

## Scott K. Harriman

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**From:** Glenn Aby [REDACTED]  
**Sent:** Thursday, March 09, 2017 11:36 AM  
**To:** Scott K. Harriman  
**Subject:** short term rentals

Dear Short Term Rental Committee:

I have been renting my home as a short term rental for the last 2 years. It has worked out well for the neighbors, the guests, and myself. The neighbors and I see each other regularly and they all have my number if there is a problem. In two years there haven't been any problems. I will eventually be a Santa Cruz resident. I live over the hill and I can't afford to live in Santa Cruz yet, but in time with this short term rental, I will be a resident. I went to your meeting on Tuesday and I appreciate the thought and time you are putting into this issue.

I have fond childhood memories of going over the hill, spending the day at the beach, and ending it with a stop at Marianne's before heading back over the hill. Santa Cruz is a wonderful place and I don't want that to change. My short term rental is an opportunity for out of town families to enjoy the many wonderful things Santa Cruz has to offer. 95% of the people that come stay at the house are families. These families enjoy the opportunity to stay in a house with a kitchen and play things for the beach. Pulling a wagon down to the beach and spending precious time with the kids is such a treat. It is a slice of living in Santa Cruz full time. I have a guestbook full of wonderful memories that make me glad I'm the host.

I wanted to address something the gentleman from Habitat for Humanity spoke about. I have volunteered with Habitat, supported them financially, and see them as one of the best social organizations around. He talked of people coming for weddings and how they would go to a hotel if a short term rental was not available. In 2 years and about 65 families I have had 2 families come for weddings, while the vast majority came looking to enjoy Santa Cruz and the beach. These families choose Santa Cruz over other beach communities but they would go elsewhere if Santa Cruz didn't offer homes. In the unlikely event that any still chose Santa Cruz, they would not prefer being in a hotel and eating out every night. Short term rentals do provide an experience that hotels can't. I also believe that if my short term rental was eliminated it would most likely be bought by a wealthy out of town resident that let it sit empty most of the year. There are already several homes that get used about twice a year. The realtor that helped me find my home lives in Santa Cruz and tells me that some of the nicest homes sit vacant.

Just today I received the following words from a future guest; "My name is (anonymous) and I am from Sacramento, Ca. My family and I have been vacationing in Santa Cruz for over 45 years. This week long trip is a highly anticipated one for the family. In the past, we have stayed on West Cliff Drive and over the last couple years in the Sea Bright area. My family and I prefer the Sea Bright area as it is a little quieter and we adore all the local restaurants. Our annual trip is enjoyed with my husband, two grandchildren, daughter, and son-in-

law. I look forward to hearing from you!” This is a typical email. Others add how they used to live in Santa Cruz and want to add memories with their own children.

I have gotten to know the neighbors where my short term rental is and they would vouch for the quality of the guests and for myself as a good “neighbor”. They have my number and they know that if any guests are loud or inappropriate in some way that they can call me and I will fix it. I started 2 years ago and we haven’t had any negative issues. Some guests have befriended neighbors and suggested they visit them in their towns. The neighbors assure me they haven’t had any problems, and they all have my cell number. They have been great neighbors.

I have my guests sign a 10 page contract specifying my rules and the city rules before they are allowed to stay in the neighborhood. I pay my T.O.T taxes every month and keep the house in tip top shape. If ever there were a problem with my guests I do feel it is my obligation to rectify it and make it right with my neighbors and the city. I have abided and will continue to abide by whatever rules the City of Santa Cruz has for short term rentals to assure that my offering my home as a short term rental will be a positive experience for the City, the guests, and myself.

Thank you for your time.

Sincerely:

Glenn Aby

## Scott K. Harriman

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**From:** Rita Law  
**Sent:** Wednesday, March 15, 2017 12:41 PM  
**To:** Scott K. Harriman  
**Cc:** Ron Powers  
**Subject:** Vacation Rentals

Hello Ron and Scott,

I was not able to attend the last meeting regarding the Vacation Rental Ordinance. However, I wanted to voice my opinion regarding the fact that City Counsel believes that vacation rentals are taking away from affordable house.

I am a professional property manager and have been in Santa Cruz for 30 years doing business as Kendall & Potter Property Management. Since my office deal with rentals on a daily basis, I thought I could offer some insight in what is REALLY going on with the housing shortage.

There are several Investment Groups coming into Santa Cruz and buying up apartment buildings and condo buildings. They are evicting the current tenants who are paying fair rents, painting and doing some minor repairs and re-renting these properties for 3 times the original rent.

This is what is driving up prices to where the citizens of Santa Cruz can no longer afford to live here.

I can be available to discuss this further if you would like more insight on this issue. I know that one Investment group in particular purchased The Shearwater apartments and 64 units that we managed.

They are in the process of evicting the tenants from these 64 units currently.

Please make some informed decisions regarding the vacation rental issue.

Rita Law  
Owner/Broker  
BRE#0756074  
Kendall & Potter Property Management  
(831) 477-7930

**Scott K. Harriman**

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**From:** mandy pierce [REDACTED]  
**Sent:** Wednesday, March 15, 2017 11:47 AM  
**To:** Scott K. Harriman

**sign the letter to ban short term vacation rentals**

2/7/2017 - Santa Cruz Tenants Association supports Santa Cruz Tenant Organizing Committee 's message to the Santa Cruz City Council's Subcommittee on Short Term Vacation Rentals.

To register your opinion, please cut-and-paste this letter into the body of an email, sign it, and email it to Scott Harriman at the City of Santa Cruz: [sharriman@cityofsantacruz.com](mailto:sharriman@cityofsantacruz.com)

...and/or you may call him at (831) 420-5037 Sent from my iPhone  
Mandy Pierce

## Scott K. Harriman

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**From:** Alan Crarer  
**Sent:** Thursday, January 26, 2017 3:23 PM  
**To:** SantaCruzSTR; Scott K. Harriman  
**Subject:** : STR

Hi Scott & STR committee,

I am a resident of the west side of Santa Cruz, near Bay & Lighthouse. My wife and I own a property with an ADU. We've rented our main house, while living in the ADU, since we bought the property about 5 years ago. Indeed, this was the primary reasoning behind buying the property in the first place.

We are now in the midst of designing a small hotel, that will be on Pacific Ave south of Laurel. You might think we'd have conflicted feelings about STR regulations. No doubt, a ban on short term rental housing would be a boon to business at our little hotel. However, I must speak strongly in support of maintaining a healthy short term rental community in this city.

