

OCEAN BEACH PLANNING BOARD

MEMBERS PRESENT (MARKED WITH "X")

X 1	Dan Dennison	X 3	Blake Herrschaft	X 6	John Ambert (Chair)
1	[VACANT]	X 4	Craig Klein	X 6	Tom Gawronski
2	[VACANT]	4	Andrew Waltz	7	Valerie Paz
X 2	Nanci Kelly	X 5	Jane Gawronski	X 7	Georgia Sparkman
3	Pete Ruscitti	5	[VACANT]	<i>Numbers indicate district</i>	

INFORMATION #1: SHORT-TERM VACATION RENTALS (STVR)

John Ambert (Chair) and Conrad Wear (City Council District 2 Staff) introduced the topic and reminded everyone to provide specific suggestions pertaining to the City's draft regulations.

John Thickstum and Ronan (last name unknown) from the organization Save San Diego Neighborhoods presented their argument against STVRs:

- Pursuant to the Municipal Code (MC), short term vacation rentals are prohibited in residential zones.
- STVRs are already defined as visitor accommodations. Visitor accommodations are not permitted in RM 1, 2, or 3, but they are permitted in zones 4 & 5. If you look at the MC and call STVRs visitor accommodations, they are not permitted in all but two of the zones. "If it is not in one of the categories of the municipal code, it is not permitted."
- People pretend that since STVRs were not defined in the MC, they are permitted in the MC, however, Santa Monica believes the opposite to be true. Then compares this to medical marijuana dispensaries. "Judge Maier said that since they are not defined in the municipal code, they are not allowed anywhere, or in San Diego municipal code 131.0520a"
- *Craig:* Wouldn't there be an argument that a guy who invested in a vacation rental and has had it for 25 years has an "estoppel" argument. But someone who just came in 3 weeks ago and doesn't have an "estoppel" argument.
- Hotels pay for their own trash services, they pay for their own security. Adding vacation rentals who do not have their own security or trash services are relying on our services and our tax dollars.
- The number of places available to rent are just dropping and dropping because they are being taken over by vacation rentals. If you want an example, look at Mission Beach where the school has been sold to a developer.

Public Comments:

- *Lori Hagle:* The San Diego city wants to have a strict policy on single family zones, but does not speak to multi-family areas. The City of San Diego does not want to have any limits on STVRs, but we need some sort of limit. Hermosa Beach, Dana Point, Coronado, Santa Monica do not allow them in residential zones. I think that the San Francisco framework would be a good compromise for us.
- *Troy Orem:* Vacation rental owner who owns 5120 West Point Loma Ave. We are infusing this community with money that would not be here otherwise. We are keeping eyes on people to make sure they are not having parties. That doesn't have to happen if people are not vigilant. Troy Orem is making sure he is paying our Transient Occupancy Tax (ToT). If that happens, they should actually pay. Would you be open to enrolling in a program where

you have to fill out a permit and have a liaison with the government. If it is someone who owns the property, they should be able to do what they want. He is in the RM-5-12 zone by Ocean Villa. Lot was a house that has been turned into a vacation rental. How often is it rented out: "40 unique customers per year. Minimum stay is 4 days." Has been operating for 9 years. None of the hotels or motels in that area have their own security.

