

May 29, 2017

Via E-Mail

To: Guille Nuñez, Management Analyst IV
David Reyes, Director of Planning

Re: **WPRA Recommendations on Regulating Short-Term Rentals**

The topic of short-term rentals has become increasingly important in Pasadena as well as many other cities. The WPRA believes the City should carefully regulate short-term rentals to maintain the character of our residential areas. The regulations should reflect a balanced approach that facilitates the operation of short-term rentals that are compatible with our neighborhoods, but prohibits operation of short-term rentals that are harmful to our residents' peaceful and safe enjoyment of their neighborhoods with aggravations such as loud parties, trash, street parking use and disregard for personal property.

As part of its consideration of regulation of short-term rentals, the WPRA conducted a survey in April and May of 2017. Notice of the survey was sent to more 1,800 addresses on the WPRA's weekly newsletter email list and also included in our membership renewals. We received a total of 560 responses. Survey results are summarized in Appendix A and the on-line comments we received are included in Appendix B.

While awareness of short-term rentals and problems in respondents' immediate neighborhoods was low, most respondents thought that STR's are an important or very important issue, and most thought they should be regulated. Neighborhood input into the permitting and regulatory processes was highly favored.

Survey Results and WPRA Recommendations

Survey respondents' specific recommendations differ for the three general types of short-term rentals:

- Survey respondents strongly support allowing **hosted short-term rentals** (where the **owner is in the home** while a portion of their primary residence is rented) – but they were also evenly divided on whether hosted STR's should have to follow the same rules as other types of STR's. WPRA believes the City should allow hosted STR's subject to a variety of regulatory measures, as discussed in the following.

- By a small margin, survey respondents oppose **unhosted short-term rentals** (where **the owner is not in the home** while all or a portion of their primary residence is rented). The WPRA believes that unhosted short-term rentals could be allowed, if subject to the same regulatory measures as hosted STR's and also limits on the total number of rental days per year (we suggest 90 days rather than the 60 days that the City staff proposed); and requiring 24/7 contact capability.
- Both survey respondents and the WPRA believe that **vacation rentals** (where the home being rented is **not the owner's primary residence**) should NOT be allowed.

The survey also tested a wide variety of potential regulatory mechanisms, including –

- a. Limit the total number of STR's in the City
- b. Limit the total number of STR's in a neighborhood
- c. Limit the total number of rental days per year
- d. Limit total occupants, depending on unit size
- e. Require a City home-sharing permit
- f. Require a City business license
- g. Require City health and safety code inspections
- h. Require collection of Transient Occupancy Tax
- i. Revoke permit for repeated violations
- j. Limit the number of homes a person or organization can make available for STR's

Survey respondents favored all of the above by margins ranging from over 60% to over 90%.

While WPRA included all of these regulatory provisions to test respondents' opinions of them, we do not believe that all of them necessarily need to be enacted, at least at the beginning of the STR regulation process. WPRA is also mindful that some problems associated with STR's are already addressed by City codes such as for disturbances, noise, street parking, littering and the like.

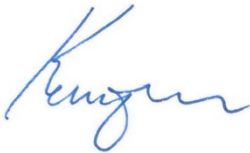
We suggest that an initial regulatory scheme might include a City-wide limit on the number of STR's and the number of STR's that a person can own; a limit on total occupants; requiring a City home-sharing permit; requiring collection of TOT; and the ability to revoke a home-sharing permit for repeated STR regulations or City code violations. STR regulation will likely be an incremental process and additional regulatory mechanisms can be considered if indicated in the future.

While it is important to craft appropriate regulations, it also important that there be robust processes and ample funding for enforcement. To that end, the City's short-term rental proposals should be accompanied by a comprehensive analysis of the financial benefits and costs of short-term rental regulations. The analysis should consider the City resources needed to implement and enforce the regulatory program, whether the anticipated permit and business license fees and

Transient Occupancy Tax revenues will be sufficient to cover those costs, and the policies needed to ensure that sufficient funds are allocated for enforcement.

