitor-serving facilities, the Commission has imposed in-lieu mitigation fees on development projects that remove existing facilities and/or propose only new high cost overnight accommodations, or change the land use to something other than overnight accommodations. By requiring such mitigation, a method is provided to assure that at least some lower-cost overnight accommodations will be protected and/or provided.

As the trend to demolish or convert low-cost hotels continues, and most newly constructed hotels are designed and marketed as high cost products, persons of low and moderate incomes will make up fewer of the guests staying overnight in the coastal zone. Without more low and moderate-cost lodging facilities, a significant segment of the population will be excluded from overnight stays at the coast. Access to coastal

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[10] To address the need for affordable coastal accommodations, in 2017 the California State Legislature enacted AB 250 which created the State Coastal Conservancy's Explore the Coast Overnight Program and called for the preparation of a Lower-Cost Coastal Accommodations Assessment (https://scc.ca.gov/webmaster/ftp/pdf/sccbb/2019/1903/20190314Board04E_ETCO-Report.pdf)

recreational facilities, such as beaches, harbors, piers, and special coastal communities, is enhanced when lower-cost and moderate-cost overnight lodging facilities exist to serve a broad segment of the population.

Defining Lower-cost

The first step to implement Coastal Act 30213 requirements is to define what is and is not a lower-cost unit. In a constantly changing market, it can be difficult to define what price point constitutes low-, moderate-, and high-cost accommodations for a given area. As such, the Commission has utilized different approaches over time to define such terms, including by considering the unique factual circumstances for each particular project. In previous actions, the Commission has addressed what are appropriate terms for defining lower-cost and high-cost hotels, including applying a quantitative methodology for determining what is considered "lower-cost." The formula is based on California hotel and motel accommodations (single room up to double occupancy), and does not account for hostels, RV parks, campgrounds or other alternative accommodations into the equation, as these facilities do not typically provide the same level of accommodation as hotels and motels. Rather, hostels and campgrounds are generally inherently lower-cost, and are the type of facilities that a mitigation measure for the loss of lower-cost overnight accommodations might require.

The formula calculates the average daily peak rate (generally July and August) of lower-cost hotels and motels based on the average daily rates of hotels and motels across the entire State of California. Under this formula, lower-cost is determined as the average daily room rates for all hotels within a specific area that have a room rate 75% less than the statewide average daily room rate. To obtain data inputs for the formula, statewide average daily room rates (ADR) are collected monthly by Smith Travel Research (STR) and are available on the "Visit California" webpage. To be most useful, peak season (summer) rates for standard, double occupancy rooms are utilized for the formula, and to ensure that the lower-cost hotels and motels surveyed meet a minimally acceptable level of quality, including safety and cleanliness, standard use of the formula only includes AAA Auto Club-rated properties, that are rated one- and two-diamond rated hotels. Once the low-cost rate is identified, the Commission has determined that the high-cost rates are generally prices 125% higher than the statewide average daily room rate. By definition, the hotel rooms that are more expensive than the low-cost room rate as calculated, but less expensive than the high-cost room rate as calculated, qualify as moderate-cost rooms. In other words, if $100 was the statewide average room rate, and low-cost rooms were determined to be 25% less (or $75), then high cost would be defined as those rooms 125% above the statewide average, or $125. The moderate-cost rooms would range between $75 to $125.

After defining the project as low-, moderate-, or high-cost, the Commission must next determine how many, if any, lower-cost rooms/units should be provided for a given project as mitigation for impacts to lower-cost visitor accommodations caused by the proposed development. In past projects, the Commission has found that one way to protect lower-cost accommodations, as required by section 30213, is to ensure that at least 25% of the number of new proposed high-cost rooms are lower-cost. In other

words, 25% of the proposed high-cost rooms must be reserved at the identified low-cost rate. Although the provision of on-site lower-cost accommodations is superior, if on-site provision is found to be infeasible, the Commission has alternatively required "in-lieu" mitigation payments for the construction of an equivalent number of lower-cost rooms/units (such as hostel beds) off-site. The funds are paid into an account managed by an appropriate entity, including the local government, State Coastal Conservancy, California State Parks, Hostelling International, or a similar agency familiar with low-cost accommodations management, to ensure that such funds are spent on new lower-cost units, including new campground and hostel facilities.

First, using the Commission's methodology, as described above, to define the low-cost room price threshold, Commission staff obtained statewide peak season (July 2019 and August 2019) average daily room rates (ADR) collected monthly by Smith Travel Research (STR) and available on the "Visit California" webpage, which were $172.66 for July 2019 and $173.85 for August 2019. The average daily room rates for the year 2019 are being used since the average daily room rates for 2020 have dropped significantly due to the COVID-19 pandemic and would not correctly identify that average daily room rate under non pandemic circumstances. Using the July 2019 ADR, the low-cost rate is $129.50, high-cost rate is $215.83, and the moderate-cost is between $129.51 and $215.82. Using the August 2019 ADR, the low-cost rate is $130.39, high-cost rate is $217.31, and the moderate-cost is between $130.39 and $217.30. Taking an average from both July 2019 and August 2019, the statewide rate is: July/August 2019 ADR is $173.26; the low-cost rate is $129.95, high-cost rate is $216.57, and the moderate-cost is between $129.95 and $216.57.

All of the proposed rooms of the subject application are high-cost based on the ADR discussion above. Since all 6 rooms are proposed to be high-cost, the new visitor-serving accommodation, as proposed, does not adequately protect lower cost visitor-serving accommodations. The applicant contends that it is not able to provide on-site low-cost accommodations based on the projected finances for the proposed development.

For the subject application, Commission staff requested that the applicant submit a feasibility study to incorporate lower-cost overnight accommodations into the project. The applicant responded with a feasibility analysis which analyzed the projected net income for the hotel, assuming three sets of room rates and three vacancy rates (a total of nine scenarios); however, the analysis did not provide the feasibility of incorporating any lower-cost rooms. Commission staff confirmed with the applicant that there were a few errors in the analysis and requested a corrected analysis; however, the applicant did not provide the corrected analysis. Thus, Commission staff corrected the errors and conducted an analysis of the economic feasibility of providing 1 on-site low-cost room. The initial feasibility analysis, the corrected feasibility analysis and the incorporation of 1 on-site low-cost accommodations is shown as **Exhibit 4**.

The analysis indicates that provision of 1 low-cost unit would result in net negative operating income in seven of the nine scenarios of the various room and vacancy rates (the two scenarios that showed a positive annual operating income utilized room rates

of $625 and $675 for the beach bungalow and $300 and $325 for the standard rooms as well as 85% occupancy throughout the year). It should be noted that the room rates provided by the applicant in the initial feasibility analysis (and then used in staff's analysis) have not been finalized by the applicant; therefore, the conclusions from the applicant's and staff's analyses are approximations only. Provision of a low-cost room on-site would result in negative operating income, except for in the two most optimistic scenarios; however, it is difficult to forecast the economic feasibility of the proposed project given the current economic downturn and without confirmed nightly room rates from the applicant. Thus, provision of a low-cost hotel unit would potentially not be feasible from an economic perspective. Given that it appears infeasible to provide lower-cost accommodations on-site, it appears that off-site mitigation is appropriate in this case.

Beach Bungalow Hotel Unit

The applicant contends that the beach bungalow unit is being offered at a lower price than other hotels in Hermosa Beach using a cost-per-sq. ft. analysis. As previously mentioned, this unit can sleep up to 8 people, is 1,814 sq. ft., has 2 bedrooms and 2 bathrooms, a living room, a dining room, a full kitchen, and a laundry room with a washer and dryer. Although there is no Commission precedent for determining if a hotel is defined as low-cost using a cost-per-sq. ft. analysis, the applicant provided a market comparison of the proposed development's proposed nightly room rates on a sq. ft. basis with rates charged for hotels within Hermosa Beach **(Exhibit 5)**. The comparison shows that the cost-per-sq. ft. for the proposed hotel rooms, the standard five rooms and the beach bungalow, have an average cost of $.54/sq. ft. per day and $.34/sq. ft. per day, respectively. The analysis shows that the range of average cost-per-sq. ft. for other hotels in Hermosa Beach range from $.36/sq. ft. per day to $.92/sq. ft. per day.[11] Thus, on a cost-per-sq. ft. basis, the standard rooms (5 units) fall within range of the other hotels in the area, and the beach bungalow is below that range. However, it should be noted that this analysis, while it does provide an estimate of the costs per sq. ft. for the subject units relative to other units in the area, the cost of the units as proposed by the applicant are still high-cost. Even though the rooms may be reasonably priced according to other hotels in the area, the applicant's price per night range does not provide a low-cost room on-site and does not fulfill the Coastal Act 30213 requirement to protect, encourage or provide lower-cost visitor and recreational facilities. For example, a family from a low-income census tract may simply not be able to afford $575-$675 a night, regardless of it accommodating up to 8 people. Therefore,

[11] Specifically, the analysis shows that the Quality Inn and Suites at 901 Aviation Blvd. has an average cost of $.36/sq. ft. per day; the Sea Sprite Hotel at 1016 The Strand has an average cost of $.50/sq. ft. per day; the Grandview Inn at 55 14th St. has an average cost of $.51/sq. ft. per day; the Holiday Inn Express at 125 Pacific Coast Hwy has an cost of $.55/sq. ft. per day; the Hampton Inn & Suites at 1530 Pacific Coast Hwy has an average cost of $.58/sq. ft. per day; the H20 Hotel at 1429 Hermosa Ave. has an average cost of $.69 per sq. ft. per day; the Beach House at 1300 The Strand has an average cost of $.80/sq. ft. per day; and Hotel Hermosa at 2515 Pacific Coast Hwy has an average cost of $.92/sq. ft. per day.

the results of the analysis are helpful to compare the proposed development's hotel units to other hotel units in the area; however, the applicant is not proposing to provide low-cost rooms on-site according to the formula mentioned above (25% less than statewide ADR) due to the economic constraints.

Additionally, staff conducted a short term rental analysis to compare the beach bungalow unit's rates (the applicant approximated the nightly rates at $575, $625 and $675) to other rates charged for 2-bedroom and 3-bedroom units located within approximately a block from the beach in Hermosa Beach. It should be noted that short term rentals are not necessarily lower-cost accommodations and there is no average daily room rate for these types of accommodations. It is nevertheless reasonable to do this analysis for the beach bungalow, as it provides a comparison to other short-term rental units in the area that also offer larger, family-style accommodations with more than one bedroom and full kitchens. The analysis found that the average nightly rate for a 2-bedroom or 3-bedroom short-term rental in Hermosa Beach (of the 7 units analyzed from AirBnB and VRBO) was $485 in the peak season and $368 in the off season.[12] Both of these prices (peak and off season) are below the approximate nightly room prices of $575, $625 and $675 for the proposed beach bungalow. As mentioned before, there are no average daily room rates for these types of accommodations, but the analysis shows that the proposed room rates are still higher than other similar accommodations in the area. A similar conclusion about the cost per sq. ft. analysis can be made here: a family from a low-income census tract may simply not be able to afford $575-$675 per night, even though it is a larger unit than a traditional hotel and is able to accommodate up to 8 people.

