OCEAN BEACH PLANNING BOARD

PO Box 7090, Ocean Beach CA 92167

oceanbeachplanning.org

November 4, 2015

The Honorable Lorie Zapf
City Council of San Diego
202 "C" Street, 10th Floor
San Diego, CA 92101

Re: Vacation Rental Policy Framework Draft Memorandum

Councilmember Zapf:

Adding a new use type is no small act. It must be done well, with a view of all consequences to San Diego residents, or not done at all. Ocean Beach and the other beach communities are disproportionately affected by this measure, and it is paramount that our constituents' concerns be taken into account. We've had several meetings on the topic, including a special town hall meeting on September 21, 2015 with over 60 people in attendance.

At the center of this issue is potential loss of community as long-term residents and families are forced out so that the homes can be turned into more profitable investor-owned Short Term Vacation Rentals (STVRs).

The following recommendations are based on the outcomes of our community forums:

Homeshares
We agree with Councilmember Zapf's draft framework dated August 27, 2015 that "homeshares"—i.e. partial home rentals by homeowners who continue to reside on the premises—should be allowed, and should be added to the boarder lodging section subject to the Transient Occupancy Tax (ToT) and a permit process.

Whole-Home Rentals
RM vs. RS: Along with the Community Planners Committee, <u>we wholly reject a distinction between RS and RM zones</u> as recommended in the September 17, 2015 addendum to the draft memo for the following reasons:

1. Dwelling units in RM zones tend to be more affordable than RS zones. At a time when rent prices in San Diego are at all-time highs, and in a community of 85% renters, it is critical that the most affordable dwelling units continue be available for long-term residents.

2. Ocean Beach is almost entirely RM-2-4 zoning. As such, leaving no restrictions in the RM zone means a nearly complete lack of regulation on the new use type in our community.

Approved by an Action of the Ocean Beach Planning Board on November 4, 2015

Limitations: A *duration* limit is simply not the right metric. If any metric should be used to balance affordability for overnight visitors and long-term residents, <u>that metric should be a limit on the total number of STVR units allowed within a geographic area (such as census tract or planning area)</u>. This would provide a limit on the *saturation* of STVRs in the community. It is the opinion of the Board that this number should be *3% of the total number of units within the census tract* (as adopted in Austin, Texas.)

Frequency: We are open to frequency limitations as recommended by the City.

Permitting and Enforcement: <u>All whole-home rentals should be subject to an annual licensing process. The associated licensing fee should pay for the costs of City staff enforcement of illegal STVRs</u>. This fee is independent of the revenues collected from the ToT. Enforcement exists to ensure regulations adopted by the community are maintained. If a substandard regulation is being adopted due to fear of inadequate enforcement, we recommend refraining from adding this new use type. <u>Licensing fees should be utilized solely for code enforcement officers specialized in enforcement of STVRs.</u>

The Board is certain that, coupled with licensing, a limitation on saturation (e.g. 3% of dwelling units) is simpler to enforce than a limitation on duration and/or frequency. Enforcing saturation requires simply tracking the total number of units—as opposed to tracking of the number of units *and* the number days each unit is rented. In addition, the current permitting process for alcohol sales provides a proven and effective model for this type of regulation and enforcement in San Diego; by contrast, we are unaware of a model for enforcement of a frequency-based limitation.

We thank you for initiating this process and your continued dedication to our community.

Sincerely,

John Ambert, Chair

cc: Mayor Kevin Faulconer
        Council President Sherri Lightner
        Council President Pro Tem Marti Emerald
        Councilmember Todd Gloria
        Councilmember Myrtle Cole
        Councilmember Mark Kersey
        Councilmember Chris Cate
        Councilmember Scott Sherman
        Councilmember David Alvarez