Regulation of short-term rentals is a complex endeavor, and the WPRA commends the City staff's efforts to develop the conceptual framework for regulations that was presented to the public in February 2017 and as discussed at the Planning Commission on April 12. The WPRA looks forward to reviewing the City's more detailed proposals and to providing further analysis and recommendations.

Sincerely,



Kenyon Harbison
WPRA President

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APPENDIX A

WPRA SHORT TERM RENTALS SURVEY

SUMMARY OF RESPONSES

1. Are you aware of any short term rentals in your neighborhood?

Yes 20.9%

No 79.1%

2. If your neighborhood has had short-term rentals, are you aware of problems related to them? (For example, excessive noise, street parking issues or other disturbances)

Yes 16.8%

No 83.2%

3. If your neighborhood has short-term rentals, have they been compatible with your neighborhood?

Yes 51.6%

No 48.4%%

4. How important is the issue of short-term rentals?

Very important 40.7%

Important 43.5%

Not important 15.8%

5. Generally, do you think the City should (select one)

Allow short term rentals without any special City regulations 13.4%

Establish regulations and permits specifically for short term rentals
(which may include limiting or prohibiting some types of short term rentals) 64.8%

Prohibit short-term rentals 21.8%

6. Should the City consider neighborhood support, objections or complaints in deciding whether to issue or renew a short term rental permit?

Yes 90.9%

No 9.1%

7. Some people need the income from short term rentals to be able to afford their residences. Should this be a factor in developing or applying regulations, including variances from limits on short term rentals?

Yes 40.2%

No 59.8%

8. Which types of short-term rentals should be allowed? (Select Yes or No)

	Yes	No
Allow HOSTED home sharing	77.9%	22.1%
Allow UNHOSTED home sharing	47.6%	52.4%
Allow VACATION RENTALS	40.5%	59.5%

9. Which of the following should apply to short term rentals?

	Yes	No
A. Limit total number in the City	61.3%	38.6%
B. Limit total number in a neighborhood	68.4%	31.6%
C. Limit total rental days/nights per year	77.8%	22.2%
D. Limit total occupants, depending on unit size	90.2%	9.8%
E. Require a City home-sharing permit	79.7%	20.3%
F. Require a City business license	60.0%	40.0%
G. Require City health & safety code inspections	66.6%	33.3%
H. Require collection of Transient Occupancy Tax	70.8%	29.2%
I. Revoke permit for repeated violations	92.3%	7.7%

10. Should HOSTED short term rentals have to follow the same rules and regulations as UNHOSTED or VACATION short term rentals? (select one)

Same as others 50.2%

Less regulated than others 36.6%

Unregulated 13.2%

11. Should the City limit the number of homes a person or organization can make available for short-term rentals?

Yes 80.8%

No 19.2%

APPENDIX B

WEST PASADENA RESIDENTS ASSOCIATION

COMMENTS FROM SURVEY ON SHORT-TERM RENTALS

Q-2: If there have been problems with short term rentals in your neighborhood, what were the problems?

Street parking

Street parking

late night parties. excessive strangers in neighborhood. erosion of community

NO PROBLEM

Na

My neighborhood doesn't have them but I know others that do, problems with noise, trash, parking, crime.

Being used as a party house - one weekend had over 130 people w/approx 70+ cars parked. Then there was the noise issue.

Noise, parking, litter, security and safety issues (multiple people given gate codes for access to complex) difficult to determine if an individual walking around .. asking questions "where is the laundry room, where is the dumpster " should be there or if it's a stranger that wandered in . The concept of neighbors is challenged. Often over crowding... where every room in a condo, including dining room and living rooms are turned into Sleeping areas for multiply people .

Loud parties

Unknown persons walking through the common areas of our gated condominium complex and occasionally leaving unregistered cars in our parking area at odd hours of the night.

