Public Communication related to Item #1 on the January 16, 2018 CC Agenda.

From: kristin van heuven <kristinvanheuven@gmail.com>
Date: January 4, 2018 at 4:16:03 PM PST
To: <allcouncilandclerks@elsegundo.org>
Subject: Short-term rentals

January 4, 2018

RE: Short-term rentals

Dear City Council Members:

My husband and I have been renting out a room in our home on Airbnb since January of 2016. This is an owner-occupied rental in our home that we bought in 1991. We started this when both of our girls were in private college at the same time. As you can imagine, the extra income has helped tremendously in paying for ever-increasing college tuition. Now that we are empty nesters in this large home, we have recently added a second bedroom. I've attached links to both of our listings below.

We became Superhosts two months after starting, and have held that status ever since. Many guests will only filter their searches by Superhost status, so as you can see, that distinction is very important as it lends credibility. We take great pride in our Superhost status and in our hospitality. We have enjoyed this much more than we could have anticipated.

There has never been an issue with any of our neighbors. In fact, for at least the first year, they did not even know we were hosting until we mentioned it to them. Parking has never been a problem, as we are a 2-car family (some on our block are 4+ cars) and a fair amount of our guests do not have a car.

I appreciate the conversation that I have heard regarding not banning Airbnb, but rather regulating it. However, I am historically not a fan of new taxes or over-regulation in general. Further, I appreciate that the city realizes that banning such operations would rely on the cost of enforcing them, and I suspect the cost to proactively enforce a ban is quite high.

Having said that, we are both uncomfortable being taxed (and certainly not at the same rate as the hotel industry), as this is no different than renting out a room in our home. The city may be justifying this tax by defining it as transient occupancy, but the reality is that this is a NEW tax on private citizens and private property, as TOT has always been exclusively a tax on the hotel industry. (And of course we are already paying income tax on this revenue.) I would hope Council thinks long and hard about imposing a new tax on its private citizens, because at the end of the day that's exactly what you are considering. Hotels exist for the sole purpose of profiting from providing accommodations for the public; that is not the sole purpose of private home ownership. To put them in the same category is disingenuous and frankly, opportunistic.
If the situation on the 400 block of Virginia is what has brought to light the short-term rental market in El Segundo, it seems to me that much of that can be remedied from enforcing the laws that already exist; disturbing the peace, parking regulations, etc. It would be disappointing for that rental to be held up as an example of how Airbnb works, even further disappointing for it to be used as an opportunity to regulate/tax the rest of us who do not abuse our privilege as homeowners.

Further, I am not confident that we could absorb 100% of TOT via an increase in our rates. The main basis for us voting for that TOT increase was that it was something our residents would not be paying for. (Had we known that further down the road our own residents/homeowners would be possibly paying for same TOT, our vote would have been entirely different.) Bear in mind that the rate increases would discourage many from staying in El Segundo, thus eliminating any possibility for them to spend money in the city while they are here. We have a guidebook both online in our listing and printed for our guests, and all of the restaurants we have recommended are in El Segundo. I can say with complete confidence that our guests have spent the majority of their money on food right here in town, and fallen in love with ES in the process. If we get less guests due to our price increase, that is less money spent in our city.

Please understand that whole-home and owner-occupied are two entirely different business models. It is not an apples to apples comparison. Trust me, even as Superhosts doing what we are doing, I would not be happy living next to that house on the 400 block of Virginia anymore than anyone else would. Please don't let that example be the representative example for how Airbnb works. The hospitality aspect in a whole-house rental is nonexistent, and consequently the motives are solely focused on profit. The possibility that this business model could potentially ruin it for the rest of us, and that a decision to ban us from hosting people in our own home is very unsettling.

As lifetime residents of El Segundo, homeowners, and an El Segundo business owner for nearly 23 years, my husband and I "sell" this town to our guests at every opportunity, and far better than any concierge at any hotel in El Segundo. It has been a great experience being ambassadors of El Segundo, a gain we hadn't anticipated when we first started hosting. We are willing to creatively brainstorm any type of idea to help Airbnb hosts work with the city in achieving a mutually symbiotic relationship - a relationship benefitting both of us that could possibly exceed a TOT.

Because of technology, the shared economy is something that is here to stay. Technology is constantly moving forward. It is a wise city council that can recognize this, harness it, and figure out ways to make it work for all of its residents. I would expect nothing less from my hometown.

Chris and I are more than happy to have you over to look at our home and read our guest book. I have also attached both of our listings for you to explore, including all of our reviews. Please do not hesitate to reach out with any questions you may have.

Thank you for your time.

Kristin and Chris Van Heuven
(310) 528-9267

https://www.airbnb.com/manage-your-space/10477209/details

https://www.airbnb.com/manage-your-space/9034345/details
Public Communications related to Item #1 on the January 16, 2018 CC Agenda.

From: David Van Pelt [mailto:davevanpelt63@gmail.com]
Sent: Wednesday, January 03, 2018 3:20 PM
To: ALL ELECTED OFFICIALS
Subject: Short Term Rentals - City Council Meeting

Dear El Segundo City Council,
I am an ES homeowner on Bungalow Drive who uses Airbnb from time to time to host guests and to travel. (I rent out a room in my primary residence)
I was encouraged by a friend who does the same to send the Council my thoughts on the "short term rental regulation" upcoming City Council discussion, from the point of view of a homeowner that does not wish to see it regulated.