### **Why STR's are important to Santa Cruz**

A good selection of short terms rentals is, and will increasingly be, an important part of our tourism industry. Like it, or hate it, tourism is the lifeblood of Santa Cruz. Websites like AirBnB and VRBO have revolutionized travel and have become the preferred source of accommodation for many travelers, myself included. Vacation rental housing offers an experience that you cannot get in a hotel;

- house the whole family comfortably
- a living room to hang out in, watch movies, etc
- a kitchen to cook and share meals (with a full sized fridge)
- located in a real neighborhood, providing a less "touristy" experience

### **How to approach regulation**

#### **1) Parse out the facts**

Much of what I've heard, related to this debate, has struck me as "Truthiness". This was a term coined by Stephen Colbert to mean; something that feels true, but isn't necessarily based on any facts.

Here are some examples;

**Parking:** The vast majority of guests that stay in our two bedroom rental home arrive in one car. Long term renters would most likely have two or more cars for a home of this size. Is there any fact-based evidence for this or is it just something that feels like a plausible impact? By the way, common complaints blaming STR for impacting parking does not count as fact. There may be many reasons for poor parking conditions and STR is an easy scapegoat.

**Noise / Parties:** When was the last time you went to a big party at a vacation rental? Is it realistic to think that 50 people are going to drive down from Sacramento to party at someone's AirBnB? How many houses will they need to rent? How would they all coordinate? This is nonsense. Large parties are inherently local. Destination parties are usually restricted to special events like weddings - that don't generally end up with a keg on the lawn. Fact or truthiness?

**Garbage:** This town has two bad garbage demographics; college kids dumping mattresses on the corner, boardwalk visitors leaving fast food bags next to their parked car. It's certainly not a problem we've noticed in our rental.

#### **2) Develop regulations to directly target fact-based problems**

Some cities regulate STR's by setting limitations (x number per block). This seems totally arbitrary and ineffective. It may or may not alleviate the real problems at all.

If parking is the issue, come up with ways to control that: require an accounting of vehicles use on the TOT return (limit or tax vehicle allowance). Require rentals to explicitly limit vehicles guests may bring, etc, etc.

If parties are the problem, require owners to explicitly limit the number of guests allowed on the property. That's what we do - it's right there in our house rules. In 5 years, we haven't had one party thrown in our rental.

If a housing shortage is the problem - address that specifically. Where is the shortage; 1 bedroom, 2 bedroom, 3? Preventing the guy, with the 5-bedroom mansion on West Cliff, from short term renting isn't going to help most folks struggling for good housing. In any case, a housing shortage is the responsibility of the city. It shouldn't fall on the shoulders of individual home owners. I do believe that the city is actively working on this issue and several projects are in the works. These should certainly be considered when discussing this topic. Incentives for developers, rather than "punishing" home owners are more in line with the city's values. Perhaps divert some of the TOT revenue to affordable housing projects. There are many alternatives to hamstringing home owners.

### 3) Protect existing operators

Many folks, such as myself, purchased property with short term rental as a fundamental requirement. In our case, the income is crucial to make our mortgage affordable. In addition it allows our family to visit, from Canada, for several weeks at a time. The flexibility to host family, and the income would simply not work as a long term rental.

Thank you for your efforts!

Alan Crarer  


**Scott K. Harriman**

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**From:** EllyKadner <elly.kadner@gmail.com>  
**Sent:** Wednesday, March 22, 2017 1:23 PM  
**To:** Scott K. Harriman  
**Subject:** Clarification on moratorium

Dear Scott Harriman,

I have been following the STVR controversy through various neighborhood groups and have come away with some question regarding the regulation of student and short term rental units. I understand there is a moratorium in place at the moment for building or converting into vacation rentals.

However, if the property is rented out for the school year and used as a STVR for the summer only (with TOT paid to the city for that duration), does the moratorium apply as well? Is there a different category for this type of situation? What about homeowners renting out their house for the duration of their absence, for example, when going on vacation or a business trip? After the moratorium, what will the application process (if any) be for these types of 'mixed use' situations?

Any clarification would be much appreciated.

Best regards,  
Elly Kadner

**Scott K. Harriman**

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**From:** karen miller [REDACTED]  
**Sent:** Monday, March 20, 2017 5:34 PM  
**To:** Scott K. Harriman  
**Subject:** STVR

Hello Mr. Harriman,

We have been residents of Santa Cruz since 1972. We have seen the area grow and grow! You cannot make a harsh decision without approaching The City On The Hill. U.C.S.C. needs to put a ban on allowing more students to enroll till they can figure out more housing. The city of Santa Cruz cannot provide all the housing, water and traffic problems. We live across the street from a house who has been renting to students for decades now. My husbands surboard was stolen, we dont't know who took it??? The point is it is not just a Santa Cruz City problem it is County too. Students rent in the County and Santa Cruz. I agree the people who buy houses just to rent or STVR and they do not live on the property, who do not even live in Santa Cruz or County should not be allowed to rent. They need to be living on the property. Living in Santa Cruz or anywhere these days is very expensive. Retired people rely on extra income to live on, you will be hurting the elders who are on Social Security.

We would like to see the committee allow STVR for people who live on the property!!!

Thank you for listening to me.

Sincerely Karen Miller



**Scott K. Harriman**

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**To:** Tracy Cone  
**Subject:** RE: Next STVR Subcommittee Meeting

**From:** Tracy Cone [REDACTED]  
**Sent:** Sunday, March 19, 2017 12:06 PM  
**To:** Scott K. Harriman  
**Subject:** Re: Next STVR Subcommittee Meeting

Hi Scott,

Please include my letter (in the body of this email) in the packet for the committee's review at the next STVR meeting. Thank you in advance.

Tracy Cone

Dear STVR Committee Members,

I am writing to encourage you to limit short term vacation rentals. I realize this is a complicated issue, and I have friends and neighbors who are on both sides of the fence on this one. I have a feeling you are hearing lots from owners and little from renters, so I'm adding my voice as a renter to what you are considering.

I have been a renter in Santa Cruz for the past 12 years. I was a homeowner for 10 years before that, until I got divorced and could not afford to buy anything on my own. Because of housing prices spiraling out of control in the last 7 or 8 years, it is highly unlikely I will ever be more than a renter in Santa Cruz. I am a healthcare provider with a decent income, but still paying about half my income in rent for myself and two teenagers to share a house with my partner and his son. We have a 4 bedroom house for \$3750, which appears to be a little below the going rate.

I know more than a few people in circumstances like my own that were lucky enough to hang on to their houses 10 years ago. Now they are paying their mortgages with AirBnB. They have subdivided their houses to make room for vacation renters, and they are making more money doing this than renting to individuals. So, I feel for them and how close to the edge they are financially.

