



August 10, 2022

VIA U.S. MAIL AND EMAIL

California Coastal Commission
King Gillette Ranch 26800
Mulholland Hwy
Calabasas, CA 91302
ExecutiveStaff@coastal.ca.gov

**Re: Malibu Local Coastal Program (LCP)
Amendment LCP-4-MAL-20-0083-2**

Dear Commissioners of the California Coastal Commission:

The City of Malibu seeks to amend its Local Coastal Program (“LCP”) through Amendment LCP-4-MAL-20-0083-2 (the “Malibu Amendment”) which it passed to enact common-sense regulations of the City’s short-term rentals (“STRs”). The Malibu Amendment requires STRs in single-family homes to be supervised (“Hosted”) and caps the number of STRs that may operate in a single multi-unit property. The Coastal Commission will consider whether to approve the Malibu Amendment but has indicated it intends to oppose the regulations that Malibu has passed.

Since 2016, the Coastal Commission has supported common-sense local regulation of STRs. The Malibu Amendment proposes exactly the kinds of local regulation that the Coastal Commission has endorsed in the past: hosting oversight and caps on how many STRs are permitted in certain properties. But now, the Coastal Commission has seemingly changed its position so that it opposes local common-sense regulation. Staff’s recommendation is flawed and will not achieve its purpose and will only result in making accommodations in the Coastal Zone less affordable.

Hosting requirements are the best way to regulate STRs. Hosted STRs ensure that there is appropriate supervision of the property and its occupants and allays community safety and nuisance concerns. In addition, **Hosted STRs are the most affordable STRs** and better ensure affordable access to the coastal zone.

The Coastal Commission should instead return to its policy of allowing local common-sense STR regulation and approve the Malibu Amendment. The Malibu Amendment supports affordable coastal access while protecting local housing as well as surrounding communities' health and safety.

The California Coastal Commission Has Traditionally Supported Local Common-Sense Regulations on Short Term Rentals

In 2016, then-Chair, Steve Kinsey advised Planning and Community Development Directors throughout the Coastal Zone that the Commission “strongly support[s] developing reasonable and balanced [STR] regulations.” He acknowledged that while the Coastal Commission does believe STRs are important to coastal access, the Commission “believe[s] that appropriate rules and regulations can address issues and avoid problems, and that the end result can be an appropriate balancing of various viewpoints and interests.”

Kinsey described various STR restrictions that the Coastal Commission would support. Many of those restrictions are strikingly similar to those proposed by Malibu today. Those regulations included: “[l]imits on the total number of vacation rentals allowed within certain areas” and “[l]imits on the types of housing that can be used.” In accordance with this suggestion, Malibu’s Amendment has proposed to limit the number of STRs in multi-unit properties. Kinsey also indicated the Coastal Commission supported “[r]equirements for 24-hour management” including “onsite” management. The Malibu Amendment adopts these same oversight requirements by requiring that single-family homes rentals be Hosted. These regulations are exactly those that the Coastal Commission has previously endorsed.

The Coastal Commission’s policy, thereafter, was to support local STR restrictions, while opposing outright bans on STRs. For example, in 2017, the Coastal Commission staff opposed Laguna Beach’s proposed ban on STRs (LCP-F-LGB-16-005-1). However, the Coastal Commission supported STR restrictions as recently as December 2020 when considering Santa Cruz LCP Amendment LCP-3-SCO-20-0064-2. There, Santa Cruz sought to restrict the number of vacation rental permits used in three coastal areas. The Commission approved Santa Cruz’s restrictions, finding it served to balance STR accommodations with “the need to respect residential neighborhoods.”

The Coastal Commission Should Not Oppose Local Common-Sense Regulations

By 2021, the Coastal Commission’s position changed from a balancing of interests, and support of reasonable regulations, to favoring de-regulation. In 2021, the California Coastal Commission rejected STR restrictions implemented by the City of Long Beach (Amendment Request LCP-5-LOB-20-0058-3). There, the Coastal Commission rebuffed requirements for the 24-hour management it once endorsed by opposing hosting requirements. The Commission rejected the same restrictions it once supported on the types of properties and the number of properties allowed to be used as STRs. Long Beach was forced to retract its protections for multi-unit properties and even the rights of property-owners to control STRs in their own property. No longer did the Coastal Commission support reasonable STR regulations. Instead,

the Coastal Commission had come to favor de-regulation of STRs, regardless of local communities' concerns.

