



**Isn't it time to protect neighborhoods
by enforcing San Diego's zoning laws?**

**Whole-home vacation rental businesses
don't belong in residential zones.**

Media Kit

Save San Diego Neighborhoods

A guide to understanding the depth of the short-term vacation rental crisis
Story ideas • Data/charts • Quotes • Background

Online at: www.SaveSanDiegoNeighborhoods.org/pdf/17mediakit.pdf

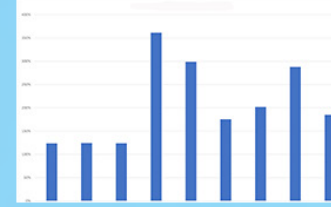


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Negative impacts felt across San Diego.

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STVR growth explodes in last 2 years here.

Section 3: The Rise of the Investor Class



Home-sharing isn't the issue. Investor-class is.

Section 4: The Crisis Hits Home for Many



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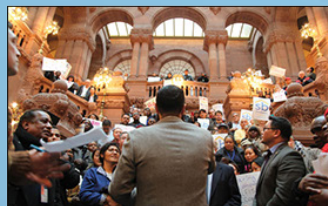
City's housing crisis made worse by STVRs.

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Poll: Citizens want laws enforced on zoning.

Executive summary:

Negative impacts of STVRs widespread in San Diego

By the numbers

The number of whole-home short-term vacation rentals in San Diego has exploded. There are now 10,000+ whole-home STVRs from Airbnb and dozens of other online rental platforms. City Council districts 4, 8 and 9 had the highest rate of STVR growth from 2015-17.

Home-sharing isn't the problem, STVR business are

Citizens group Save San Diego Neighborhoods has always supported home-sharing, where owners are present and rent out rooms. But, the real face of Airbnb isn't home-sharers. It is the vacation rental investment class. These investors are relatively small in number, but have a huge impact.

STVRs and San Diego's affordable housing crisis

STVRs not only are causing long-term renters to lose their homes, but their communities as well. Every whole-house vacation rental business is one less home for San Diego families to buy or rent long-term. And, the character of communities, like Ocean Beach, is being transformed by STVRs.

STVRs are hurting local economies, Chamber concerned in San Diego



Drunk and passed out on a patio a few feet from homes in a residential neighborhood, one of a group of young men who “sub-leased” a vacation rental from the renters epitomizes the incompatibility of having strangers on vacation in the middle of a neighborhood. But, as bad as these noise and nuisance problems are, other negative effects of short-term vacation rentals are even worse for San Diego's citizens.

The short-term rental economy is benefiting very few at the expense of many. The Chamber says: “We can't overstate how much our housing affordability crisis is holding back our economy.” It doesn't help businesses when thousands of houses intended by zoning to be residences are converted to STVR investments.

List of cities prohibiting STVRs grows, community councils back enforcement of Municipal Code

The list of cities prohibiting STVRs has grown to almost 4 dozen. That includes about 2 dozen cities along California's coast, none of whom has faced a review by the California Coastal Commission for simply upholding their laws.

Property rights, City Attorney memo and city's lack of enforcement

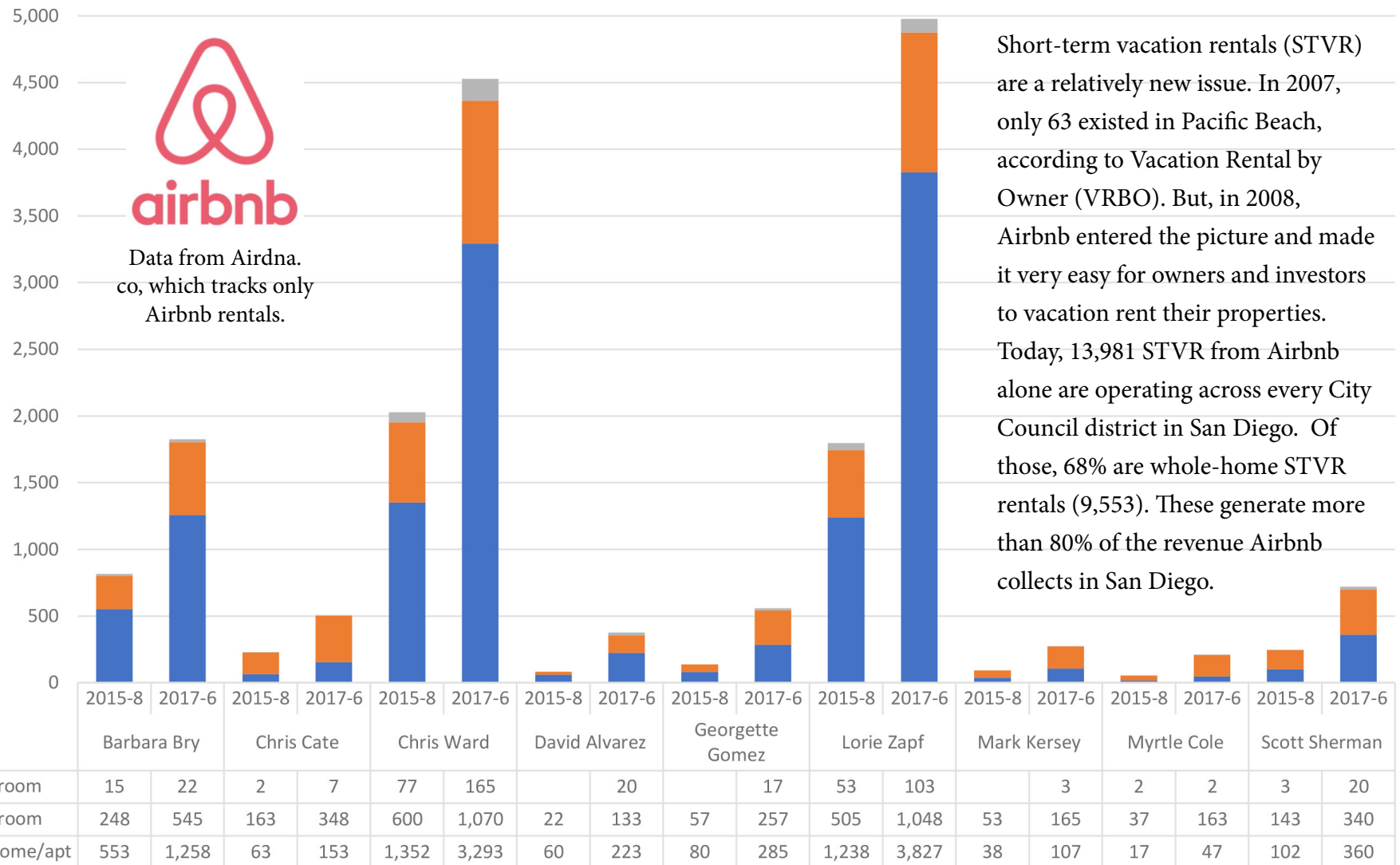
Not enforcing zoning laws is impacting long-protected property rights, in this case of neighbors of STVRs. The City Attorney says STVRs are not legal in residential zones, but the city is not enforcing the law.

Proposals to be considered, voters vote the vacation rental issue

San Diego City Council will consider proposals this fall. July poll finds 85% of respondents want the law enforced. In the 2016 election, one of the untold stories was that voters voted the vacation rental issue.