On the other hand, I hear from friends, singles, and those with families, on a monthly basis who are looking for housing. Most of them cannot afford to buy, and the rental market is tighter and tighter every year. Which makes rents go up as well. Property managers are benefiting, as the increased rents justify their fees. Landlords are benefiting if they bought at the right time. Real estate agents are making a killing. And UC students' parents just write bigger checks for their kids' rent. What happens to the rest of us?


Most renters don't have the time or energy to sit on commissions, even if they have the clout to be invited. So you need to hear from us: short term rentals are killing us. Other resort towns limit them, why don't we? Is Santa Cruz going to cave to the real estate agents who are cashing in on this rental crisis? Or take care of the people who have little voice and so much to lose?

If you want to protect the most vulnerable population of renters - families - you can start by limiting the rental of entire houses. AirBnB began as a way to rent a room in a house, hostel-style, and there is nothing wrong with regulating them back to their original intention. Keep the houses for the families. We already have enough

competition from UCSC students for whole-house rentals; to have AirBnB shrivel the already competitive market is going to kill the community, and turn it into a full-fledged resort town.

Please consider this request.

Thank you,  
Tracy Cone

  
Santa Cruz

## Scott K. Harriman

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**From:** Katrina Goldsmith [REDACTED]  
**Sent:** Sunday, March 05, 2017 4:04 PM  
**To:** City Council; Cynthia Chase; David Terrazas; Chris Krohn; Cynthia Mathews; Richelle Noroyan  
**Cc:** Chris Goldsmith; Sean Wilson  
**Subject:** Santa Cruz Short Term Rental ordinance

To the members of the Santa Cruz City Council-

I own a small (560 square foot) one bedroom home that I rent out as a Short Term Rental and I hope you will consider my input on this matter.

I did not evict anyone -- this home was dilapidated, uninhabitable, and a community nuisance when I purchased it. We did a beautiful renovation and brought it up to code. I grew up in Santa Cruz and use the home frequently for visits to my family, including my aging mother who does not have space in her home for me and my family of four.

You might be interested to know that a large percentage of the people who rent my home are actually family and friends of local residents who have no room for guests in their own small beach area homes. Grandparents coming to visit a new baby, adults coming to visit their elderly parents, etc. My next door neighbor's mother rented the house for 2 weeks last summer to be close to her grandkids. I have many repeat guests with local family who cannot afford the high priced hotels in Santa Cruz and need a lower cost option such as my home. My STR works almost as a spare bedroom for neighborhood families. I keep it affordable compared to the astronomical local hotel prices, and I give priority to guests with a connection to the neighborhood.

All of the guests at my rental receive recommendations for local business and I prioritize longtime ties and local ownership. I make great recommendations and I hear great feedback from guests. Contrast this with the prospect of second homes that sit empty during the week or during the off-season while out-of-town owners are not using it. Without short-term guests filling in those vacancies, those properties sit dark and do not provide activity for the local businesses. I live a few miles from Del Mar, CA, where vacation homes sit vacant for months at a time — contributing nothing to the local economy and actually harming businesses that had depended on year-round occupancy. Conversely, my guests go out to restaurants, coffee shops, grocery stores — and pass along those recommendations in glowing reviews.

As someone who grew up in Santa Cruz, loves the community, and cares about the quality of life of my dear friends and families who live there, I do not want to see it ruined by faceless property investors. However I wanted to draw attention to some positive benefits of STRs that may not have been mentioned in your discussions, and that may cause hardship in the community if short term rentals are banned.

My preference would be for strong enforcement of rental rules and transient occupancy tax compliance. Even my tiny home contributes thousands of dollars each year in TOT to the City of Santa Cruz, on top of the property taxes that we all pay. A convenient service for local residents, patronage for local businesses contributing to local jobs, and extra funds for city services -- this is what my home gives back to the community. Thank you for considering my input.

Sincerely,  
Katrina Wilson Goldsmith

## Scott K. Harriman

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**From:** Lauren Marlais [REDACTED]  
**Sent:** Thursday, March 09, 2017 1:39 PM  
**To:** Scott K. Harriman  
**Subject:** Vacation Rentals

Dear Scott,

My name is Lauren Marlais, my husband and I own 2 vacation rentals, and we were at the Tuesday night meeting. I would like to share my experience as an owner and give you my feedback as to the value of non-hosted short term vacation rentals.

We purchased our first vacation rental back in 2009. We lived in Fremont at the time but we were planning to retire in Santa Cruz. My husband had been a self employed dentist for about 40 years and had always had a couple of rentals as part of his income and retirement plan. We decided to acquire some rentals here and sell the 2 that we had in Fremont.

We immediately fell in love with the view and location of our first rental "La Casita Buena Vista" during an open house. We purchased it and remodeled the heck out of it. Our initial plan was to have it as a full time rental but we realized that we really loved being there and we wanted to enjoy it also. That is when we decided to make it a vacation rental. I am so happy and proud to be able to share our house with others and to be part of the happy memories of so many families. The feedback I get is heartwarming. I keep the price reasonable because I understand that paying a huge amount for a family vacation sucks some of the joy from the experience. Our house has hosted girls' weekend getaways, family graduation parties, grandparents anniversary celebrations, bridal showers, milestone family birthdays, etc..... People love having a place where their whole family can gather and bond. They would never be able to have that experience at a hotel or at a hosted vacation rental.

Vacation rentals are a lot of work and I know that I can't keep this up forever. We are continually on call and emergencies often arise at the most inconvenient time. Also, they make it hard to go on vacation. Plus they are expensive on a month to month basis. We pay utilities whether they are occupied or not. But the plus sides are: there is no deferred maintenance because we can check on our house between groups, we can book off time for our family and friends, and we receive a lot of "Happy Karma" from so many families. We make more than if our house were a full time rental, but not that much more. There is a part of me that would be relieved to give up this stress but then there is a part of me that finds it very satisfying to provide a service/product that makes so many people happy.

We have used vacation rentals several times; once for my parent's 50th wedding anniversary, once for my dad's 80th birthday, and once for one last family get together before my dad died of bone cancer. Those were the most memorable experiences in my parents' and our family's lives. We specifically looked for locations that offered vacation rentals. If there were none available we went on to another location. I can guarantee you that if Santa Cruz does not offer short term vacation rentals there will be many potential visitors that will choose another location for their family get together.

Tourism is a big part of Santa Cruz's industry and vacation rentals are an important component of that industry.