- *Jason Foat*: 5014 Cape May Ave, #206. Fairly new homeowner here in Ocean Beach. Was a dream for many years to move here. I can't lie that one of the appeals was that I'm aware of the whole vacation rental thing. As part of my diversifying my retirement, I like the idea of being able to rent out my home one day. "I yelled be quiet, the response was "f u, this is Ocean Beach."" My perspective is that while at the same time I would like to prevent Ocean Beach from turning over. As far as my financial interests are concerned I am interested in being able to do this, but at the same time, make me jump through as many hoops as I need to because I'm a community member.
- *Silvia Lange*: Santa Monica Ave. Two parts:
 - The cities that have had the regulations change, I don't see that being enforced at all.
 - I'm coming from two sides, I used to work for one of those places that has created short term vacation rentals and would like to be able to rent out a part of my property when the homeowner lives onsite most of the year.
- *Frank Gormile*: Frank from the OB Rag. Most of the rental units you find on AirBnB are not your mom and pop owners, they are large companies who are renting out units. I did a study of AirBnB with OB and I found that there are 100s of units in Ocean Beach that are on AirBnB. If you look at 300 units in Ocean Beach that are rental units, those are taken off the market for other rentals. When you look at up to 5% of the units are being turned over to vacation rentals are now short term vacation rentals, that's huge. We have a chance of loss of community here. We look at Mission Beach as something that we don't want to be. Most of OB is apartments, if 25% of those units turn into rentals you lose the soul of OB. It is way to high, how do we prevent the loss of community? Highly restrict these units.
- *Casey Caputo*: I find this process disingenuous. I love Ocean Beach, I've lived for the last 7 years in South Park and recently I've been lucky enough to live in Ocean beach. One thing that my family has been able to do a house share to help pay for my vacation with my family. I'm not a fan of having short term vacation rentals all over the place, and I love my community. People that come here do pay taxes on AirBnB. These are people that come here to spend money. When I hear discussion that this doesn't benefit the community, I call BS. You know what, I love the San Francisco proposal. A conditional use permit fee of \$10k has been proposed which I do not appreciate.
- *Jane Donley*: I own half of a duplex condo that I've owned for 28 years in Ocean Beach. I also own a commercial business here that caters to tourists. I am sympathetic to both sides of the argument. I searched the cities website for how this is done in other cities. Portland is \$100 permit, SF is \$50. My biggest concern is not AirBnB. What about Craigslist? Nancy's rentals come up. She has 7 properties. I have no idea who Nancy is. We might need a \$200 permit to pay the police or code enforcement. In the last 3 months, I live in the last block of Brighton Avenue. 3 vacation rentals have popped up. The biggest complaint is the big signs that are posted on different people's houses. Wants a permit at a lesser fee that goes to enforcement. No signage. You can post a sign inside the property, but not on the street. In Austin the rule is 3% dwelling units within the census tract. 3% of OB would be great, it would be 270 units. I like it by census tract because they won't all end up in the same area.

- *Susan Bateman:* The 90 days per year thing can equate to 45 weekends a year out of 52 and those 2 days when people have a vacation rental they are going to have a big party. We purchased a home that was a vacation rental out of peace of mind to ensure that it wouldn't turn into a vacation rental. We had a dear friend who rented a vacation rental unit out of state and they were at a neighbor's house taking nails out of the house to play a drinking game. We should enforce the existing code the way it is.
- *Ed Decker:* I have a 4 unit complex right down the road and live on the property. Been a resident for over 30 years and have owned this property for over 20 years. Have only recently started doing the vacation rentals 3 years ago. Nobody is getting rich on this. I own the property, rent out two as a vacation rental and one as a residential. Seems to me that some of the complaints are zero sum game. Parking is the same, garbage is the same, perhaps less. Police seems like it should be the same. I totally get the opposition and totally get that OB is a special community. I want to keep it that way. I'm very much for regulation. The lady was talking about 3%, which I really like. I'm also for the grandfather clause because we invested a lot of money. We do the 5% ToT taxes plus an additional one percent. The notion that these guests create a lot more noise and disturbances.
- *Audrey Duncan:* Ocean Beach is a rental area. Everyone in OB rents. AirBnB isn't going to take away vacationers from the area. It is a fantastic program because it is based completely on rating. It's not something that is going to increase prices. It works because everyone is rated. Competition is always a good thing. Again, I live right in this neighborhood. We have a lot of vacation renters here, they live all the way down the block. The only problem I've had is residents. We PARTY as residents, we do. 10% of the people who rent here in a home as opposed to a hotel, they love it. They want to move here. It's better than hotels. No regulation whatsoever! Limited to places with a rating system.
- *Corey Wyatt:* I'm a sinner man. I own a duplex here in town and up until two years ago we lived in it. Now we've moved, and I can't even afford to take a vacation. If we can't do a vacation rental on the property, we can't keep it. I've done community service. My solution is to heavily regulate it. Any kind of noise complaint, I'll happily pay it. I can't afford to buy another property. We rent, when I lived in the property there were homeless men peeing and defecating on the property. I do see the loss of a neighborhood thing that they talk about with Mission Beach. I'm torn because I need this in order to provide for my family. Rented as a vacation rental 10 months out of the year. I cater specifically to families. I prefer to stay in a hotel. Another regulation could be the occupant. I have a 2-br one bath. I don't want 12 people in it. I advertise it as 6 people maximum...but there should be a number of people. I don't want to see all of Ocean Beach become an investor. Maybe we could say you have to be an owner-operator. You can't be a corporation running it. Limit to number of people in the apartment.
- *Paul Bedington:* I don't live in OB and it's really your business. I am on AirBnB up on Mission Hills. Been doing it about a year and half. Nothing but positive experiences from every single group that has stayed with me. The thing I would say to you as a board since I was a member of the Golden Hills planning committee. How many times has one example been repeated over and over and over again. I understand there are challenges with whole house rentals. As a board, I would say that you maybe ask for some empirical data:
 - Noise complaints from STVRs
 - As a board I would suggest that you ask the city for real data so that you can make an informed decision. If you have a one-sided argument, that is an issue.

