

July 13, 2024

Dear Mayor and Members of the Huntington Beach City Council,

Thank you for addressing the short-term rental (STR) program in Huntington Beach. The study session presentation provided valuable insights, and I would like to highlight several key points that I believe are essential for developing an effective STR policy for Huntington Beach. My comments are in support of the sentiments of the Huntington Beach Short-Term Rental Alliance.

### **1. Reevaluation of the Unhosted Permit Cap**

The current cap of 200 unhosted permits is arbitrary and does not reflect the dynamic nature of the housing market or the unique opportunity presented by the 2028 Olympics. Instead, the cap should be based on a percentage of the housing stock, such as 0.75% to 1%. This approach allows for controlled growth and flexibility, ensuring that we can accommodate visitors while maintaining the character of our neighborhoods. Rather than a fixed number, allowing room for permit applications will enable us to adapt to changing circumstances and demands.

### **2. Dispersal of Short-Term Rentals Throughout the City**

STRs should be dispersed throughout Huntington Beach to support local income for small host operators and neighborhood businesses. This strategy will foster economic growth in various parts of the city and mitigate potential negative impacts on any single area.

### **3. Involvement of the California Coastal Commission**

Given that Huntington Beach does not yet have an approved coastal plan, it is essential that the California Coastal Commission is involved in any proposed changes to STR regulations. Their input will ensure that the city's policies align with state coastal management objectives and protect our valuable coastal resources. Approximately 38% of Huntington's permitted STRs are located within the Coastal Zone, underscoring the importance of the Commission's oversight.

### **4. Commitment to a Voluntary Collection Agreement by Online Travel Agencies**

It is crucial that **all** online travel agencies commit to a voluntary collection agreement. This agreement will ensure efficient and effective collection of transient occupancy taxes (TOT) from STR operators. As the study session pointed out, last year, Huntington Beach collected \$985,914 in TOT from both hosted and unhosted STRs, demonstrating the significant revenue potential. A voluntary collection agreement from all OTAs, not just Airbnb, will streamline the process, ensuring compliance and fairness across the board.

## 5. A Strong Program for the 2028 Olympics

With the 2028 Olympics on the horizon, Huntington Beach must have a robust STR program in place. The city is expected to host the surfing competition, drawing surfing enthusiasts from all over the world. A well-managed STR program will be crucial in accommodating the influx of visitors, enhancing their experience, and showcasing our city on the global stage. This preparation is essential for leveraging the economic and reputational benefits of hosting an Olympic event.

## 6. Enforcement and Best Practices

Enforcement of STR regulations is vital for maintaining the quality of life in our neighborhoods. The city has seen a decline in unpermitted STRs from 867 in 2020 to 135 in 2023, thanks to diligent enforcement. Implementing best practices such as using third-party vendors for monitoring, compliance letters, a 24/7 hotline, and online portals for permits, registration, and remittance can further enhance compliance and efficiency. The registration process should be simple and streamlined, with a simple portal and automated registration reminder notices, to support busy business owners, and ensure awareness and adherence to the requirements.

## 7. Revenue Potential and Reporting

Accurate and timely TBID collection and reporting are crucial for maximizing the revenue potential of STRs. Enhancing the online portal for registration and tax remittance, enforcing active reporting, and implementing strict penalties for non-compliance will ensure that the city can capture the full economic benefits of STRs. For instance, the average annual visitor tax per STR in Sunset Beach is \$8,277.21, highlighting the significant revenue potential.

In conclusion, by ensuring solid voluntary collection agreements from all online travel agencies, involving the California Coastal Commission, dispersing STRs citywide, tying the unhosted permit cap to percent of housing stock, Huntington Beach can maximize revenue potential and create a balanced and effective STR program that benefits residents, operators, and visitors alike.

Sincerely,

Jean Young, Leadership Team  
Long Beach Airbnb Hosts  
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562-857-2427

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 7/16/24

Agenda Item No. 1 Study Session (24-498)

**From:** [Paula Shawa](#)  
**To:** [supplementalcomm@surfcity-hb.org](mailto:supplementalcomm@surfcity-hb.org); [City.Council@surfcity-hb.org](mailto:City.Council@surfcity-hb.org) [undefined:City.Council@surfcity-hb.org]  
**Subject:** Agenda Item 1 / Short-Term Rental Program update / City Council July 16 meeting  
**Date:** Sunday, July 14, 2024 8:34:08 PM

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Hello – I wanted to share feedback about the impact short term rentals (STRs) have on a residential neighborhood. The city’s policy on STRs says they should not “threaten the character of residential neighborhoods,” but in fact they do. These STRs are removing homes from the pool of available residential housing. The people who are staying in them are transients, they are not invested in the community and don’t contribute to the overall wellbeing of the neighborhood. It’s also unfair that we, the permanent residents, are given no say in whether our neighborhood allows STRs.