Number of whole-home vacation rentals explodes to 10,000+

2.7 X increase since 2015 for Airbnb; there are dozens of other vacation rental platforms



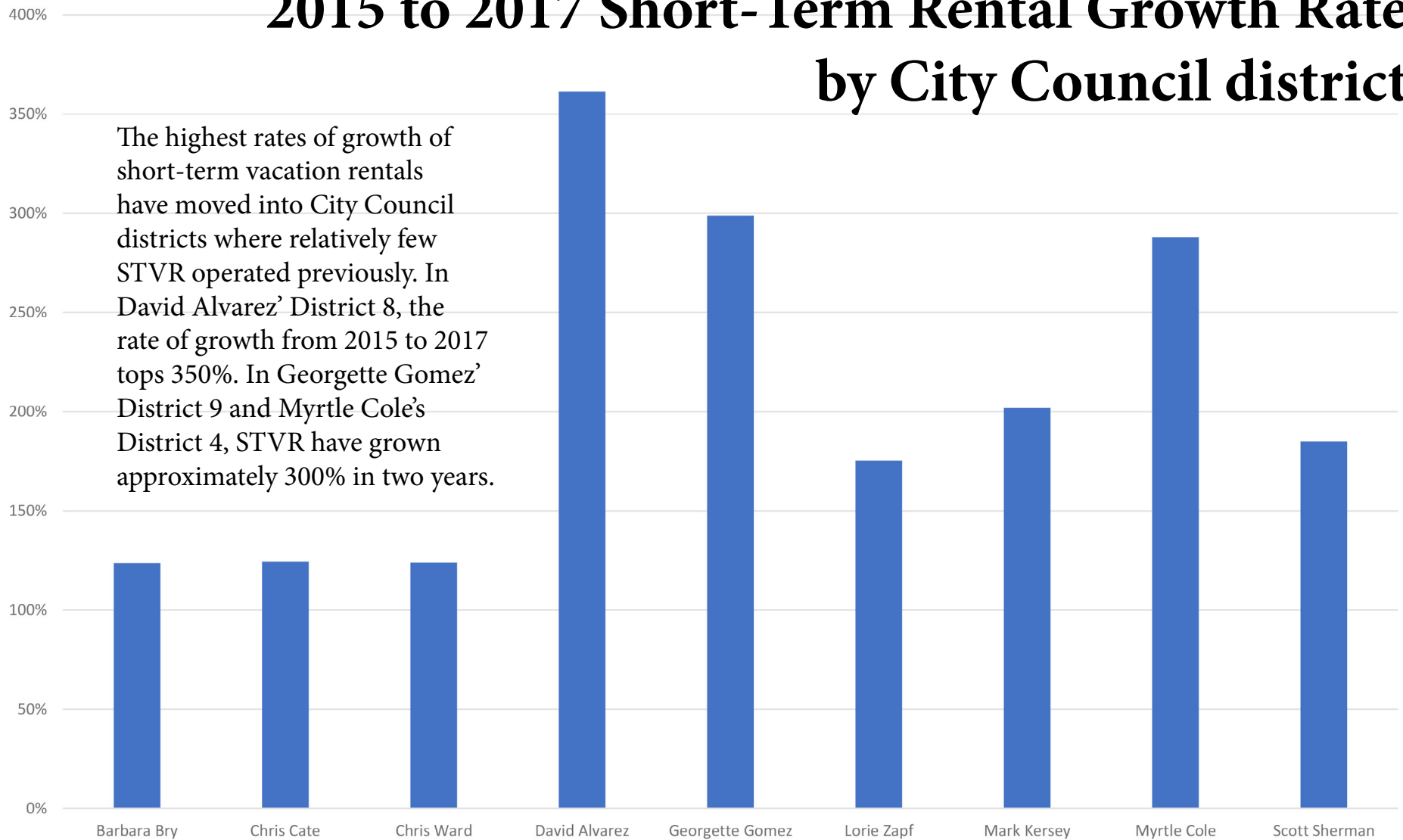
Shared rooms: Guests share the entire space with you or others and don't have a private room to themselves.

Private rooms: Guests share some common areas with you, like the kitchen, living room, or bathroom, but they have their own private room for sleeping.

Entire homes/apartments: Guests rent the entire unit and don't have to share the space with you or with anyone else.

2015 to 2017 Short-Term Rental Growth Rate by City Council district

The highest rates of growth of short-term vacation rentals have moved into City Council districts where relatively few STVR operated previously. In David Alvarez' District 8, the rate of growth from 2015 to 2017 tops 350%. In Georgette Gomez' District 9 and Myrtle Cole's District 4, STVR have grown approximately 300% in two years.



Airbnb rental data from TomSlee.net. Council district data from SanGIS/SANDAG GIS Data Warehouse. Airbnb's San Diego market share estimated at 60%.



As San Diego has debated what to do about STVR, the number of whole-home vacation rental businesses has exploded.

Save San Diego Neighborhoods has always said home-sharing should be allowed in San Diego

Council members should know when they are being bamboozled.

Save San Diego Neighborhoods has always agreed with most people that true home-sharing, where owners are present and rent out rooms, should be allowed.

Yet, at hearing after hearing, Airbnb has used ads like the one at right to frighten and misinform resident hosts, suggesting their ability to rent rooms is being threatened. Nothing could be further from the truth.

It is estimated that upwards of 75% of the “green shirts” packing recent City Council hearings were home-sharers. We know that for many people, room rentals are needed to make ends meet. We support home-sharers. Always have.

But why is the City protecting investors and out-of-town operators at the expense of families, businesses, workers, and neighborhoods in San Diego?

It is the absentee-owner, investment businesses that are the problem. They generate more than 80% of the revenue Airbnb and other platforms collect in San Diego. Yet, they represent only a few thousand operators, many having multiple whole-home rentals and many living out of town.

In the last two years alone, investor and absentee-owner STVR hotels have grown 2.7 times, reaching 10,000 properties. These are businesses that rob San Diego families of what zoning laws say should be residential housing.



**My
spare room
funded my
Master's
degree.**

Earn money by
sharing your home.
airbnb.com/host


airbnb
Belong Anywhere

One short-term vacation renter investor owns and operates 1,083 whole-home vacation rentals from Singapore to the Ozark Mountains. That is almost 3 times more properties than Hyatt Hotels. How can you seriously argue that this is a residential use? It is, pure and simple, a business driven by an investor class that is fueling huge growth in the short-term vacation rental lodging industry. They are doing this in violation of zoning and safety laws. It is also being done at the expense of neighbors, long-term renters, businesses seeking housing for employees, and families hunting for increasingly scarce affordable homes.

This isn't about home-sharing

This is about the rise of the investor class in the vacation rental lodging industry that is destroying neighborhoods

Notes from the Investor Class

Hyatt Hotels Corp. may soon be your neighbor. Hyatt has invested in onefinestay, a closely held company that enables travelers to rent upscale private homes. Onefinestay matches homeowners looking to rent their residences in cities around the world with travelers. It manages a portfolio of more than 2,500 homes with a combined value of more than \$5 billion.

"We own 3 vacation rentals in the Adirondack Mts and are looking for more up there." - M.P., Point Lookout, NY

"I own an ocean front vacation rental in San Diego, a house 5 houses off the beach in San Diego and I'm buying one on the peninsula in Newport Beach (probably a duplex or triplex) this year." - R.B., San Diego

And on and on these notes could go.



Proven Investment!
5041 Foothill Blvd | San Diego - Pacific Beach

Sotheby's
INTERNATIONAL REALTY

What used to be a home for a family of long-term renters in a North Pacific Beach single-family neighborhood is no longer a home. It is a "Proven Investment!" The long-term renters were forced out, unable to compete with the \$9,827 monthly vacation rental income this home generates on average for the absentee, investor owners. Tourists replacing residents isn't good for neighborhoods.