Respectfully,

Lauren Marlais

## Scott K. Harriman

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**From:** Bret & Sheryl Hydorn [REDACTED]  
**Sent:** Tuesday, March 07, 2017 4:02 PM  
**To:** Scott K. Harriman  
**Subject:** Correspondence for STVR Subcommittee

Dear Scott,

I would like to share some thoughts from the perspective of a whole-house short term vacation rental owner. My husband and I bought our home during the economic downturn. The existing structure needed abatement for hazardous materials and had rotted to the point where it was best to have it stripped to the studs and the garage demolished. Our small home was rebuilt and the yards landscaped so that we could enjoy it as a second home and rent it out at other times. We also purchased a small, often weed filled, city owned lot next door and had it added to our parcel. This whole project was an enormous investment for us. The neighborhood benefited greatly from the improved appearance of a corner lot.

We consider ourselves to be your Santa Cruz neighbors. We know our neighbors. When we are staying at our home and the weather allows we walk to local businesses almost daily. I can often be found in front of the house taking care of the yard or at the local hardware and grocery stores. I have attended meetings covering topics of concern to Santa Cruz residents. We attend church when in Santa Cruz. We recently began making a monthly donation to Habitat for Humanity in Santa Cruz based on the nights our place is rented each month.

We care about our neighbors. Our rental listing states that we do not allow parties or events. We make it clear to potential guests that we have limits on how many people may stay at the house or visit them while there, and they know that outdoor cameras in non-private areas make it possible to see if they are abiding by these rules. Noise ordinance information and intolerance for unlawful activities are also clearly stated in our rental agreement.

Some people reading this message might be surprised to find out how often our place is rented to families and friends of their neighbors. Our guests are looking for a comfortable, close-by place to stay where they can visit and cook meals together. Often these groups include two or three generations. In some cases they would have to stay in two or three hotel rooms and would not have a private common space to gather because their local family members or friends do not have the room to host them. They find the amenities of an STVR fit their needs best.

I would like to switch gears and say that I am concerned about affordable housing, which clearly is one of the issues making this whole discussion necessary. My husband and I have two children in their twenties, so this is a problem we understand on a personal level. However, must we make STVRs the scapegoat? In their task the subcommittee has been asked to narrowly focus on the impact of STVRs on neighborhoods. Meanwhile, correspondence from residents and transient students ask for bans or near bans on STVRs, citing housing availability as the main issue. The subcommittee is directed away from discussing certain solutions because other groups have been assigned this task. Yes, it is time for restrictions to be crafted for STVRs, but banning them is throwing the baby out with the bathwater as it will not solve the housing problem. Since tourism is a vital part of Santa Cruz's economy, I hope that we get to the point where all of the issues can be looked at holistically and solutions can be crafted to provide the best overall benefit to the city.

Kind regards,  
Sheryl Hydorn

## Scott K. Harriman

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**From:** Robin Cunningham [REDACTED]  
**Sent:** Monday, March 06, 2017 7:57 PM  
**To:** Scott K. Harriman  
**Cc:** Ron Powers; Cynthia Chase; David Terrazas; Richelle Noroyan; Cynthia Mathews; Sandy Brown; Chris Krohn  
**Subject:** STR Subcommittee Summary

Dear Scott,

I'm writing in response to a draft of the STR Subcommittee Findings to be presented at the March 7, 2017 meeting. As an interested party who has attended every meeting on the subject, I have some fundamental problems with both the motivation for the committee and manner in which this enterprise has been framed and interpreted.

All along, those of us who are hanging by a monetary thread by renting out parts of our homes (I have a 'grandparented' ADU) *in order to be able to continue to afford to own our homes*, have been hoping to be given the respect of at least *some data* to support the allegations/assumptions that STRs are "interfering with neighborhood character and causing a problem with long term rental stock". Even though a ton of time and effort has been given to the subject not one shred of evidence has been produced to suggest a link, especially with hosted rentals. Yet, a City sanctioned moratorium exists and this committee has been formed to develop a 'regulatory framework' for something that is likely not the problem and if restricted would not solve the two above reasons for all this work and discussion.

It is amazing to me that, being ruled by an *assumption* that STRs are the cause of all evil (high rents, out of sight property values, wild party houses, limited housing) that now, waving a magic wand called regulation sounds like the answer. Maybe instead of brainstorming 'new rules' for rentals the study should focus on how to regulate noisy, rude neighbors of all stripes, develop low income housing, work with the university to build more student housing and realize that high rent and housing costs are due to market forces stemming from our proximity to Silicon Valley and SF and the fact that we are blessed to be living in a beautiful, desirable oceanside paradise with a great climate. Prohibiting, limiting, phasing out, sunseting STRs will not do one thing to change that.

In the 'BACKGROUND' section of your Summary there is a paragraph which states: Many cite the high cost of housing in Santa Cruz and the ability to offset housing costs as a compelling factor [for STR]. **That is 100% true** in my case and I would imagine most others who do what I do. The **ONLY** reason I can afford to own a home is because I 'offset costs' (\$10K+/yr in property taxes alone), so owning a home here would be out or reach for me, too, without this ability, despite the fact that I have another job in addition to running my rental. Taking this right away from me, or someone like me who has built or purchased a home (with an ADU especially) unrestricted by use, would only force a sale to someone who could afford to buy it and NOT rent out the ADU *at all*. This would NOT create an LTR as I assume the concept of 'sunsetting' the right to rent STR after a sale expects. And, knowing an ADUs use would be restricted, with the possibility of further restriction in the future, it could easily be a deal killer for those considering the phenomenal expense of building one.

I have attended all the meetings so far and am quite dismayed at the way the meetings have been run. When a midway vote was taken to see where the focus of the group was headed (permissible rules vs limited vs restrictive) and the results favored dealing with the STRs in a 'permissible' fashion *your response was to discount the vote*. In your summary you say there was group consensus that there should be 'some regulations' but there were varied opinions about what they should be and whether or not they could effectively fix the concerns of this committee or even be enforceable. This does not sound like any sort of conclusions were reached. This is probably because **there is no data to support imposing rules** because no one knows or has any way of knowing *if or why* any regulation would help long term housing or protect neighborhoods.

There are a number of STRs in my neighborhood and you would never know it, so I don't really understand how limiting or prohibiting them would make a difference or 'protect' us here. None of my neighbors has a problem with any of the rentals near me, either with noise or parking or wild parties. And, *none of the rentals were long term to begin with, so no LTRs were sacrificed in the process.* I'm sure there can be some stories found here and there where a landlord or homeowner has changed the status of their rental from long term to short, but the fact that these are few and far between does not make the case that this is a virus running rampant throughout our town. People like me rent out parts of our home to make ends meet; that is true. But no LTRs were ever at risk to achieve those goals. The online portals you cite in your summary do help us to promote our rentals, but *they have not robbed the housing stock from our city to do it.* This is the kind of information you must look at before spending time to develop restrictions for something that is not causing the problem. The unintended consequences of taking away our right to afford to live here will be much worse than allowing us to continue using our properties in the manner legally allowed on purchase.

