

From: Council District 5
Sent: Monday, January 6, 2025 10:54 AM
To: CityClerk
Subject: Fw: Agenda Item 28 Jan. 7, 2025

Follow Up Flag: Follow up
Flag Status: Flagged

Good morning,

Our office received the below communication regarding Item 28 on the January 7, 2025, Council Agenda. Forwarding to ensure it is received as public comment. Thank you!

Sincerely,

Your District 5 Team

Office of Councilwoman Megan Kerr

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From: Glennis Dolce <glennisd@me.com>

Sent: Sunday, January 5, 2025 1:46 PM

To: Council District 1 <District1@longbeach.gov>; Council District 2 <District2@longbeach.gov>; Council District 3 <District3@longbeach.gov>; Council District 4 <District4@longbeach.gov>; Council District 5 <District5@longbeach.gov>; Council District 6 <District6@longbeach.gov>; Council District 7 <District7@longbeach.gov>; Council District 8 <District8@longbeach.gov>; Council District 9 <District9@longbeach.gov>; Mayor <Mayor@longbeach.gov>

Subject: Agenda Item 28 Jan. 7, 2025

-EXTERNAL-

City Clerk- Please include the following in the official record. Thank you.

Dear Officials,

It's the beginning of a New Year and on any given Tuesday, the LB City Council has the opportunity to listen to residents and make their lives here in LB, better.

Today, the issue of the STR ordinance and the proposed amendments is at hand([Item 28 Jan .7, 2025](#)). I hope this item gets the attention it deserves as well as a lively educated discussion by the council.

After reading it over, many are good additions. However, there are still a number of missed opportunities to improve the clarity, structure, and understanding of the rules for hosting STRs in our neighborhoods.

I was brought to this discussion as a resident of Cal Heights when a particular listing was brought to my attention.

https://www.airbnb.com/rooms/1275584338341396546?viralityEntryPoint=1&unique_share_id=0E9CE96F-FC81-4903-9254-DB83A1E3FF29&slcid=4c448e4de37f485eab100f2b4eeb8da0&s=76&feature=share&adults=16&channel=native&slug=IAduNg&source_impression_id=p3_1735932002_P3z-JzbFI-WA75ZC&guests=1

As you can see, this STR is advertising 16+ guests in their ad on AirBNB. On VBRO- it's advertised as 19! So for starters, already violating the rules.

Secondly, it's listed as being in Signal Hill when the real location is actually Cal Heights according to neighbors on Lime Ave. (actual address is 3633 Lime as shown to you below in a screenshot from your own website.) As we know, SH has banned STRs and has no ordinance regulating them, hence no enforcement.

Thirdly, this STR listing does not provide the required Registration number that I can find. Another violation. There are likely others.

I've been told that numerous complaints have been filed on this STR but it still exists there and nothing has changed. The neighborhood is forced into submitting a petition to ban STRs in the Cal Heights neighborhood. All because the city does not enforce its own rules. I believe that this petition will easily pass in Cal Heights due to various activated issues here regarding the airport, the outsized development project on Wardlow, as well as the bike lane on Orange that is being implemented. Residents are outraged by all of this. This will be supported.

I think a complaint should trigger a clear, known enforcement process! This should be public. A public process that is easily followed up on by the community.

By not enforcing the STR rules, you are letting a couple of bad apples ruin the whole barrel. I am not an AirBNB host but I imagine that there are other non-hosted sites in Cal Heights with responsible hosts. Personally, I'm opposed to non-hosted STRs -due to the fact that the city does not seem to follow up or enforce much of anything these days! You are the ones making the rules and then not enforcing them. I have no problem with hosted STRs at this time. There is a sort of self regulation that takes place with the host being on the property.

Also, I'm wondering if you are aware of STR arbitrage? This listing may be one of this type of STR. The City claims that it's ordinance aims to:

"Provide residents an opportunity to generate income".

How does arbitrage fit into this ideal? Arbitrage allows a middleman/woman to sublet a residence for STR use located in the city through a third party in another city or in some cases, even across the globe. This is a misuse of the intended STR ordinance.

You have an opportunity to address this in the revisions you are working on currently.

In case you don't know how STR arbitrage works...