While there is no question that this is a gift proposition for the city to collect even more revenue from ES homeowners via permit/taxation, I hope the City takes into consideration that it would be wading into a private transaction between private citizens no different than a homeowner taking on a roommate, something that those of us who value freedom and private property take seriously.

Please see below my thoughts and concerns about the City jumping deeper into taxing homeowners, rather than dealing properly with those who abuse their homeowner privileges at the expense of their neighbors:

- Banning "whole home rentals" only would require a custom modification to the Airbnb software platform for just one small zip code, something Airbnb is most unlikely to agree to entertain.
- The City of ES could declare anything they voted, but would have to consider its infrastructure ability to execute, enforce and manage (see: Business Permits last year still mailed out every year on paper)
- What would prevent short term rental owners from switching to new emerging short term rental platforms, potentially off ES limited radar?
- Most of my guests patronize downtown businesses and would be less likely to visit ES if price jumped dramatically due to taxes.
- Most important point: The City needs to enforce/prosecute current laws on the books about disturbing the peace (i.e. 400 block of Virginia whole home rental causing current uproar) regardless of who the occupants are, instead of making a larger regulatory issue that doesn't currently exist (unless the City is using this disturbance issue as a convenient jump starter to begin permit/taxation process like other cities have put in place). I hope that is not the case.

Respectfully Submitted,
David Van Pelt
310-343-0725
Harada, Patricia

Subject: FW: PUBLIC COMMUNICATIONS related to Item #1 - El Segundo - Short term rental survey

Public Communications related to Item #1 on the January 16, 2018 CC Agenda.

From: Ray Beckett [mailto:Raymond_S_Beckett@raytheon.com]
Sent: Friday, December 01, 2017 1:37 PM
To: ALL ELECTED OFFICIALS
Subject: FW: El Segundo - Short term rental survey

Thanks, I will forward this email to them.

-Ray

From: Schonborn, Eduardo [mailto:eschonborn@elsegundo.org]
Sent: Thursday, November 30, 2017 5:00 PM
To: Ray Beckett <Raymond_S_Beckett@raytheon.com>
Subject: [External] RE: El Segundo - Short term rental survey

Hello Mr. Beckett,
Although the survey is closed, the council has not yet made a decision and we will accept all comments. That stated, I will attach your email to the staff report when we go back to the council on January 16, 2018. Should you wish to also send it to them, their email address is allcouncilandclerks@elsegundo.org.
Thank you.
-eduardo

Eduardo Schonborn, AICP
Principal Planner
City of El Segundo
310-524-2312

From: Ray Beckett [mailto:Raymond_S_Beckett@raytheon.com]
Sent: Thursday, November 30, 2017 4:39 PM
To: Schonborn, Eduardo  
Subject: El Segundo - Short term rental survey

Ed,

I see the survey is closed I am hoping that you can still include feedback on this issue before the city:

My position: Ban short term rentals in R1 zones:

R1 properties are not zoned as hotels to collect taxes- if city were to support STR’s then all homes could participate. Imagine the quality of life impacts if every home on an R1 street became a STR home. A street becomes a hotel lobby with rental cars, taxis, luggage on the curb.

This is the best test if quality of life decisions are being made properly - what if everyone did it to the fullest extent?

El Segundo makes it’s claim to being a family friendly community, most home sales are due to that fact, and the quality of schools. Short Term rentals in R1’s are in direct conflict with being a family based community. The activity on Virginia Street is a forecast of what will escalate if supported, encouraged and taxed by the city.

It’s clear that STR’s have been a problem for rental in residential properties leading to an unmanageable situation. Parking # of guest etc is not enforceable by the city, and will pit neighbors against neighbors for enforcement and likely legal actions.
If city were to support and regulate STR’s – city will be responsible for impacts to due to lack of enforcement- safety – parking etc – guest liability much much greater than any revenue projections, also who will enforce or audit the number of guest vs income and taxes paid (impossible to audit)

This is why other South Bay cities have a ban like MB – comments made that ban is not working are untrue- PV has thousands of R1 zoned homes and only a few are listed.
The proximity to LAX will create a hotel like commercial zone situation for many homeowners who thought they purchased a home on a residential street.
This would no doubt lead to legal actions from those home owners most impacted.

In closing a ban is enforceable, example the residents of Virginia street where STR’s are already a problem will assure it.

Thanks-Ray

Raymond S. Beckett  
cell 310-256-0046
Public Communications related to Item #1 – Short Term Rentals on the January 16, 2018 CC Agenda.

From: Shane Warwick [mailto:swellmagnetshane@yahoo.com]
Sent: Tuesday, November 28, 2017 1:44 AM
To: ALL ELECTED OFFICIALS
Subject: Banning Airbnb

Schonborn,

I’m Shane Warwick and a resident for 31 years. Although my family and I haven’t used short term renting, we feel that we should have that right in the future. It’s ridiculous to think that it’s alright to take more homeowners rights away. The beauty of this city, is that we have never had a sleazy way of making a few extra bucks off of residents that already pay many bond measures and taxes.

You mention “doing nothing also creates unfair competition with local hotel industry “, are we suppose support apathetic hotels and scold El Segundo Tax payers and property owners? Total disregard for fair private trade and open competition? Not sure that’s the way we do this around here. Please advise and let me know that you got this.

Thanks,
Shane Warwick