

8/27/19 AGENDA, CITY MANAGER REPORTS - UPDATE ON PUBLIC HEARING FOR TWO-YEAR PILOT PROGRAM
TO ALLOW AND REGULATE SHORT-TERM VACATION RENTALS IN EXISTING NONCONFORMING RESIDENTIAL
UNITS THAT ARE LOCATED WITHIN COMMERCIAL ZONES
SUPPLEMENTAL (4) LETTERS RECEIVED 08-26-19

From: Jamie Enomoto <jenomoto@berkeley.edu>

Sent: Monday, August 26, 2019 12:30 PM

To: Ann Yang <anny@hermosabch.org>

Subject: pilot program to allow STVR

I am not in favor of this pilot program because on my street, 17th east of PCH, parking is very limited. If such a program was initiated then I would suggest that the properties must include off street parking.

Thanks,

Jamie

Hermosa Beach resident

Jamie Enomoto
(310) 963-8276 - mobile

From: Ezra C <ezchoueke@gmail.com>
Sent: Monday, August 26, 2019 12:37 PM
To: Ann Yang <anny@hermosabch.org>
Subject: In Support of Short Term Rentals in the Commercial District

I am in support of short term rentals in the commercial district

My name is Ezra Choueke. I have been a Hermosa Beach resident for the past twelve years. My wife Leigh and I live with our three small children at 57, 14th. Court. We depend on income from our two vacation rental properties located at 48 14th. St. and 68 14thSt. We live right next to these properties and we monitor them strictly especially because we have three small children whom we would never put in harms way. The properties are directly to the East of the Beach House Hotel and directly to the West of a parking lot we rent to the City of Hermosa Beach (This parking lot is adjacent to the Beach Market - so we have no residential neighbors.) We are in favor of allowing STVR in the commercial district.

We do have the following concerns:

Coastal Commission: We are wondering if the city has the right to enact and enforce an ordinance in the Coastal Zone without approval from the Coastal Commission. We would hope that the City would act in compliance with State laws by securing the necessary approvals and in not attempting to circumvent them.

“Any vacation rental regulation in the coastal zone must occur within the context of your local coastal program (LCP) and/ or be authorized pursuant to a coastal development permit (CDP)”

Many of us are opposed to STVRs in residential neighborhoods but this type of lodging should be available in commercial zones. We believe that the Coastal Commission is concerned with recreational access to our beaches. Given the price of owning or the long-term leasing residences in the Coastal Zone, for families seeking a beach vacation, STVRs are a very good and affordable alternative that enable us to share with others the benefits of living in Hermosa Beach. There is no decrease in the availability of low cost housing because in this zone there is almost no affordable housing.

2 Year Pilot Program:

STVRs in the commercial zone are currently allowed. If the new ordinance is enacted and then in after two years, permits are withheld, then STVRs in the commercial district will automatically be disallowed. The rights of property owners in continuing to provide STVRs that serve the public are not vested. By withholding opposition to the ordinance, are property owners tacitly agreeing that the City has the right to revoke their ability to operate STVRs within the framework of what is reasonable. Are property owners giving up their property rights by participating in the Pilot Program?

Hotels and STVRs:

If the same standards are applied to residences as they are to hotels, then this could potentially present an insurmountable obstacle for STVRs and could unreasonably disqualify them from providing lodging both for visitors and for residents who occasionally require extra room to accommodate visiting family members. It would be comforting to have clarity as to the intent of the City Council as to whether STVRs in commercial zones are truly allowed. If they are allowed then facilitate their existence and, if they are not allowed, then just come right out and say it.

Some of these properties are close to one hundred years old. Should any one hundred year old building be required to be up to current building codes (including ADA requirements) none would comply. Since they are already non-conforming, there are very strict guidelines that shape renovations etc. While the wording seems to suggest we would be permitted to run an STVR, the language on inspections and codes suggest that we would not be in compliance. And furthermore, would not be able to become compliant unless we renovated the entire structure - and in the course of this renovation we would probably lose our grandfathered residential status and be required to place a commercial building on the site.

Short Term and Long Term:

Can a residence in the commercial zone alternate between rentals of less and more than 30 days depending on the season of year and consumer demand? Does the TOT tax apply to rentals of over 30 days?

Code Enforcement Officer:

Assigning a full time code enforcement officer to monitor STVRs is wasteful and excessive. Considering that thus far in the 2019 calendar year only fifteen violations are reported and no citations issued. The same allocation of funds to the police department would be wiser and better serve the residents of the city. Before a violation takes effect, the property owner should have the opportunity to contest it so as to avoid the possibility of intimidation by a code enforcement official.

