



@better_LA
betternighborsla.org

October 25, 2023

VIA EMAIL

Humboldt County Planning Commission
825 5th Street
Eureka, CA 95501
planningclerk@co.humboldt.ca.us

RE: October 26, 2023 Agenda Item E #1 Draft Short-Term Rental Ordinance

Dear Commissioners,

Better Neighbors LA is a coalition of hosts, tenants, housing activists, hotel workers, and community members. We conduct data analysis and research on the short-term rental industry in the Coastal Zone, including relatively recent California Coastal Commission (“Commission”) decisions on Local Coastal Program Amendments (“LCPAs”) regulating short-term rentals (“STRs”). We believe true home-sharing is the best way to balance the preservation of affordable housing and coastal public access within the Coastal Zone. Better Neighbors would like to urge the Humboldt County Planning Commission to amend the proposed ordinance to permit only true home-sharing within Humboldt County’s Coastal Zone in order to safeguard housing for long-term use. However, should the Planning Commission decide not to adopt regulations limited to true home-sharing, we request that the Planning Commission lower the cap of short-term rentals to 1% of the housing stock, permit a single individual or business to own only one parcel with a short-term rental permit, and prohibit short-term rentals from operating within multifamily structures.

Permit Only Hosted Rentals

A true home-sharing model permits only hosted rentals. A hosted rental means that a resident always lives on-site. Cities like Santa Monica and West Hollywood have passed ordinances permitting only hosted rentals.¹ Hosts living on-site ensure that the primary use of these properties remains housing, unlike unhosted short-term rentals which only further contribute to the cannibalization of existing housing stock. In addition, hosted rentals can often result in less nuisance because the host is available to manage noise, trash, parking, and other issues during stays. Furthermore, hosted rentals are likely more affordable options for overnight

¹ Santa Monica: <https://www.smgov.net/Departments/PCD/Permits/Short-Term-Rental-Home-Share-Ordinance/>;
West Hollywood: <https://www.weho.org/city-government/city-departments/community-safety/neighborhood-and-business-safety/business-licensing-and-permits/home-sharing-license>

accommodations when compared to unhosted short-term rentals. True home-sharing thus provides the best balance of preserving affordable housing and public access along the coast.

Adopt a 1% Cap on Short-Term Rentals

As California continues to battle a housing affordability crisis, it is imperative housing is protected against conversion to tourist accommodations. According to our data analysis, between 2018 and 2023 the number of unhosted short-term rentals has more than doubled, increasing approximately 121% percent in the coastal communities of Fairhaven, Fields Landing, Fortuna, Indianola, Loleta, Manila, and Shelter Cove.² In fact, according to Attachment 2 – Housing STR Data 9.21 included in the Oct. 5, 2023 agenda materials, short-term rentals comprise 2.90% of the housing stock within Coastal Zone Area Plans.³ The majority of these short-term rentals, 225, are unhosted, meaning no host is on site. Unhosted short-term rentals occupy housing stock that would otherwise be available to long-term tenants or potential homeowners. For these reasons, Better Neighbors urges the Planning Commission to amend the proposed ordinance to restrict short-term rentals to no more than 1% of the housing stock within the Coastal Zone. We believe a 1% cap will help safeguard existing housing for long-term use.

Limit One Parcel Per Individual or Business

While all short-term rental activity may be considered a commercial use of property, allowing an owner to have multiple properties with short-term rentals is in effect permitting de facto hotels without the same regulations and code enforcement hotel accommodations are subject to. Property owners with multiple short-term rentals also remove housing stock from the market that may otherwise be available to long-term tenants. In Humboldt County, 40% of housing units are renter occupied.⁴ According to the United States Census Bureau, this percent of renter occupied housing units has stayed relatively stagnant at approximately 40% since 2010.⁵ This illustrates that the demand for rental housing has not diminished over time as housing costs continue to increase. Between 2015 and 2023, the monthly fair market rent for a 2 bedroom in Humboldt County has increased by \$250, now totaling \$1,183 according to the National Low Income Housing Coalition.⁶ Meanwhile, since 2018, the number of unhosted short-term rentals has increased to 231 as of March 2023, with a 25% increase since 2022 alone.⁷ Thus, permitting

² Data on file with Better Neighbors LA. Due to data constraints, the raw numbers may be an overestimate. However, data analysis indicates a significant growth since 2018.

³ <https://humboldt.legistar.com/View.ashx?M=F&ID=12337767&GUID=23E7108E-D947-4716-99E6-25622110B823>

⁴ <https://data.census.gov/table/ACSDT1Y2022.B25008?q=Humboldt+County&t=Housing+Units>

⁵ Ibid.

⁶ 2015 report: https://nlihc.org/sites/default/files/oor/OOR_2015_FULLL.pdf; 2023 report: https://nlihc.org/sites/default/files/2023_OOR.pdf

⁷ Data on file with Better Neighbors LA. Due to data constraints, the raw numbers may be an overestimate. However, data analysis indicates a significant growth since 2018.

one short-term rental permit per individual or business may lead to the return of housing units to the long-term market that have been removed in recent years.

In the City of Los Angeles, we have seen firsthand how short-term rentals, especially corporate short-term rental operators with multiple properties, have taken housing stock off the long-term market. According to a report authored by Professor David Wachsmuth of McGill University published last year, since 2015 short-term rentals have contributed to an increase in rents by \$810 per year and have taken 2,500 homes off the long-term market.⁸ In addition, the report found short-term rentals have contributed to 5,000 additional people experiencing homelessness within the City.⁹ While one may argue the vast differences between Humboldt County and the City of Los Angeles, one cannot deny the shared reality of residents across California experiencing rising housing costs and fewer available units.

Prohibit Short-Term Rentals in Multifamily Structures

Multifamily structures often provide affordable housing options within a given jurisdiction. In California, the State Legislature has taken several steps in recent years to further preserve and promote the production of multifamily structures that include affordability requirements. It is imperative the Planning Commission preserve existing and future multifamily structures for long-term residents amidst the ongoing housing and homelessness crisis. According to the 2022 Humboldt Housing and Homeless Coalition Point-In-Time count, there were approximately 1,309 people unsheltered within Humboldt County.¹⁰ Should the Planning Commission allow short-term rentals to operate in multi-family structures, these designated affordable units intended to alleviate the housing crisis and serve long-term residents may in fact operate as short-term rentals instead.

Conclusion

For these reasons, Better Neighbors urges the Planning Commission to consider revising the proposed ordinance to permit only true home-sharing because it is the best way to balance the preservation of affordable housing and coastal public access within the Coastal Zone. Should you have any questions, please contact Becca Ayala at rebecca@betterneighborsla.org.

Sincerely,

/s/ Randy Renick

⁸ http://upgo.lab.mcgill.ca/publication/strs-in-los-angeles-2022/Wachsmuth_LA_2022.pdf

⁹ Ibid.

¹⁰ <https://humboldt.gov.org/DocumentCenter/View/107776/20220621---HHHC-Point-in-Time-Count-2022#:~:text=Approximately%201%2C309%20unsheltered%20people%20were,sheltered%20people%20were%20a%20counted.>