

Slaga - TurnKey Vacation Rentals -
Letter dated 12.1.16

#3

Daly, Julia Rutherford

From: Adam, Peter
Sent: Friday, December 02, 2016 3:59 PM
To: sbcob; Brown, Lisa
Subject: FW: Vacation Rental
Attachments: Fair Regulation.pdf

Lisa Brown
Administrative Assistant
Fourth District Supervisor – Peter Adam
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From: Pete Slaga General Manager [mailto:pete.slaga@turnkeyvr.com]
Sent: Thursday, December 01, 2016 4:11 PM
To: Adam, Peter
Subject: Vacation Rental

Hello Supervisor Adam,

Please find attached in pdf format my letter to you and your fellow Supervisors my comments and proposed solutions to ensure both good neighbors and tourism in Santa Barbara.

Kind Regards,

Pete Slaga
General Manager Gold Coast California
Turnkey Vacation Rentals

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"Better, smarter vacation rental management"

Dear County of Supervisors and Staff:

I appreciate the time and effort you and your staff are taking to understand the growing vacation rental industry.

As your November draft report has determined that the number of vacation rentals have been increasing and that time has come to look at regulating this industry.

In recent local reports, the data has shown that vacation rentals do not make up a disproportionate number of nuisance calls. (City of Ventura report and STR Effect on Neighborhoods Study by California Economic Forecast, Santa Barbara, CA.) This is data that directly disproves those who are anti-vacation rentals claim that vacation rentals are ruining neighborhoods. If there are nuisances it usually is a result of a home being over occupied which can be quickly remedied by using a 2 person per bedroom formula. (3 bedroom home = 6 guests)

Further data shows that the overwhelming majority of vacation rentals are vacation homes that are not even close to being considered affordable housing of \$500,000 or less. This can be verified by looking at the assessed value of homes that are currently registered as vacation rentals. Again the anti-vacation rental opinion that vacation rentals are the major cause for lack of affordable housing is just not true, especially considering that these furnished homes are highly unlikely to become long term housing. The vast majority of STRs are second homes where the homeowner lives there part of the year.

Also those who are against vacation rentals would like to classify vacation rentals as "mini-hotels" and cite outdated definitions of hotels in municipal codes because of the time they were written vacation rentals did not exist. If you look at a modern definition like that in the City of Ventura you will note that it explicitly states that a vacation rental is not a "hotel" see below image.

Sec. 6.455.020. Definitions.

The definitions set forth in this section shall govern the meaning and construction of the words and phrases used in this chapter, except where the context of such words and phrases clearly indicates a different meaning or construction.

1. Short-term vacation rental shall mean a "dwelling unit" other than a dwelling unit located in a "hotel," as those terms are defined in division 24 of this code, that is rented to a tenant for a period of not more than 30 consecutive days.

2. Owner of a short-term vacation rental shall mean the person or persons holding fee title to a dwelling unit operated and used as a short-term vacation rental, or a person or persons holding the lease estate to a dwelling unit and operating and using the leased dwelling unit as short-term vacation rental, or the agents of any such persons

Additionally, I would like to also point out that State courts in Maryland and Alabama have been the latest to rule that renting a residence as a vacation rental is not a commercial use of property

The Maryland court ruling articulated that argument, saying:

The owner's receipt of rental income in no way detracts from the use of the properties as residences by the tenants. There are many residential uses of property which also provide a commercial benefit to certain persons. Both in Maryland and in a great majority of states, over 30 percent of homes are rented rather than owned by families residing therein, thus providing much rental income to landlords. In addition to conventional rentals, a commercial benefit may be realized from residential property by persons or entities holding ground rents, mortgages, or deeds of trust. When property is used for a residence, there is simply no tension between such use and a commercial benefit accruing to someone else.

My personal suggestion would be for fair regulations that allow for those who have a vacation rental to be continue as long as they uphold the regulations put forth by the county. However, if they are continually not following regulations then the STVR permit should be revoked. Realizing there are costs to this can be handled by putting a fee for an annual STVR permit that can generate income without having to pass a tax.

Good Neighbor's through fair regulations

A March 19, 2015 Tripadvisor survey cites that nearly 60% of U.S. respondents plan to stay at a rental home this year, up seven percent from 2014. <http://tr.tripadvisor.com/releasedetail.cfm?ReleaseID=902400>

The County of Santa Barbara continues to spend and try to draw in more tourism dollars of which vacation rentals are undeniably a growing segment of this. It is certainly important to make sure that there are regulations in place that will allow for both neighbor and guest to co-exist. On average for every person staying in a vacation rental they will spend approximately \$50 a day on food and entertainment. The positive impact is in the millions of dollars spent.

Here is a brief summary of regulations that I strongly encourage:

- 1) Regulation can ensure that each registered property is assigned a maximum number of two overnight guests per bedroom count, and the maximum # of daytime guests and cars allowed at the property at any time.
- 2) Outdoor quiet time (9:00pm to 7:00am), No RVs, No parties or hosted events, and many other controls could be put into place to ensure neighborhood compatibility.
- 3) Modern technology now allows for vacation rentals to monitor guests entering a home through devices like the Ring doorbell which has a motion activated camera that an owner or manager can use to monitor a property. There are also in home noise decibel meters that can send alerts if a certain noise threshold is exceeded.
- 4) A Nuisance Response Plan system similar to the City of Ventura. (See list of *Registered Nuisance Response Plans* at: <http://www.cityofventura.net/ft/STVR>). Plan posts owner or manager contact details for all registered properties.
 - a) Short-Term Rental Permit Holders should be required to respond to nuisance complaints within a reasonable amount of time with a central number that goes to a security company could be used to field complaints thus relieving the burden on the Sheriff department. This could be funded partially by STVR permit fees and fees to come out and check on a property due to a complaint.
 - b) Noise complaints could be registered, and response times recorded and monitored.

- 5) By having regulations, there can also be a means for vacation rentals that do not respect regulations to have their permit revoked.
- 6) Regulation also means additional income and a means to effectively monitor and track vacation rentals.

Summary

Do not be swayed by the vocal minority of those who would choose to banish vacation rentals because they have had a bad experience due to lack of regulations. To ensure proper compliance, I would propose that those complaining provide proof that vacation rentals cause a larger portion of disturbances over those of others living in the neighborhood. Vacation rentals generally are better maintained and the guests that stay as I mentioned earlier in the article spend their money eating and entertaining in our County. Lastly the tax revenue generated is money that the County can certainly use for public safety and programs that otherwise will not be funded because of budget considerations. If you would like to have a discussion about this in person I would be more than glad to meet with you.

Kind Regards,

Pete Slaga
TurnKey Vacation Rentals