In your 'Summary of Committee Work' you claim that an equal number of committee participants felt STRs are a detriment as were strong 'property rights advocates' who disagree. *Scott, you know this is not accurate.* Even the vote you took showed that the Permissive vote won by more than a 2 to 1 margin, so please, there are a lot of witnesses to the proceedings, there is a recording, and we all have seen how you discount the attitudes you disagree with. There is data to show that your 'summary' is not a true reflection of the outcome of this committee's findings. **This is a blatant misrepresentation** of what happened and a huge disappointment to all of us who have weathered this entire journey. Please include actual numbers to show accurately the outcome of the voting, discussions and opinions submitted.

I do appreciate that you included that Santa Cruz is a tourist destination and there have always been plenty of vacation rentals here. Local businesses thrive when our tourist economy thrives and everyone I host spends plenty of money supporting our favorite restaurants, wineries, movie theaters and outdoor activities vendors, to name just a few.

Most of all, those of us who are trying hard to participate in a way that will really bear fruit (produce more housing, protect our neighborhoods) are not trying to stymie the city's efforts to do so; we are simply wanting to insure that any steps taken will help and not be some symbolic political bandaid or football and more wasted time, effort and money. You can call us 'strong property rights advocates' or just **long-time Santa Cruz locals** who are trying to maintain neighborhood integrity by continuing to afford to live here, but it is not useful to create a false dichotomy between us and others struggling to afford to stay local.

Thank you for your time and attention,  
Robin Cunningham

## Scott K. Harriman

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**From:** Alexandra White [REDACTED]  
**Sent:** Friday, March 24, 2017 2:24 PM  
**To:** Scott K. Harriman  
**Subject:** impact of STVRs on neighborhoods

I wish to draw the committee's attention to the diverse impacts of STVRs on our neighborhoods. I live in the Seabright Beach area, which has the highest density of registered units, along with a plethora of second homes or summer homes, some of which are undoubtedly also used as STVRs without registration.

Much has been written about noise, traffic, and parking. What hasn't been much noticed is the impact on neighborhoods of not having actual neighbors. Houses that sit empty most of the time, and houses that are briefly filled with strangers, do not help build community. I would ask the committee to consider how one has a neighborhood watch when there is nobody to watch?

As to the suggestion by a previous letter writer that STVRs be confined to the coastal zone, I think it would be far more fair to reduce the density in any one area. The neighborhood impacts with high density STVRs are such that it won't be long before our area is unlivable.

thank you,  
Lexi White

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"Democracy passes into despotism" Plato, *Republic*, VIII, 562-A



**Scott K. Harriman**

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**From:** Alexandra White  
**Sent:** Friday, March 24, 2017 2:29 PM  
**To:** Scott K. Harriman  
**Subject:** ADUs and STVRs

One possible compromise in regard to ADUs being used as STVRs might be to allow their short term use in the most lucrative summer months if and only if the unit were rented at a certified low-income below market rate during the rest of the year, i.e. during the UCSC quarters.

I am aware that this would require additional bureaucracy on the city's part, but it would seem a reasonable way to both meet the needs of additional housing for students without depriving ADU owners of summer income.

Lexi White

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"Democracy passes into despotism" Plato, *Republic*, VIII, 562-A

3/27/2017

TO: Scott Harriman

FROM: Stephanie O'Mara and Karalee Richter

RE: Short Term Vacation Rental at [REDACTED] - Santa Cruz

I am writing to share my story of how I came to own a STVR, and to urge the city to uphold the current city municipal codes allowing residential property owners the freedom to own a STVR.

I have lived in Santa Cruz since 1978 when my partner and I bought our home here. Until I retired two years ago I worked in Santa Cruz County as a nurse and a therapist. I grew up in Cupertino when it was mostly orchards and Silicon Valley was not even a seed planted in anyone's vision. My uncle (who was a physician and surgeon here) and cousins lived here in Santa Cruz and later in Capitola and we spent many weekends, school vacations and summers here with family. Four years ago my mother had advancing dementia and other physical problems and by chance the home right next door to ours became available for sale. We were able to buy that home, a small bungalow in need of extensive repair. I had known and loved the original owners before their deaths and resale of the home so there was a personal connection already. We remodeled it so that caregiving would be easier and there would be a handicap appropriate bathroom and master suite as well as more open space rather than nooks and crannies. Unfortunately my mother died before the remodel was complete. While she never lived there she enjoyed being part of the process of remodeling something just for her needs.

Before her death, my mother's home in Cupertino had been the gathering place for family and friends for over sixty years. When we explored our options of keeping two homes or keeping one and selling the other or looking at long term rental or short term vacation rentals we chose the STVR option. Our primary reason for doing this was to continue to create a gathering place for family and friends, while being able to make the home pay for itself by vacation rental income. We have family and friends spread out across the United States and Hawaii. Some of them have the means to pay for a vacation and some do not. Most of them can find a way to get here if they have a place to stay. We hired a professional vacation rental management company, a family owned business in Santa Cruz. They screen renters very carefully. We check in regularly with our neighbors to be certain there are no issues coming up, including traffic, noise, trash or parking issues. Since we live right next door we can actually take action quickly should there be a problem. We have never had a complaint, the property is well maintained and most people do not even notice it is a vacation rental. Our property is kept in much better condition than many long term rentals in our neighborhood. We are not outsiders trying to make a profit off of the ridiculously priced housing market here. We are not absentee owners who live hundreds or thousands of miles away. We are very sad that young families cannot afford to live in Santa Cruz, especially those who were raised here. This includes our own nieces and nephews. We have always loved the diversity of our neighborhood and sadly see that changing as people buy homes here for speculation and and business profit. We are loyal to Santa Cruz and cherish our neighborhood and friends here.

(Go to next page please)

We hope this may be helpful as the committee and council navigate through the difficult definitions and decisions of solving the STRV topic as well as the larger lack of affordable housing. In reality our STVR is not the cause of that problem and the TOT we contribute to the City must be helpful in some way. . If we were to use this home as a long term rental we would have to charge enough to pay for mortgage, insurance, maintenance and repairs and part of utilities. That would not be in the "affordable range" we have been hearing about and it would take away our family gathering place. And it would not solve the rental problem in Santa Cruz. Selling this same home would not solve the problem either since we would need to protect ourselves in retirement and we would sell the home at the highest price possible. Any financial planner would advise us to do that. We have worked hard all of our lives and contributed to the community and our neighborhood actively.