The real face of Airbnb in San Diego is the Investor Class

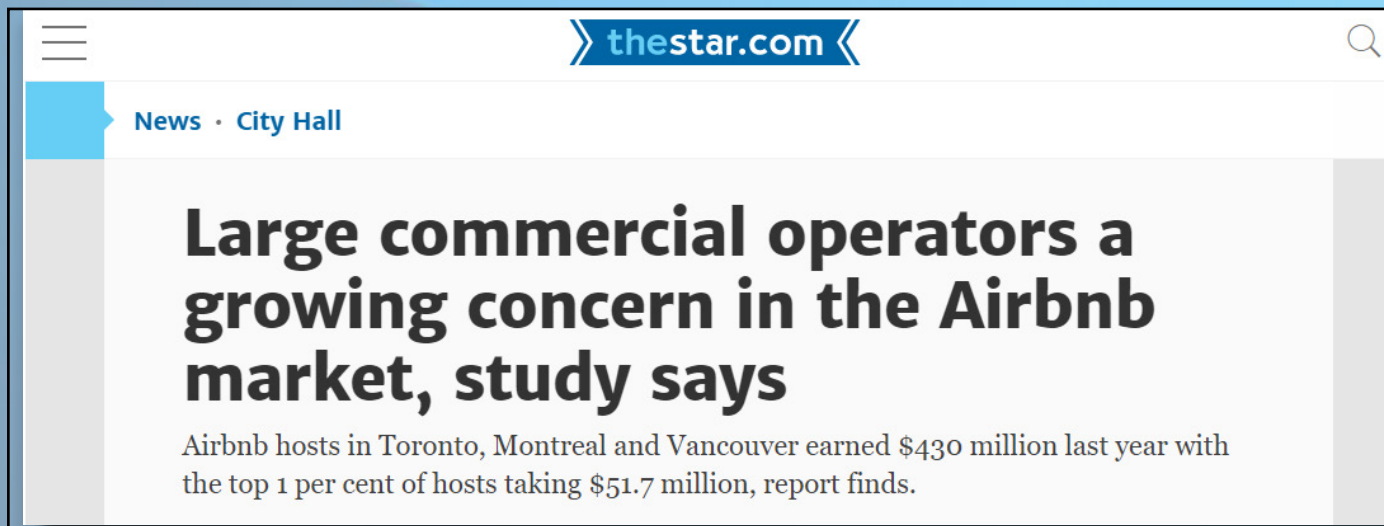
Who are the people renting their homes short-term? Airbnb would have you believe they are struggling college students or widows renting a room to make ends meet. Studies show that is a gross distortion of the real picture. [According to a study by Unite Here/Metropolitan Public Strategies](#), 84% of the value of Airbnb rental listings in San Diego comes from “entire homes.” Only 16% comes from true home sharing.

Other findings from the study:

- The vast majority of STVR hosts in San Diego are NOT “neighbors” renting out a room to make ends meet.
- Approximately 70% of Airbnb units in San Diego are for “entire homes.” This means that in most cases, people are renting homes or apartments out full time on Airbnb.

- Those units take valuable housing off the market, making a severe affordable housing crisis much worse.
- 640 Airbnb hosts had 2 or more listings. These hosts controlled 2,242 total units, or 46.5% of the total number of units in San Diego.
- San Diego’s most prolific host has 78 listings, and 30 Airbnb hosts have 10 or more listings.

Other studies report that there are approximately 5,000 whole-home STVR operators in San Diego. Of those, half live outside the area. So, we are talking about 2,500 whole-home investors who live in San Diego. In contrast, the number of voters in San Diego is about 700,000. About half (47.97%) of San Diegans rent their homes ([Census ACS data](#))



Airbnb sucking up Canada's housing supply

A small number of commercial Airbnb property owners are eating up the local supply of housing in Montreal, Vancouver and Toronto. A team of urban planners from McGill University looked at Airbnb trends in the three cities and noted a 50 per cent increase in the number of short-term rental properties year over year.

- [Huffpost, Aug. 8, 2017](#)

Why are STVR so deadly to the health of residential neighborhoods?

"The mayor and City Council must act to fight commercialization of single-family neighborhoods. Otherwise you will see an exodus of families."

- J.M.



When tourists replace residents, it isn't healthy for neighborhoods. Do that enough times - is 9,553 enough? - and neighborhoods start to die. They become commercial zones instead of residential zones.

This is not just about noise, as many STVR proponents would suggest. STVR impact so many things. A community depends on residents. Take them away, and you destroy the community. Who plays with your daughter when there are no other children left in your neighborhood? Who volunteers for civic duty?

And, the impacts on individual neighbors of these mini-Marriotts go way beyond noisy parties. Tourists are on different schedules than residents, who need to put their children to bed for school the next day or get to sleep themselves because they must get up early for work. STVR are an incompatible, commercial use that clearly DOESN'T BELONG in a residential zone. That's why there are zoning laws.

"Whether or not transient rentals have the other "unmitigatable, adverse impacts" cited by the council, such rentals undoubtedly affect the essential character of a neighborhood and the stability of a community. Short-term tenants have little interest in public agencies or in the welfare of the citizenry. They do not participate in local government, coach little league, or join the hospital guild. They do not lead a scout troop, volunteer at the library, or keep an eye on an elderly neighbor. Literally, they are here today and gone tomorrow without engaging in the sort of activities that weld and strengthen a community."

- California Supreme Court

An incompatible commercial use creates noise, safety issues and a loss of a peaceful home environment

Quotes from residents detail how whole-home vacation rentals destroy neighborhoods

“Thank you for exposing my 4 young children to excessive partying, strippers, drugs and possible prostitution. Directly across the street where my children’s window face is a VRBO. Every weekend for the past two years it is primarily booked for either bachelor or bachelorette parties. At times our house feels and sounds like a night club!”



Exterminator trucks line up to drive out bed bugs that drove out short-term vacation renters from this white house in Pacific Beach. [Scotland reported](#) a 44% increase for such calls due to STVRs.

“We are surrounded by vacation rentals in an R-1 zone. The noise, trash, congestion and constant change are destroying the quality of our neighborhood. It’s time for this to cease, we did not buy our home in order to live next door to hotels.”

“We live at 7390 Cabrillo Ave. in La Jolla California. The house next door is a short term rental... the owners live in New Zealand. At any given time there are at least three different families at that home within a period of one week. It’s loud, it’s noisy, and it’s disruptive to the whole neighborhood and yet there’s nothing we can do except to call the police. We are sick and tired of this! this has been going on for years! It feels as if I am paying for

my neighbor to make money! I pay for it by constantly being inconvenienced with the 24 hour party atmosphere. The city needs to do its job and enforce the laws.”

“My neighborhood has been over run with vacation rentals. In the summer there is never a night when it is quiet. The police are busy and never respond so the owners are never held

accountable for their renters disturbing the entire neighborhood. What about the people who purchased their homes in the neighborhood? What about their rights?”

“I guess I am going to be opening my own Holiday Inn soon as well.”

“We work so hard to live in our dream home and are now battling with strangers coming in and out of our neighborhood being disrespectful. Our kind long-term rental neighbors were forced to leave and replaced with STVR. We miss that security of knowing our neighbors. Our Mayor is really disappointing.” **(Dozens of pages of similar quotes are available.)**

Long-term renters are getting hammered by vacation rentals

Landlords are raising long-term rental rates or simply not renewing leases. Then, they convert properties to more lucrative STVRs. It's rampant in San Diego (see stories below). And, it is doubly sad. Long-term renters are losing their homes. Then, because of the dwindling supply of affordable housing, they also are losing their place in their communities because they can't find another home to rent.

