

Ballot proposal would obliterate VHRs in SLT

By Kathryn Reed

From 1,400 vacation rentals to zero is what a group of South Lake Tahoe residents would like to see happen.

Dan Browne and Ken Weitzman are the two who have signed the paperwork to bring the initiative to the ballot in November 2018. Peggy Bourland, they both said, is the other key player behind the movement. (She chose not to speak to *Lake Tahoe News*.)

Browne and Weitzman say hundreds of residents have said they support the cause.

Weitzman told *Lake Tahoe News* the reason for the measure “is because the city has not done anything to alleviate the problems create by vacation rentals in neighborhood. There are so many people who are tormented weekend and week out.”

They say residences are being turned into hotels. Noise is a predominant issue. And no one at the city, they contend, is doing anything to curtail the problems. They are fed up, don't believe the council is listening and want the people of South Lake Tahoe to take control.

Their proposal would take the 1,400 VHRS that are permitted outside the tourist core area and eliminate them all within a year of the initiative's passage.

According to City Manager Nancy Kerry, “Many of those homes would likely be placed on the market to sell, which would flood the market immediately, reducing property values. As you know from the Great Recession, as home prices were rapidly falling, the problem was exacerbated as people flooded the

real estate market by adding their home for sale to the mix. Consider that if even if just 10 to 20 percent of the 1,400 VHRs (140-280 homes) were added to the for-sale market overnight due to the ban, the competition for buyers would drive prices down, reducing property values, which in turn reduces income for homeowners and all the residual financial impacts. If the percentage of VHR owners who put their home on the market was more than 20 percent, the financial impacts to the real estate market would be significant.”



The Gondola Vista condo project near the state line could provide more vacation rentals in the tourist core. Photo/LTN

It's a lengthy process to get the proposal on the ballot, and then people must vote for it. If approved, there is always the threat of a lawsuit to challenge its legitimacy. Plus, there is talk of a counter-measure that would further muddy the waters.

Proponents have 180 days from Nov. 8 to get signatures from 10 percent of the registered voters in the city based on the last General Election, so just more than 1,100 people. Those will then be verified by the county elections officials. Other

paperwork is required as well.

“We are willing to roll the dice. If people in South Lake Tahoe want an unlimited number of vacation rentals, so be it,” Browne told *Lake Tahoe News*. “We tried to bring this to the attention of the City Council and work with them as much as we could and they gave us a deaf ear.”

Weitzman said, “We are willing to sit down and talk. The city has neglected us. We have to somehow make them understand us. I want to have a nice, congenial, pleasant town.”

While both say a compromise is possible, neither would say what it would take to get them to drop the ballot proposal.

Vacation home rentals in the city – and throughout the state and elsewhere – have become more contentious as residents grow frustrated with lack of enforcement and locals can’t find a place to live.

The city has had dozens of meetings, revised the ordinance multiple times since it was first approved in 2003, commissioned an economic study, formed a subcommittee of two councilmembers, and has met with various interested parties.

The ballot group wants the real estate community to come to the table and propose a number. It has yet to do so as a group.

The South Tahoe Association of Realtors provided the following statement to *Lake Tahoe News*, ““Representatives from the South Tahoe Association of Realtors met with members of the group pursuing a ballot measure to ban VHRs outside of the tourist core area, and sincerely engaged in dialogue in an effort to come to better understanding of issues and concerns about VHRs. Our intention is to work with all interested parties to find a mutually acceptable solution. Given the size of our diverse membership of 300-plus Realtors and 500-plus MLS participants, we need time to reach out to them before we can

take a position. We do agree that robust enforcement is key to making any option work.”

Austin Sass, whose tenure as mayor will be over Dec. 12, has taken it upon himself to meet with various groups under the guise of representing the entire council. However, his colleagues gave him no direction to do so, nor did he have the power to make promises. He and Councilwoman Wendy David were the council’s VHR subcommittee, but she was not invited to all of the powwows.

The city is going forward with its business, including looking for a company to provide assistance with monitoring VHRs and providing enforcement help. Bids are being taken until Nov. 20, with the expectation the council will vote on a firm at its December meeting. At the Nov. 21 meeting the second reading of the latest VHR ordinance is expected to be voted on. This is what limits the number of VHRs to 1,400.

Regarding the ballot proposal, the city plans to analyze the financial impact.

“If it were to pass, as I wrote in the last staff report to council, something that drastic could very likely create a similar impact of a recession,” Kerry told *Lake Tahoe News*. “The loss of 1,400 vacation home rentals would result in a substantial loss in transient occupancy taxes for the city.”

The city receives approximately \$2.8 million in TOT from VHRs – which is citywide. The ballot initiative would not affect the tourist core, which has a few hundred units.

Browne was asked if the economic impact weighed on his decision to go forward. It’s “not a concern,” he said.

Weitzman, though, disagrees with his compatriot. “Yes, that does concern me because I love this local town.” What he wants is for people in VHRs to use the empty hotel rooms so the economic impact is not as severe.

Here is the ballot title and summary as prepared by law by the city's attorney.