Thank you for your time and attention.

Respectfully

Stephanie O'Mara and Karalee Richter  
[REDACTED] Santa Cruz

2/23/2017

MAR 27 2017

Hi Scott,

Thanks for your call this morning. Enclosed is the information on vacasa that was mailed to me. It appears they are soliciting business & encouraging more short-term rentals in neighborhoods, promising owners vastly more money.

Our small neighborhood has changed dramatically and certainly not for the better, since many of the homes have been converted to short-term rentals instead of owner occupied homes, second homes or regular rentals. These STR's are very often for 1-2 nights and are used as party house to party & celebrate - and celebrate they do! They pay a lot of money or feel entitled to be able to do that.

This destroys the cohesiveness of a close neighborhood & certainly affects night time <sup>as well as day time</sup> quiet & peace. In one week at a place, there can be as many as 3 totally different groups. The owners live out of town & rarely show up. Their vested interest in the neighborhood seems to be in making a lot of money only. In many cases the number of people staying there is many more than would normally be accommodated in the house.

This is not true of all STR's I know however, does seem true for a number of them in our small neighborhood. It feels like more of a business district now than a comfortable, know & help your neighbors, neighborhood.

It is not reasonable to expect those of us living in these neighborhoods and who have been paying taxes for years, to have to be subjected to this.

Years ago, the few short term rentals of homes in residential neighborhoods was accommodating families who would come for 1-4+ weeks for their family vacations. It was mostly young families (parents with children & sometimes grandparents.) They would be neighborhood friendly and considerate & the homes were affordable for a family. Now the long term rentals in our neighborhood have been converted to STR's & the homes that ~~seem~~ become STR's -

Thanks for your consideration. Best, Mary



26645

MAR 27 2017



Dear Homeowner,

Let's face it: the world is changing. Technology is disrupting the way industries do business, and the vacation rental management industry is no exception. You need a management company prepared for what's next. That's where we come in.

We are Vacasa, a full-service property management company making vacation rentals easy and profitable thanks to cutting edge technology. We provide all-inclusive management with no hidden fees, no limits on owner use, and no long-term contracts. **We take care of all the advertising, booking, payment processing, tax payments, housekeeping, and routine maintenance for you at no additional cost.** Our 4,000+ satisfied homeowners continue to work with us because we consistently deliver more money and better guests.

A unique characteristic of Vacasa is our ability to offer unparalleled financial results to our homeowners. Thanks to the advanced systems we've developed, we can book your home at optimal rates, all year round. And the results are incredible. **Our homeowners enjoy consistently higher earnings from their vacation home – on average, 34% more than with other management companies.**

In fact, we're so confident in our methods that we can guarantee you'll make more in your first year with Vacasa than you did while self-managing—even after our management fee. If you're working with another management company, we can guarantee that you'll make \$5,000 more with us. If you don't, we'll pay you the difference.

Additionally, we're dedicated to showcasing the unique appeal of every home. **In addition to professional HDR photography and strategic global marketing, we now offer 3D tours in every home.** As part of our commitment to a consistent guest experience, we want guests to see each aspect of your beautiful property before they book. With our immersive 3D tours, guests know exactly what they're getting. We're thrilled to be the very first vacation rental company to offer 3D tours. And it's completely free—all part of Vacasa's world-class management service.

At Vacasa, we take the hassle out of managing a vacation rental while maximizing your income—guaranteed. **Call me today at (831) 216-3807 and I'll help you get started!**

Sincerely,

Christine Corbett  
Santa Cruz Homeowner Consultant  
(831) 216-3807  
christinemc@vacasa.com



# What is included in our management fee?

At Vacasa, we care for your home like it's our own. When you work with us, you're hiring a team of specialists dedicated to the upkeep, security, and success of your property. We want to make sure you have a good idea of how many amazing benefits and services are included in our management fee. From high level tasks like bookings and guest services to on-the-ground inspections and upkeep performed by our local teams, Vacasa makes it easier than ever before to stay on top of your vacation home.

Here's a breakdown of what's covered (and what's not) when it comes to our management fee.

## What we do for you

### Administration

**No setup fee**

**No credit card fees**

**No travel agent fees**

**No administration fees**

**No fees for home visits**

**No additional advertising fees**

### Marketing Services

Strategic advertising targeting the people most likely to book

Online listings unique to your home on sites like VRBO, HomeAway, VacationRentals.com, TripAdvisor, FlipKey, Airbnb, and Vacasa.com

Professional HDR photography & 3D virtual tours

SEO copywriting

World-class marketing unique to each home

Sophisticated rate optimization technology

Rate analysts who constantly monitor your home's performance

Review team to manage guest reviews

### Exterior Maintenance

Propane refills

BBQ cleaning and upkeep

Entryway, sidewalk, patio, and deck sweeping

Exterior lightbulb replacement

Change batteries in remotes, keyless locks, clocks, etc.

Hot tub service (Routine cleaning, dump, and refill in regions that do not require a certified technician. Does not include pool spas – this is handled by pool maintenance.)

Lockbox installation and code changing

Scattered trash/debris pickup

## Interior Maintenance

- Two deep cleans per year (in addition to the initial clean)
- Full cleans after every stay
- Starter supplies for each reservation (shampoo, conditioner, hand soap, toilet paper, paper towels, laundry detergent, dishwashing liquid, dishwashing pods, dish brush, kitchen trash bags, and trash can liners)
- Cleaning-related laundry
- Lightbulb replacement
- Internet/cable troubleshooting
- Toilet seat tightening
- Vacuum bag and belt replacement
- Smoke detector, CO detector, and fire extinguisher inspection

## Management Services

- Maintenance tracking
- Site visits for simple solutions (flipping a breaker, troubleshooting electronics, bringing supplies, etc.)
- Administrative time coordinating repairs (communicating with owners, finding parts, updating tickets, etc.)
- Inspection and general diagnostic checks
- Arrangement for emergency or necessary repairs at owner's expense
- Comprehensive initial and quarterly inspections
- Making copies of keys
- Lost and found management
- Online and phone reservations and fielding guest inquiries
- 24/7 guest support
- Guest screening and fraud protection
- Tracking of applicable county/city permits (owner pays for license)
- Collection and payment of all applicable state, local, and lodging taxes on owner's behalf (at the end of the year, we'll send you a 1099 tax form)

