

1.26.16

## RESPONSE TO COMMENTS FROM JAN 26, 2016 CITY COUNCIL MEETING

Anaheim Rental Alliance  
174 W. Lincoln Avenue #505  
Anaheim, CA 92805

Dear Mayor and Members of the City Council,

Out of respect for your time and the fact that STRs were not on the agenda of the last City Council meeting, the Anaheim Rental Alliance (ARA) did not encourage STR owners to attend and comment. However, comments were made regarding STRs and the ARA feels the need to correct some of the misleading or incorrect statements that were made. The ARA respectfully submits this response and appreciates your time and concern as you diligently try to reach the facts in the situation.

- Mike Robbins (00:32:15) commented that conventioners rented STRs to use as hospitality suites and that this is what the resort area hotels are for. The ARA is not aware of any STR being used as a hospitality suite and the overwhelming majority of occupants of Anaheim STRs are families visiting Disneyland. Some STRs very close to the convention center may rent to people attending conventions, but only for lodging purposes as parties and large gathering are not allowed at STRs.
- Bob Donelson (00:37:50) commented that the Anaheim STR ordinance should not have been put in place to begin with because it conflicts with existing ordinances relating to home-based businesses. He concluded by saying that Anaheim visitors would still come to Anaheim even if STRs were not available. To his first point, the ARA contends that STRs do not conflict with any existing ordinance relating to home-based businesses in residential areas. Several STR owners approached the city prior to purchasing their home for STR use and Planning confirmed that the city did not differentiate between long term rentals and short-term rentals in neighborhoods and that short-term rentals were in fact allowed in Anaheim. Furthermore, the ARA defines the “business” of a short-term rental as the same “business” that

occurs with a long-term rental – it is a real estate transaction and the activity that occurs at the home is a residential use. The ARA's stance is that, neither long-term nor short-term rentals conflict with ordinances related to home-based businesses. We understand this position has been echoed by Planning Department staff and is also supported in law. To his final point, the ARA would like to point out to the council that STR operators constantly receive feedback from tenants that staying at a vacation rental is what made their vacation possible. If it weren't for the ability to travel with extended family and stay together in an STR, sharing the cost, and having access to a full kitchen, they would not have been able to afford a trip to Disneyland or Anaheim. There is a **large segment of Anaheim tourists that would not visit Anaheim if the could not stay at an STR.**

- Pam Donelson (00:41:05) commented that there are 57 STRs in Sherwood Village and that the STR operators are suing the HOA to take over the association. The situation at Sherwood Village would be best described in a separate synopsis, but the ARA would like to correct these two points. 1) There are only 49 issued permits for STRs in Sherwood Village and, of those, 2 are not currently operating as STRs, leaving only 47 STRs in the community. The ARA is not aware of any STRs operating without a permit. 2) To her second comment that the STR operators are suing to take over the association, the ARA would like to clarify that **the lawsuit is about a ban on STRs that was illegally implemented by circumventing a vote of the membership.** The lawsuit is to correct this action in defense of property rights. It is not an offensive maneuver, simply a defensive one.
- Douglas Zelmer (00:47:14), long time Pepperwood Village HOA Board Member and President, commented that his community of 287 condominiums, in stark contrast to Sherwood Village does not have problems with STRs because they have a zero tolerance policy that is enforced by a security company. Further, **Pepperwood homeowners recently voted with over 70% approval to officially recognize short term rentals as a viable leasing option for Association homeowners should they choose to employ.** The ARA is encouraged to hear about this success in enforcement, supports the notion that enforcement will help to resolve the majority of these issues, and appreciates that Pepperwood HOA (and their

neighboring Kaleidoscope HOA) both understand the value that STRs bring to their homes without many of the issues other HOAs allege.

- Ada Briceno (01:00:45) commented that STRs are taking jobs away from unionized hotel workers. The ARA contends that resort area hotels have experienced record occupancies over the past few years, despite the growth in STRs in Anaheim and despite the recent surge of new hotel rooms in Anaheim, further discrediting the notion that STRs take travelers away from the hotels. Many other factors drive changes in employment demand, including recent changes to healthcare benefit requirements and minimum wage law; however, the record occupancies enjoyed at the hotels and STRs are not among them. Furthermore, **STRs in Anaheim employ, through their own employees or through the companies they contract with, an entire workforce that actually provide a meaningful net addition to the Anaheim employment pool.**
- Jeanine Robbins (01:03:10) commented that STRs do not have a viable place in residential neighborhoods. She also claimed that STRs cost the city more than they bring in from TOT. The ARA feels that STRs are absolutely compatible in neighborhoods and that **there are far more STR neighbors who are fine with an STR next to them than there are neighbors like Jeanine who want STRs to be banned** even if they do not create problems in the neighborhood. Currently the annual permit fee of \$250 brings the city approximately \$100,000 of revenue and the first year of TOT collection is on track for over \$3,000,000. There are many other financial benefits that STRs bring to the city city, but the ARA does not believe that the cost to the city is anywhere near \$3,100,000 per year.
- Luisa Lam (01:06:15) commented about the lawsuit at Sherwood Village and shared an experience where she had to call the police because of an individual who was allegedly hired by an STR owner. She went on to explain that STRs do not meet ADA requirements and are therefore discrimination against those with disabilities. Again, the situation at Sherwood Village deserves a separate synopsis, but the ARA does caution the council that **the situation represented by these homeowners only shows a sensationalized version of one side of the story. As the Mayor has stated before, those at the**

microphone are not bound by the truth. The ARA is not aware of any incident where any individual under the employ or direction of an STR owner made physical threats to any residents as described by Ms. Lam. Finally, as private residential housing, STRs are not covered by the ADA and are therefore not guilty of discrimination.

- Martin Lopez (01:09:33) commented that STRs are not paying fair wages and that they are taking jobs away from union hotel workers. The ARA would echo the statements made above in response to Ada Briceno's comments and would encourage Mr. Lopez to understand that while protecting workers is admirable, doing so to the detriment of other hard working individuals who can't afford to lose the earning potential gained from STR employment is not. STR service providers depend on their wages to put food on the table and a roof over their head no differently than union workers.

The Anaheim Rental Alliance thanks you for your continued diligence in your attempts to reach fair and just conclusions about the issues facing the City. We appreciate your willingness to hear all sides of the story and we thank you for your attention to these important fact checks and corrections.

Sincerely & Respectfully,

The Anaheim Rental Alliance | ARA