Mitigation Requirement

The Commission has found in past actions that, under most circumstances, for high-cost overnight visitor accommodations where low-cost alternatives are not included on-site, a fee may be used to compensate for the fact that at least 25% of the rooms on-site are not being provided as lower-cost rooms.[13] The proposed project includes 6 new high-cost units; therefore, mitigation would be for 1.5 rooms (25% of 6 rooms is 1.5 rooms). The applicant is not able to provide any low- or moderate-cost rooms on-site (all units are proposed at nightly prices approximated well above the high-cost $216.36 ADR threshold); therefore, in order to protect lower-cost accommodations in the coastal zone, the applicant is required to provide an in-lieu fee sufficient to provide 1.5 lower cost rooms off-site. In 2015, the Commission's consultant estimated a construction cost of $100,000 per motel room (excluding land costs), with each motel room requiring 250

[12] Rates do not include any discounts offered, the cleaning fee nor the service fee.

[13] 5-14-1785 (https://documents.coastal.ca.gov/reports/2015/10/w9a-10-2015.pdf); 6-13-0407 (https://documents.coastal.ca.gov/reports/2014/2/Th16e-2-2014.pdf);

square feet of land area.[14] Thus, to mitigate for 1.5 rooms, the mitigation fee would be $150,000.[15] In this case, the proposed development is a small, boutique hotel which will convert an existing single-family residence to a visitor-serving use. As previously discussed, it is not economically feasible for any of the units on-site to be offered as lower-cost units. Thus, **Special Condition 1** requires the applicant to submit an in-lieu mitigation fee of $150,000, paid prior to the issuance of the of the Certificate of Occupancy or within 3 years of Coastal Commission approval, whichever is sooner, and ensures that the funds will be directed toward the State Coastal Conservancy, to support expanding availability of lower-cost overnight visitor accommodations in the coastal zone. The preferred use of the in-lieu fee is for the provision of low-cost rooms; however, the condition was written broadly to allow for any form of lower-cost visitor accommodation.

Only as conditioned can the proposed development be found to be consistent with Section 30213 of the Coastal Act.

C. Public Access

Section 30210 of the Coastal Act states:

> In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.

Section 30211 of the Coastal Act states:

> Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

Section 30220 of the Coastal Act states:

> Coastal areas suited for water-oriented recreational activities that cannot readily be provided at inland water areas shall be protected for such uses.

Section 30253(d) of the Coastal Act states, in relevant part:

> New development shall do all of the following:

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[14] Refer to Exhibit 6 in 5-18-0872 (https://documents.coastal.ca.gov/reports/2020/6/F18a/F18a-6-2020-exhibits.pdf)

[15] 25% of the 6 high cost rooms * $100,000 per room (0.25*6*$100,000) =$150,000

(d) Minimize energy consumption and vehicle miles traveled.

The downtown beach pier area (close to the proposed development) in Hermosa Beach is a major visitor destination for recreational purposes. Public access to Hermosa Beach is available approximately 400 feet west of the proposed development on 10th Street. The proposed development will not interfere with the public's ability to access the coast by foot or bicycle, however, for those traveling by car, public access to the coast is largely limited by the amount of on-street parking.

The applicant provided a parking demand analysis for the proposed development. According to a Parking and Traffic consultant to the City of Hermosa Beach, peak parking demand for motel uses typically occurs during overnight hours from 9:00 p.m. to 10:00 a.m. daily. [16] Motel uses have peak times which coincide with times of the week where public parking is more available when compared to general retail and office uses. The nearest public surface parking lot, which contains 130 parking spaces, is located approximately 1 block (300 feet) away from the proposed development at 1101 Hermosa Avenue (Lot A). Lot B contains 37 parking spaces and is located north of 13th Court, between Hermosa Avenue and Beach Drive, and is approximately two-and-a-half blocks (750 feet) away. The public parking structure containing 261 parking spaces located at 13th Street and Hermosa Avenue (Lot C) is located approximately 3 blocks (900 feet) away. The overall public parking lot occupancy for Lots A, B and C is between 79% to 95% during weekday evenings and weekend afternoons. Public parking spaces are provided throughout the Downtown, which is located within Zone 2 of the coastal zone public parking supply (between 16th Street and 8th Street and as far east as Ardmore Avenue). In Zone 2, through a combination of public parking lots and metered street parking spaces, occupancy rates range between 51% and 62% during weekday evenings and weekend afternoons.

Additionally, the applicant contends that there are rideshare (i.e., Uber and Lyft) and bus lines which may provide parking relief options for hotel occupants. Specifically, there are the bus lines 130 and 109, which have stops along Hermosa Avenue. A Parking Analysis conducted for the proposed Strand and Pier Hotel project (11 and 19 Pier Ave., 1250 and 1272 The Strand, and 20, 30, and 32 13th St.) indicated through traffic counts for the next door Beach House Hotel (containing 96 rooms) that during the Friday evening peak hour (June 23, 2017), there were 12 Uber/Lyft trips (approximately 35% of the total trips) which suggests that a large portion of motel guests may arrive via Uber/Lyft.

While the certified LUP does not have specific requirements for the amount of parking spaces required with the proposed development, the Hermosa Beach Municipal Code (HBMC) requires motels to provide one parking space for each unit. The proposed project will consist of six motel units, which requires a total of six parking spaces. HBMC

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[16] It should be noted that the proposed development is considered a hotel to the applicants; however, they used the word "motel" in the parking demand analysis.

Section 17.44.040 (E) 2.b. requires building sites exceeding a 1:1 gross floor area to building site area ratio to provide a minimum of 25% of the required parking on-site, with the remaining required parking authorized to be paid through in-lieu fee contributions with approval of a parking plan. In order to protect public access, the new development must provide sufficient parking to ensure that hotel visitors do not take parking spaces that would otherwise be available for coastal access. Although not part of the Commission's standard of review, it is reasonable to look to the City's municipal code to assess the amount of parking that would be needed for this type of new development. Thus, **Special Condition 5** requires that the applicant follow all the conditions imposed by the City, including the parking plan. The applicant will provide 4 on-site parking spaces and pay an in-lieu fee for the other 2 parking spaces (the 2 parking spaces will not fit on-site as shown in **Exhibit 6**). The applicant has agreed to pay the City of Hermosa Beach the in-lieu fees, in the amount $28,900 per required parking space not provided on-site (totaling $57,800 as mitigation for the 2 parking spaces). The fee will be deposited into a fund that will be used for future construction of public parking opportunities near the beach in Downtown Hermosa Beach. All costs associated with the relocation of on-street parking spaces, meters, and signage are at the expense of the applicant. In addition, two of the hotel units are required to be vehicle-free whenever the property is more than 65% occupied. Guests will also be given a 10% discount if they stay at the property without a vehicle. The applicant also states that an electric vehicle will be provided on-site for hotel guests as well as an electric vehicle charging station, consistent with 30253(d) of the Coastal Act to minimize energy consumption.

The applicant is also proposing to install a bicycle rack that can accommodate at least 8 bicycles and to provide a minimum of four shared bicycles to be provided on-site for hotel guests. All rooms will have keyless entry and the applicant proposes that this type of entry eliminates the need for 24-hour on-site registration staffing. The hotel will be managed by an off-site local real estate broker and property management firm and will use a local cleaning service that offers drop-off and pick-up of cleaning staff, thus eliminating the need for staff parking spaces on-site.

Additionally, **Special Condition 4** is required to ensure that all hotel rooms shall be available to the general public and not privatized by long-term occupancy or otherwise restricted from public use.

The Commission therefore finds that the proposed project, as conditioned, is consistent with the coastal access and recreation sections (Sections 30210, 30211, and 30220) of the Coastal Act.

D. Marine Resources and Water Quality

Section 30230 of the Coastal Act states:

> Marine resources shall be maintained, enhanced, and where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will

> maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.

Section 30231 of the Coastal Act states:

> The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

The proposed hotel building is new development, which affords an opportunity to improve water quality. Much of the pollutants entering the ocean come from land-based development. The Commission finds that it is necessary to minimize to the extent feasible within its jurisdiction the cumulative adverse impacts on water quality resulting from incremental increases in impervious surface associated with additional development. Reductions in the amount of pollutants in the existing runoff would be one step to begin to reduce cumulative adverse impacts to coastal water quality. As such, appropriate measures must be taken to assure that adverse effects on water quality are minimized.

The proposed development has a potential for a discharge of polluted runoff from the project site into coastal waters. Due to this, the Commission has imposed **Special Condition 2**, which requires the applicant to comply with construction requirements related to storage of construction materials, mechanized equipment and removal of construction debris.

E. Deed Restriction

To ensure that any prospective future owners of the property are made aware of the applicability of the conditions of this permit, the Commission imposes **Special Condition 6**, which requires that the property owner record a deed restriction against the property, referencing all of the above Special Conditions of this permit and imposing them as covenants, conditions and restrictions on the use and enjoyment of the Property. Thus, as conditioned, this permit ensures that any prospective future owner will receive actual notice of the restrictions and/or obligations imposed on the use and enjoyment of the land in connection with the authorized development, including the risks of the development and/or hazards to which the site is subject, and the Commission's immunity from liability.

F. Local Coastal Program

Section 30604(a) of the Coastal Act states:

> Prior to certification of the Local Coastal Program, a Coastal Development Permit shall be issued if the issuing agency, or the Commission on appeal, finds that the proposed development is in conformity with the provisions of Chapter 3 (commencing with Section 30200) of this division and that the permitted development will not prejudice the ability of the local government to prepare a local coastal program that is in conformity with the provisions of Chapter 3 (commencing with Section 30200).

The Commission conditionally certified the City of Hermosa Beach Land Use Plan on August 19, 1981. The Land Use Plan (LUP) was effectively certified with suggested modifications on April 21, 1982. The modifications were accepted and the LUP is certified. The City submitted a final draft of its zoning and implementation ordinances (LIP) and a revision to their LUP in 2000. The amendment and Implementation ordinance was scheduled for public hearing and Commission action at the October 8, 2001 meeting, but the City withdrew. Therefore, these have not been certified and the standard of review for development in Hermosa Beach is still the Coastal Act.

