Mark Brodeur Director of Pacific Grove Community and Economic Development May 15, 2017

Response to Pacific Grove residents opposed to short term vacation rentals.

Thank you for sending the comments. Normally I don't respond to individual emails but I felt I needed to set the record straight on an important issue. As a professional urban planning professional, I must suggest to you that the shortage of rental housing in PG is not exacerbated by the small number of short term vacation rentals. The issue is the percentage of homes in Pacific Grove that are SECOND HOMES. Many second home owners do not put their homes into the long term rental pool because they want to visit our awesome town every so often. Some do place their homes into the long term rental marketplace while others see the short term rental program as a way to make some mortgage payments on the second home that many plan to retire to. Many use the additional income to spruce up the home which is good for the neighborhood.

When I came to PG three years ago I had an awful time finding a rental that I could afford and one that was kind of nice. I had to have someone stand in line at an open house on my behalf with a check in their hand to get the rental. Suffice it to say I know how hard it is to get a decent home here to rent.

A full 45% of our housing stock is expressly owned by folks who do not make Pacific Grove their primary home. For example, the City has 8,411 dwelling units, 3,780 of them are second homes. I have two completely empty homes on my block that are not rented in any way. They just sit vacant. The owners visit occasionally.

- We have 8,411 dwelling units in PG.*
- 19% of our homes are vacant.
- 81% are occupied.
- Of those "occupied units" 52% are rental units which is more than the State average of 46%.
- 45% (3,780) of the dwelling units are Second Homes.
- Of the 8,411 dwelling units in PG, only 3.2% are short term vacation rentals.

I can't see how such a small percentage (3.2%) of all units in the City degrades the long term rental market. The short term rental market is only about 8% of the total PG rental market. Still a small percentage.

I think there are much larger forces in play that affect the housing stock and

availability of long term rentals. Certainly "second homes" play a much larger impact than STR's.

We speak with several of the individuals who are in the short term rental program. Many are second home owners who would not consider renting long term because they spend about two months total in their second home. That is important to consider. These are people who love coming here!

I know you and others are not supporters of the short term rental program. I understand that. However, making the supposition that a small percentage of homes is exacerbating the availability and price of long term rentals seems dubious at best. Regardless, the Community and Economic Development Department will be recommending several changes to the Program to further protect the quality of life in Pacific Grove. I am hopeful that interested parties will take a moment to consider the recommendations and be supportive of those modifications once they come to City Council for discussion.