In Pacific Beach, there are 1,045 single-family homes for STVRs, only 236 for long-term renters.

"My girlfriend was evicted three times within a year because the buildings she lived in were converted to SVTRs (in three separate parts of San Diego). I have rented a unit in a duplex with the owner in the other unit for 14 years. The owner is elderly and I help her with the property and various things (like a good "neighbor" often does). When she is gone, I have no doubt I will be evicted and my apartment turned into a STVR. Due to debt I incurred obtaining a professional graduate degree (right before 2 recessions), I have not yet been able to afford to buy a home in San Diego. I love this city and have been here 18 years as a hard-working, productive professional and member of the community. However, if my apartment were turned into a STVR, I would probably leave town. I have already looked at jobs in other locations. I know other similarly situated people who feel the same or who have already left."

"Elderly mother was not allowed to renew lease after 3 years due to STVR conversion plans. Condo near pier."

"Our immediate neighbors were long-term renters when the house (in a residential zone in Pacific Beach) was sold to a company that sets up STVRs in residential neighborhoods. After they were given the notice to move, they were unable to find another house to rent in PB due to a shortage of long-term rentals and had to move out of the area. They were a family with two young children who went to our local school. Instead of family living next door, we ended up with three long years of a loud STVR filled with strangers that are not part of our community."

San Diego long-term rentals at a glance:

- As of June 2017, average apartment rent within the city of San Diego is \$2,119. ([Rent Jungle](#))
- One bedroom apartments in San Diego rent for \$1,781 a month on average and two bedroom apartment rents average \$2,248.
- Rents skyrocketed 32 percent in San Diego County between 2000 and 2016. However, the median income of renters decreased by 2 percent. ([KPBS](#))
- Lack of inventory is a contributing factor to the escalating rents in San Diego. Many privately owned "granny flats," guest houses, cottages, and garage apartments that were formerly available long-term have been converted to short-term vacation rentals through Airbnb and VRBO. ([San Diego Magazine](#))

"I was "constructively" evicted from a rental that I had been living in for 2.5 years. From January 1, 2016 to June 1, 2016, the landlord raised the rent from \$1050 to \$1600 in two increments to try to push me out. I remained in the unit until October 2016, while the landlord Airbnb'd the units that had opened up in the meantime. I decided to move because I did not want to live next to short term vacationers and I knew the landlord would continue to raise the rent to push me out. The landlord is now airbnb'ing the unit I moved out of. The landlord has converted a total of 5 out of 6 beach front rentals to STVR."

See dozens of similar comments that are available for use in media stories. Email info@SaveSanDiegoNeighborhoods.org for contact information.

Study finds that spikes in Airbnb listings are strongly linked to rent increases

Rents increase 0.4% for every 10% rise in Airbnb listings, more in neighborhoods saturated with STVRs ([see story](#))



Anti-Airbnb protestors gather outside of New York Governor Andrew Cuomo's office on Third Avenue in New York.

Read Harvard Law research on: How Airbnb Short-Term Rentals Exacerbate Los Angeles's Affordable Housing Crisis. Airbnb rentals decreases the supply of housing by simple conversions of homes and by the creation of "cottage hotels," which spur displacement, gentrification, and segregation. [See article.](#)

‘Pretty soon, you’ve lost your community’

Vacation rentals are turning communities into ‘neighborhoods without neighbors’;
Excerpts from Ocean Beach article, comments show impacts when tourists replace residents

Gentrification in Action in Ocean Beach: 3 Projects Tell the Story

by FRANK GORMLIE on JULY 10, 2017 ([Access story in OB Rag](#))

If you look closely, you can actually see gentrification in action here in Ocean Beach.

There’s at least 3 projects right now in Ocean Beach that tell the story, where the potential opportunity to build gentrifying structures and future short-term vacation rentals is just too great to resist.

(The projects are listed - 4651 and 4653 Orchard, 4719 Bermuda, and 5162 and 5162 1/2 Cape May - and plans that include conversion to short-term vacation rentals are described. Then, a concluding paragraph is added:)

The road to gentrification for a community is made by a thousand decisions. Everyone has a right to develop their own property – within limits, of course. But when all any new-investor or developer wants to do is build maximum height with maximum width for a 2 or 3 story, high-priced condos – it’s that decision multiplied by a thousand others that flow in the same direction that has significant consequences; you end up with a community undergoing gentrification and the construction of future high-priced short-term vacation rentals. **And pretty soon, you’ve lost your community.**



Small single-family home being converted to STVR in OB.

Comments from the community:

- Most people are fine with the need to make some \$\$,. But be honest. They just do not want to be exploited for pure profit and have the community change (become short term rental).
- This just breaks my heart.
- High rents push us into the streets.
- According to my unofficial, unscientific study of Mission Beach, so much of the community has been turned into expensive daily and weekly vacation rentals, time-shares and other units out of reach of the common working person, that much of the community has evaporated. Over the decades, I have watched Mission Beach lose its school, its post office, and other community-based facilities.

“As far as I can tell, this (any link between STVRs and San Diego’s affordable housing crisis) is nothing more than a myth.”

**- Councilmember Chris Cate,
May 3, 2016**

“San Diego has a severe housing shortage that makes it difficult for residents to rent, let alone purchase a home. If we want a future for our children and grandchildren here, we need to move quickly to address this issue. ... My proposal both protects housing stock and allows residents to supplement their income.”

- Councilmember Barbara Bry, August 20, 2017

The impact of STVRs on affordable housing hurts (nearly) everyone in San Diego

Advocates for short-term vacation rentals, like San Diego City Councilmember Chris Cate, refuse to see what is all too painfully obvious to displaced long-term renters, families trying to find a home they can afford in San Diego, business leaders wondering how they can find housing for the new workers they need to hire, and real estate experts such as Dr. Svenja Gudell, Chief Economist for Zillow, the nation’s leading real estate analytical website:

You can’t take thousands of units intended by zoning to be used for residences, convert them to vacation rental businesses, and not have it impact a city in a declared state of emergency since 2002 over a lack of affordable housing. More than half (56%) of the owners of whole-home STVRs paying TOT taxes in San Diego don’t live in the same zip code as their rental.

No one is suggesting STVRs are the only cause of San Diego’s affordable housing crisis. But the renters on the previous page are just one of many stark rebuttals to Cate’s view that their STVR-caused housing woes are some type of a myth. So are a growing number of studies making the link. Here is the key point about affordable housing and STVRs for City Council members to consider:

Every whole-house short-term vacation rental business means one less home for San Diego families to buy or rent long term.

When people can’t find housing in City Council districts 1, 2 and 3 - where most STVRs are located - they move to other areas. That raises housing prices EVERYWHERE in San Diego. That particularly hurts Hispanics and African-Americans. In 2012, these groups could afford 20 percent of the homes on the market. Today, coinciding with the explosive growth of homes converted to STVRs, that figure is down to 5.6 percent, according to Redfin. So, they have less chance of buying a home. And, who benefits? The vacation rental lodging industry investor class, which is violating zoning laws to further drive this housing gap. Again, why are they being protected?

Links made between whole-home STVR, affordable housing

Community, government leaders around the world are speaking out

Santa Barbara:

“No one is talking about the housing crisis,” Mayor Gregg Hart said, referring to the 0.5% rental vacancy rate. “That issue (STVR) is crushing people, and it is different today than it was just a few years ago.”