After initial certification, the Commission processed two amendments that allowed mixed commercial uses in downtown and reduced parking standards to reflect the high number of downtown restaurants and the number of public parking lots. The City determined that enough area has been identified for visitor serving uses and decided to encourage business use, as well as visitor-serving, uses in the downtown. The Commission supported this decision due to the high numbers of existing visitor serving uses in the Hermosa Beach downtown area. The proposed project meets the basic zoning requirements of the C-2 zone (Restricted Commercial) and fulfills another visitor-serving use in the Downtown area.

As conditioned, the proposed development is consistent with Chapter 3 of the Coastal Act and with the certified Land Use Plan for the area. Approval of the project, as conditioned, will not prejudice the ability of the local government to prepare an LCP that is in conformity with the provisions of Chapter 3 of the Coastal Act.

G. California Environmental Quality Act

Section 13096 of the Commission’s administrative regulations requires Commission approval of coastal development permit applications to be supported by a finding showing the application, as modified by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (“CEQA”). Section 21080.5(d)(2)(A) of CEQA prohibits approval of a proposed development if there are feasible alternatives or feasible mitigation measures available that would substantially lessen any significant impacts that the activity may have on the environment.

In this case, the City of Hermosa Beach is the lead agency and the Commission is a responsible agency for the purposes of CEQA. A Negative Declaration was granted for the proposed development and approved by City Council on October 22, 2019.

The project as conditioned herein incorporates measures necessary to avoid any significant environmental effects under the Coastal Act, and there are no less environmentally damaging feasible alternatives or mitigation measures. Therefore, the proposed project is consistent with CEQA.

APPENDIX A – SUBSTANTIVE FILE DOCUMENTS

City of Hermosa Beach Land Use Plan, Certified by the Commission on April 21, 1982

D

CALIFORNIA COASTAL COMMISSION
SOUTH COAST DISTRICT OFFICE
301 E. OCEAN BLVD., SUITE 300
LONG BEACH, CA 90802
(562) 590-5071

W14b

Date: September 30, 2021

To: COMMISSIONERS AND INTERESTED PERSONS

From: KARL SCHWING, DEPUTY DIRECTOR, SOUTH COAST DISTRICT
AMBER DOBSON, DISTRICT MANAGER, SOUTH COAST DISTRICT
LILIANA ROMAN, COASTAL PLANNER, SOUTH COAST DISTRICT

Subject: STAFF RECOMMENDATION ON CITY OF NEWPORT BEACH MAJOR AMENDMENT NO. LCP-5-NPB-20-0070-3 (Short-Term Lodging) for Commission Meeting of October 13, 2021

SUMMARY OF LCP AMENDMENT REQUEST

The City of Newport Beach is requesting that the Commission certify an amendment to the Implementing Plan (IP) portion of the Newport Beach certified Local Coastal Program (LCP). Amendment Request No. LCP-5-NPB-20-0070-3 is a major amendment that would revise the existing regulations in the IP regarding short-term lodgings in the coastal zone. The LCP would amend Section 21.48.115 (Short-Term Lodging) of the IP to incorporate by reference the regulatory framework for short-term rentals contained in the Newport Beach Municipal Code (NBMC) Title 20 Chapter 5.95 as modified by the most recent City Council Ordinance No. 2020-26, including a maximum cap of 1,550 short-term lodging permits and impose a 3-night minimum short-term lodging stay.

The City's primary detailed regulatory framework for short-term rentals is contained in the Newport Beach Municipal Code (NBMC) Title 20 Chapter 5.95 which is currently not part of the IP (NBMC Title 21), instead IP Section 21.48.115 provides general basic standards affecting the regulation of short-term lodging program in the coastal zone. On October 27, 2020, the City Council approved Ordinance No. 2020-26 (**Exhibit 2**) amending Chapter 5.95 short-term lodging regulations to implement a 3-night minimum stay, cap the number of short-term lodging permits to 1,550 permits and set up a wait list for new permits, make revisions clarifying the transferability of permits and establishing when a permit is deemed abandoned, prohibit the rental to user that is under the age of 25, and allowance for the owner of the short-term rental unit to be cited if a user receives a parking ticket while utilizing a short-term lodging unit. On November 2, 2020, the City submitted the subject LCP amendment request to the short-term lodging permit program certified in the IP with City Council Resolution 2021-91 (**Exhibit 1**). The proposed IP amendment would result in no change to IP Section 21.48.115(A) and (B) but would modify subsection (C) and add

subsection (D); the resulting proposed new IP language incorporates the short-term lodging permit conditions set forth in the NBMC Title 20 Chapter 5.95, thereby incorporating NBMC Title 20, Chapter 5.95 as modified by City Council Ordinance No. 2020-26 into the certified LCP.

The Coastal Commission certified the City of Newport Beach LCP on January 13, 2017. As early as the 1900s, the Newport Beach was known as a summer beach resort type of town. The City began regulating short-term lodging in 1992 to address code enforcement issues and increasing demands on City services from short-term lodging users. In 1992, the City established a prohibition on short-term lodging in single-family residential districts (with the exception of 211 properties which were allowed to retain their existing short-term lodging permits), and continued to permit short-term lodging in all other residential zoning districts throughout the City. When the IP was certified by the Commission in 2017, the IP included provisions implementing LUP Policy 2.3.3-6 and certifying the City's short-term lodging program in all residential zoning districts except single-family. The IP provides standards for the operation of hosted or un-hosted short-term lodging units intended to prevent overburdening City services, adverse impacts on residential neighborhoods, and on coastal access and coastal resources. Currently, the City's LCP does not include a cap on the number of short-term rental permits that may be issued citywide, nor does it require a minimum night stay rental period for the short-term rental unit.

In 2017, when the IP was approved and the City's LCP became fully certified, there were approximately 1,070 active short-term lodging permits; all but nine of which were located in West Newport, Balboa Peninsula, Balboa Island, and Corona del Mar, the most publicly accessible visitor-serving beach and harbor neighborhoods in the City. Thus, the Commission found that the City's 1992 prohibition on short-term lodging in single-family residential districts, did not have an adverse impact on the possible availability of short-term rentals throughout the City. Currently, based on the most recent data provided to the Commission in 2021, the City has 1,477 active short-term permits, 1,414 of which are in the coastal zone, the highest number of active short-term rental permits of any coastal city in Southern California.

The City held numerous meetings including community meetings, town hall sessions, City Council study sessions throughout 2019 and a Planning Commission hearing on July 23, 2020 and a City Council hearing on October 13, 2020 approving City Council Resolution No. 2020-91 (**Exhibit 1**) authorizing City staff to submit the subject LCP amendment to the Coastal Commission. This single-issue LCP Amendment request was first submitted to the Coastal Commission on November 2, 2020 and was filed complete on December 26, 2020 and was the City's third major LCP amendment submittal for 2020. Pursuant to Section 30517 of the Coastal Act, the Commission granted a one-year time extension at its February 2021 meeting until February 24, 2022. The City's submittal is consistent with the procedural requirements of the Coastal Act and the regulations which govern such

proposals (Sections 30510 and 30514 of the Coastal Act, and Sections 13551, 13552 and 13553 of Title 14 of the California Code of Regulations).

Furthermore, following the submittal of the subject LCP Amendment request, on April 29, 2021, the City submitted a subsequent LCP Amendment (LCP Amendment No. LCP-5-NPB-21-0036-1 Parts A through D) with Part C requesting to incorporate additional short-term lodging restrictions to IP Section 21.48.115, specific to Newport Island only and would also result in the reformatting/renumbering of revisions proposed via this subject LCP Amendment No. LCP-5-NPB-20-0070-3. Both LCP amendments, the subject LCP-5-NPB-20-0070-3 and LCP-5-NPB-21-0036-1 Part C, are scheduled for Commission action at this October 13, 2021 meeting.

SUMMARY OF STAFF RECOMMENDATION

The subject LCP amendment involves only the Implementation Plan (IP) portion of the certified LCP. Staff recommends that the Commission, after public hearing, **approve** Amendment Request No. LCP-5-NPB-20-0070-3 with suggested modifications. The IP amendment must first be denied as submitted, then the Commission can approve the IP amendments if modified as suggested in this staff report. The amendment as proposed attempts to strike a reasonable balance between ensuring availability of short-term lodgings for overnight coastal visitors and preserving neighborhood character and long-term housing for local residents. However, the proposed amendment does not adequately protect short-term lodgings as a valuable visitor-serving accommodation (that can often be lower-cost than other accommodations) within the City's coastal zone. Nor does it adequately protect public recreational and access opportunities, particularly in relation to the role that overnight accommodations play in providing such opportunities. The proposed 3-night minimum stay restriction would result in reduced lodging options for the people who most need the economies of scale that short-term longings offer to groups and families on more affordable short weekend vacations throughout the year and not just longer summer vacationing along the coast. Therefore, the Commission finds that a suggested modification is necessary to modify the proposed 3-night minimum stay to a less prohibitive 2-night. A second suggested modification is necessary to ensure that availability of long-term housing for local residents is also protected. These two (2) suggested modifications are necessary to ensure the proposed changes to existing IP procedures implementing LUP policies pertaining to the Short-Term Lodging program adequately carries out the intent of LUP policies to continue the issuance of short-term lodging permits for the rental of dwelling units as a means of providing lower-cost overnight visitor accommodations while attempting to mitigate increased demands for City services,

protect housing stocks, prevent adverse impacts in residential areas, impacts to coastal resources, and ensure that the rentals will not interfere with public access and enjoyment of coastal resources.

If modified as suggested, the Commission finds that the City's IP Ordinances conform with, and are adequate to carry out, the requirements of the certified LUP. The resolutions and motions begin on **Page 7**. The suggested modifications begin on **Page 8**. The findings for approval of the LCP amendment, if modified, begin on **Page 10**.

ADDITIONAL INFORMATION

PLEASE NOTE THAT THIS WILL BE A VIRTUAL MEETING. As a result of the COVID-19 emergency, California Assembly Bill 361, and the Governor's Executive Orders N-15-21, N-29-20, and N-33-20, this Coastal Commission meeting will occur virtually through video and teleconference. Please see the Coastal Commission's Virtual Hearing Procedures posted on the Coastal Commission's webpage at www.coastal.ca.gov for details on the procedures of this hearing. If you would like to receive a paper copy of the Coastal Commission's Virtual Hearing Procedures, please call 415-904-5202.

Further information on the City of Newport Beach LCP Amendment LCP-5-NPB-20-0070-3 may be obtained from Liliana Roman, Coastal Program Analyst, at (562) 590-5071. If you wish to comment on the proposed amendment, please do so via regular mail (directed to the South Coast District Office) or email (by emailing southcoast@coastal.ca.gov) by 5pm on Friday, October 8, 2021.

