

Opinion: A case against VHR Limits

Publisher's note: *This letter was read at the Oct. 3, 2017, South Lake Tahoe City Council meeting by Sharon Kerrigan Gomez, executive vice president of the South Tahoe Association of Realtors.*

Good morning, Mayor Sass, esteemed members of the council and city staff. My name is Sharon Kerrigan and I represent the board of directors and more than 330 Realtor members of the South Tahoe Association of Realtors.

We are generally supportive of the items that you came to consensus on at the Sept. 5 meeting regarding bear boxes, occupancy, enforcement, violations and fines, and the elimination of a minimum home size requirement for vacation home rentals (VHRs), as well as removing the requirement for an in-person, on-site check-in meeting with VHR guests.



Sharon
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We do have concerns, however, with the proposed restrictions to limit the number of VHRs. We have long maintained that this market will self-regulate, given the opportunity to do so. "Scares" of possible changes and restrictions result in "runs on the bank" pushing the numbers of VHR permits ever higher. The prospect of thousands more VHRs over time is highly unlikely – certainly given the high price associated with

permitting, licensing, maintenance and improvements necessary to meet inspection requirements – and of course, enhanced enforcement.

We understand that our position on property rights conflicts with your views. The reality is that the ability to rent a property is a part of the bundle of rights that comes with property ownership – both on a long-term and short-term basis. With proper enforcement, VHRs will be more successfully regulated by the city. But instituting a minimum distance standard between VHRs will reduce the number over time in neighborhoods that are prime vacation spots, such as Heavenly Valley near the ski resort, and Al Tahoe as it is close to the lake, hiking trails in the meadow and two city parks – all with free public access. These are areas that would be negatively impacted by this restriction and should be allowed a higher concentration of VHRs. Hindsight is 20/20 and if we were to go back 50, 60 or 70 years to establish zoning prior to any development, these areas would be ideal candidates for tourist accommodation.

The idea of a cap is also subjective, and arbitrary, no matter what number you choose. Will there be a wait list, and if so, how will it be managed? What will the council do as the financial needs of the city increases and TOT revenues fall? The tourist core at Stateline simply does not have the units available to accommodate what will be lost by proposed restrictions, and the cost per night's stay will be out of reach to a large number of our visitors. What about falling home values, reduced property tax revenue to the city, and other unintended consequences? We believe that remote home buyers will stop looking to purchase in South Lake Tahoe – we are already hearing about clients seeking vacation homes elsewhere – as concerns about resale value is a large factor. Reactionary, undue restrictions will come with a huge price tag to the city.

Having said this, we do fully support more and better

enforcement. We attended the presentation by Host Compliance outlining new VHR management software, service and a call center with optimism! We believe the city should contract for this product and service as it will save time and work by city police dispatch, result in quicker response times and facilitate the collection and compilation of rich, robust data which may be used for future decisions by the city. We would like to see more empowered city personnel – perhaps deputized – who can fully handle complaints on site, including issuance of citations and fines. Combined, these actions should address the needs of city residents who have been disturbed by large parties or unruly guests, a very real problem which we acknowledge must be addressed. It is also very likely that going after unpermitted advertisers of short terms rentals and collecting fines could make this program pay for itself.

Finally, we understand that we have not presented alternatives to the cap and density proposals. In the end, we feel that there is no way to implement these new restrictions and still maintain the flexibility needed to ensure an ongoing, strong and vibrant tourist economy. We want South Lake Tahoe to continue to grow and provide strong employment, business opportunities – and services – for all residents – working or not. We feel city staff, City Council and community leaders are up to the challenges of making the positive changes our city needs – to address its growing pains and the problems that come with successful industry and population growth (what a great problem to have!). We'd love the opportunity to continue to be a part of developing those solutions.

Thank you for your time.