New York state:

“Airbnb is a marauding army invading a city with no regard for the law or the consequences. We are losing affordable housing, hand over fist. We are just losing them daily,” Linda Rosenthal (D-Manhattan).

Laguna Beach:

“It seems pretty apparent that 75 percent of the existing properties (STVR) are owned by individuals who do not live at the property,” said Ann Larson, assistant director of community development. “We’re a world-renowned destination. We could fill up every single house with tourists.”

Dianne Feinstein

United States Senator for California

I share your belief that strong zoning laws protect residential areas from certain commercial activities and support families. Legislation that allows private homes to be leased out as hotels will blur the line between commercial and residential neighborhoods, and thereby ruin the distinct character of numerous residential areas. **I believe that the growth of short term vacation rentals will also cause the already high cost of living to further increase and exacerbate the shortage of affordable housing, as homeowners and renters will leave their units to rent them out to hotel users.**

Dianne Feinstein,
United States Senator

Vancouver:

“This (STVR) is having a negative effect, there’s no question about it,” said David Hutniak, CEO of Landlord, B.C. “The last thing we need is an even shorter supply of long term housing.”

Dublin, Ireland:

“It seems to have an enormous impact on the number of apartments to rent out there,” Dublin

city councillor Mannix Flynn said at the council’s Housing Strategic Policy Committee. (From the May 17, 2016 Dublin InQuirer)

Portland, Oregon:

“San Francisco has serious concerns about this (STVR) situation depleting the availability of affordable housing,” said Deborah Imse, executive director of Multifamily NW at a City Council meeting July 2nd. “People are taking their units off the market and just doing short-term rentals.”

Alarms are being sounded that impact San Diego

Leaders, economists, media: STVRs worsen already critical housing affordability

“What’s happening is that there’s just so many out-of-town people (investors) who are buying up properties, specifically for turning them into (short-term vacation) rentals. We’re talking out of both sides of our mouths when we say we have a housing crisis, and then we’re allowing unlimited homes to become (short-term vacation) rentals.”

- Lorie Zapf,
City Councilmember,
[PB Monthly, August 2017](#)

“For every unit turned into a short term rental, a San Diego resident loses a home. It makes no sense that we as a city are denying our citizens affordable housing in order to cater to tourists and to line the pockets of commercial operators. San Diego needs to start enforcing its municipal code.”

- Brigette Browning, President,
UniteHere! Local 30; San Diego County
Hotel/Food Service Workers’ Union.
[2016 study](#)

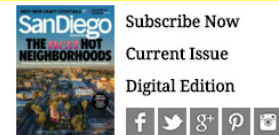
“Thousands of single-family homes that were once bought and sold every few years prior to the recession have now been converted into rental properties by investors, trading hands much less frequently and further contributing to inventory shortages.” (Zillow reports San Diego’s inventory of homes has dropped 25.5% in a year.)

- Dr. Svenja Gudell,
Chief Economist of Zillow,
[June 22, 2017](#)

I visited half a dozen buildings on or very close to the Boardwalk (in Venice) that have been converted, without permits, from long-term rental apartments to short-term rentals, or — yes — let’s call them what they really are: hotels.

If you are wondering why the rental housing market in a place like Venice Beach is so tight, look no further than your nearest laptop. Fire it up and find dozens of websites advertising hotels and houses “just steps from the sand.”

These places, by the way, are not extra rooms, guest houses or homes offered by the owners who want to cover part of their summer trip to France. They are apartment houses and entire homes that have been converted to short-term rentals by displacing long-term tenants. [Los Angeles Times, August 9, 2017](#)



San Diego

MAGAZINE

Rent Uncontrolled

Dramatic rent hikes are pushing renters out of San Diego

BY WENDY LEMLIN



Published: 2016.02.26 10:38 AM

Fifty-five percent of renters in San Diego are considered “cost burdened,” spending well over the recommended 30 percent of monthly income on housing. San Diego is the ninth most-expensive rental market in America, but many can’t buy houses because of high prices.

([San Diego Magazine, February 26, 2016](#))

Fool's Gold?

'As it stands today, this short-term rental economy is benefiting very few at the expense of many'

"Home-sharing giant Airbnb — with its \$31 billion valuation — claims it has brought \$1.2 billion into the Los Angeles area economy and \$420 million to greater San Diego.

But the reality is that short-term rentals suppress hotel occupancy, restaurant receipts and in turn sales taxes.

The Airbnb statistics do not take into account the thousands of businesses and jobs that suffer because those dollars are going to an underground economy rather than to the regular, labor-intensive tourism industry.

If nothing changes, the spread of unchecked triple-digit growth in short-term rentals will continue and more units will be unavailable to full-time residents. Unemployment will plague the vulnerable. Regular rents will increase as fewer units will be available to full-time residents. In this, we see a looming disaster.

As it stands today, this short-term rental economy is benefiting very few at the expense of many."

- Raoul Lowery Contreras, author, TV commentator ([The Hill](#))

San Diego companies feeling cost of removing housing units

San Diego's housing crisis has evolved into an economic crisis that is hurting businesses across the county, says the San Diego Regional Chamber of Commerce. ([Times of San Diego](#))

"Employers are losing talent every day to places like Austin, Denver and Portland where their employees can spend substantially less of their pay check on a home big enough to comfortably fit their family," said Sean Karafin, Executive Director of Policy and Economic Research at the San Diego Regional Chamber. "We can't overstate how much our housing affordability crisis is holding back our economy."

There are, of course, many causes for the affordable housing crisis. But removing thousands of properties intended by zoning to be residences and converting them to whole-home short-term vacation rental businesses makes the crisis worse.

Every home used for a STVR business means one less house available for San Diego families and one less home for employees.

The housing crisis has caused decreased housing affordability, longer commutes, greater congestion, and increasing employee and employer dissatisfaction, says the Chamber.

"One key finding (of the [July 2017 Index](#)) is that we are short 68,000 residential units given the job growth we've had since the end of the Great Recession. If the 10,000 STVRs were put back into the housing stock, that would eliminate 14 - 15 percent of the shortfall."

- Alan Gin, University of San Diego professor

City Council honoree as author of Index of Leading Economic Indicators for San Diego County, see [July Report](#)

7 ways short-term vacation rentals cost the City more revenue than they produce

Transient Occupancy Tax (TOT) is not the only measure of economic impact;
STVRs have many negative economic impacts that also need to be considered

1

STVRs take customers away from hotels so they reduce the TOT revenue from hotels.

- [Read about the documented TOT drop in revenue in New York City.](#)
- [Read about Airbnb's \\$2 billion negative impact on the lodging industry and NYC economy.](#)

2

STVRs remove housing stock for citizens.

These citizens hold jobs and create businesses that generate more jobs, sales tax revenue and property tax revenue.

3

Property tax revenue is less when an inherited property is converted to a STVR, rather than being sold.

For example, because of Proposition 13, a home in Pacific Beach bought in 1960 may be paying annual property taxes of \$1,000, but if it was resold now for \$900, 000, it would pay annual property taxes of \$9,000 or more. That is an annual loss of \$8,000 or more to the City.

4

Sales tax revenue from STVR occupants is less that from year-round residents.

Residents spend at local retail outlets every day of the year. Vacation rentals are rented for far less days of the year.

5

Property values and property tax revenue are depressed for properties next to STVRs.

When homes near a STVR are being sold, the seller must disclose the presence of the STVR. Because of the negative impacts associated with being near an STVR, this disclosure typically reduces the selling price.

6

STVR conversions put San Diego businesses at an economic disadvantage.