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EXHIBITS

Exhibit 1 – City of Newport Beach Resolution No. 2020-91

Exhibit 2 – City of Newport Beach Resolution No. 2020-26

Exhibit 3 – Certified IP language Section 21.48.115

I. PROCEDURAL ISSUES

A. STANDARD OF REVIEW

The standard of review for the proposed amendment to the LCP Implementing Ordinances (IP), pursuant to Sections 30513 and 30514(b) of the Coastal Act, is that the proposed IP amendment conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan (LUP).

B. PUBLIC PARTICIPATION

Section 30503 of the Coastal Act requires public input in LCP development. It states: "During the preparation, approval, certification, and amendment of any LCP, the public, as well as all affected governmental agencies, including special districts, shall be provided maximum opportunities to participate. Prior to submission of an LCP for approval, local governments shall hold a public hearing or hearings on that portion of the program, which has not been subjected to public hearings within four years of such submission."

Section 30503 of the Coastal Act requires local governments to provide the public with the maximum amount of opportunities to participate in the development of the LCP amendment prior to submittal to the Commission for review. The City held numerous meetings including community meetings, town hall sessions, City Council study sessions throughout 2019 and a Planning Commission hearing on July 23, 2020 and City Council hearing on October 13, 2020 with regard to the subject amendment request. All of those local hearings were duly noticed to the public. Notice of the subject amendment has been distributed to all known interested parties.

C. PROCEDURAL REQUIREMENTS

Pursuant to Section 13551 of Title 14 of the California Code of Regulations, the City resolution for submittal may specify that an LCP Amendment will either require formal local government adoption after the Commission approval, or that it is an amendment that will take effect automatically upon the Commission's approval pursuant to Public Resources Code Sections 30512, 30513, and 30519. Here, if the Commission certifies the LCP amendment as submitted, no further City Council action will be necessary. The City's submittal resolution indicates that the ordinance will only become final after certification by the Commission, but no formal action is required. Should the Commission deny the LCP amendment, as submitted, without suggested modifications, no further action is required by either the Commission or the City, and the LCP amendment is not effective. Should the Commission deny the LCP amendment, as submitted, but then approve it with suggested modifications, then the City Council may consider accepting the suggested modifications and submitting them by resolution to the Executive Director for a determination that the City's acceptance is consistent with the Commission's action. The modified LCP amendment will become final at a subsequent Commission meeting if the Commission

concurs with the Executive Director's Determination that the City's action in accepting the suggested modifications approved by the Commission for LCP Amendment LCP-5-NPB-21-0036-1 Part C is legally adequate. If the City does not accept the suggested modifications within six months of the Commission's action, then the LCP amendment remains uncertified and not effective within the coastal zone.

D. DEADLINE FOR COMMISSION ACTION

The City submitted the LCP amendment request on April 29, 2021. After a request for additional information, the amendment request was deemed by staff to be complete on June 8, 2021 and the Commission granted a one-year extension at its July 7, 2021 meeting. As such, the last date for Commission action on this item is October 18, 2022. (See Pub. Res. Code § 30511(a).)

II. MOTION AND RESOLUTIONS

Following a public hearing, staff recommends the Commission adopt the following resolutions and findings.

A. DENY THE IP AMENDMENT AS SUBMITTED

> **Motion III:** *I move that the Commission reject the Implementation Plan Amendment No. LCP-5-NPB-20-0070-3 for the City of Newport Beach as submitted.*

Staff recommends a **YES** vote. Passage of this motion will result in rejection of the Implementation Plan Amendment and adoption of the following resolution and findings. The motion passes only by an affirmative vote of the majority of the appointed Commissioners present.

Resolution to Deny as Submitted:

> *The Commission hereby denies certification of Amendment No. LCP-5-NPB-20-0070-3 to the Implementation Plan for the City of Newport Beach certified LCP as submitted by the City of Newport Beach and adopts the findings set forth below on grounds that the Amendment to the Implementation Plan as submitted does not conform with and is not adequate to carry out the provisions of the certified Land Use Plan. Certification of the Amendment to the Implementation Program would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the*

significant adverse impacts on the environment that will result from certification of the Amendment to the Implementation Program as submitted.

B. CERTIFY THE IP AMENDMENT WITH SUGGESTED MODIFICATIONS

Motion IV: *I move that the Commission certify the Implementation Plan Amendment No. LCP-5-NPB-20-0070-3 to the City of Newport Beach certified LCP if modified as suggested in this staff report.*

Staff recommends a **YES** vote. Passage of this motion will result in the certification of the IP Amendment with suggested modifications and adoption of the following resolution and findings. The motion to certify with suggested modifications passes only upon an affirmative vote of the majority of the appointed Commissioners present.

Resolution to Certify if Modified:

The Commission hereby certifies Amendment No. LCP-5-NPB-20-0070-3 to the Implementation Plan for the City of Newport Beach certified LCP if modified as suggested and adopts the findings set forth below on grounds that the Amendment to the Implementation Plan with the suggested modifications will be in conformance with and adequate to carry out the provisions of the certified Land Use Plan. Certification of the Amendment to the Implementation Program if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Plan on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

III. SUGGESTED MODIFICATIONS

Certification of the LCP amendment is subject to the following modifications. The City's proposed new LCP language is shown as <u>underlined</u> text, deleted language shown in ~~single strikethrough~~. The Commission's proposed new text added by suggested modification is shown **<u>bold and underlined</u>**, and text suggested tobe deleted is shown in ~~strikethrough~~.

The following suggested modifications are necessary to carry out the provisions of the certified LUP:

Suggested Modification #1 – Modify proposed new IP Section 21.48.115(D)6 as follows:

6. Not rent, let, advertise for rent, or enter into an agreement for the rental of any lodging unit, for less than ~~three (3)~~ **two (2)** consecutive nights.

Suggested Modification #2 – Add the following language to the end of the proposed new IP Section 21.48.115(C) as follows:

C. Permits. No owner of a short term lodging unit shall advertise for rent or rent a lodging unit located within a residential district for a short term without a valid short term lodging permit for that unit issued pursuant Chapter 5.95. As set forth in Section 5.95.042, of Chapter 5.95, the maximum number of short term lodging permits shall be limited to fifteen hundred and fifty (1,550) permits at any time. If there are more than fifteen hundred and fifty (1,550) valid permits that have been issued as of the effective date of this section, an owner shall be permitted to renew, reinstate, or transfer a valid permit in accordance with the provisions of Chapter 5.95; however, no new permit shall be issued to anyone on the waiting list, as described in Section 5.95.043 (D), until the total number of permits does not exceed the fifteen hundred and fifty (1,550). **To avoid wholesale conversion of existing and new housing complexes into short-term lodgings, multi-unit developments with five or fewer units may only permit a maximum of one unit for short-term lodging use. Multi-unit developments with more than five units may permit a maximum of twenty percent (20%) of the total number of units into short-term lodgings (rounded down to the nearest whole number).**

IV. FINDINGS AND DECLARATIONS FOR DENIAL AS SUBMITTED, AND APPROVAL OF THE AMENDMENT IF MODIFIED AS SUGGESTED

The following findings support the Commission's denial of the proposed LCP Amendment as submitted and approval if modified as suggested in Section III (Suggested Modifications) above.

The Commission hereby finds and declares as follows:

A. LCP AMENDMENT DESCRIPTION AND BACKGROUND

LCP Amendment Description

The proposed LCP Amendment request would amend Table 21.18-1 (Allowed Uses) in Section 21.18.020(C) of the IP and IP Section 21.48.115 (Short-Term Lodging) to incorporate by reference the regulatory framework for short-term rentals contained in the Newport Beach Municipal Code (NBMC) Title 20 Chapter 5.95 as modified by the most recent City Council Ordinance No. 2020-26, including a maximum cap of 1,550 short-term lodging permits and impose a 3-night minimum short-term lodging stay. The City's proposed new language is shown in underline and proposed language to be deleted shown in ~~strikethrough~~ as follows:

Table 21.18-1 (Allowed Uses) in Section 21.18.020(C)

Land Use	**R-A**	**R-1 R-1-6,000**	**R-BI R-2 R-2-6,000**	**RM RM-6,000**	**Specific Use Regulations**
Residential Uses					
Short-Term Lodging	—	—	A	A	Chapter 5.95 and Section 21.48.115

21.48.115 Short-Term Lodging.

A. **Purpose.** This section provides standards for the operation of short-term lodging units to prevent over-burdening City services, adverse impacts on residential neighborhoods, and impacts to coastal access and resources.

B. **Zoning Districts and Planned Communities.** No short-term lodging unit shall be permitted on any parcel in the R-1 (Single-Unit Residential) Coastal Zoning District or any parcel designated for single-unit dwelling land use as part of a planned community development plan, unless the short-term lodging unit was legally established on or before June 1, 2004.

~~C. Operational Standards. The owner, or any other person(s) or entity(ies) that hold(s) legal and/or equitable title to the lodging unit, shall:~~

C. Permits. No owner of a short term lodging unit shall advertise for rent or rent a lodging unit located within a residential district for a short term without a valid short term lodging permit for that unit issued pursuant Chapter 5.95. As set forth in Section 5.95.042, of Chapter 5.95, the maximum number of short term lodging permits shall be limited to fifteen hundred and fifty (1,550) permits at any time. If there are more than fifteen hundred and fifty (1,550) valid permits that have been issued as of the effective date of this section, an owner shall be permitted to renew, reinstate, or transfer a valid permit in accordance with the provisions of Chapter 5.95; however, no new permit shall be issued to anyone on the waiting list, as described in Section 5.95.043 (D), until the total number of permits does not exceed the fifteen hundred and fifty (1,550).

D. Operational Standards. The owner, or any other person(s) or entity(ies) that hold(s) legal and/or equitable title to the lodging unit, shall~~:~~ comply with all federal, state, and local laws, rules, regulations and conditions of approval including, but not limited to, all short term lodging permit conditions set forth in Chapter 5.95. In addition, the owner, any other person(s) or entity(ies) that hold(s) legal and/or equitable title to the lodging unit, shall:

1. By written ~~or oral~~ agreement, limit overnight occupancy of the short-term lodging unit to ~~a specific number of occupants, with the number of occupants not to exceed the~~ the maximum permitted by the Building Code and Fire Code ~~occupancy limits.~~

2. Use best efforts to ensure that the transient user, occupants and/or guests of the short- term lodging unit do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate provisions of this ~~code~~Code or any ~~State~~state or federal law pertaining to noise, disorderly conduct, the consumption of alcohol, or the use of illegal drugs.

