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Date: June 25, 2020

To: Monterey County Planning Commission

From: Vacation Rental Ad Hoc Committee of the Planning Commission

Subject: Ad Hoc Committee Report for the July 8, 2020 Planning Commission Hearing

Dear fellow Commissioners;

We the members of the Ad Hoc committee are pleased to offer the attached draft of a letter to the Board of Supervisors for the Planning Commission to consider. This letter outlines fundamental policy questions where a clear answer will help move new ordinances to manage vacation rental in the County forward as quickly and efficiently as possible.

As a setting for the Planning Commission's consideration, we have prepared the following brief summary of our recent history with this issue leading us where we believe we are in our consideration at this moment.

We have been actively engaged in working towards countywide regulation of short term/vacation rentals (here referred to collectively here as STRs for convenience) since 2013 in the inland areas and 1995 in the coastal areas. Actual STR rentals have increased greatly during this period, particularly as technology has increased the ability to attract renters from all over the world. At the same time, we have not enforced the regulations that do exist, which would not allow this activity without a permit anywhere.

Currently we know that a very small proportion of STRs in active use are permitted. According to our staff's research, there are currently a total of 21 permitted STRs in Monterey County. A simple home Google search for 'vacation rental Monterey County' on June 16th, 2020 brings up 1247 vacation rentals. This has created a situation where people on all sides have significant unmet expectations.

We have heard from people who want to rent property short term that they expect to be able to do so without having to go through a rigorous permitting process. We have repeatedly heard testimony that unless STRs are allowed to continue with minimal upfront requirements they will continue without permits. We have also heard repeatedly that people will be unable to afford to keep and maintain their second/vacation homes if they are unable to rent their property short term. STR proponents hold that having paying guests is little different than having ordinary guests, and that they should be allowed to use their property as they wish.

Proponents also point out benefits of providing another sort of accommodation than current hotels/motels/B&Bs, stating that it is more affordable and enjoyable for many family groups to stay together in a home than in a hotel. They point out the benefits of increased economic activity, both from their guests using local restaurants and stores etc., and from the jobs caring for STRs has created. Many testified that they pay their TOT taxes and that this revenue is important to the local area. Further, many proponents cite social benefits of interacting with visitors in this way.

Opponents discuss the effects of experiencing short term rentals in their neighborhoods. They hold that short term rentals, particularly of whole homes in the absence of long term residents, is not similar in character or effect on resources to long term residential use, and that it is increasingly incompatible with their expectations for their neighborhood and the quiet enjoyment of their property. They express frustration with the unequal enforcement of rules, particularly when stringent development review limits other allowable uses. Sometimes and increasingly neighborhood frictions can grow to the point of needing outside intervention.

There is further testimony on the effects of this activity on the market price of homes. We heard from people who financed their property relying on the projected income from STR activity. Additionally, opponents suggest that the use of residentially zoned property as STRs reduces the availability of long-term rental housing affordable for our working people both immediately and cumulatively.

We have tried to examine these factors and extract underlying policy questions that the Board of Supervisors can answer to allow us to move past repetitive hearings. We believe that once these decisions are made and any necessary changes are incorporated into the proposed draft ordinances the environmental review process will provide useful insights about these important and fundamental considerations about which we currently have little certainty.

We look forward to your consideration.

Commissioner Amy Roberts, District 4
Commissioner Martha Diehl, District 5
Commissioner Richard Coffelt, District 2
Commissioner Katherine Daniels, District 5