Property Manager:

Whereas it is a good idea to post the name and phone number of the property manager of an STVR, listing the address of the property manager, especially if she is a woman, can provide a security risk that could deter and endanger women, discouraging them from taking on this job. The address of the property manager should be entrusted to the police department and not posted on site.

Parking:

It would be good if parking can be provided either on site or at a location adjacent to the site, not just "on site." Most guests are part of a family group and utilize a single car, Uber or other public transportation. One parking space per bedroom may be optimal for hotel rooms but an exaggerated requirement for STVRs.

Websites:

Property owners should not be held responsible for the unauthorized listing or reviews of their properties on blogs or on websites.

Business license fees:

If the City proposes to collect a 12% TOT tax on rentals, that should be sufficient. The proposed business license fee is much too high. While addressing affordability, there is talk of raising the TOT tax from 12% to 14%. These costs are borne directly by the consumer and will stifle demand. One wonders if the high fees attached to building inspections and application fees are another way to discourage STVRs. One must take into account the cumulative effect of all the obstacles placed in the path of property owners in the commercial district to understand if STVRs are in fact allowed or made impractical by the amount of cost and regulation required to keep them in legal compliance.

Our experience:

We have a very high approval rating on our STVRs.(see attached) We provide a valuable service in allowing mainly families to enjoy a vacation on our beaches. We have never been sited or received any complaints as regards to our visitors. Our visitors enjoy walking access to our fine beaches, restaurants, events and all of lower Pier Ave. Our visitors contribute in no small degree to the vitality, economic health and wellbeing of our beautiful downtown. People love STVRs just like they love Uber, Netflix and Amazon. The difference is that most STVRs are owned and operated by ordinary citizens and not by big companies. Family reunions are encouraged but commercially organized parties should be prohibited.

Our customers are generally families with multiple young children who can not stay comfortably in a hotel room for a week or so. Our small houses provide an alternative to renting two or three hotel rooms and splitting up the parents in each room. The guests spend a lot of money at local retailers, on bike and surf rentals, and at the restaurants in the area. We personally screen and meet our guests to offer good customer service as well as to prevent damage to the neighborhood or property. Our price point ensures that our visitors are professionals and our vigilance protects the neighborhood from trouble makers.

Thank you very much for your time.

Sincerely,

Ezra Choueke

310-752-3083

ezchoueke@gmail.com

5.0

Overall rating

62

Total reviews

97%

5 star reviews

Ratings (62)

Overall experience

5.0

Accuracy

5.0

Cleanliness

4.9

Communication

5.0

Check in

5.0

Location

5.0

Value

4.8

August 26, 2019

To: Hermosa Beach City Council Members

RE: Consideration Of A Municipal Code Amendment To Establish A Two-Year Pilot Program To Allow And Regulate Short-Term Vacation

We **object** to the adoption of the pilot program for the following considerations. As you delve into these questions, it doesn't make sense. Most importantly, STVRs clearly change the right to quiet enjoyment of one's home – no matter how much enforcement may be promised.

How many properties involved are residences and how many are apartments? Residences were not intended to be businesses for valid reasons. Why are you proposing to convert apartments to STVRs? Two of three nearest to our residence on Pier Avenue are apartments.

What are the STVR incentives for owners involved? Strictly greed. Money.

What are the incentives for the City? TOT and sales tax. Why wasn't an estimated TOT revenue for the City calculated, included and published? How much is this additional revenue driving the effort?

What is the impact on affordable housing? Bad. Fewer monthly rentals guarantees higher rents by aggravating the housing shortage.

What is the potential model for a true residence in a commercial zone? B & B. That's a supportable, positive model.

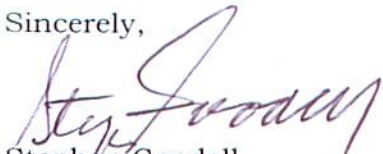
What is the natural role for hotels? They're the original and long-term solution to accommodate short-term visits. Support them.


How does the example nearest to our home work? The studio apartments at Pier and Loma triggered the notice to us. It appears it would have very limited ability to convert more than one studio apartment into a STVR based upon very limited parking. As an apartment building, does it really need any conversion?

Other residences located on commercial property have not been identified. Contact us if interested in one example near us.

Thank you for your consideration and support of citizens living in residential zones.

Sincerely,


Stephen Goodell
1322 Sunset Drive


Patricia Hausler
1322 Sunset Drive

From: sandy edmonstone <eydnas@hotmail.com>

Sent: Monday, August 26, 2019 6:00 PM

To: Ann Yang <anny@hermosabch.org>

Cc: Nicole Ellis <nellis@hermosabch.org>

Subject: Re: STVR

Dear Council,

I own the property at 146 28th St in Hermosa Beach. I received the courtesy notice for "city council meeting to consider two (2) year pilot program to allow and regulate short-term vacation rentals in commercially zoned non-conforming dwelling units" as apparently my property is within 200 feet of a property that could be eligible to contain a short-term vacation rental. I have worked with Nicole Ellis in the Community Development Department who has been very diligent in trying to resolve my concerns. Unfortunately, she is unable to locate the property that would be eligible for the short-term rentals if this pilot program is approved. This is critical information for me and would request the city provide this to me prior to the September 10, 2019, City Council meeting so I can decide if I need to attend such meeting to represent my views. I would very much appreciate this.