3. Upon notification that ~~occupants~~any transient user, occupant and/or ~~guests~~guest of his or her short- term lodging unit ~~have~~has created unreasonable noise or disturbances, engaged in disorderly conduct or committed violations of this ~~code~~Code or any ~~State~~state or federal law pertaining to noise, disorderly conduct, the consumption of alcohol or the use of illegal drugs, promptly use best efforts to prevent a recurrence of such conduct by ~~those occupants or guests~~any transient user, occupant or guest.

4. Use best efforts to ensure compliance with applicable health and sanitation regulations relating to waste disposal.

5. Post a copy of any applicable permits and conditions in a conspicuous place within the unit.

~~6.~~ 6. Not rent, let, advertise for rent, or enter into an agreement for the rental of any lodging unit, for less than three (3) consecutive nights.

7. The City Manager shall have the authority to impose additional standard conditions, applicable to all short-term lodging units, as necessary to achieve the objectives of this section.

Background/Setting

The City of Newport Beach is a major visitor destination. Over 63% of the City is in the coastal zone. The City has over 30 miles of bay and ocean waterfront. Short-term lodging rentals are popular with the public in Newport Beach because of its proximity to the coast and because of the City's reputation as a popular coastal-resort community. Online platforms in the last few years have changed the dynamics of short term lodging in residential neighborhoods and local residents have raised issues with the presence of short-term lodging rentals causing disruptions (e.g. parking impacts, noise, disorderly conduct, large parties, excessive trash, etc.) that negatively impact residents and communities, reduce the long-term rental housing stock, and unduly burden City services. The City has indicated that the intent of the proposed LCP Amendment is to limit these conflicts by imposing additional regulations to short-term lodging permit holders, capping the number of permits to 1,550 and imposing a 3-night minimum stay.

Short-term rentals provide a significant supplement to traditional visitor-serving overnight accommodations, promoting public access and visitor-serving opportunities to coastal communities. The provision of overnight visitor-serving accommodations, such as short-term lodgings, serves a significant purpose as a subset of visitor-serving uses that promotes public coastal access and provides California residents and visitors opportunities to access and recreate along the coast. Overnight visitor-serving accommodations allow public members who do not reside within a day's journey to the coast an opportunity to enjoy the coastline. Depending on site-specific circumstances, short-term lodging units, provide a lower cost option than a traditional hotel. The certified LUP contains Policy 2.3.3-6 allowing for the issuance of short-term lodging permits for the rental of dwelling units as a means of providing lower-cost overnight visitor accommodations.

The existing short-term lodging program was approved by the Commission when the IP was originally certified on January 13, 2017. As early as the 1900s, Newport Beach was known as a summer beach resort town. The City began regulating short-term lodging in 1992 to address code enforcement issues and increasing demands on City services from short-term lodging users. In 1992, the City established a prohibition on short-term lodging in single-family residential districts (with the exception of 211 "grandfathered" properties), and permitted short-term lodging in two-unit (R2) and multi-family (RM) residential zoning districts throughout the City. When the IP was certified by the Commission in 2017, the IP included provisions implementing LUP Policy 2.3.3-6 and certifying the City's short-term lodging program in R2 and RM zoning districts and the prohibition in single-family residential districts. The IP provides standards for the operation of hosted or un-hosted short-term lodging units intended to prevent overburdening City services and adverse impacts on residential neighborhoods and on coastal access and coastal resources. However, the City's primary detailed regulatory framework for short-term rentals is contained in the Newport Beach Municipal Code (NBMC) Title 20 Chapter 5.95 which is currently not part of the IP (NBMC Title 21). Instead, IP Section 21.48.115 provides general basic standards affecting the regulation of short-term lodging program in the coastal zone. On October 27, 2020, the City Council approved Ordinance No. 2020-26 (**Exhibit 2**) amending Chapter 5.95 short-term lodging regulations to implement a 3-night minimum stay, cap the number of short-term lodging permits to 1,550 permits citywide, and set up a wait list for new permits, make revisions clarifying the transferability of permits and establishing when a permit is deemed abandoned, prohibit the rental to a user under the age of 25, and allowance for the owner of the short-term rental unit to be cited if a user receives a parking ticket while utilizing a short-term lodging unit. On November 2, 2020, the City submitted the subject LCP amendment request to the short-term lodging permit program certified in the IP with City Council Resolution 2021-91 (**Exhibit 1**). The proposed IP amendment would result in no change to IP Section 21.48.115(A) and (B) but would

modify subsection (C) and add subsection (D); the resulting proposed new IP language incorporates all short-term lodging permit conditions set forth in the NBMC Title 20 Chapter 5.95, thereby incorporating NBMC Title 20 into the certified LCP.

Furthermore, after submittal of the subject LCP Amendment request, the City submitted a subsequent LCP Amendment (LCP Amendment No. LCP-5-NPB-21-0036-1 Parts A through D) with Part C requesting to incorporate additional short-term lodging restrictions to IP Section 21.48.115 specific to Newport Island only and would also result in the reformatting/renumbering of revisions proposed via this subject LCP Amendment No. LCP-5-NPB-20-0070-3. Both LCP amendments, the subject LCP-5-NPB-20-0070-3 and LCP-5-NPB-21-0036-1 Part C, are scheduled for Commission action at this October 13, 2021 meeting.

B. CONSISTENCY ANALYSIS

Under Sections 30513 and 30514(b) of the Coastal Act, the Commission shall certify a proposed amendment to an IP unless it does not conform with, or is inadequate to carry out, the provisions of the certified LUP. Thus, the standard of review for an amendment to the IP is the LUP. The proposed IP amendment must conform with, and be adequate to carry out, the provisions of the certified LUP.

LUP Policies Pertaining to Short-Term Lodgings

Policy 2.3.3-6 Continue to issue short-term lodging permits for the rental of dwelling units as a means of providing lower-cost overnight visitor accommodations while continuing to prevent conditions leading to increase demand for City services and adverse impacts in residential areas and coastal resources.

Policy 2.7-3 Continue to authorize short-term rental of dwelling units pursuant to permits and standard conditions that ensure the rentals will not interfere with public access and enjoyment of coastal resources.

Chapter 3 policies of the Coastal Act are also incorporated by reference into the City's certified LUP.

Section 30213 states (in part):

> Lower cost visitor and recreational facilities shall be protected,

> encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.

LUP Policy 2.3.3-6 provides for using short-term lodging permits as a means of providing lower-cost overnight visitor accommodations and includes restrictions to protect residential areas. In the early 20th century, the City was known as a summer beach resort type of town. The City began regulating short-term lodging in 1992 to address code enforcement issues and demands on City services. At that time, the City established a prohibition on short-term lodging in single-family residential districts, with the exception of 211 "grandfathered" properties and allowed short-term lodging in two-unit (R2) and multi-family (RM) residential zoning districts. When the IP was certified by the Commission in 2017, the IP included provisions implementing LUP Policy 2.3.3-6, though preserving the short-term lodging prohibition in single-family residential districts, retaining all grandfathered single-family properties and providing standards for the operation of short-term lodging units intended to prevent overburdening City services and adverse impacts on residential neighborhoods and on coastal access and coastal resources. At that time, the City had approximately 1,070 active short-term lodging permits; all but nine of which were located in West Newport, Balboa Peninsula, Balboa Island, and Corona del Mar, the most publicly accessible visitor-serving beach and harbor neighborhoods in the City. This subject LCP Amendment is the first amendment to the short-term lodging permit program in the certified LCP.

Coastal Access and Recreation

A core goal of the Coastal Act is to protect the public's ability to recreate in and enjoy the coastal zone. This is particularly important for those not fortunate enough to live in coastal cities. The Coastal Act and certified LUP access and recreation policies provide significant direction regarding not only protecting existing public recreational access opportunities, but also ensuring that such access opportunities are provided and maximized. Public recreational access, particularly as it relates to the specific needs of the visiting public, is of critical importance and must be protected and maximized.

Overnight accommodations are a necessary part of providing public access and recreational opportunities for the many visitors that live further from the coast, including those from inland areas, where a coastal trip requires a lengthy car ride. For many low- and moderate-income visitors, lower cost overnight accommodations are essential to being able to access the California coast at all. These access issues are perhaps now more apparent than ever, as coastal visitors are increasingly priced out of the overnight accommodations market, particularly low- and middle-income households and people of color. The Commission has previously found short-term rentals to be an important source

of visitor accommodations in the coastal zone. Short-term lodgings provide amenities that distinguish them from other types of overnight lodging and often make them the most affordable option for overnight stays on the coast, particularly for groups and families when restaurant meal and parking cost savings are considered. For example, unlike traditional hotels, a short-term rental typically includes a kitchen/kitchenette, common spaces such as yard areas, and many allow pets. While these amenities can be obtained at some hotels, the cost of extra space and rooms, a room with a kitchen, or for pet-friendly lodging is often much higher than the price of a short-term lodging unit. For instance, when traveling with extended family or other larger groups, renting a single residence would be less expensive than renting multiple traditional hotel rooms. Since many short-term lodgings contain multiple bedrooms, it is often possible to spread the cost of additional shared amenities among more visitors, and the opportunity to prepare food on-site saves visitors the significant costs associated with dining out. Short-term lodgings also provide a visitor experience that is unique and different from a standard hotel/motel, as the vast majority are situated directly adjacent to the beach or the bay along in West Newport, Balboa Peninsula, Balboa Island, and Corona del Mar, the most publicly accessible visitor-serving beach and harbor neighborhoods in the City. Short-term lodgings are, in many ways, complementary alternatives that can help coastal visitors enjoy coastal zone opportunities.

The subject LCP Amendment proposes to cap the number of short-term rental permits citywide (both in and out of the coastal zone) to 1,550 permits. There are 6,087 properties in coastal zoning districts that allow short-term lodgings (4,737 properties within the coastal zone and 1,350 outside the coastal zone). As of the date of the LCP Amendment submittal in October 2020, there were 1,479 active short-term lodging permits (24.3% of eligible properties). Of these active short-term lodging permits, 1,416 permits are for properties in the coastal zone (95.7%) and 63 permits issued to properties outside the coastal zone (4.3%). The proposed 1,550 permit cap would result in 25.5% of R2 and RM properties permitted to operate a short-term lodging on their property.

Furthermore, the City of Newport has a variety of styles for visitor overnight accommodations in different price ranges. The City has approximately 4,086 hotel/motel/inn/timeshare rooms and 471 campground/RV spaces in addition to the 1,479 active short-term lodging permits. Overall, currently, short-term lodging accounts for approximately 28% of overnight visitor accommodations in the City. The City provided the following table comparing the number of active short-term lodging permits in Newport Beach with nearby communities.

