



December 17, 2019

President Millman and Honorable Members of the City Planning Commission,



Our coalition respectfully submits this letter regarding the proposed "Vacation Rental" Ordinance, Case No. CPC-2019-7045-CA (VR Ordinance).



While we appreciate the Department's efforts to draft the VR Ordinance to limit further erosion of the City's housing stock, we firmly believe that taking up this ordinance in the face of such a severe housing and homelessness crisis is unconscionable. The Commission should reject this concept immediately.



Every day the City struggles with how to deal with the related crisis of homelessness and eviction. Although the solution is multifaceted, we can all agree that the City needs more housing for its residents. Because of this ongoing issue, we do not believe our leaders should spend valuable time and resources exploring a vacation rental policy, under which people are allowed and encouraged to hold mostly vacant homes off the long-term market and keep them for short-term rentals. Moreover, the City took over four years to adopt a Home-Sharing Ordinance (HSO) in order to stop housing from being converted into *de facto* hotel rooms. Given all the delay in adoption and implementation of the HSO, we strongly suggest that you not consider what is essentially a giant loophole of the HSO to favor the wealthy who are able to afford second homes.



Our coalition supports reasonable regulation on the short-term rental industry. However, a carve out of the HSO is not reasonable and is practically a conflict of laws. The HSO was specifically created to limit short-term rentals to one's primary residence. The original motion, introduced by Councilmembers Bonin and Wesson, never contemplated a second vacation rental concept. In fact, their motion specifically stated that the City should "prohibit hosts from renting units or buildings that are not their primary residence." The Council knew that short-term rentals were beneficial to some but detrimental to others. As such, the City spent four years trying to achieve the right balance but never wavered from the primary residence concept. HSO implementation and enforcement has barely begun and yet the Commission is considering an ordinance that will extinguish any momentum building toward converting short-term rentals back into long-term rentals. We ask that you do not consider the VR Ordinance, which is simply a mechanism to undercut the years of work and compromise reflected in the HSO.



While the concept of limiting vacation rentals to "only non-primary residences that are occasionally occupied by the property owner" may seem reasonable on its face, there is no practical way to enforce this provision of the ordinance. In fact, the City already faced a similar issue regarding hosted and unhosted stays during debates on the HSO. The City cannot be in the business of determining when someone stays in their homes for a certain number of days per year. The same issue is relevant here, therefore enforcement of this crucial term of the VR Ordinance is unenforceable.

Given the severe lack of housing and ability to enforce any of the meaningful provisions, we are confounded as to why the City would want to explore this anti-housing policy. Studies have already shown that transient occupancy taxes generated by empty home stays would still be generated by hotels if a vacation rental was not available. Any promises of additional transient occupancy taxes would definitely not make up for the hundreds of housing units required to replace this valuable housing stock. For all of these reasons, we respectfully request that you reject the VR Ordinance and do not recommend its approval, in any form, to the City Council.