Most recently, we have seen the Coastal Commission's policy shift in the case of the City of Dana Point (CDP-22-0010). The Coastal Commission's reasoned that STR operations are residential and struck down the City's restrictions. In order to avoid litigation and continued opposition from the Coastal Commission, Dana Point was compelled to adopt regulations allowing rental properties to be dedicated to STR use with no limit on the number of nights a property could be rented.

The Commission Staff's Opposition to Malibu's Regulations is Flawed

Staff concedes in its Recommendation that the Coastal Commission should balance STR proliferation and local concerns (including affordable housing, enforcement issues, altered residential neighborhood character and parking and transportation impacts) through "reasonable restrictions." Yet, here, staff recommends the Coastal Commission reject the Malibu Amendment's common-sense restrictions and strike down Malibu's efforts to address local concerns, including housing, enforcement, and transportation.

Moreover, the recommendation relies on false assumptions by conflating Malibu's common-sense regulation with a ban. The recommendation claims that the hosting requirement will somehow reduce the number of available STRs. The Malibu Amendment, however, only regulates how STRs are operated, not how many are allowed to operate. A hosting requirement cannot reduce the number of available STRs any more than a public drunkenness ordinance will reduce the number of bars on a block, or a speed limit will reduce the number of cars on the road. Health and safety regulations are not bans; they merely require responsible conduct to avoid community harms. Similarly, the Malibu Hosting Amendment merely requires STRs in single-family homes be operated responsibly, under supervision, to avoid community harms and does not limit or reduce the number of STRs in Malibu.

The recommendation's rejection of Hosting requirements is counter-productive. Unhosted STRs are the least likely to increase access to the coastal zone and do not offer *affordable* access to the coast. Unhosted whole house rentals are the most expensive STRs available in Malibu. As of June 6, 2022, the average¹ unhosted whole home rental in Malibu was \$1837 per night². In contrast, Hosted STRs averaged a comparably affordable \$388.48 a night. Adjusting for occupancy, Hosted STRs continue to be substantially more affordable than unhosted STRs. (See figures 1-2). The average per room rate in an unhosted Malibu home is \$577 a night. The average per room rate in a Hosted STR is \$332.

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¹ <http://data.insideairbnb.com/united-states/ca/los-angeles/2022-06-06/data/listings.csv.gz>

² None of these numbers include service and cleaning fees, which can be substantial.

The Malibu Amendment proposes common-sense STR restrictions with regulations the Coastal Commission has historically endorsed. The Coastal Commission should return to balancing the availability of affordable coastal access through STRs with local concerns and restrictions. The Coastal Commission should approve the Malibu Amendment.