City	Active STL Permits[1]
San Clemente*	172
Carpinteria*	215

Huntington Beach*	266
Anaheim	277
Dana Point*	307
Santa Monica*	340
Carlsbad*	690
Newport Beach*	**1,477**

*** = coastal community**

[1] Permits as of August 25, 2020 (NB as of October 29, 2020)

The proposed 1,550 permit cap would allow for a small increase in the issuance of short-term rental permits above current conditions and would maintain that constant level long-term (should there be a waiting list for short-term rental permits). Assuming the current demand for short-term lodging in the Newport Beach is around this number, the proposed LCP amendment would continue to provide enough short-term lodging units to accommodate visitor demand. LUP Policy 2.3.3-6 supports the issuance of short-term lodging permits for the rental of dwelling units as a means of providing lower-cost overnight visitor accommodations while continuing to prevent conditions leading to increased demand for City services and adverse impacts in residential areas and coastal resources. Thus, the proposed cap on the issuance of short-term rental permits to 25.5% of eligible properties conforms with and adequately carries out the LUP policy as it allows for the continuation permit issuance and would protect the City from the overburdening of resources that the demand for these uses often results in.

The proposed amendment also establishes a variety of regulations for STRs intended to limit neighborhood impacts from parties, noise, trash disposal, parking, and other related issues that are often raised in terms of STRs and community character. These proposed operational standards are generally similar to other standards the Commission has approved for other communities and are reasonable regulations to address potential issues associated with short-term lodgings. However, among the additional regulations proposed to permit holders, the proposed LCP Amendment includes a minimum 3-night stay for the rental of short-term lodging units. Currently, the City's certified short-term lodging permit programs does not require a minimum night stay per visit/use. Short-term lodging is simply defined in the IP as "a dwelling unit that is rented or leased as a single housekeeping unit for a period of less than thirty (30) days." The City has indicated that a 3-night minimum would discourage the use of short-term lodging units for non-residential purposes such as large gatherings, weddings, and commercial filming. However, a 3-night minimum would be prohibitive for weekend low- to moderate-income visitors. Although the City does not lack overnight accommodations, there is a shortage of lower-cost affordable

overnight accommodations aside from outdoor camping. A 3-night stay requirement would significantly increase the cost of the visit (generally by 50%) and would in many instances make the entire visit unaffordable for lower income overnight visitors. Some STL customers set online browsing settings to only view rental listings without minimum-night stays, seeking the least expensive options. A 3-night minimum would deter many folks from coming to Newport and staying in STLs. In order to ensure that the issuance of short-term lodging permits for the rental of dwelling units as a means of providing lower-cost overnight visitor accommodations continues to be provided, protected, and encouraged, the Commission finds it necessary to modify the City's proposed 3-night minimum stay requirement. Acknowledging the City's intent in providing a minimum-night stay to prevent single-day rentals for non-residential uses such as large parties, gatherings, weddings, and film shoots, **Suggested Modification 1** maintains a minimum-night stay requirement but reduces it to a 2-night minimum stay.

Additionally, a suggested modification is recommended to Section 21.48.115(B) adding language to help preserve the long-term rental housing stock and avoid wholesale conversion of existing and new housing complexes into short-term lodgings. **Suggested Modification 2** requires RM zoned properties with five or fewer units to only convert a maximum of one unit into a short-term lodging listing. RM zoned properties with more than five units may convert a maximum of twenty percent (20%) of the total number of units into short-term lodgings (rounded down to the nearest whole number). Multi-unit properties are necessary to preserve housing stock for lower-income level people in the coastal zone of Newport Beach. The City is composed of districts/corridors uniquely identifiable by their common functional role, mix of uses, density/intensity, physical form and character and environmental setting. The LUP Land Use Map identifies land use categories and residential neighborhood made up of single-unit, two-unit, and multiple-unit zoned neighborhoods. Historically, these land use zones are intended to preserve the residential housing stock in those areas. Suggested Modification 2 would ensure preservation of long-term rental housing stock by regulating conversion of existing and new multi-unit housing complexes into short-term lodgings.

Conclusion

If approved with the suggested modifications described above, the Commission finds that the City's IP would conform with, and is adequate to carry out, the requirements of the certified LUP, consistent with Section 30513 of the Coastal Act.

C. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

As set forth in Section 21080.9 of the California Public Resources Code, the California Environmental Quality Act (CEQA) exempts local governments from the requirement of preparing an environmental impact report (EIR) in connection with its activities and

approvalsnecessary for the preparation and adoption of a local coastal program (LCP). The Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. (14 CCR § 15251(f).) Nevertheless, the Commission is required in approving an LCP submittal to find that the LCP conforms with theprovisions of CEQA, including the requirement in CEQA section 21080.5(d)(2)(A) that the amended LCP will not be approved or adopted as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment.

The Commission finds that, for the reasons discussed in this report, the proposed IP amendment, with adoption of the suggested modifications listed in Section III of this report, is in conformity with, and adequateto carry out the land use policies of the certified LUP. The Commission finds that approval of the LCP Amendment with suggested modifications will not result in significant adverse environmental impacts within the meaning of CEQA. Certification of the LCP if modified as suggested complies with CEQA because: 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, and 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts which the LCP Amendment may have on the environment. The Commission finds that the proposed LCP amendment if modified as suggested will be consistent with Section 21080.5(d)(2)(A) of the Public Resources Code.

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The City of San Diego

Staff Report

DATE ISSUED: 2/3/2021

TO: City Council

FROM: Council President Jennifer Campbell

SUBJECT: An Amendment to the City's Municipal Code and Local Coastal Program to Impose a License Requirement and Operating Regulations for Short Term Residential Occupancy including Hosting Platforms and Repeal Regulations for Bed and Breakfast, and Boarder and Lodger Accommodations.

Primary Contact: Venus Molina Phone: (619) 236-6622

Council District(s): Citywide

OVERVIEW:
Requesting City Council approval of an ordinance that regulates Short Term Residential Occupancy (STRO). The ordinance amends the Municipal Code to include short term residential occupancy licensing and operating regulations on hosts and hosting platforms; and repeal the bed and breakfast, and boarder and lodger uses and regulations. Additionally, the amendments regulate hosting platforms and booking services, hosts, good neighbor policies, enforcement and establish limits on the number of licenses.

PROPOSED ACTIONS:
Recommend City Council approval of the proposed ordinance.

DISCUSSION OF ITEM:

Background

In July 2020, Expedia Group, parent company to Short Term Rental Occupancy (STRO) brands and HomeAway, along with Unite Here Local 30, representing thousands of local hospitality workers, outlined a set of comprehensive STRO regulations in the form of a Memorandum of Understanding (MOU): https://www.sandiego.gov/sites/default/files/memorandum-of-understanding-on-stv-rentals.pdf . The MOU represents a compromise between two groups, which have historically approached STRO from opposite ends of the spectrum.

The ordinance is consistent with the compromise proposed by Expedia Group and Unite Here Local 30. Today's ordinance proposes to establish regulations within Chapter 5 of the San Diego Municipal Code (SDMC) to clarify and define Short Term Residential Occupancy (STRO) as the occupancy of a dwelling unit or part thereof for less than a month. The regulations would require a license to operate a STRO unit, establish limits on the number of licenses a host may obtain, create reasonable caps on the total number of whole home STRO units, and create a licensing process in order to track, manage and enforce all aspects of STRO including home sharing.

The regulations being proposed today will allow the City to differentiate between part-time STRO use, home sharing, and whole home. This approach is intended to increase compliance of the law while ensuring better oversight of the industry.

By requiring STRO licenses and regulations, the proposed regulations create a process by which residents can provide a service to the visitors of San Diego while at the same time protecting the integrity of existing neighborhoods. The regulations also establish a mechanism to cite, suspend or revoke the license of hosts not following the City's regulations.

Regulations for the hosting platforms (VRBO.com, Airbnb and those that provide payment/reservation services for a fee) are also proposed. These regulations would require platforms to engage in best practices to ensure a host using the STRO platform is properly licensed by, and registered with, the City of San Diego.

While San Diego specific data has not been made publicly available by the platforms in the short-term residential marketplace, in July 2019, an investigation by the Interim City Auditor determined that there are up to 16,000 dwelling units being used for STRO. This is the best estimate available of STRO units currently operating in the City today.

The intent of the proposed STRO regulations are to help preserve the availability of housing by reducing the number of dwelling units currently used for STRO by more than 70 percent, limiting the maximum number of licenses that any natural person can be issued to one and placing caps on whole home STRO licenses. For whole home STRO licenses outside of the Mission Beach Community Planning Area, the total number of whole home licenses available will equal 1 percent of the total number of residential units in the City, excluding those in the Mission Beach Community Planning Area. Within the Mission Beach Community Planning Area, the total number of whole home licenses available will equal 30 percent of the total residential units within the Mission Beach Community Planning Area. These actions will help protect the livability of residential neighborhoods by requiring Good Neighbor policies; and will allow the diversification in economic opportunity that STRO enables, both for hosts and for guests. These actions will further help preserve low cost accommodations typically associated with the Mission Beach area. The intent of the regulation for the STRO platforms is to ensure that hosts are properly licensed and registered with the City.

From a land use perspective, the City of San Diego has traditionally considered occupancy of a dwelling unit to be a residential use, regardless of the length of the occupancy. While STRO of single and multifamily dwelling units continues to be a residential use and not a commercial one, the proposed STRO regulations do recognize that shorter term occupancies can have negative impacts on the neighborhood and the proposed regulations are intended to address those impacts.

Additional Information

San Diego has long been a desired tourist location, and this is demonstrated by the significance of tourism to the regional economy. The sharing economy has challenged the status quo of residential occupancy and brought forth significant change in how occupancy occurs. For many years now, San Diego has seen a steady growth of residential occupancy over short periods, versus the historical longer-term occupancy of a dwelling unit, traditionally one month or longer. Often facilitated by peer-to-peer websites such as VRBO.com and Airbnb.com, such a change in the length and duration of residential occupancy has become even more significant as technology has enabled the ease of sharing dwelling units as lower-cost visitor accommodations for STRO.

After high tech and military, San Diego's third largest economic driver is the convention and tourism industry. As one of the top ten destinations for leisure or business, San Diego has 35 million visitors per year. Many visitors desire to try out the San Diego "experience," living like a local within a neighborhood

by staying in homes like a local resident. In addition, during events such as Comic Con when hotels are nearly 100% occupied, STROs are popular as low-cost visitor accommodations. It is evident that STRO is a popular model for both hosts and guests.