In the midst of a declared state of emergency over a lack of affordable housing, removing housing stock intended by zoning to be for residents by converting it to STVRs puts area businesses at an economic disadvantage in recruiting and retaining employees. [Read how even a small number of Airbnb rentals can significantly impact neighborhood rents.](#)

7


STVRs destroy communities and increase City costs.

When tourists replace residents, communities suffer in many ways. When neighborhoods are no longer for neighbors, communities lose their vested residents and can become problematic. They end up costing the City more money for police, trash, emergency medical, and other City services. [Read how STVRs help increase Mission Bay trash costs.](#)

San Diego's local town councils have already spoken:

Enforce San Diego's Municipal Code

On September 22, 2015, the Community Planners Committee (CPC) rejected City Council-member Lori Zapf's proposal to allow STVR to operate in San Diego residential zones with restrictions and Council member Chris Cates' proposal to allow STVR in residential zones outright. Instead the CPC - made up of representatives from every community planning group/council in San Diego - voted to recommend upholding and enforcing the existing San Diego Municipal Code regarding short term vacation rentals in residential zones. The CPC said the Municipal Code already addresses and prohibits such commercial entities in residential zones. The vote was 24-3. Local planning groups and community leaders have spoken up. They want the City to enforce the Municipal Code and end whole-home STVRs in single-family neighborhoods.



Pacific Beach Town Council
1706 Garnet Avenue
San Diego, California 92108
www.pbtcouncil.org
858 483-6666
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March 23, 2016
Honorable Mayor Kevin Faulconer
Honorable Members of the City Council
City Administration Building
202 C street, 11th Floor
San Diego, CA 92101

RE: Vote on Short Term Vacation Rentals in City of San Diego

Hon. Mayor Faulconer and Councilmembers:

The Pacific Beach Town Council supports Save San Diego Neighborhoods in its effort to prohibit short term vacation rentals based on the current Municipal Code in regard to "Visitor Accommodations." Furthermore, the PBTC requests that the City of San Diego ordinance regarding visitor accommodations be fully and wholly enforced, that per the existing ordinance visitor accommodations be prohibited in residential zones. The PBTC will continue to do all it can to promote and support the cultivation and preservation of a safe community.

We look forward to the City taking prompt action on this matter.

Thank you,

Cathie Jolley
PBTC President



LA JOLLA TOWN COUNCIL, INC.
7825 Fay Ave., La Jolla, CA 92037
P: (619) 479-4351 E: President@LaJollaTownCouncil.org
W: www.LaJollaTownCouncil.org

March 11, 2016

Honorable Mayor Kevin Faulconer
Honorable Members of the City Council
City Administration Building
202 C Street, 11th Floor
San Diego, CA 92101

RE: Vote on Short Term Vacation Rentals in City of San Diego

Hon. Mayor Faulconer and Councilmembers:

On March 10, 2016, at its monthly meeting, the La Jolla Town Council held a hearing on short term vacation rentals in La Jolla and other communities of the City of San Diego. After extensive testimony from all interested parties, including organized presentations for both sides of the issue, the Council adopted the following motion:


The LJTC supports Save San Diego Neighborhoods in its effort to prohibit short term vacation rentals based on the current Municipal Code in regard to "Visitor Accommodations." Furthermore, the LJTC requests that the City of San Diego ordinance regarding visitor accommodations be fully and wholly enforced, that per the existing ordinance visitor accommodations be prohibited in residential zones, and that the LJTC do all it can to promote and support the cultivation and preservation of a safe community.

The vote was 11 to 0 with 2 abstentions.

We look forward to the City taking prompt action on this matter.

Sincerely,

Steven Haskins, President,
La Jolla Town Council



MISSION BEACH TOWN COUNCIL

April 27, 2016

Hon. Kevin L. Faulconer, Mayor
San Diego City Council
City of San Diego
City Administration Building
202 C Street
San Diego, CA 92101


Dear Mayor Faulconer and City Council Members:

Please be advised that the Mission Beach Town Council at its April 2016 regular meeting passed the following resolution:

The Mission Beach Town Council supports Save San Diego Neighborhoods in its efforts to prohibit short-term vacation rentals based on the current municipal code in regard to visitor accommodations. Furthermore, the Mission Beach Town Council requests that the City of San Diego ordinance regarding visitor accommodations be fully and wholly enforced, that per the existing ordinance, visitor accommodations be prohibited in residential zones. The Mission Beach Town Council will continue to do all it can to promote and support the cultivation and preservation of a safe community.

The vote was 16 in favor, 3 opposed.

The resolution was passed following due notification to the membership in accordance with the Town Council's by-laws, and following a lengthy debate.

Yours truly,

Fred Day
President
Mission Beach Town Council

VIA ELECTRONIC MAIL ONLY

Town councils in Pacific Beach, La Jolla and Mission Beach were just three of six such groups to urge the city to enforce the law.

List of cities/counties in California prohibiting STVRs continues to grow

A light gray map of California is positioned behind the list of cities and counties. The map shows the state's outline, including major geographical features like the Central Valley and the coastline.

Anaheim	Mammoth Lakes (SFR & RMF)
Atherton	Manhattan Beach
Carlsbad (non-coastal)	Napa County
Carmel by the Sea	Newport Beach
City of Napa	Ojai
Coronado	San Francisco
Dana Point	San Luis Obispo
Danville	Santa Barbara
Healdsburg	Santa Monica
Hermosa Beach	Saratoga
Huntington Beach	Sausalito
Irvine	Sunnyvale
Laguna Beach	Tiburon
Long Beach	West Hollywood

[**Click for chart with links to ordinances in each city.**](#)

California cities way ahead of San Diego in prohibiting short-term vacation rentals

In most instances, cities and counties on this growing list have “permissive” Municipal code, like San Diego’s. That means, if a use is not listed for a zone, it is not permitted. Santa Barbara, Santa Monica and many other cities have simply re-iterated that they will enforce their municipal code, which does not permit short-term vacation rentals in residential zones.

This action prevents the California Coastal Commission from stepping in and telling cities how to operate. This has been upheld in recent court decisions. It also reinforces a long-standing legal precedent dating back to a 1926 decision by the United State Supreme Court supporting the right of local municipalities to enact and enforce zoning laws.

This is precisely what Save San Diego Neighborhoods has been asking the City of San Diego to do in order to protect individual homes and residential neighborhoods here.

In nearly all of the 4 dozen cities listed in the chart, impacts on housing affordability were a main reason given for prohibiting STVRs.

A question of property rights

From Supreme Court on down, legal system has long backed zoning laws

You may own property, but that doesn't give you the right to do anything you want with it. San Diego, like virtually every other city in America, has zoning laws. They are detailed in the Municipal Code. Enforcement of these laws prevents property owners from opening a barber shop, a restaurant, or even a meat processing plant in the middle of a residential zone. Your property rights as an owner begin ONLY when they do not conflict with zoning laws.



unfairly diminished the value of its property. The U.S. Supreme Court rejected that challenge, saying that non-residential uses may have an increasingly deleterious impact on a residential district "until, finally, the residential character of the neighborhood and its desirability as a place of detached residences are utterly destroyed."

That is precisely the property rights argument that opponents of short-term vacation rental hotels have been making for years in San

These zoning laws actually are designed to protect property rights. Would you, for example, want to have a meat processing plant open next to your home? Of course not. That would clearly violate your property rights and not be a pleasant environment in which to raise a family. How about having a hotel open next to you home?