## Owner Responsibilities

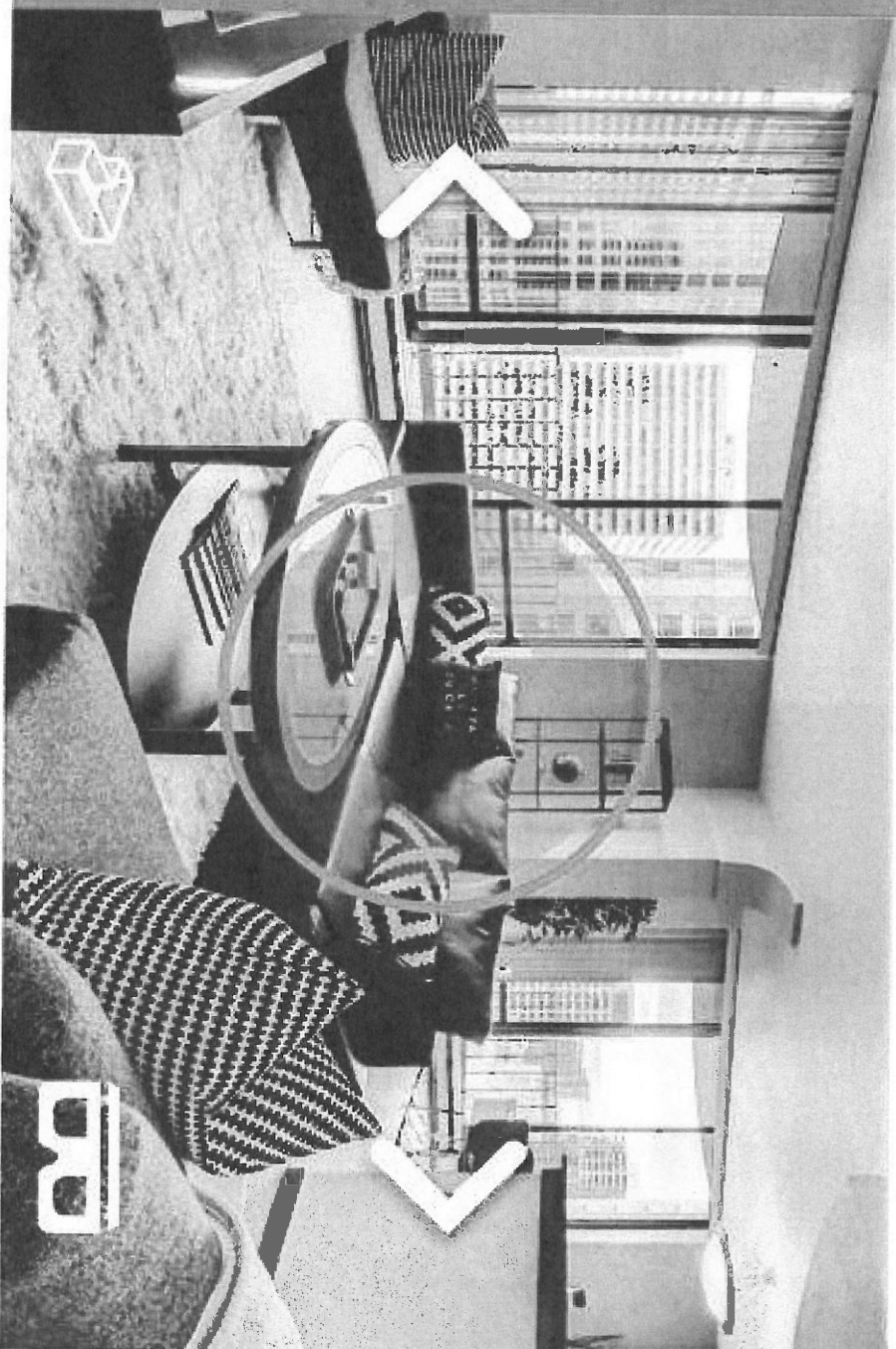
- Basic Utilities
- Wireless internet/cable service
- Yard maintenance
- Roof/gutter cleaning and maintenance
- Snow removal (if applicable)
- Appliance repairs or replacements
- Electrical malfunctions
- Plumbing issues
- Normal wear and tear (furniture, linens, vacuums, etc.)

Our comprehensive management fee allows us to provide the best possible service to you and your guests. At Vacasa, we take the hassle out of managing a vacation rental while maximizing your income—guaranteed.



3D

photography  
invites your  
guests inside







Get ready to  
experience  
life in



Vacasa now offers 3D photography with every listing. What's more, it's virtual reality ready. Which means your guests can experience your home from the comfort of theirs. And it's completely free - just for signing up. All part of Vacasa's world-class management service.

Local team at your fingertips  
No long-term contracts or hidden fees  
No restrictions on owner use

Thorough guest screening  
Smart marketing turns views into bookings  
Income guarantees

The future is here. Put your home ahead of the competition with Vacasa's cutting-edge virtual tour technology. Give us a call today!

visit [vacasa.com](http://vacasa.com)

## Scott K. Harriman

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**From:** Laura Lyons [REDACTED]  
**Sent:** Tuesday, March 28, 2017 5:07 PM  
**To:** Scott K. Harriman  
**Subject:** Letter regarding the STVR Subcommittee Meeting on March 30, 2017

March 27, 2017

Dear Scott,

I would greatly appreciate it if you would please kindly share this letter with the STVR Subcommittee on the website and in the next Correspondence package for its consideration in time for its next meeting scheduled for March 30th, while formulating its proposed regulations for short-term vacation rental homes in Santa Cruz.

Thank you so much!

Laura

To the STVR Subcommittee:

My family owns a second home in Seabright because we love Santa Cruz – we visit here at least 4-5 times a year and stayed at vacation rental homes prior to purchasing our home. I used to live here when I attended UCSC in the 80's and have wanted to live here ever since. My husband and I want to retire here and live here full-time once our son Will is out of school. Until then we want to get to our home as frequently as we can, but our work keeps us from being able to live here full-time right now (we live in the East Bay) and we have to be able to rent it out as vacation rental to help pay for our additional expenses. Otherwise, this will be a huge financial burden on our family.

We purchased our home with this long-term relocation goal in mind. We chose a property that was a previously established vacation rental home with a proven and current history of paying TOT taxes, and that was in good standing with the neighborhood. My husband attended the STVR Subcommittee meeting on the evening of March 7<sup>th</sup>. Although members of the public could attend the meeting they were not allowed to address the committee. Therefore, we wanted to write to address a few key points indicated in the Subcommittee's Recommendations Table that not only pertain to our situation looking ahead but also STVRs in general.

