



December 10, 2021

Steve Padilla, Chair  
Coastal Commissioners  
55 Market Street, Suite 300  
San Francisco, CA 94105

**RE: Item 13b: City of Long Beach LCP Amendment No. (LCP-5-LOB-20-0058-3)**

Dear Chair Padilla and Honorable Commissioners:

Better Neighbors LA and Unite HERE Local 11 are writing regarding the LCP Amendment Request (No. LCP-5-LOB-20-0058-3) (the “Proposed Amendment”) and recommend the Coastal Commission reject the Proposed Amendment. Our recommendation is that short-term rentals in the Long Beach coastal zone be hosted to ensure that they remain affordable and do not negatively impact coastal housing, residential character, and coastal access. In addition, it is our position that the set-aside of 350 short-term rental permits is unnecessary and will only result in short-term rentals in excess of the current cap of 800 permits.

Better Neighbors LA and Unite HERE Local 11 have engaged with the impacts of short-term rentals on local communities, workers, and the housing market. Better Neighbors LA is a coalition of neighbors, hoss, and housing advocates working to encourage sustainable and fair short-term rentals. Unite HERE Local 11 is a labor union representing more than 32,000 hospitality industry workers including within the City of Long Beach. Unite HERE Local 11 has an extensive history of examining the impact of short-term rentals on coastal zone communities including as recently as October 2020 in Laguna Beach during which they engaged in similar issues to those raised here.

In the course of our work related to short-term rentals, it has become increasingly clear that unhosted, or whole home, short-term rentals do not increase coastal access and instead reduce the supply of low and moderate cost housing that the Coastal Act requires the Commission and cities to protect. The proliferation of unhosted short-term rentals simply creates more luxury options for the wealthiest travelers. In fact, unhosted short-term rental units are often marketed as luxury hotel rooms and have appropriate room rates to match. Moreover, these types of high-end units can also crowd our existing affordable motels and mid-range hotels and the development of future properties, decreasing affordable coastal access.

The purpose of the Proposed Amendment is to ensure “appropriate STR stock is maintained,” and “to preserve the amount of STRs that have generally operated within the Long Beach coastal zone.” The Proposed Amendment, however, conflates robust and meaningful coastal access with the proliferation of short-term rentals.

An overly narrow focus on preserving short-term rentals is inconsistent with the Commission's goal to ensure coastal access for all Californians today, and in the long term. For example, the proliferation of short-term rentals has been closely tied to increasingly housing costs and accelerated gentrification, both of which not only place a burden on the existing coastal communities but serve to, over time, increase local costs of housing and the cost of living generally. As residential areas gentrify so too do the costs of nearby tourist accommodations. The Coastal Commission cannot regulate the prices for which short-term rentals are offered now or in the future and what are affordable accommodations today can easily develop into exclusive luxury accommodations tomorrow.

The City of Long Beach has determined that a cap of 800 permitted short-term rentals would best protect its housing stock while allowing short-term rentals to increase its communities' capacities to accommodate travelers. The Proposed Amendment requires that cap be increased by as much as 43.8% to ensure that 350 unhosted short-term rentals are located within the coastal zone. This "set aside" is unnecessary. First, the Proposed Amendment does not take into consideration the existing 977 overnight accommodations within the coastal zone in existing hotels, motels and an RV park. In addition, the City of Long Beach has 350 registered short-term rentals; leaving another 450 permits available for the existing 350 coastal zone short-term rentals the Proposed Amendment seeks to protect. The proposed set-aside would only serve to force the City of Long Beach to exceed its existing cap. If the Proposed Amendment wishes to ensure that the 350 coastal short-term rentals are licensed, they should instead, require those existing short-term rentals register immediately so they are properly permitted under the existing cap. This would allow the Commission to adopt the substance of the Proposed Amendment without overburdening the City of Long Beach with excessive short-term rentals.

In drafting its Short-Term Rental Ordinance, the City of Long Beach distinguished between hosted and unhosted rentals. Hosted short-term rentals are generally operated by individual operators renting out spare space in their own homes. Unhosted short-term rentals are most often associated with housing that is removed from the housing market and dedicated to hosting tourists alone. The latter, as unsupervised, tend to pose the greatest threat to communities in the form of "party-houses" that disturb neighbors are deleterious to residential areas. To protect coastal communities, and maintain their residential character, the Coastal Commission should require that all short-term rentals must be hosted. This would allow the same number of short-term rentals to operate, but they would be much less likely to drain Long Beach's housing stock, raise rents, and raise the cost of living. Ensuring short-term rentals are all hosted would better serve to ensure that the City of Long Beach is accessible and affordable to all Californians.

The Proposed Amendment would also require property owners to seek a Coastal Commission permit to opt out of the short-term rental industry, regardless of whether any STRs currently operate, or ever have operated, there previously. This proposal could easily lead to absurd results. For example, the Proposed Amendment would not require property owners to seek a permit to convert an apartment or a single-family home into a tourist accommodation. In contrast, the owner of an apartment building would be required to seek a permit to prohibit short-

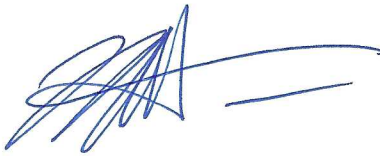


term rentals at the property. Even if there never existed any short-term rentals at the property, the owner would be required to seek a permit to register said prohibition with the City of Long Beach. In effect, the property owner would be forced to seek a permit to make no changes at all to the property or how it is used.

The Long Beach Short-Term Rental Ordinance also allows residents within a census track to petition to require short-term rentals within that census track to be hosted. The Proposed Amendment would also require communities to seek a Coastal Commission. However, whether a short-term rental is hosted or not cannot affect coastal access. The census track petitions cannot wholly prohibit short-term rentals and cannot reduce the number of available accommodations. Such petitions could only require short-term rentals be hosted. As discussed above, increasing the number of hosted short-term rentals would serve to protect the character of the coastal zone's residential communities.

By focusing on how short-term rentals operate within and affect their local communities in the long-term, the Coastal Commission can better its regulation to ensure coastal access to more Californians. The Proposed Amendment's focus on increasing only the number of short-term rentals fails to consider the larger picture that the City of Long Beach faces as it shapes its housing and tourist policies.

Respectfully,

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Unite HERE Local 11 and Better Neighbors LA