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April 23, 2023

To: Santa Barbara City Council

Re: Short-Term Rental Enforcement Pilot Program
(April 25, 2023 Agenda, Item #16)

Mayor Rowse and Council Members,

Allied Neighborhoods Association is very pleased to see this pilot program! It's comprehensive, and that's what is needed! We urge Council to adopt the Staff Recommendation.

We'd like to thank staff for the excellent Council Agenda Report (CAR), and the thoughtful consideration that has gone into it and the plan.

We couldn't agree more – the purpose is to achieve compliance with our zoning laws (while taking into consideration the court case).

STRs operators have been on notice since June 2015. At that time, enforcement priority was presented (top priority being health and safety issues, next were STRs that had a complaint, etc.), and most STR businesses were able to take advantage of the generous grace period extended to them to comply (to January 1, 2017). In 2015 Council realized, we've got a problem and need to do something about it – that was eight years ago. The proliferation of unlawful STRs continues.

We need to get a handle on enforcement of unlawful STRs, otherwise it sends a signal that ordinances don't matter. Whether it's unpermitted construction (such as turning a garage into a dwelling unit) or a residential unit used as a short-term rental without a permit, **enforcement is very important.**

To some of the details in the CAR, we need to ensure platform companies retain records, that the City is able to get records to understand how long an individual STR property has been operating, and to increase administrative fines which are extremely low compared to the lucrative nature of the STR business. For example, there's an apartment (or possibly two apartments) in a 4- or 5-unit apartment

building across from Alice Keck Park Memorial Gardens charging \$669 per night on one of the major platforms. One of the problems since 2015 has been that administrative fines were way too low, and not much of a deterrent.

It is discouraging to see housing unlawfully used as short-term rentals online. Maps on major platforms show approximate location of each STR; short-term rentals are around the Mission, in the Upper East, San Roque, Riveria, Garden St., etc. - where zoning does not allow hotel use.

At Finance Committee last month there were three public speakers. Visit Santa Barbara supported the plan, saying they promote/market STRs on their website, but only those that are permitted. Another gal (Tiffany) said she is a STR operator (a business with multiple units) and supports permitting them – but wants the process to be changed to make it easier. We urge you to **focus on enforcement of unlawful STRs**, and not get sidetracked or derailed by Ordinance amendments, process changes, etc. It's been eight more years of proliferation of STRs; the CAR used the word “explosion” to describe the growth of STRs. Community Development staff in the division that would probably work on such an undertaking (Ordinance amendments, process changes, etc.) are very busy. For example, Rosie Dyste is the project planner on the Housing Element Update, the Objective Design Standards process, ADU planner – which included even more amendments because of more recent changes in State law. She's been part of the Local Planning Team on the Updated Hazard Mitigation Plan at Council earlier this month. Dan Gullett is both Interim City Planner and Principal Planner (his former regular job). And who knows what else they are currently working on.

In the pilot year, obviously, the program will require funding. Funding is an investment in our City and our future. Funding the program is important to stop the unlawful activity and achieve compliance with the Zoning Ordinance. Funding the program can be a housing strategy. Our current 2015 Housing Element, pg. 53, talks about the increase in short-term “vacation rentals” in the Housing Challenges section. It goes on to say, the use of residential units as short-term vacation rentals poses a housing challenge to the City because it decreases available long-term housing opportunities for local residents as well as contributes to the increase in housing costs. Included in the Housing Plan of the Revised Draft 2023 – 2031 Housing Element (pg. 125): “*Policy 4.3: Housing for Residents. Promote the use of housing for residents through ordinances and zoning changes and limit practices such as short-term rentals...*”

We strongly recommend you move forward with enforcement and support the Staff Recommendation.

Sincerely,
Allied Neighborhoods Association

Cc: Sarah Knecht, Lyndsay Maas, Keith DeMartini, Daniel Gullett, Elias Isaacson, Rebecca Bjork