We have lived in Huntington Harbour for 20 years and during this timeframe many homes once occupied by homeowners/families are now vacant/short term rentals. Here’s a quick (informal) snapshot of just one portion of our immediate neighborhood:

16892 Baruna Lane – Formerly a residence. Now a permitted STR but don’t know if host is living there;

16721 Phelps Lane – Formerly a residence. Now a permitted STR but host does not live there.

4051 Davenport Drive – Formerly a residence. Now uninhabited, not on list of permitted STRs but have seen what appear to be vacationers there very very occasionally;

16782 Baruna Lane – Formerly a residence. Now uninhabited, not on STR list, but have seen what appear to be vacationers there very very occasionally

In looking through the study session presentation and the accompanying email from the STR alliance focal, the focus seems to be on revenue generated by STRs. There’s no mention of the impact on us, the residents who are stuck with an STR(s) in our neighborhood. When we purchased our property, we did so believing – and expecting – that we were investing in a home amidst other homes. We used to know the families in the houses cited above, they were our neighbors and part of the fabric of the community. Now the houses are empty except when inhabited by strangers. How is this a positive?

A study session focusing only on the benefits of STRs, and omitting the harm they cause to residential neighborhoods, does a disservice to the residents. Please consider this feedback, thank you, Paula and Tarrik Shawa, 16822 Edgewater Lane.

**From:** [Fikes, Cathy](#)  
**To:** [Agenda Alerts](#)  
**Subject:** FW: HBCC July 16, 2024 Study Session on Short Term Rental Program  
**Date:** Tuesday, July 16, 2024 8:55:00 AM  
**Attachments:** [STRs Study Session 7-16-24.pdf](#)

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**From:** Keith.Bohr <keith.bohr@gmail.com>  
**Sent:** Monday, July 15, 2024 8:54 PM  
**To:** CITY COUNCIL (INCL. CMO STAFF) <city.council@surfcity-hb.org>  
**Cc:** Parra, Eric (PD) <EParra@hbpd.org>; Villasenor, Jennifer <JVillasenor@surfcity-hb.org>; Hopkins, Travis <thopkins@surfcity-hb.org>  
**Subject:** HBCC July 16, 2024 Study Session on Short Term Rental Program

Hello Mayor Van Der Mark, Mayor Pro Tem Burns and Council Members,

I have reviewed the staff's PowerPoint presentation for the subject STR presentation.

Staff's analysis of TOT revenues to date, incorporating both hosted and non-hosted STRs, estimates that if the City Council permits 200 new non-hosted STRs, the City could expect \$1,098,000 in new annual TOT. This estimate is based on a rate of \$305 per night with approximately 50% occupancy (180 nights).

I believe this estimate is extremely conservative. I have provided the attached analysis for the Council's consideration, which I believe offers a more accurate "apples to apples" comparison of projected non-hosted revenues. My projections suggest \$3 million annually in TOT based on 200 new non-hosted permits, which is 3.0 times staff's estimate.

I based my projections on an average nightly rate of \$823, reflecting the current advertised rate range of \$512-\$1,137 per non-summer season weekend for non hosted stays.

Thank you,  
Keith Bohr, Broker  
TEAM Real Estate  
Huntington Beach, CA. 92648  
CA DRE License #01216667  
714-315-2143 cell

**HB City Council Study Session for July 16, 2024 - Regarding Short Term Rental (STR) Program Update**

The spreadsheet belows represents a query on AirBnB.com for 6 guests to stay for a 3 day weekend in HB over the non summer/holiday weekend of 9/19-9/22, none of the units are located in Sunset or on PCH, in fact all of the units are 5-9 blocks from the ocean, to minimize the inclusion of the highest end units.

Current HB Listings	Bedrooms	Beds	Baths	Guests	Location	Sample Dates 9/19-9/22 (3 Nights)	Avg Daily Rate (ADR)	3 Night Total	10% TOT
1	4	5	3	6	Sea Walk 9 Blks to Bch	3	\$856	\$2,568	\$256.80
2	4	6	4	6	Old Town 7 Blks to Bch	3	\$1,137	\$3,411	\$341.10
3	4	6	4	6	Old Town 6 Blks to Bch	3	\$723	\$2,169	\$216.90
4	3	3	2	6	Old Town 7 Blks to Bch	3	\$1,088	\$3,264	\$326.40
5	2	6	1	6	Old Town 6 Blks to Bch	3	\$512	\$1,536	\$153.60
6	4	6	3	6	HunHar Off Water	3	\$623	\$1,869	\$186.90
<b>All 6 Units have HB STR Permits</b>						<b>Average</b>	<b>\$823</b>		

More Likely Scenario 1	Total Gross				
	Non Hosted New Permits	Average Daily Rate	55% Occupancy (200 Nights)	Annual Revenue	Annual 10% TOT
1		\$823	200	\$164,633	\$16,463
100		\$823	200	\$16,463,333	\$1,646,333
200		\$823	200	\$32,926,667	\$3,292,667
300		\$823	200	\$49,390,000	\$4,939,000

3.00 Triple

More Likely Scenario 2	Non Hosted New Permits	Average Daily Rate	50% Occupancy (183 Nights)	Total Gross	
				Annual Revenue	Annual 10% TOT
	1	\$823	183	\$150,640	\$15,064
	100	\$823	183	\$15,063,950	\$1,506,395
	200	\$823	183	\$30,127,900	\$3,012,790
	300	\$823	183	\$45,191,850	\$4,519,185

2.74

Study Session 7/16/24 Staff Report	Non Hosted Unit Count	Average Daily Rate	49.31% Occupancy (180 Nights)	Total Gross	
				Annual Revenue	Annual 10% TOT
	1	\$305	180	\$54,900	\$5,490
	200	\$305	180	\$10,980,000	\$1,098,000

1.00