Well in 1926, an Ohio realty company challenged the concept of zoning on just that basis. It wanted to lease land in a residential zone to hotels and other businesses. Zoning laws, it argued,

Diego. Whole-home vacation rentals - where owners, often out-of-town investors, are not present - are a commercial use not permitted by San Diego's zoning laws, they have argued. Neighbors say their property rights are being violated because the City of San Diego refuses to enforce its zoning laws, even after a memorandum in March saying STVRs are not permitted in residential zones from City Attorney Mara Elliott, San Diego's chief legal officer. The neighbors add that they bought homes in residential areas because San Diego's zoning laws offered protection from the intrusion of commercial operations, like STVR hotels.

- [Read more in a San Diego Union-Tribune op-ed: Short-term rentals: Code enforcement long past due](#)
- [Read the entire 1926 U.S. Supreme Court decision in Euclid, Ohio vs. Ambler Realty Co.](#)
- [Read the key paragraph in the 1926 U.S. Supreme Court decision regarding preserving the character and desirability of residential area in the section labeled "Page 272 U. S. 394"](#)

Illegal, but not enforced

City's refusal to enforce law doesn't make STVRs any less illegal



On March 15, 2017, San Diego City Attorney Mara Elliott issued a memorandum of law advising the City Council and Mayor that short-term vacation rentals (STVR) are illegal in the city's residential zones.

"The City has a "permissive zoning ordinance." This means that any use that is not listed in the City's zoning ordinance is prohibited. Short-term vacation rentals are not specifically defined, expressly permitted, or listed in any of the zone use categories, including residential or commercial," Elliott said.

The memo is a game-changer in a struggle begun by citizens in 2007 to regulate STVR. Save San Diego Neighborhoods and others have long argued that the San Diego Municipal Code prohibits owner-unoccupied vacation rentals in residential zones. The memo confirms that view is, and has been, correct.

In the wake of Elliott's memo, City Councilmember Barbara Bry said: "I was pleased to read the memo issued by City Attorney Mara Elliott confirming that short-term vacation rentals do not fall under any permissible use in the Municipal Code and are therefore prohibited in the City of San Diego. I look forward to working with my colleagues on the Council to determine the best way to allow property owners to participate in home sharing, while also enforcing existing City Code to protect residential communities from the proliferation of mini-hotels."

- [See City Attorney's March 15 memo](#)



City's help sought for 10-plus years

- **May 23, 2007** - District 2 Council member Kevin Faulconer is asked by the Pacific Beach Planning Group to help regulate STVRs. [See 2007 letter](#).
- **Sept. 12, 2007** - Then City Attorney Mike Aguirre issues a widely criticized memo saying STVR are not addressed in Municipal Code. [See legal analysis](#). [See 2007 memo](#).
- **March 15, 2017** - Ten years of efforts to have the 2007 memo corrected result in City Attorney memo saying STVRs are illegal in residential zones.
- **March 2017** - Mayor Faulconer says that despite the City Attorney memo, he will not enforce STVR prohibition pending City Council action.
- **July 2017** - Poll finds 86% say mayor is not putting neighborhoods first in relation to STVRs. Some 85% say they want Municipal Code enforced.



From Venice, California to Venice, Italy, residents are protesting



Protests in Barcelona, Anaheim and Albany



Protest in Anaheim

Citizens want Municipal Code enforced, neighborhoods and homes protected

**Results from July 2017 poll indicate link between STVRs, housing woes & other issues;
469 San Diegans responded to Save San Diego Neighborhoods' poll**

Which of the following vacation rental ordinances would you like to see adopted?

- 64% - Enforce San Diego's current laws, which do not allow STVR.
- 19% - Allow home-sharing, allow whole-house rentals while owners are on vacation, prohibit owner-absent STVR.
- 12% - Allow home-sharing, allow whole-house rentals with some restrictions.
- 04% - Have different rules for different parts of the city.

Have you been evicted from a long-term rental because it was converted to a STVR? Or, do you know of anyone who has been?

- No - 83% • Yes - 17% ([See comments about displaced housing](#))

How many whole-house STVR do you think there are in San Diego?

- 2,000-4,000 - 10% • 4,000-6,000 - 20% • 6,000-8,000 - 70%

Do you believe the use of properties as whole-home STVRs is making San Diego's affordable housing problem worse?

- No - 18% • Yes - 82%

Do you think short-term vacation rentals help drive up the cost of renting long-term in San Diego?

- No - 14% • Yes - 86%

Do you believe that whole-home vacation rentals make the problem of police responding to complaint calls - particularly those related to noise complaints - worse?

- No - 15% • Yes - 85%

Do you believe whole-home short-term vacation rentals - at which the primary owners don't live on site - are a commercial use that is not compatible with homes in a residential zone?

- No - 15% • Yes - 85%

Do you think City Council should refuse to change San Diego's Municipal Code - the basis for zoning laws - to allow whole-home short-term vacation rentals in residential zones?

- No - 41% • Yes - 59%

The U.S. Supreme Court and other courts have long held that zoning laws protect a homeowners' right to a reasonable expectation of a peaceful home environment free of commercial intrusions. Do you feel whole-home STVR violate this right?

- No - 16% • Yes - 84%

On March 15, City Attorney Mara Elliott issued a memo offering a legal opinion: Short-term vacation rentals are not permitted in San Diego residential zones. Do you agree with her opinion?

- No - 15% • Yes - 85%

One of Mayor Kevin Faulconer's campaign slogans was "putting neighborhoods first." Do you think the mayor has done this as it relates to short-term vacation rentals??

- No - 86% • Yes - 14%

Do you think the Municipal Code should be enforced?

- No - 15% • Yes - 85%

Citizens vote the vacation rental issue

The untold story: Vacation rental issue was a game-changer in 2016 election

Lost in the stunning election of Donald Trump in 2016, were the stories of three San Diego candidates.

Each was a decided underdog. They trailed their opponents in fundraising, in some cases badly. They also trailed in the polls. Early in their races, two were not predicted to advance out of June's primary election.

All three won.

- Barbara Bry came within a whisker of winning outright in the June primary for the District 1 City Council seat against heavily favored Republican Ray Ellis. Seeing the writing on the wall, Ellis unofficially dropped out of the race before November's blowout win by Bry.
- Mara Elliott was one of four Democrats running against favored Republican Robert Hickey for City Attorney. Not predicted to advance out of the primary, she won going away.
- Georgette Gomez also was an underdog in her District 9 City Council race. On election night, she came from behind to win.

So, what happened?

No doubt there were many factors. But a common theme is that each candidate was endorsed by Save San Diego Neighborhoods. The citizens group worked tirelessly to let voters know that the opponents of the endorsed candidates were not likely to support strong enforcement against short-term vacation rentals.

In a sentence, voters voted the vacation rental issue. Although never reported, that should come as no surprise.

In a recent poll, citizens took the time to write detailed comments when



Digital ads, email newsletters and social media let voters know City Attorney candidate Robert Hickey was partying with Airbnb lobbyists. He lost his lead.



they submitted their poll answers. The deep frustration and anger of voters over the vacation rental issue is almost palpable.

Now, look at the numbers. For every whole-home vacation rental business, there are up to four neighboring houses that are impacted. For the 2,500 whole-home vacation rental operators in San Diego, there are 700,000 registered voters. Most have children and grand-children. They want homes in residential neighborhoods to be for them, not tourists.

They said, enough is enough. They voted the vacation rental issue.

Ordinances, positions on short-term vacation rentals

Long-standing debate headed to City Council showdown on October 23

After years of efforts to get an ordinance regulating short-term vacation rentals, San Diego City Council is likely to take up the issue again on October 23.

At the March 24 Smart Growth and Land Use Committee hearing, three options were considered for home-sharing and three for whole-home short-term vacation rentals.

