

Opinion: The truth about vacation rentals

By Jim Morris

I read with great interest Mayor Austin Sass's recent column of how he and Wendy David have been living, sleeping, and eating the VHR issue for over two years. I internalized these words and reflected how we, as responsible vacation home rental managers, have been dealing with inept City Councils and city management for over 12 years.



Jim Morris

Back in 2003, our industry was blindsided by an ordinance that was drafted and conceived by a half-dozen locals and a city attorney meeting in secret ready to set upon our legitimate tourism industry. We immediately organized and, together with prominent business owners and chamber members, sought input to legislation which could have destroyed our livelihoods. After months of stakeholder meetings, an ordinance was crafted which attempted to placate the anti-VHR crowd and allowed our commerce to continue. A permit fee of \$50 per year was required to cover administration of the ordinance. Now it is as much as \$800 in many cases. Fines have gone from \$250 to \$1,000 under the current proposal.

For years our industry requested that citations be given to any disrespectful tenants who have broken the rules of the ordinance, but the city and the police department said they

couldn't unless the reporting party would sign a complaint as a police officer could not have his peace disturbed. We did not feel that it was fair to a home owner/management company to penalize them when they had used "best efforts" to prevent unruly behavior by the renters. Finally, after 10 years, the city figured out a way to cite the tenants, but they were still intent on punishing the owners even though they have obtained proof in writing that the guests were informed of the rules about city regulations.

The city police department never did take the ordinance seriously for over 10 years as they didn't even do the basics in informing the owners or management companies of unruly tenant behavior. In the numerous rewriting of the VHR ordinances, there was never a year reported by the city that VHR complaints exceeded 200 per year. This is an extremely low figure as over 20,000 calls per year are received by police dispatch. The latest number reported by the police department indicates that only 33 citations were given in the previous 13 months involving verified VHR violations.

Mayor Sass and other council members agreed to a "socio-economic study" to assess the seriousness of the problem at the urging of the VHR industry. The report came out this spring resulting in a "made as instructed" report by the city. It was seriously flawed as the consultants failed to perform the economic study due to "their inability to obtain reliable statistics" as quoted by the consultants. The data used in their study on reported violations was in error by 400 percent based on a computer program glitch created by the city administration. Verified noise complaints per year are 2 percent of the total vacation rentals, approximately 1,500 total rentals in the city.

The mayor, city manager and city attorney are totally into their genius mentalities as they have discovered the Googling art of finding ordinances created by "similar" cities such as Santa Monica, San Diego, etc. They are now trying to

intimidate our two newest council members into approving the knee-jerk proposals suggested by any member of the public who has an opinion. They include occupancy restrictions from 25 percent to 50 percent without any analysis to actual citations and disturbance complaints. A saturation model was proposed without any study of the actual geography involved. There was no discussion of the crazy sensitivity of neighbors who are disturbed by the sound of suitcase wheels on the sidewalk.

The current city manager, mayor and pro-tem mayor want to create a verdict before any trial has occurred. They want to deny permits to any property owner who has never been given a chance to manage his or her vacation rental by imposing a moratorium on future permits. They also want the denial of permits to the unfortunate owner who happens to be within 250 feet of an existing permitted rental.

The city administration raised permit fees by \$500,000 to add two community service officers to the police department and in more than two years we are only able to hire one individual to handle less than four calls per week year-round.

The vacation rental industry provides \$3,500,000 per year to the General Fund of the city. The city is already in a deficit due to mismanagement of retirement funds and exorbitant benefits provided by prior councils. Don't you think the council has an obligation to know the economic impacts of serious restrictions in one of the only growth industries in the city? Again, we ask the question, "Who owns the all year playground?" Maybe it is the citizens of the world and not the few locals that accumulated enough money to buy a piece of the lake and keep it all to themselves.

Jim Morris is a 30-year resident and president of Lake Tahoe Accommodations, a company producing 10 percent of the total VHR transient occupancy taxes to the city and managing 80 city properties without a VHR fine in 14 years.

P.S. – Mayor Sass has said that there is a group ready to put this issue on the ballot and if this happens then it will get very ugly. I have more confidence in the level headed citizens of South Lake Tahoe than I have in the misguided views of two council members. We don't believe that an election would destroy one of our greatest tourism attractions. I say "bring it on" as the VHR detractors will never accept any compromise until they get their chance to destroy our legitimate industry at the ballot box.