Benefits and Challenges

The benefit or burden of STRO to communities and residents is somewhat difficult to quantify. Advocates for STROs cite economic benefits to local business owners, with many rental hosts using the hosting platforms to access the booking service in order to supplement personal income. While STROs provide hosts with a direct financial benefit and a benefit to the City and community to some degree by generating significant Transient Occupancy Tax (TOT) revenue, concerns about impacts from the hotel industry and negative impacts to the character of residential neighborhoods have been raised.

Cities play an important role in shaping the livability of neighborhoods, and STROs have the potential to both positively and negatively affect neighborhoods. On the positive side, visitors bring income to a neighborhood, both through payments to STRO hosts and by potentially patronizing neighborhood businesses. Conversely, short-term rental guests do not always exhibit good neighborly conduct when whole home STRO is occurring. As short-term rentals occur now more frequently, complaints (regarding noise, trash and other public nuisance violations) to the City from neighbors have risen, and requests for additional police and code enforcement are in demand in order to remedy the nuisances that some have attributed to STRO, particularly whole home rentals.
San Diego is facing a housing shortage, as well as a lack of affordable housing. Over the past decade, population growth has averaged 1.2 percent per year, more than double the rate of housing growth at 0.5 percent per year. There are approximately 540,000 dwelling units in the City of San Diego. Within the City of San Diego, of the total housing inventory, 64% is owner-occupied and 36% renter-occupied (American Community Survey, 2019). The City of San Diego's future housing need is estimated to be 108,000 units by 2028.

The proposed regulations are a detailed attempt to strike a balance recognizing both the benefits and challenges created by STRO for all San Diegans. The STRO ordinance presented today is consistent with the framework originally introduced by Expedia and Unite Here Local 30. As such, it is a compromise which reflects the benefits and challenges of STRO.

Regulations Overview

A STRO host shall be defined as a natural person who has the legal right to occupy the dwelling unit and to allow STRO of the dwelling unit. A host may obtain a maximum of one license at a time in one of the following STRO license tiers:

- Tier One – Part-Time STRO rented for an aggregate of 20-days or less per year. The owner or permanent resident does not need to reside onsite during the STRO.

- Tier Two – Home sharing. Renting a room or rooms in the home for more than 20 days per year so long as the owner or permanent resident resides onsite during the STRO, but the owner or permanent resident may be absent from the permanent residence during the STRO for up to 90 days per calendar year. Home sharing includes duplex properties and eligible accessory dwelling units and granny flats when the host resides onsite.

- Tier Three – Whole home rentals for more than 20-days per year where the owner or permanent resident does not reside onsite. The amount of whole home STRO licenses will not exceed 1 percent of San Diego's total housing units outside the Mission Beach Community Planning Area according to SANDAG's annual Demographic and Socioeconomic Housing estimates. This amount is equivalent to 5,400 licenses today.

Tiers One, Two and Four are not counted in the 1 percent cap. Tier Three license holders must require a two-night minimum stay for guests.

- Tier Four – Mission Beach whole home rentals for more than 20 days per year STRO. Consistent with recommendations from the Mission Beach Town Council, the amount of whole home licenses in the Mission Beach Community Planning Area will be up to 30 percent of the community's total housing units for according to SANDAG's annual Demographic and Socioeconomic Housing estimates. This amount is equivalent to 1,081 licenses today. Tier Four license holders must require a two-night minimum stay for guests.

All hosts are required to collect and remit all applicable taxes and fees to the to the City Treasurer, unless collected and remitted on the host's behalf by a STRO platform. Hosts must also comply with Good Neighbor policies such as posting local contact information on the property for neighbors to connect with the host or other responsible party. The regulations require hosts or another responsible party to respond to disturbances within one hour.

Bed and Breakfast Establishments and Boarder and Lodger Accommodations

The proposed amendments to the San Diego Municipal Code and Local Coastal Program include removing all regulations regarding Bed and Breakfast and Boarder and Lodger uses. The proposed STRO regulations accommodate those uses. The code section to be repealed for Boarders and Lodger Accommodations requires boarders to "*occupy the premises for a minimum of seven (7) consecutive calendar days in multiple dwelling unit zones and commercial zones, and a minimum of thirty (30) consecutive calendar days in single dwelling unit zones.*"

This antiquated code section will be replaced with the STRO regulations. Bed and Breakfast Establishments is currently a type of visitor accommodations (lodging for visitors and tourists in rented guest rooms) that is classified as a commercial services use (similar to hotel use), but where the commercial service (guest room rentals) is offered in a residential structure.

Chapter 1 Amendments

The proposed STRO ordinance will utilize the enforcement provisions contained in Chapter 1 of the Municipal Code. Chapter 1 contains all of the enforcement provisions generally applicable to addressing violations of the Municipal Code unless otherwise stated. Currently, administrative hearing officers have the authority to issue administrative subpoenas under Municipal Code section 12.0407(b), but City departments do not have such authority. It is necessary for City departments to have this authority to obtain necessary documents and other evidence to ensure compliance with the Municipal Code and to be able to obtain this information well in advance of any administrative action being brought to determine if Municipal Code violations exist.

This is especially the case as it pertains to ensuring compliance with the proposed short term residential occupancy ordinance as it has been difficult for the City in the past in obtaining records and other documentation from hosting platforms regarding addresses of properties used as short term rentals, lengths of guest stays, amount of rent paid, and other such information. Similar ordinances in San Francisco and Santa Monica regulating hosting platforms grant departments in those cities the authority to issue administrative subpoenas to obtain such necessary documentation.

STRO License Applicants

The regulations do not distinguish between owner or renter, as a host of a STRO unit may be any natural person who is the property owner or anyone with permission from the property owner to occupy or manage the dwelling or the room being rented. The host may obtain a maximum of one STRO license at a time. Applicants will be required to provide a valid Transient Occupancy Tax Certificate and Rental Unit Business Tax Certificate, if applicable. The administrative regulations will detail the specific requirements for license applications.

Two-Night Minimum Stay

The STRO proposal requires that any whole home STRO in license Tiers Three and Four require a two-night minimum stay. The two-night minimum stay does not apply to part time STRO (Tier One) or home share (Tier Two) in any location. A recent review of online listings on VRBO demonstrates two-night minimums are particularly commonplace for STROs in the coastal area. The two-night minimum is proposed in response to disturbances by guest frequency in whole home STRO. The noise of people moving in and out is lessened and allows additional time for guests to become familiar with parking and trash regulations. By requiring two-night rentals, the intent is to reduce problems and disturbances associated with single night occupants' daily turnover in the most impacted areas. By requiring a two-night minimum stay for whole home rentals, single night visitors are more likely to stay at local hotels or other visitor accommodations, thereby reducing the problems associated with daily turnover. This is important as the proposal seeks to strike a balance with the demands for low cost visitor accommodations in the coastal and the metropolitan areas, where demands for visitor accommodations are high. The Coastal Commission has certified Local Coastal Program amendments with minimum stay requirements in other jurisdictions.

Good Neighbor Policy

In order to facilitate neighborhood quality of life, hosts will be required to provide guests with a Good Neighbor policy designed to make the guest familiar with trash, parking and other rules of conduct that promote neighborhood cohesion and livability. The Good Neighbor policy shall inform guests they are expected to abide by all laws, be respectful, and maintain the residential character of the neighborhood. It also includes information regarding the maximum number of occupants and the City noise limits. The Good Neighbor policy must remind guests that violation of the noise ordinance can result in individual administrative citations to both the guest and the host, of up to $1,000. The Good Neighbor policy will inform guests that if the police are called to address disturbances, health, safety, or general welfare issues, the STRO guests may be responsible for repayment to the City for the cost of the police response.

Local Contact

A critical component for enforcement of the regulations is the requirement of local contact available to respond to neighborhood disturbances within one hour. All hosts must post a notice in a visible location (from the sidewalk or public right of way) containing contact information for a designated local contact who shall be responsible for actively discouraging and preventing any nuisance activity at the premises, pursuant to Municipal Code Chapter 5. The host or designated local contact shall respond to the complainant in person or by telephone within one hour for all reported complaints and shall take action to resolve the issue. The 8.5" x 11" notice must include the Transient Occupancy Tax Certificate number (currently required by SDMC Chapter 3, Article 5) to be posted in a conspicuous location, and the contact information and telephone number for the host or the designated local contact and the City of San Diego Code Enforcement Division. The host shall maintain the notice in good condition while the dwelling unit is operated for STRO.

Public Safety Awareness

The City shall provide information to STRO hosts related to identifying and reporting human trafficking. STRO hosts shall be required to educate all workers who may interact with guests so that they can identify and report human trafficking. STRO hosts must post, conspicuously in the home, guidance for reporting human trafficking and complete an online human trafficking awareness program before a listing can be activated. Any host found to be in violation of human trafficking laws shall have their STRO license permanently revoked.

Mission Beach

With its unique peninsular geography, high density units sandwiched by the Pacific Ocean to the west and serene Mission Bay to the east, Mission Beach (Attachment 1) has long been a haven for STROs. Mission Beach is also the home of Belmont Park, an iconic and historic amusement park with a 1920's restored wooden roller coaster, a historic pool, many carnival rides, games, food and beverage establishments, and is a prominent tourist destination in San Diego. While there are several permanent residents who make Mission Beach their home, a large percentage of the dwelling units in the area have been a combination of monthly and weekly STRO for decades. It is important to note there are no hotels or motels in south Mission Beach, and therefore, the only visitor accommodations in south Mission Beach are STROs. There are two hostels and only two hotels in Mission Beach proper; they are all located in north Mission Beach. Excluding STRO of private dwelling units, there are mostly resort accommodations in the Mission Bay area near Mission Beach including but not limited to the Bahia, Hyatt Regency, Paradise Point, and the Dana Inn.

A widely known rental model in Mission Beach is a combination of short term and long-term rental; nine months or longer during the fall, winter and spring, and weekly during the summer. Due to the limited visitor accommodations in one of San Diego's most unique and coveted beach areas, the STRO regulations include the recommendations proposed by the Mission Beach Town Council allowing for up to 30 percent of the total housing units in the community to be used for whole home STRO. Today this amount would equate to 1,081 whole home STRO units. Whole home STRO units in Mission Beach shall not be counted in the citywide whole home cap.

In 2018, the City analyzed available data regarding private property ownership, within Mission Beach. It was found of the 1,992 total residential property owners - roughly 1/3 - own two or more units. Three hundred and nine property owners have three or more units in the Mission Beach neighborhood. The intent of regulations is for STROs to continue to occur in this area where the demand is high for vacation rentals and has been so historically for decades. Hosts in Mission Beach are not exempted from the remainder of the proposed requirements, such as the Good Neighbor policy.