Regardless of whether this may or may not impact me directly (i.e. within 200 feet) it does impact our community and as such I am compelled to submit my concerns in writing. I find Councilors Duclos and Fangary very short sighted in making the motion and seconding such, on March 28, 2017, that pertains to the courtesy notice defined above. It should be fair to presume these Councilors are very well aware of the three classifications of commercial zoning C-1, C-2 and C-3 and as such they should never be supporting blanket approval for the rental of non-conforming dwelling units in all commercially zoned areas. The fact they do support this indicates they are uninformed and frankly if a local taxpayer can invest the time to research this then acting reasonably one can only conclude Councilors Duclos and Fangary are acting negligently in supporting this. For Councilors Duclos and Fangary benefit, C-1 zoning is defined as "Neighborhood Commercial Zone. To provide sites for a mix of small local businesses appropriate for and serving the daily needs of nearby residential neighborhoods; while establishing land use regulations that prevent significant adverse effects on abutting residential uses. For clarity, this definition explicitly precludes the land use for motels and hotels. If the rationale for the two-year pilot is to provide short-term rentals no different than a motel or hotel (I have been told this by numerous city staff) then this should be confined to areas that are appropriately commercially zoned but definitely not zoned C-1. Having volumes of transient people come into the community and occupy the residential community while in commercially zoned, C-1 areas, that preclude other commercial operations (as they may cause significant adverse effects) is unjustifiable. The activity of short-term rentals has long been established and are to specifically occur in areas that are zoned for C-2 and C-3 activities not C-1. As well, I suspect part of the consideration in determining commercial zoning is infrastructure. What analysis have these Councilors conducted with respect to the additional strain on infrastructure these short-term rentals will have on the residential communities? Policing is already scarce and surely these Councilors have educated themselves with respect to the impact of short-term rentals in residential communities. Are these Councilors proposing to increase property taxes on these non-conforming dwellings to pay for the additional costs required for infrastructure?

Mix use zoning is also a strong consideration I would have hoped wouldn't have been overlooked but considering we are this far advanced I fear it has been. I assume there has been a lot of negative feedback on this and it's been a primary focus for many complainants so I will keep my comments brief. C-1 zoning is a small component of all residential communities and there are privileges and

responsibilities associated with such and when these were defined the City did not contemplate the concept of short-term rentals in residential areas. Had it contemplated such activities I am sure the community push back would have been immense. How is it these two Councilors can justify allowing commercial property owners to come into a residential area and rent out there non-conforming dwellings and profit from them when residents who have conforming properties are prohibited from doing the same? The activity of bringing transients into the community is the same regardless if they occupy a residential or commercial property, bottom line they are here. The question is then who should benefit from this and who will be more responsible? People in the residential community who's property is being used for there originally intended use i.e. to live in or a small percentage of the community that have the privilege of running a business that is not to create significant adverse effects on abutting residents. In addition, residential property owners will have a stronger sense of moral aptitude to ensure they are in good standing with their neighbors and an inherent desire to protect their property. I would respectfully submit the stakeholders that should benefit are the ones who will care more about who are coming into their homes and community and will be safer for the community and the short-term tenant.

Councilors Duclos and Fangary you have it wrong and you should withdraw your support of said motion. I have searched the minutes for any declarations of conflicts and see none. I certainly hope neither of you, your family members, associates, friends or businesses you are connected with have commercially zoned non-conforming dwelling units that will be profited from. If the desire is to increase short-term rentals come up with a structure that provides the majority of the constituents of the zoned area to benefit. Allow the proposed rentals in areas that are majority commercially zoned properties. If you allow C-1 owners the ability to conduct short-term rentals in an area mainly residential then let the residentially zoned properties to do the same but don't slap the residential owners in the face with your motion. If you need controls on residential short-term vacation rentals put them in place i.e. sell licenses, limit each property to being able to provide rentals one out of four years, lottery draw for rental license, etc. If this is too much work no problem find a way to attract more motels/hotels to the area if short-term rentals are required, they will be safer and will require them to invest in our infrastructure. If the community doesn't want that then it likely doesn't want short-term rentals.

If either Councilors wish to discuss this I would be more than happy to hear from them. I can be reached at the number below. Thanks for your time.

Sincerely,

S

Sandy L. Edmonstone
1-310-972-1737