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**P.G. collects big money from short-term vacation rentals
\$300,000 in just four months**

By KELLY NIX

THE CITY of Pacific Grove raked in nearly \$300,000 in taxes from short-term rentals in just four months, according to city finance records.

From July to October, short-term rentals generated \$299,794 in transient occupancy tax, and the total for the current fiscal year could surpass last year's \$707,468 from such rentals, city records show. The city charges a 10 percent transient occupancy tax for short-term vacation rentals, the same amount it charges customers who stay overnight in the city's inns.

"I knew they were taking in lots of money from people like me who rent our homes to vacationers, but even I was stunned by how much," said Pacific Grove resident and vacation rental owner Kirstie Wilde. "And of course, landlords who rent to long-term renters don't pay a penny to the city."

Pacific Grove has seen dramatic increases in short-term rental tax revenue since 2009- 2010, when it collected a mere \$56,986. In 2010-2011, vacation tax revenue had increased nearly 320 percent to \$181,955. By 2013-2014, it had climbed to \$453,048.

The proliferation of websites such as airbnb.com and flipkey.com has meant a boon for short-term home renters — and cities such as Pacific Grove.

Wilde, who is a former owner of The Pine Cone, said that based on the amount of taxes the city has already collected from vacation rentals and average tax increases of such rentals during the past five years, she figures the city will make more than \$1 million by the end of the next fiscal year.

Patricia Maitland, the city's finance director, told The Pine Cone that the projected tax income from short-term residential rentals for the latter part of the fiscal year would be released in February.

At the Dec. 16 Pacific Grove City Council meeting, council members will decide whether to place more regulations on short-term home rentals or ban them altogether.

Opponents of vacation rentals point to noise, parking problems and other issues as the reason the city should disallow such rentals.

Others, like Wilde, contend that allowing homeowners to rent out their houses not only benefits them, but the city as a whole.

"My clients often ask for recommendations, and I send them to my favorite Pacific Grove restaurants," shops, markets, coffee houses and other attractions, she said.

"A few of the people who have complained the loudest about vacation rentals have a home with no mortgage, a nice pension and don't have to work, so they have plenty of time on their hands," Wilde said. "The rest of us are doing our best to make an honest living, provide a needed service, pay our taxes, and not bother anybody."