A restriction on STRO units in Mission Beach could have an adverse impact on public access and visitor-serving opportunities in this area. STRO units have historically provided and continue to be an important source of visitor accommodations by increasing the available supply of overnight accommodations. STRO units provide amenities that distinguish them from other types of overnight lodging such as hotels and may make them a more affordable option for overnight stays on the coast, particularly for groups and families. STRO units also provide a visitor experience that is unique and different from a standard hotel/motel, and the dwelling units are situated in close proximity to both the ocean and the bay, an experience that is very exclusive if greatly restricted from the current conditions where the rentals are widely available. By restricting the number of STROs in Mission Beach to less than 30 percent of the community total housing units, the likely result would be that STRO accommodation in that area would be greatly limited, and that it may no longer be an affordable option for visitors and families. With the large number of owners with multiple properties in Mission Beach proper, the intent is to allow the existing conditions to continue in Mission Beach for continued coastal short-term residential occupancy.

STRO Platform Compliance

In order to appropriately regulate the conduct of STRO platforms and to ensure that hosts comply with the licensing and tax registration requirements under the Municipal Code, new STRO platform compliance regulations are proposed. Given the role STRO platforms play in facilitating STRO transactions through the provision of payment and/or reservation services for a fee, it is critical that STRO platforms assist with ensuring hosts are properly licensed and abiding by the City's STRO regulation and TOT code.

STRO platforms shall:

1. Not process any booking for STRO license listing that lacks a verified license number;

2. Collect and remit all applicable taxes and fees monthly to the City if collected on the host's behalf.

Similar to how STRO is being managed in other jurisdictions, the City will create a registry of licensed STRO units that is accessible to the STRO platforms and at a minimum include the City issued STRO license number. The proposed regulations also allow the City to contract with platforms for other methods of compliance.

Enforcement Overview

The STRO regulations provide the City the mechanism to cite, suspend, or revoke the license of hosts not following Municipal Code including the City's STRO regulations.

The City is committed to active STRO Code Enforcement to ensure host, guest, and platform compliance with the regulations. Code Enforcement officers will work evenings and weekends to address code complaints and the City will create a channel for neighbors to file complaints about STRO where noise or other violations are believed to be occurring, such as a whole home operation without a license. Complaint systems will be established for neighbors and stakeholders to bring to the City's attention hosts that are in violation of the STRO ordinance or otherwise creating a nuisance or health and safety risk. This may be via an online complaint form, a hotline, or a mobile app such as Get It Done.

There may be instances where a neighbor is disgruntled regarding STRO activity that is occurring lawfully. In these cases, neighbors will be referred to low cost conflict resolution services for civil disputes. Code Enforcement, together with the Police Department when necessary, and in conjunction with license and TOT information provided by the City Treasurer, will be responsible for determining if a violation has occurred. Additionally, the City may elect to enlist services from a third-party provider who can assist the City from a data perspective regarding listings on platforms that are not in conformance with the regulations. Such a service may be able to assist the City in assembling web-based evidence that STRO violations are occurring.

The enforcement strategy is based on an inter-departmental team-based approach to include Code Enforcement staff, City Treasurer, and San Diego Police Department (SDPD) officers.

Program Overview

- A license or registration will be obtained prior to STRO use. STRO licenses must be renewed bi-annually. Hosts will be required to obtain a Transient Occupancy Tax Certificate. The TOT certificate number shall be posted on all advertisements for the STRO.

- The City will maintain a Registry of all STRO licenses or registration locations and will provide the information to the SDPD.

- Complaint calls will be received 24 hours per day, seven days per week. An online portal to report violations will also be created.

  In addition to the Municipal Code's general enforcement mechanisms, STRO enforcement specifically can include:

  - A first response notice constitutes a 'warning'.

  - A second and subsequent response notice may result in the property's responsible person or primary resident being issued an administrative citation or notice of violation.

- A third response notice (citation) within a 12-month period may result in the STRO license revocation for no less than a 12-month period for the premises for which the license was originally issued.

- The City will be responsible for enforcement including notice of violations, administrative citations, and revocation of licenses. If a violation is found during the tax compliance audit process, a referral will be made to the City for enforcement.

- The City will continue to monitor websites to ensure that STROs operators are paying TOT. Violators will be reported to the City Attorney for action.

Program Resource & Cost Needs for Approximately 6,000 licenses (based on 2020 TOT Short Term rental existing certificates)

- Hire Code Enforcement officers
- Establish digital license and registration system that interfaces with City databases and allows pass through registration with platforms.
- Program Enforcement costs will be covered by the General Fund, offset by corresponding STRO generated revenue.
- Hire the following: 1 Program Manager, 1 Fiscal Analyst, Plan Review Specialists, and 4 Code Enforcement Officers

License Fees

Biannual license or renewal fees shall be assessed at varying rates based on estimated services requirements and costs to the City. Historically, part time (Tier One) and home sharing (Tier Two) STRO units have not required as much enforcement as whole home STRO units (Tiers Three and Four). Council will be asked to adopt fees before January 1, 2022.

Effective Dates

Full compliance with every section in the ordinance will be required by hosts and STRO platforms by January 1, 2022. Once the ordinance is approved by Council, City staff will create administrative regulations that will detail how licenses will be issued.

Conclusion

Given the value that STROs provide the City, its citizens and visitors, and the value the Coastal Commission places on short-term residential occupancy as a way to provide lower cost visitor accommodations in the coastal areas (pursuant to the Coastal Act policy to protect, encourage, and provide lower cost visitor facilities), a set of balanced and clear regulations and corresponding enforcement program are needed to address adverse impacts and eliminate confusion and frustrations felt by all those affected.

The intent of the STRO regulations are to help preserve the availability of long-term rental housing, protect the livability of residential neighborhoods, and allow the diversification in economic opportunity that STRO enables, both for hosts, and for guests. Regulation of the hosting platforms is necessary in order to ensure that hosts are properly licensed or registered by the City of San Diego.

Given the role STRO platforms play in facilitating STRO activity, it is also the intent of the STRO regulations to require hosting platforms to help ensure that hosts conduct STRO activity in a lawful manner. To that extent, STRO platforms will be required to notify hosts of the local TOT and STRO code requirements, and exercise best practices to verify that hosts are properly registered and licensed with the City. If a STRO platform collects rent, the STRO platform must also collect TOT at the same time as the rent is collected and remit it to the City.

City Strategic Plan Goal(s)/Objective(s):
The proposed regulations support the following City of San Diego Strategic Plan goals and objectives by balancing the economic opportunity created by STRO, protecting the rights of property owners and renters, and ensuring the safety of hosts, guests and neighbors of these units.

Goal 1: Provide high quality public service: Ensure equipment and technology are in place so that employees can achieve high quality public service.
Goal 2: Work in partnership with all our communities to achieve safe and livable neighborhoods; Reduce and prevent crime.
Goal 3: Create and sustain a resilient and economically prosperous City with opportunity in every community; Diversify and grow the local economy.

Fiscal Considerations:
Costs associated with implementation and enforcement of the ordinance will be covered by the license fees that will be brought forward for Council approval at a later date. The Office of the IBA will be providing a report to address the fiscal impacts to the TOT Fund.

Housing Impact Statement:
The proposed amendments include regulatory controls to help preserve residential housing by setting a cap of 1 percent on whole home rentals Citywide to minimize impacts to housing. Allowing home sharing is an example that can accommodate long term housing needs while accommodating short term accommodations for visitors.

Charter Section 225 Disclosure of Business Interests: N/A

Environmental Impact:
Implementation of this project's actions would not result in new significant direct, indirect, or cumulative impacts over and above those disclosed in the previously certified Environmental Impact Report (EIR) for the Land Development Code EIR No. 96-0333/SCH No. 96081056; the 2008 General Plan EIR No. 104495/SCH No. 2006091032, certified by the City Council on March 10, 2008, Resolution No. R-303473; and 2020 Addendum to the 2008 General Plan EIR No. 104495/SCH No. 2006091032 for the General Plan Housing Element Update, certified by the City Council on June 18, 2020, Resolution No. R-313099. Amendments are also covered under the following documents, all referred to as the "CAP FEIR": FEIR for the City of San Diego Climate Action Plan (CAP), certified by the City Council on December 15, 2015 (City Council Resolution R-310176), and the Addendum to the CAP, certified by the City Council on July 12, 2016 (City Council Resolution R-310595).

Equal Opportunity Contracting Information (if applicable): N/A

Previous Council and/or Committee Actions:
On December 3, 2020, the Planning Commission took the following action:

Motion: To recommend to the City Council approval of amendments to the City's Municipal Code and Local Coastal Program to impose a license requirement and operating regulations for short term residential occupancy including hosting platforms and repeal regulations for bed and breakfast and boarder lodging with the following changes, subject to legal review:

1) Raise the cap rate for Tier 3 to 1 percent
2) Suggest a division of the cap for Tier 3 equally to each of the Council Districts or some other defined boundary, while maintaining the carve out for Mission Beach as proposed (Tier 4)
3) Include a requirement that license holders must validate their permanent address and that address match the STVRO property address for Tier 1 & 2 licenses

4) Include noise restrictions and limitations similar to those in the Neighborhood Commercial zone to enable stricter enforcement of noise and other impacts to quality of life
5) Include a limitation on Tier 1 licenses to prevent multiple residents from getting subsequent Tier 1 licenses for the same unit during the same year
6) One year review by Planning Commission and City Council

The motion was approved by a vote of 7-0-0.

After review of the Planning Commission's amendments, items 1,5 and 6 were included in the proposed ordinance. Items 3 and 4 are contemplated in the draft ordinance and will be addressed further in the administrative regulations. As per item 2, a cap by district presents various challenges. We currently don't have sufficient data to determine the total number of STVRO units within the various districts. This could be addressed at the annual review once there is solid data to work with. We are also working to comply with the Coastal Commission's requirement to provide low cost accommodations on the coast. This is redistricting year, and we felt that capping by district would not be as effective. This item could be revisited at the annual review.

Key Stakeholders Community Outreach Efforts:
From January 2019 through today, Council District 2 staff convened various meetings with stakeholders and community groups on this issue including: San Diego County Lodging Association, Ocean Beach Planning Board, Ocean Beach Town Council, Mission Beach Planning Board, Mission Beach Town Council, San Diego Community STVR Working Group, Unite Here, and community leaders from: Pacific Beach, Point Loma, Clairemont, Mission Beach, Ocean Beach, Expedia, Airbnb, Share San Diego and the California Coastal Commission.

Venus Molina

Chief of Staff