

Adam Zack

From: Ingrid Gabriel
Sent: Friday, July 16, 2021 3:22 PM
To: Vacation Rental Comments
Subject: FW: Caps on Vacation Rentals
Attachments: Screenshot_20210716-121522.jpg

From: Chom Greacen <chomsgreacen@gmail.com>
Sent: Friday, July 16, 2021 12:17 PM
To: Christine Minney <christinem@sanjuanco.com>; Cindy Wolf <cindyw@sanjuanco.com>; Ingrid Gabriel <ingridg@sanjuanco.com>; Jamie Stephens <jamies@sanjuanco.com>
Subject: Caps on Vacation Rentals

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Dear County Council Members,

Firstly, thank you for your decision to extend the moratorium on vacation rental permits. While you consider a set of appropriate regulations for the benefits of the county and its residents, I would like to express my support of instituting caps on Vacation Rental permits. Not doing so would raise major concerns in two main areas: 1) inequity; and 2) housing access and affordability.

Inequity:

- About half of the permitted VRs are owned by off-islanders, resulting in limited benefits of VR to our local economy. Yet, the negative impacts are externalized to the surrounding local communities.
- More importantly, housing ownership is skewed, especially for non-primary residences (second/third homes), according to [a nation-wide analysis by Economic Policy Institute](#). The top 20% owns 90% of non-primary residences. This means entire residence VRs primarily benefit the top 20% while the rest of the population may not only not benefit from these VRs but also suffer a negative impact from reduced long-term rental options. (See attached image.)
- It is also worth noting that there is also an element of generational inequity. Younger people, people providing essential services and working families represent a higher proportion of the population in the lower wealth tiers. Consequently, a growth in VRs will likely further aggravate the generational inequity, making it more and more difficult for these demographics to get by on the islands, despite our community's reliance on them for various services.

Housing access and affordability:

- There is a clear link between VRs and increase in housing rents and prices. a [2017 review](#) by researchers from National Bureau of Economic Research and universities found that 1% increase in Airbnb listings leads to a 0.018% increase in rents and a 0.026% increase in house prices. A 2016 [University of Massachusetts Boston study](#) also found increases in Airbnb listings led to a 0.4 percent increase in rents in Boston-area neighborhoods. Since 2010, the number of issued VR permits has increased three folds in 7 years, partly causing the upward trends of housing costs and rents.
- The housing market is currently so tight many people have a hard time finding housing. The new Lopez School Superintendent has had to live in a hotel in Burlington and commute daily to Lopez! Increasing the number of VRs will not likely help with the housing shortage situation and likely aggravate it.

To address these concerns, I'd like to propose the following for consideration:

1. Institute VR permit caps for the county and specific islands.
2. For Lopez Island cap, please consider lowering the cap from the proposed 174 (a 34% increase from the current number).
3. Consider imposing a fee per night collected from VR customers to support long-term affordable housing. A study by City of San Diego, which relied on vacation rental prototypes in seven city neighborhoods, found that workers such as cleaners and gardeners who work at vacation rentals in the city produce a need for housing for low-income workers that could support nightly fees on vacation rentals for as high as \$19.37 a night in La Jolla and as little as \$2.73 for a moderately priced home-sharing operation. The fees would be used to support affordable housing for the city residents. (Source: <https://www.voiceofsandiego.org/topics/government/short-term-vacation-rentals-impact-on-housing-stock-still-unclear-after-city-study/>)
4. Consider a ban on turning entire residences into VRs. To ensure VR revenues benefit local residents, we should only allow VR permits to live-in resident owners of the VR property.

Thank you for your consideration.

Chom Greacen, Lopez Island.