Increased traffic, increased noise, suspected drug-dealing.

Parking violations, stranger danger with children

Disregard for personal property; non-compliance with HOA community rules.

Noise, traffic, strangers in neighborhoods that make it more difficult to monitor safety

Since there is no other space for comments in this survey, my comment is here: in addition to permits and tax collection, people who provide short term rentals should be forced to annually notify all neighbors within a certain radius by mail that they are doing this. They are letting unvetted strangers live in the neighborhood where young children play, potentially within daily eye or earshot. Neighbors should have the right to know if people are renting for income purposes to strangers given that they did not move into an area zoned for hospitality.

Noise

None

In our 16-unit condo complex, a unit appears to rent short-term rooms (any rental under 30 days is against HOA policy in R&Rs), but owners claims that all these guests are "family." Meanwhile, other owners see people frequently come and go with rolling bags, who sometimes park in other unit's assigned spots. Also, as other owner residents do not know who these short-term guests are, it gives a lack of security as these short-term guests are given the secure gate code.

Late night noise. At condos pool taken over.

Excessive noise

Some guests were not made aware of our condominium's HOA rules.

Street parking and noise.

Noise, disrespect, treating property as if it were some classless tenement, with front door left open all day and night, pile of wood and rocks on the front porch, in an inner courtyard where everyone had to walk passed it, smoking even though no smoking signs are clearly visible, big truck in allotted parking space, etc.

They become party houses.

None

Thank you for addressing this growing concern. I live in a single-family residential zoned, historic preservation, home association neighborhood. We love our neighbors but not the strangers to whom they rent their garage apartment short-term and who come and go along two shared walls providing access to our children, upsetting the street parking dynamic, personality of the neighborhood, and most unfortunately, affecting neighbor relations. When the home owners are absent, we are impacted more so by these strangers. It seems to me there must be laws prohibiting commercial short-term rentals in non-commercially zoned neighborhoods for all the reasons and more (safety, security, home property taxation, etc) stated above? I do not want to live with conflict and feel unempowered to speak with my neighbors (who may have served on Pasadena City Planning). Our Home Association has not prioritizing it. Since expressing my opinion once, we experiencing a short respite from our neighbor's short-term renters but they have since resumed steady activity - perhaps taking advantage of Pasadena's unofficial stand, to date, on this issue. Just to clarify in my answers below, I do not support variations on short-term rental situation. Rather, I see it as a black and white situation in which short-term rentals should be prohibited in non-commercially zoned single family residential neighborhoods.

Short term rentals are operating n Glen Oaks Blvd and acting as temporary housing housing for the birth of "anchor babies."

SEE ANSWER BELOW

Parking and noise

Excessive noise, street parking issues, drug-dealing

Loud party for a teen age birthday.

If there are disturbances like excess noise, the Police Dept should be called and, just like a regular neighborhood, if the Police gets three or more complaints, they will tell the occupants to turn down the volume. I'm sure a neighbor would inform the property owner as well and the owner should include rules, regulations and insurance in their Rental Contract so they can charge the short-term tenant for any fines, damages, etc.

Public drinking and drunkenness ..

Having a vacant house that is used by a variety of strangers on and off during the week has contributed to changing the character of our street, in what I consider a negative way. Instead of having a neighbor, we have a parade of people we don't know. They have not been noisy or caused problems, but it means we don't know who is across the street from us.

noise and new people there every couple of days

Always cars parked in the street...

Noise and parking

Street parking in front of neighbors houses

there are no problems because there is adequate parking. I think parking is the biggest problem related to short-term rentals.

Noise, trash, parking

It greatly degrades the residential nature of the neighborhood.

A decrease in quality of life due to short term renters who have no interest in the neighborhood. For example, unsafe driving, noise, litter, a lack of caring in upkeep of the home, etc.

excessive noise from parties, street parking issues

operating like hotels for anchor baby births

Q-3: If your neighborhood has short-term rentals, have they been compatible with your neighborhood? Why or why not?