- My hyperbole is this: I think AirBnB is great! They are doing it to survive. 2008 happened, the middle class is disappearing. Owner onsite
- *Laura Dennison*: I don't have an opinion one way for or against. I have a couple of questions. Is parking taken care of? Sort of. Maybe this would be a solution. Nextdoor.com should be used to tell if a house is a party house or not. Lawyers are the spokesman for the house and they own several others that they bought during the downturn. She has called the police. Maybe there should be language such as 3 strikes and you're out.
- *Gretchen Newsom (OB Town Council)*: Provided comments via email (**Attachment #1**).

Board Comments:

- *Georgia*: I think a good point that was brought up would be how the visitors would impact people who live here purposefully. One of the recommendations I kept hearing was having a homeowner on-site. A limitation at 25% was expressed as too high. Maybe AirBnBs are not allowed on properties that are 6 or more units. Enforcement seemed to be a huge issue. The program will not work without enforcement. Census tract, or weekends vs weekdays. Maybe a maximum, but needs to be a minimum duration. Occupancy limits are in the code. I liked that. The Coastal Commission is raising this as affordability. We don't necessarily see this as affordability. There needs to be some sort of permit or record. How do you shut down rogue people?
- *Nanci*: Mixed feelings within my district. Preference for owner-occupied, or management or very close by. Also a noise enforcement issue.
- *Tom*: My focus on this is community structure. A limit, 3% sounds just fine to me of the dwelling units per census tract. I don't care how well AirBnB runs things. The only other issue I care about is that we have to have parking that is at least equivalent to condo parking. I don't think I could ask for a code for new construction parking, but they should at least have condo parking which is one space for one bedroom, 1-1/2 spaces for two. I have some issues about the number of sqft per occupant. 200sqft per the code is the very rock-bottom minimum number. But enforcing that would be extremely difficult.
- *Craig*: I like the idea of 3% per census tract. Existing operators who have been doing things the right way. Once you do the numbers, if you find out that any particular census tract already has more than 3% of the housing stock. In the event that you found that you'd have to deal with it then, and maybe you need to allow the cap to be done by existing operators. I'm less concerned with owners renting rooms on-site. It is completely unenforceable. Whole unit renters are the problem.
- *Jane*: I'm a little bit conflicted about this, because as a property owner you should be able to do what you want within certain limits. I object to pages and pages and pages of municipal code. Needs to be clearly understandable and accessible code.
- *Dan*: I have had experience managing thousands of units. It's a mixture of regulation control and property rights. If you have a rule people have to sign up and tell you how to do it. What are the numbers of these properties and who is doing it? We need real numbers. If someone only rents out for a short amount of a year, there shouldn't be a lot of regulation for them. What it comes down to is enforcement. Would be very helpful if we had a way to quantify the type of complaint and who has been doing it. I completely agree with Jane.
- *Blake*:
 - Completely getting rid of whole house rentals is a non-starter
 - Everything that has been proposed, doesn't seem to really propose an answer

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- Only a single entity can only own and operate x (1-3) STVRs within a town.
- *John*: I'm an Ocean Beach native. I am disgusted with the amount of STVRs available in this neighborhood. I believe a permit should be paid and that should pay for enforcement. Everything comes with a restriction, there has to be some sort of regulation with a quantifiable number that can be taken and enforced.

ATTACHMENT #1

----- Forwarded message -----

From: **Gretchen Newsom**

Date: Mon, Sep 21, 2015 at 8:02 PM

Subject: My remarks on STVRs - in case you need this.

There needs to be a nexus or connection between affordable housing and affordable hotel room rates.

Also - there should be a mechanism to ensure that the taxes and fees associated with the rentals are returned and invested in the impacted community.

There are many examples of vested responsible local owners like CASEY Cuputo and Corey Wyatt - perhaps a solution could be to severely limit the number of short term vacation rentals owned by non-local or big investment companies, and to also limit the number of persons within the dwelling by square footage.

Also, perhaps there could be an enforcement mechanism that if a rental property received numerous or a certain number of noise and neighborhood complaints then it's permit is revoked.

I would also like to see an online database that documents the owners so we know how many rentals are owned by big investment companies as opposed to local residents.

Sent from my iPhone