



@better_LA
betterneighborsla.org

February 27, 2024

VIA EMAIL

Humboldt County Board of Supervisors
825 Fifth Street
Eureka, CA 95501
cob@co.humboldt.ca.us

RE: Better Neighbors Comment Letter - Humboldt County March 5th Agenda Item on Inland and Coastal Zone Short-Term Rental Ordinance

Dear Humboldt County Board of Supervisors,

Better Neighbors LA is a coalition of hosts, tenants, housing activists, hotel workers, and community members.¹ 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 Board of Supervisors 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 and align with Coastal Commission perspectives on short-term rental policy. However, should the Board of Supervisors decide not to adopt regulations limited to true home-sharing, we request that the Board of Supervisors 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.

Momentum for Stronger Regulations in Coastal Jurisdictions

Recent actions by the Coastal Commission suggest that jurisdictions may implement stronger STR regulations in the Coastal Zone than previously allowed by the body. On December 14, 2023, the California Coastal Commission held an informational briefing on housing during which a set of academic researchers, representatives from coastal cities, and Commissioners expressed how short-term rentals may impact access to long-term housing within the Coastal Zone.² Professor David Wachsmuth of McGill University cited a breadth of recent academic research that outlined how unhosted short-term rentals result in significant negative

¹ <https://www.betterneighborsla.org/>

² <https://documents.coastal.ca.gov/reports/2023/12/Th5/Th5-12-2023-agenda.pdf>

consequences, including increases in rents and decrease in housing stock.³ Specifically, Professor Wachsmuth recommended that “[t]he CCC should consider establishing a common regulatory floor that restricts unhosted STRs and encourages home sharing in the coastal zone, to better preserve public access for visitors...”⁴ Most importantly, several Coastal Commissioners expressed their reactions to the panelists. For example, Commissioner Paloma Aguirre stated, “it was very clear that unhosted short-term rentals are making the housing crisis worse.”⁵ Commissioners Katie Rice, Meagan Harmon, Dayna Bochco and others all expressed concerns regarding the issue of short-term rentals within the Coastal Zone.⁶ This hearing followed a Coastal Commission LCPA decision to restrict short-term rentals in the City of Half Moon Bay last year. In March 2023, the Coastal Commission approved the City of Half Moon Bay’s LCPA that included a primary residency requirement for both hosted and unhosted short-term rentals, as well as a 60-night cap on the number of nights an unhosted short-term rental may be rented annually.⁷ This decision, coupled with the December informational session, should provide the Board of Supervisors with more confidence to pass stronger short-term rental regulations within the Coastal Zone, especially those that ensure the primary use of housing remains housing, while short-term renting remains a secondary use.

Permit Only Hosted Rentals

Better Neighbors requests the Board of Supervisors amend the proposed ordinance to permit only true home-sharing in hosted only rentals. While hosted units have increased by 38 units in unincorporated Humboldt County since 2019, the number of homes being used as unhosted STRs has increased by 134 units within the same timeframe.⁸ 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.⁹ 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 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.

³ Professor David Wachsmuth, “Short-Term Rentals and Housing: What Are the Issues and What Should We Do?,” December 14, 2023, beginning at 58:45: https://cal-span.org/meeting/ccc_20231214/

⁴ Professor David Wachsmuth, “Short-Term Rentals and Housing: What Are the Issues and What Should We Do?,” December 14, 2023, slide 23 of PowerPoint presentation linked here: https://cal-span.org/meeting/ccc_20231214/.

⁵ Commissioner Paloma Aguirre, December 14, 2023 Coastal Commission Hearing, beginning at 4:46:42: https://cal-span.org/meeting/ccc_20231214/

⁶ December 14, 2023 Coastal Commission Hearing. Commissioner Mike Wilson beginning at 4:43:08. Commissioner Katie Rice beginning at 4:49:47. Meagan Harmon beginning at 5:03:59. Commissioner Dayna Bochco beginning at 5:06:08. Commissioner https://cal-span.org/meeting/ccc_20231214/

⁷ City of Half Moon Bay LCP Amendment Number LCP-2-HMB-21-0078-2: <https://www.coastal.ca.gov/meetings/agenda/#/2023/3>

⁸ Data on file with Better Neighbor LA.

⁹ 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>

Please find a graph below that outlines the amount of hosted and unhosted short-term rentals within each supervisorial district, both within and outside the Coastal Zone:

Supervisorial District	Jurisdiction	Unhosted Units			Hosted Units		
		2019	2023	# Units Changed	2019	2023	# Units Changed
SD1	Inside Coastal Zone	7	10	2	1	0	-1
	Outside Coastal Zone	16	20	4	4	9	5
SD2	Inside Coastal Zone	28	79	52	0	18	18
	Outside Coastal Zone	18	44	26	12	23	11
SD3	Inside Coastal Zone	9	14	5	6	2	-4
	Outside Coastal Zone	N/A			N/A		
SD4	Inside Coastal Zone	4	50	46	0	0	0
	Outside Coastal Zone	5	11	6	3	2	-1
SD5	Inside Coastal Zone	10	82	73	0	0	0
	Outside Coastal Zone	77	76	0	4	7	3
County Total	Inside Coastal Zone	58	235	177	7	20	13
	Outside Coastal Zone	115	151	36	23	41	18

Should the Board of Supervisors decide to forgo a hosted-only policy within the Coastal Zone, Better Neighbors urges the Board to safeguard long-term housing for Humboldt residents by making the following three amendments:

(1) 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 2019 and 2023 the number of unhosted short-term rentals has more than doubled, increasing approximately 127% percent in the unincorporated coastal communities of Bayview (Humboldt County), Big Lagoon, Fairhaven, Fields Landing, Indianola, Loleta, Manila, McKinleyville, Orick, Samoa, and Shelter Cove.¹⁰ 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.¹¹ The majority of these short-term rentals, 235, 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,

¹⁰ Data on file with Better Neighbors LA. Due to data constraints, the raw numbers may be an underestimate. However, data analysis indicates a significant growth since 2019.

¹¹ <https://humboldt.legistar.com/View.ashx?M=F&ID=12337767&GUID=23E7108E-D947-4716-99E6-25622110B823>

Better Neighbors urges the Board of Supervisors 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.

(2) 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.¹² According to the United States Census Bureau, this percent of renter occupied housing units has stayed relatively stagnant at approximately 40% since 2010.¹³ 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.¹⁴ Meanwhile, since 2019, the number of unhosted short-term rentals has increased to 386 as of March 2023, with a 19% increase since 2022 alone.¹⁵ Thus, permitting 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 to operate as short-term rentals.

(3) 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 Board of Supervisors 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.¹⁶ Should the Board of Supervisors decide to 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

¹² <https://data.census.gov/table/ACSDT1Y2022.B25008?q=Humboldt+County&t=Housing+Units>

¹³ Ibid.

¹⁴ 2015 report: https://nlihc.org/sites/default/files/oor/OOR_2015_FULL.pdf; 2023 report: https://nlihc.org/sites/default/files/2023_OOR.pdf

¹⁵ 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.

¹⁶ <https://humboldt.gov/DocumentCenter/View/107776/20220621---HHHC-Point-in-Time-Count-2022#:~:text=Approximately%201%2C309%20unsheltered%20people%20were,sheltered%20people%20were%20a%20counted.>

For these reasons, Better Neighbors urges the Board of Supervisors to consider revising the proposed ordinance to permit only true home-sharing because it most aligns with recent Coastal Commission policy direction while balancing 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