Compatible because short term rentals allows my family to stay in our home, it improves my property, and it enriches our family 's cultural experiences through meeting interesting, engaging people. Compatible also because guests spend lots of money for many types of businesses in my neighborhood.

Compatible because short term rentals allows my family to stay in our home, it improves my property, and it enriches our family 's cultural experiences through meeting interesting, engaging people. Compatible also because guests spend lots of money for many types of businesses in my neighborhood.

this is a neighborhood where we know our neighbors. this unit is like a hole in the neighborhood. currently, no process for remediation of issues, other than repeatedly calling police

People who rented we're very considerate.

Inappropriate. Should not be in our city.

Does not seem very Pasadena -ish. Think a definite limit of such rentals needs to be entertained so as not to destroy community spirit, safety for our children and significant aged population as well.

This is a quiet residential neighborhood. Few rentals are here, and short term makes no sense.

There have been none that I'm aware of

There have been no issues if they exist in my neighborhood.

Na

We are a neighborhood of private homes, not a hotel zone!!!!

See above - only one rental was to a family and to a wedding party. Balance seemed to be to party. Owner had put 4 beds in uninhabitable basement area.

Our problem has been with somewhat longer term (6 month) rentals. They have involved people who are resident but also running a business from the home -- daily photo shoots, some with as many as 20 cars and vans setting things up, etc. -- without permits, etc. The police and the landlord finally intervened.

South Orange Grove has been a tight community .. you knew your neighbors .. with short term rentals it brings a constant flow of strangers .. that are not owners of property or have a vested interest in the community and neighborhood

No tangible impact

If there are any I'm totally unaware of them.

While South Orange Grove Boulevard is a busy street with many vehicles passing through at various hours of the day and night, nonetheless

Rental brought in a different demographic than that of the neighborhood

We live in a residential single family home neighborhood with a school. Short term rentals are not appropriate

Not sure what 'compatible with your neighborhood' means.

Not aware of any short term rentals

Our neighborhood is comprised of residential homes & condo complex.

This is a residential neighborhood not a motel 6.

They must be compatible (assuming my neighborhood has some) since I don't know of any that aren't.

Homes and condos are different -- these rentals perhaps (depending on situation) work better in a "shared home" but not in a condo. As part of a condo complex, we are already living in a multi-family situation so frequent unknown guests creates a more transient atmosphere with additional comings and goings. One owner has "converted" his dining room and living room to additional bedrooms (even though his unit has 3 bedrooms already). One owner profiting is not fair to the other residents whose peace and security is compromised.

Condo owners want quality lifestyle

family homes not suitable for short term renters

Not all condominium owners want short term guests. Our HOA modified our CC+R's so short term rentals are no longer allowed.

Airbnb rentals down grades the neighborhood. Airbnb could care less who rents a home if the renter is responsible. I question why a home owner would rent a home.

See above!

If they are happening, I'm not aware of them so they must be compatible.

The attitude of short term renters is different from that of the long term owners.

I was unaware there was a short-term rental until the host informed me that they do Airbnb I would never have known.

Our neighbors screen their guests and we have their phone number in case we need to make a complaint.

Don't know one way or another way.

They are function as illegal hotels for illegal activities, i.e. anchor babies, etc.

We are a single family zoned, Historical Preservation neighborhood with a Home Association. We love our neighbors but not their strangers. The issue seems very black and white. Our neighborhood is not commercially zoned for short-term commercial rental. Neighbors renting out their garage apartments (which may or may not have been properly permitted by the City of Pasadena when built) are taking advantage of our non-commercially zoned neighborhood for personal financial gain, are changing the character of our neighborhood and creating conflict with neighbors. Short-term strangers affect parking, schedules and upset the respectful and familiar nature of our street and neighborhood.

No noise, no parking issues, low visibility.