Taking this unit as an example, it may have been rented by the property managers/hosts for \$3K a month and they are charging \$400 a day or \$12k if fully booked. Let's say it is booked 20 days out of the month, which would be a fantastic occupancy rate.

They are spending \$3k in rent + guestimate \$1K in cleaning, maintenance/repairs, laundry to make \$4k, but they may give 25% to a property manager, and a fee for the MSL scrapper who found the unit and worked with the owner or realtor to convince them to allow it to be short term rented. So in this example, they end up with \$3k a month.

Most of the MLS scrappers are in Africa and all they do is study the MLS for 15 hours a day and contact owners here, especially in California, and convince them to STR the property., and create a contract They "sell" the entire package to hosts as a turnkey solution.

This is especially appealing to owners here in California because if you have to evict a tenant it can cost \$15-20k in legal fees and take forever.

Because of the failed progressive policies in California that have caused a lack of affordable housing, the fact that new housing takes so long to build here because of many permitting and regulatory hurdles, NIMBYism, and tenant protections, many landlords just turn the property over to arbitrageurs. That way they get their \$3k guaranteed, reduced wear and tear on the property, and don't have to live with the daily stress of possibly having to lawyer up to evict, as the majority of STR guests are just there temporarily, on vacation.

Still, extremely high stakes, though for the arbitrageurs who could have months where they spend \$3 K and get nothing. I know a host who tried it locally and got out because she did not make enough consistently to be profitable after covering expenses.



Remember, 80% of hosts have another job, and pricing, competition review, management, and guest satisfaction is a lot of work, let alone calendar management (especially if you are listed on multiple sites), and cleaning coordination. Many guests expect the Ritz Carlton for \$78 a night and if they see one dust ball or a duster forgotten by a cleaner, they use it as a reason to get a free vacation. This makes it extremely high stress, and I see more and more people go to 31+ days, as these are in demand since local people then don't have to come up with a security deposit.

So, think about it. Is this what you want in exchange for your TOT? Is this what residents want? Is this even what other hosts want? Or is it all about the city collecting its TOT at any cost?

So to end my comment about this particular property-perhaps they submitted a false application. Did they submit a misleading false application and then go along their merry way and just do what THEY wanted?

Will you ban these folks? This is from your own site- the listing states 6 maximum and apparently lists only one of the duplex units which is false according to the public listings on AirBNB and VBRO.

SHORT-TERM RENTAL REGISTERED ADDRESSES

Total <u>NON-PRIMARY</u> Units Currently Registered: 689		Total <u>PRIMARY</u> Units Currently Registered: 250		Last Update:  	
Registered Address	Registered Unit Number	Registration Number	Max Occupancy		
363 Newport Ave, Long Beach, CA 90814, USA	104	PRP24-01891	4		
363 Redondo Ave, Long Beach, CA 90814, USA	363-A	NRP23-01255	6		
3630 California Ave, Long Beach, CA 90807, USA	Rear unit	PRP21-00374	4		
3633 Lime Ave, Long Beach, CA 90807, USA	1/2	NRP24-01733	6		
3637 Weston Pl, Long Beach, CA 90807, USA	3637 Weston Pl	PRP22-00788	4		

Moving on...to the ordinance amendments-

Like I said earlier- there are lots of positive clarifications in the changes.

A few other things I would address:

-clarity in the actual number of people allowed to rent in a STR-is it eight or ten?

-I can understand allowing a host to remedy a violation or fix something that doesn't comply with the ordinance, but I believe there are some that should never be allowed to STR in the city again- especially after trying to dupe the system. (see issue above!)

- I disagree with the removal of the wording "local" when referring to emergency contacts. Don't you want this contact to be local? Your website states that the goal of the ordinance is to ***"Safeguard the residents of Long Beach by ensuring that STR activities do not threaten the character of residential neighborhoods"***. Do you

think that out of town managers, hosts, or arbitragers, really have your ordinance in mind to" ***not become a nuisance, or threaten the public health, safety or welfare of neighboring properties"***? Keep it LOCAL!

Again, I hope this item gets the attention it deserves as well as a lively educated discussion by the council. If not, look forward to many more successful petitions to ban non-hosted STRs in 2025.

Regards,
Glennis Dolce
5th District