

MAY 19 2022

Planning & Building Services

Good day committee members.

Last week, the North Coast Housing Action Team (HAT) launched a petition and campaign requesting that the Board of Supervisors immediately create a STR ordinance restricting the number of licenses to no more than 2% of area housing. It is very concerning that HAT wants to control when, how, and for what length of time, a property owner may, or in some cases, may not, rent their own home.

Though these efforts may be well intentioned as a way to create more affordable housing I believe they are misplaced and do not in any substantial manner deal with the lack of housing issue or make more affordable housing available to those in need. Instead it seems like more "legislation creep", NIMBYism, and an infringement that further erodes private property ownership rights.

Unless prohibited by current zoning laws, and/or subdivision/HOA CCRs, a property owner should be able to rent their home for long or short-terms as they desire. Everyone living in a neighborhood/community is entitled to quiet enjoyment, privacy, and within the bounds of zoning and land use, to manage/develop their property as they see fit. If a disturbance occurs and/or noise and traffic ordinances are being violated, neighbors in the community may contact the homeowner and/or the appropriate authorities to address the issue and/or take legal action against the offending neighbor if the problems are not resolved.

But the homeowner's choice, or not, to rent their property is every homeowner's right and should not be infringed upon just because one neighbor or another chooses not to vacation rent their home. Especially in zoning that allows it; such as RR coastal zoning, where the 2nd permitted use of the property under Single Family Residential is vacation rental. If someone chooses not to vacation rent their home, that is their right, but they should not force their choice on others who wish to short-term rent their home and are legally zoned to do so.

I realize affordable and low income housing (two very different things), the general lack of housing for rent or sale, and the high costs of purchase prices and rents are difficult to remedy and there are no quick solutions. But putting moratoriums on vacation rentals is not the answer. It burdens the homeowner, hurts the local economy by limiting the number of vacation rental guests and the money they bring to the area establishments, and it reduces good paying jobs for the rental managers, cleaners, landscapers, handymen, etc. who maintain the properties. Being able to vacation rent a home is a big driver for home sales in Mendocino County and subsequently brings a significant amount of revenue into the economy at large through increased property taxes. After the sale as well with licensing fees and business taxes.

If a home's status was changed and could no longer be short-term rented, there's a high probability that it would not enter the long term rental market anyway, because in many instances the rent will not cover the mortgage the homeowner holds and/or the rent would be higher than the low and median income family could afford. With the increasingly regulated and restrictive tenant/landlord laws tilting more towards tenant's rights, rather than home ownership rights, many homeowners are choosing to sell their CA homes rather than long-term rent, as they are able to sell at a higher price and exchange to a less restrictive state, with less taxes and fewer restrictive rental regulations.

Why do homeowners choose to vacation rent their properties? It's not about more income because vacation renting is expensive when taking into account the higher cost of vacation home insurance, TOT and BID taxes, cleaning, landscaping, furnishings, regular replacement of bed and kitchen linens, household supplies, advertising costs, unrented periods, fewer tax deductions than long-term rentals, etc.. It is more about the ease of renting, maintaining control of the property, being able to schedule time for family and friends to occupy the home, and reduced long-term liability: Evictions never occur. Rarely do vacation rental guests cause problems. When there is an issue it gets press. But, considering the large number of vacation rentals and the high volume of rental guests, the problems are a very small percentage of the whole.

Homeowners rent short-term because tenant landlord laws have become a burden to homeownership:

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1. The State has made it very discouraging to be a landlord: Rent controls, proposed rental registries, requiring a free month's rent to vacate a tenant, moratoriums on evictions no matter how egregious the tenant has been, etc.
2. Depreciation schedules, 21.5 years for residential, take away most tax advantages.
3. Cost of housing: It's doubtful high end home owners will desire a month to month tenant with all the potential issues, as opposed to short-term rental, where the owner can still use it, or retire to the home full-time, when they want to.

New construction of housing, rather than over-regulating existing homes or restricting a homeowner's right to short-term rent their home, is a better answer to the lack of affordable housing than what HAT or the planning commission is proposing. The newly instated ADU and JrADU ordinances in the coastal zone is a step in the right direction. It encourages new construction of rental units with a deed restriction prohibiting vacation rental of those units. So, if a homeowner chooses to do that great. It's not compulsory by state edicts or overreach by some well intentioned but poorly guided housing groups coercing the homeowner to choose long-term rather than shortterm rental of their private property.

Limiting vacation rentals in city neighborhoods as Mendocino Town and Fort Bragg have done; allowing shortterm rental in the downtown commercial/tourist area of town; while encouraging the building and conversion of existing outbuildings to ADUs for long-term rental is another positive effort of municipalities to create additional affordable housing.

Another option to take advantage of: Apply for some of the over \$1Billion dollars in program funding the State of CA has approved for developing new housing projects; streamline the Mendocino coastal and inland building permit process by easing some of the red-tape regulations; and create permit templates for existing high-density land lots to attract residential developers. A permit process with dedicated timelines, no ambiguity in what is allowed, and an A + B = C result. Not the current system of pay your fees, jump through hoops, and find out after long months and many dollars later, a project will not be approved or at least not approved without additional and unexpected requirements requiring more time and money to finally get a permit. This approach deters homeowners and builders alike as it appears to be a bureaucratic labyrinth; a formidable, intimidating, and cost prohibitive process to get through the planning and building permit gauntlet.

I appreciate your taking the time to read this letter and hope you will not let decisions regarding moratoriums on vacation rental take place without the proposed changes being presented to the County Supervisors. Allow due process, public comments, and serious consideration of the larger housing problem and other options available, rather than restricting vacation rentals. Restricting vacation rentals will not bring the relief sought for lack of affordable housing and it will undermine Mendocino County's economy, reduce jobs, and inhibit second home - vacation rental-investment property sales, which will reduce the tax revenue produced from these sales and the vacation rental income.

Please let me know you have received this letter and if you would like to discuss the matter further, I've been a Realtor® in Mendocino County, both inland and on the coast, for 18-years and I'd be happy to talk with you about the experiences I've had as a property developer, rental manager, and agent.

Kind regards

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