For home-sharing, one option was advanced “with recommendation” for the City Council to consider. It deals only with home-sharing and includes:

- Allowing home-sharing in certain zones that allow single-multiple dwelling units.
- Having a limited use permit with deviations.
- Requiring an annual Ministerial Permit.
- Local contact and occupancy agreement as part of Limited Use Regulations.
- A companion unit permitted with no additional regulations.
- Required parking for primary dwelling unit. No additional parking.

The City of San Diego Planning Department: Fact Sheet

Possible Ordinance Framework for Whole Home Short-Term Vacation Rentals

(Presented at Smart Growth & Land Use Committee hearing on 3/24/17)

REGULATION	OPTION 1	OPTION 2	OPTION 3
Zones	Allowed in certain zones that allow single-multiple dwelling units. ¹	Allowed in certain zones that allow single-multiple dwelling units. ¹	Allowed in certain zones that allow single-multiple dwelling units. ¹
Permit Process	<ul style="list-style-type: none"> • ≤5 bedrooms and ≤10 transients³ (limited use) • >6 bedrooms or >11 transients – NUP⁴ • Deviations – NUP⁴ 	<ul style="list-style-type: none"> • Limited use • Deviations – NUP⁴ 	<ul style="list-style-type: none"> • Limited use
Permit Term	<ul style="list-style-type: none"> • Ministerial – Annual • NUP⁴ – Established by permit 	Ministerial - Annual	Ministerial - Annual
Limited Use Regulations	<ul style="list-style-type: none"> • Occupancy Agreement⁵ • Local Contact⁶ • Occupancy of ≤30 consecutive days 	<ul style="list-style-type: none"> • Occupancy Agreement⁵ • Local Contact⁶ • Min occupancy of 21 consecutive days in RS zones and for detached unit in RM zones. No min elsewhere 	<ul style="list-style-type: none"> • Occupancy Agreement⁵ • Local Contact⁶ • Occupancy of ≤30 consecutive days
Companion Unit	<ul style="list-style-type: none"> • ≤5 bedrooms and <10 transients combined⁷ • ≥6 bedrooms or >11 transients combined⁷ – NUP⁴ 	Allowed if owner resides in the primary residence	Permitted with no additional regulations
Parking	No additional required	No additional required	No additional required

¹ No limitations (no Ministerial Annual Permit) in RM-4, RM-5, CR-1, CV, CN, CO-1, CO-3, CC-1, -3, -4, -5 and Mission Beach PDO zones. Limited Use in RM-1, RM-2, RM-3, OR, AR, RE, RS, RX, RT AND IP-3 zones.

² Limited Use in OR, AR, RE, RS, RX, RT, RM, CN, CR-1, CO-1, CO-3, CV, CC-1, -3, -4, -5, IP-3 and Mission Beach PDO zones.

³ Six or more bedrooms and 11 or more transients results in a change of occupancy under the State Building Code and subject to additional construction standards.

⁴ Process 2 Neighborhood Use Permit

⁵ Occupancy Agreement includes “good neighbor policy,” rules for trash and recycling, safety info, noise limits and violations, and maximum # of bedrooms and occupants.

⁶ Local Contact must be available to respond in person to address, actively discourage and prevent any nuisance activity at the rental, including excessive noise, disorderly conduct, overcrowding and excessive accumulation of refuse. One Hour Response.

⁷ Threshold limits reflect a combination of the number of rooms/transients in the primary dwelling and companion unit.

All three whole-home vacation rental proposals (above) were not recommended to the Council on March 24.

Expected proposals for City Council consideration this fall:

Development Services Department (DSD) - Home-sharing proposal and perhaps proposals dealing with whole-home STVRs.

Barbara Bry - Councilmember’s proposal permits home-sharing with restrictions, allows whole-home vacation rentals while the primary resident is on vacation, and prohibits owner-absent whole-home STVRs in residential zones, per the Municipal Code. [See 8/24/17 draft.](#)

Chris Cate - Proposal permits STVRs with a focus on enforcement. [See 10/31/16 draft.](#)

Save San Diego Neighborhoods advocates:

- Allowing home-sharing, with restrictions and protections for neighbors.
- Enforcing the Municipal Code, which prohibits STVRs in residential zones.



SSDN's Analysis:

SSDN has not endorsed any proposal. Councilmember Barbara Bry's proposal to prohibit owner-absent STVRs is a major step forward because it protects neighborhoods. However, concerns exist about the other two parts of her proposal. The proposals of Chris Cate and DSD fail to protect neighborhoods.

	Owner Absent STVRs	Protections For Neighbors	Prospects For Enforcement	Home Sharing	Protections For Neighbors	Prospects For Enforcement	STVRs While on Vacation	Protections For Neighbors	Prospects For Enforcement
Save San Diego Neighborhoods Position	Prohibited by Municipal Code, which should be enforced.	Protects neighborhoods & neighbors by not allowing STVRs.	Most efficient to enforce and no review by Cal. Coastal Commission. ¹	Have supported, but with protections for neighbors.	Permit, neighbor notification, 24/7 City enforcement.	Neighbor involvement, 24/7 timely City response, fines are keys.	Prohibited by Municipal Code. SSDN concerned about abuses, enforcement.	SSDN urging neighbor notification, max/min days, 24/7 City enforcement.	Enforcement concerns with abuses likely. SSDN has proposed protections.
Proposal by Council Member Barbara Bry	Prohibited by Municipal Code, which should be enforced.	Protects neighborhoods & neighbors by not allowing STVRs.	Most efficient to enforce and no review by Cal. Coastal Commission. ¹	Allowed, but with protections for neighbors.	Not well defined. Relies on "HS contact" to resolve issues.	Needs stronger enforcement proposals to be effective.	Up to 90 days per year, with no minimum stay being proposed.	Permits. Contact to respond to calls in 30 minutes. Fines.	Lacks adequate protections for neighbors. Will lead to abuse. CCC review?
Proposal by Council Member Chris Cate	Allowed with ministerial, annual permits. Allows companion units.	Offers no protections for neighborhoods, protects neighbors via enforcement.	Unenforceable. Provides no protection for neighborhoods. Subject to CCC review. ²	Allowed, but with protections for neighbors.	Permit. Relies on resident host to be 24/7 contact to resolve issues.	City enforcement is ill-defined but is touted as solution with fines.	No provision since STVRs are permitted year-round in City by Cate's proposal.	No protection to neighbors, neighborhoods disrupted by this commercial activity.	No enforcement for neighbors, neighborhoods disrupted by this commercial activity.
Other Proposals: DSD	Allowed with ministerial, annual permits.	Offers no protections for neighborhoods, protects neighbors via enforcement.	Unenforceable. Provides no protection for neighborhoods. Subject to CCC review. ²	Allowed, but with protections for neighbors.	Permit. Relies on resident host to be 24/7 contact to resolve issues.	City enforcement is not defined.	No provision since STVRs are permitted year-round in City by proposal.	No protection for neighbors, neighborhoods disrupted by this commercial activity.	No enforcement for neighbors, neighborhoods disrupted by this commercial activity.

- 1 If cities simply re-iterate that they are going to enforce current laws, as written in their Municipal Code, the California Coastal Commission has no legal standing to review that action. This has happened in more than two dozen California coastal cities, including Santa Barbara and Santa Monica.**
- 2 Conversely, if cities attempt to change their Municipal Code regarding short-term vacation rentals, then the California Coastal Commission can, and likely will, review that action. This is exactly what happened with Councilmember Lorie Zapf's proposal in 2015 in San Diego.**