Sincerely,

/s/ Nancy Hanna
Better Neighbors LA

/s/ Danielle Wilson
Unite HERE Local 11

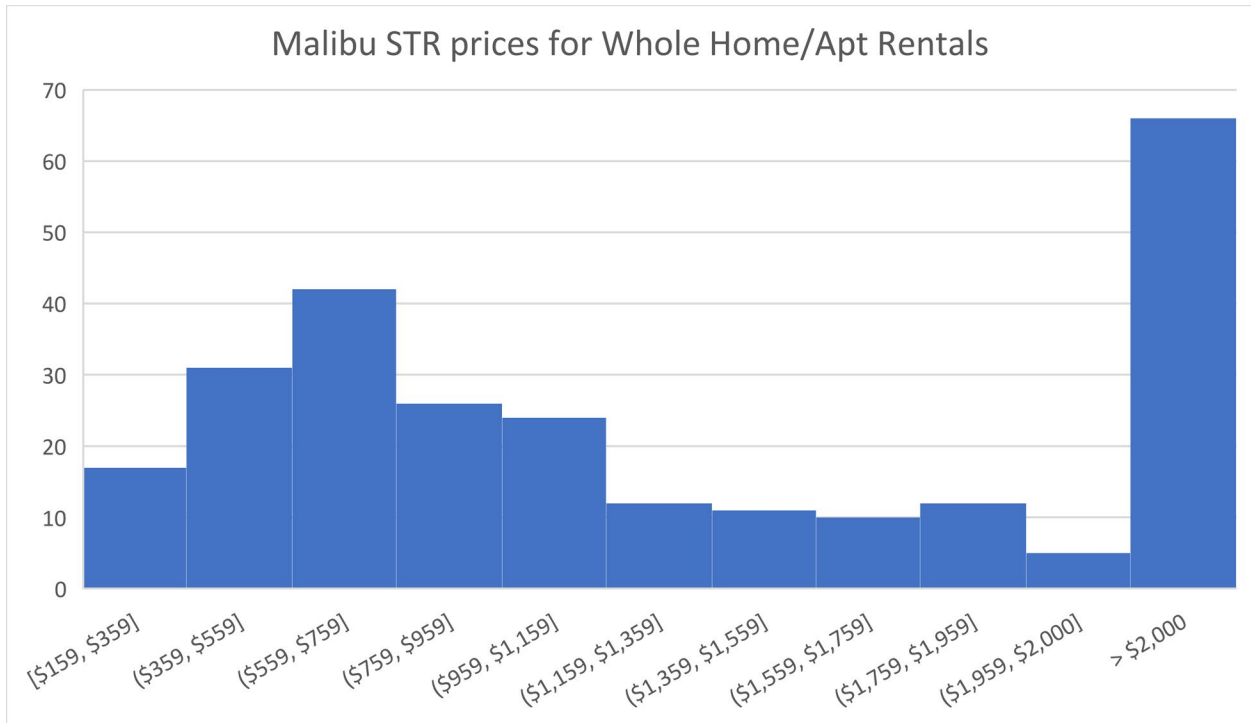


Figure 1 This chart shows the price per night of Whole Home rentals in Malibu. The vast majority of STRs in Malibu are well out of reach of working people.

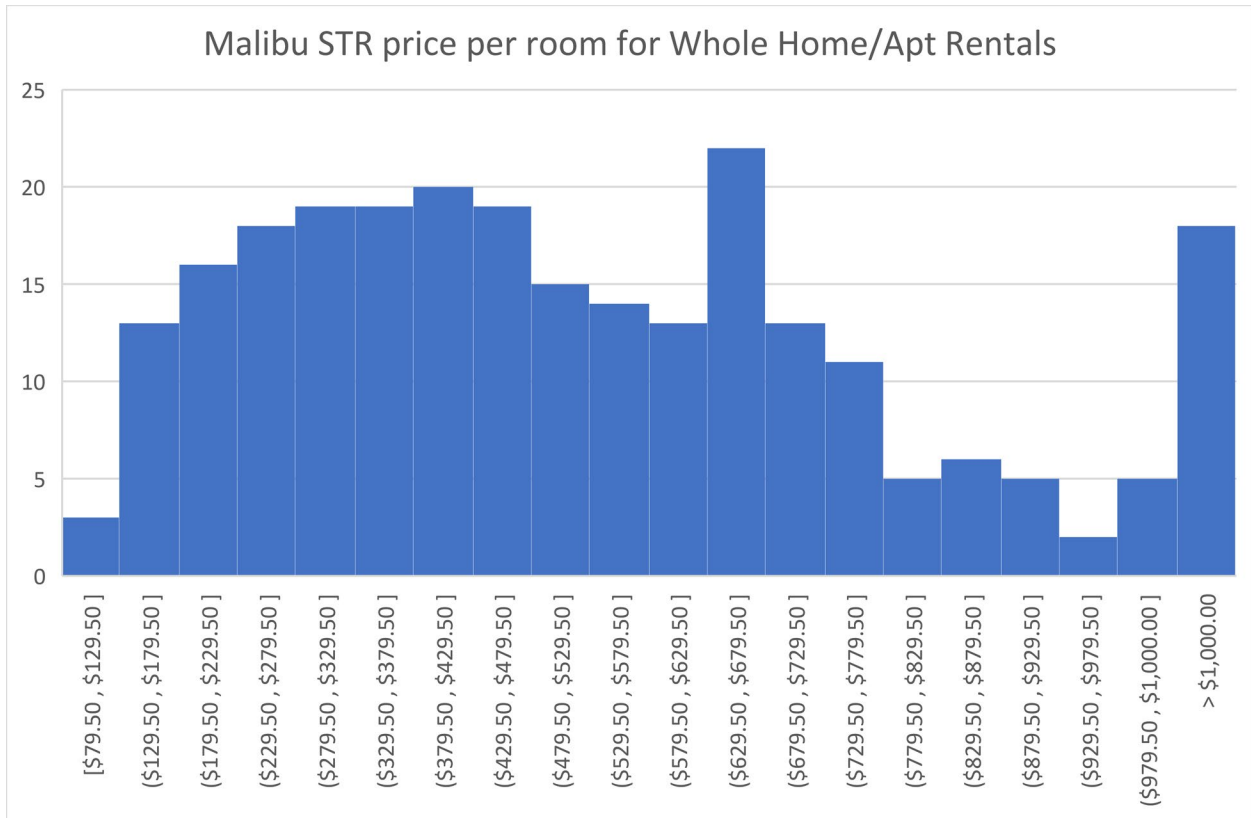


Figure 2 Even on a per room basis, there are only 3 lower-cost accommodations.