While we understand that a certain degree of regulation is needed to make sure the continued growth of the number of STVRs does not get out of control, to ensure that property owners are behaving responsibly for the good of their neighbors and their neighborhoods, and with the intention to help, in a small part, with the affordable housing shortage for students, it is important to note that the housing shortage is being caused by a number of factors – not just STVRs. In fact, only a small percentage of the housing units in Santa Cruz are vacation rentals. This very small number of vacation rental homes are not the cause for the housing shortage – they only happen to be one of the few things that the City Council can actually regulate, which was shared in the March 7<sup>th</sup> meeting. That does not seem fair.

We feel it is reasonable to expect that homes (not multi-unit dwellings) with a history of generating TOT revenue (and in good standing with the neighborhood) should be allowed to continue to do so indefinitely, or at least have the choice/option to do so. This would include the transfer of a TOT certificate to new owners with the purchase of a STVR property, which the Santa Cruz County allows and even helps to facilitate the process.

Item 5 questions whether Hosted and Non-Hosted STVRs should be treated differently, with most Subcommittee members thinking that a hosted vacation rental was less problematic. We don't feel that is fair or accurate. First of all, no one wants to pay to stay in a vacation rental with the owner living on the premises, watching your every move. That is just not relaxing or practical. Second, owners should not be penalized for operating a STVR if it's not their primary residence if they are working with a reputable property management company to act on their behalf when they can't always be present, screening applicants, maintaining the property and responding quickly to any issues that may arise. Why should there be any difference between hosted and non-hosted STVRs if they are both being managed properly? In fact, those STVRs managed by a professional, local Vacation Rental Management Company are less likely to be problematic because they are being managed by experienced, responsible businesses.

Item 7-8 pertains to limiting the number of STVRs by block or neighborhood as a number or a percentage and acknowledges that more research is needed. Our property in Seabright, considered a popular area for STVRs especially closer to the beach, is in one of those concentrated areas. Those established STVR homes currently operating in those popular tourist destinations/neighborhoods in good standing should be grandfathered and allowed to continue to do so. A straight number or percentage limit across the board for all areas does not make sense in these very popular areas. Reducing or limiting STVRs in these prime real estate locations will not create additional affordable housing, especially those higher value homes in the \$1 million+ range.

Item 11 says that STVR licenses should not be transferable to new owners and should cease with the sale of the property. Again, that is absolutely unfair and again, will not help improve the overall housing inventory – those houses will not become affordable student housing – especially those higher value homes in the \$1 million+ range. Further, that is contradictory with Santa Cruz County's policy where you can indeed transfer the vacation rental permit to a new owner.

New property owners should have the right (or option) to transfer the STVR TOT certificate upon the sale of a property that is an existing STVR, and then allowed to continue to operate as a STVR afterwards, under a Grandparent clause indicated in Item 10.

#### In summary:

- It's important to remember that STVRs are not the real cause of an affordable student housing shortage – most of those higher end homes, especially in prime locations are not going to be rented to students, and over regulation is not the solution because those homes won't be available for students or low income renters anyway – it would not be affordable, and they never will be affordable.
- When considering a property for STVR permits/certificates, consideration should be given for the location of the property, and understanding that some areas should and will have more STVRs than others because they are more desirable tourist destinations.
- It is not fair or reasonable to favor hosted STVRs over non-owner occupied rental homes. Very few people will feel comfortable renting an owner occupied STVR – it does not feel like a home away from home. Many people visiting Santa Cruz, especially those willing to pay a premium for a nice place to stay, want a hotel-like experience, without the hotel. They are looking for a more unique, personalized, and private experience and accommodations. If they don't get it, they will not choose to stay at a hotel – they will go somewhere else.
- While we understand the need to start putting some degree of regulation in place those guidelines should be fair, reasonable and not too restrictive – especially for those STVRs are operating properly and in good standing. They should not be unfairly penalized for the irresponsible actions of other STVR homeowners.
- And certainly new buyers of homes previously established as a STVR, with a track record of reporting rental income and paying TOT taxes and operating in good stead, should be allowed to continue to transfer the TOT certificates (or rental permits if that becomes the future) to transfer with the sale of the home.

- Owners of existing STVRs should be allowed to continue to operate and renew indefinitely if they are operating in a responsible manner, even in saturated neighborhoods, as Grandfathered properties. Again, they should not be penalized because they have done nothing wrong. And it won't create any additional affordable housing as a result.
- Many people and families like ours rely on extra rental income to help cover costs and to make ends meet. Eliminating short-term rentals will have severe financial implications, especially if forced to sell the property.
- The focus should *really* be on limiting the number of multi-unit dwellings (e.g. apartment buildings) converting to STVRs, and in non-prime tourist locations.

STVRs are actually good for the community in many respects.

- They bring in tourism to a city and county that thrives on tourism. Those tourists spend money on local businesses and help to stimulate the local economy. And there are not enough hotel rooms to solely meet the demand.
- STVRs actively promote Santa Cruz as a highly attractive vacation destination through their various websites (VRBO, Airbnb, etc.), which equates to free advertising the City and County doesn't have to pay for.
- People who buy homes in Santa Cruz and want to make them a STVR (either hosted or non hosted) will usually make an additional investment to improve the property and make it a more attractive rental unit. That means more work and income for the local community – electricians, contractors, plumbers, designers, handy people, etc. And more revenue for the City from building permits too.
- And, of course, STVRs generate TOT tax revenue every year for the City of Santa Cruz (almost \$1m last year); a significant source of revenue for the City. Drastically reducing, or even banning all together, the number of new STVRs, or refusing the ability of other established STVRs to renew or transfer permits/certificates with a change of ownership will decrease tax revenue in kind. Who is going to make up that shortfall?
- STVRs are an established part of Santa Cruz history and way of life, which is one reason why Santa Cruz is such a popular place to visit, and people make good use of STVRs – it's part of the experience, and should be retained (and even embraced), not squashed.
- STVR's are not going away in general and continue to grow in popularity. Why lose tourists who will go elsewhere for a similar experience if you make it difficult or impossible for them to vacation in Santa Cruz, in a manner of their choosing?

How are any of these *bad* things?

My family and I truly hope that while developing, recommending, and eventually implementing new STVR policies, that you, the Subcommittee and City of Santa Cruz, remember to keep these things in mind and represent the best interests of everyone – including owners of STVRs (both hosted and non-hosted) in order to truly arrive at a fair, reasonable win-win scenario.

Thank you for you time and consideration.

Sincerely,

Laura Lyons