IF WE HAVE STRs THEY ARE VERY, VERY QUIET AND I AM UNAWARE OF THEM.

The very nature of the neighborhood is compromised by Airbnb.

Our neighborhood is comprised of individual homes as well as a condominium complex. The home that is doing short-term rentals should be sold or used by the owners. The owners are not on the premises. The renters have't caused problems, but the neighborhood prefers knowing the neighbors. As part of neighborhood watch, we look for strangers. We've had some recent incidences of break-ins and have followed our police advice.

See answer to 2.

I don't know of any in the vicinity of my home. Some neighbor will likely complain if a recurring problem occurs with different renters. If I were to vacation in Pasadena with a large family I'd consider renting a home in a beautiful, walkable part of the city like my neighborhood.

Our neighborhood is a quiet, established, upper middle to upper class area that is not compatible with activity and movement.

See above answer, but basically, it changes the character of our neighborhood having people we don't know coming and going.

I have no awareness of what may or may not have occurred in our neighborhood relative to this questions

I live in the country. houses are quite removed from each other and farm workers come and go in short periods of time

I have neighbors that don't live in the house and only airbnb it. This is a problem because of noise and having a lot of activity all hours of the night. I'm unaware of other rentals in the area although i'm sure there are many. I'm not against rentals just excessive and uncontrolled rentals. I use airbnb elsewhere so definitely not opposed but would like some regulation. Vacation rentals could be ok but need a system to file complaints and have it shut down if the rental gets lots of complaints from neighbors. Noise/disruption/parking are the main issues. Most rentals are fine it's just a few that are creating the problems.

It is incompatible to operate a hotel-like business in my neighborhood

Our short term rental is very close to CalTech in a very quiet neighborhood. Most of our guests are visiting or conducting business with CalTech or The Huntington Library. We have never had any disturbance of any kind I believe due to our rental agreement which states no parties, no excess noise, no smoking anywhere upon the premises and ask our guests to be courteous and mindful of our neighbors. We also have plenty of off street parking. Many of our guests return four or five times throughout the year and become familiar and friendly with the neighbors. Our guests frequent local eateries and support our businesses. Many have purchased annual passes for the Huntington library and The Norton Simon Museum.

It doesn't feel like you're in your neighborhood, when your "neighbors" are always changing...

Not aware of parking regulations, obnoxious tenants

I live in a neighborhood of deep lots where after the war many small back cottages were built to accommodate relatives who could not find housing. Since that time they have become regular rentals or are used for short-term rentals. Because I live near Caltech, they serve a real purpose in supplying much needed housing largely for Post Docs who do not want to live in dorms. And many foreign students who are here for a few short months are delighted to find short-term rentals. So my feeling is that they serve a real and valuable service plus they supply some of my elderly neighbors with welcome additional income.

I haven't noticed them if they are there.

see #2

Most of the "guests" have been CalTech grad students; there was an art historian; a Huntington Library Post Doctorate Candidate, and the likes. Very quiet, respectful and polite persons; quite a pleasure to have had them around.

see above

I have a comment which is not responsive to this question, but I don't know where to put it exactly. In our neighborhood, many families, including mine, travel for weeks or months at a time. Several of us have friends, family, or paid housesitters stay in our homes to take care of our pets and to keep our homes safe from petty thieves. This has not caused any problems, and I think it is important to devise rules about vacation rentals that do not infringe upon house- and petsitters.

family travel in a family neighborhood / Allow travel that may not take place

see #1

Found out by accident about the rental. I'm not happy about having them in the neighborhood because we have had a number of robberies and no one has been arrested. I feel having the known people in our area doesn't help. Plus we already have a tremendous amount of workers in the neighborhood which also causes issues with parking on the street, the amount of noise from 7:30am until 6pm is highly intrusive

I think as long as owners are at the house short term rentals could be acceptable to the neighborhood.

illegal activities and greatly increased traffic