



# HOUSING ELEMENT SHORT-TERM RENTAL COMMUNITY MEETINGS AUGUST 2023

## AUGUST 1<sup>ST</sup> CRESTLINE

August 3<sup>rd</sup> Twin Peaks

August 21<sup>st</sup> Big Bear

August 24<sup>th</sup> Morongo Basin



# WELCOME!

## If you have questions or comments...

**During presentation**

**Fill out a question/comment card**

**After the presentation**

**Talk to staff**

**Anytime**

**Email or submit online**

[shorttermrental@lus.subcounty.gov](mailto:shorttermrental@lus.subcounty.gov)

Subject: "STR Study Comments"



# PURPOSE OF TONIGHT

## WE WANT TO HEAR FROM YOU

- What are your questions?
- What other data points or sources should we examine?
- Are you planning on converting your long-term rental into a short-term rental?

## SHARE PROGRESS TO DATE

- Background and methodology
- Data points and trends
- Next steps



## IMPLEMENTATION TEAM

- County Land Use Services Department  
PLANNING DIVISION  
CODE ENFORCEMENT DIVISION
- Consultants  
GRANICUS  
PLACEWORKS
- Tonight's Presenters  
HEIDI DURON, PLANNING DIRECTOR  
COLIN DRUKKER, PRINCIPAL, PLACEWORKS



**BACKGROUND**

TRENDS

NEXT STEPS

## SHORT HISTORY OF STRs

- **Before 2000**

- Visitors/tourists relied on hotels and cabins owned and operated by companies
- Informal home-sharing uncommon and unregulated
- VRBO website launched in 1995

- **After 2000**

- Home-sharing ordinances start to pass (e.g., South Lake Tahoe, 2001)
- Airbnb founded in 2008 and popularizes home-sharing across the globe



**BACKGROUND**

TRENDS

NEXT STEPS

## SHORT HISTORY OF STRs

- **STRs in San Bernardino County (unincorporated only)**
  - County STR ordinance / permit
    - Mountain Region (2017), Desert Region (2019)
    - STRs not permitted in Valley Region
  - In 2020, the COVID pandemic started and less populated areas became even more popular for vacations and remote work
  - Today (2023), 6,300+ units have an active STR permit



**BACKGROUND**

TRENDS

NEXT STEPS

# STUDY BACKGROUND

- **2021-2029 Housing Element**
  - Adopted Sept 2022
  - State certification (HCD) Nov 2022
  - Over two dozen implementation programs
- **Program 4 – Short-Term Rentals (STRs) - purpose**
  - Created based on community concerns expressed during the Housing Element update
  - Do STRs affect the supply of housing?
  - Do STRs affect the cost of housing?
  - Are renters being priced/forced out of the market by STRs?



**BACKGROUND**

TRENDS

NEXT STEPS

## STUDY BACKGROUND

- **Program 4 – Short-Term Rentals (STRs) - timeline**
  - 2022: initiate study
  - March 2023: interim cap for BOS consideration
    - March 28, 2023: presentation to BOS
    - Data not yet available to make informed recommendation
    - Conduct outreach and complete study later in the year
    - Confirmed extension with HCD in advance
  - 2023: conduct public outreach
  - End of 2023: target study completion and bring findings and recommendations to the BOS
  - 2024: implement BOS direction





**BACKGROUND**  
TRENDS  
NEXT STEPS

# STUDY METHODOLOGY

- **Objectives**

- Identify the effects of the conversion of long-term rental housing into STRs
- Understand experiences in other jurisdictions, including strategies to regulate STRs
- Share methodology and preliminary analysis with the community and incorporate feedback
- Provide recommendations based on the study's findings to the County Board of Supervisors



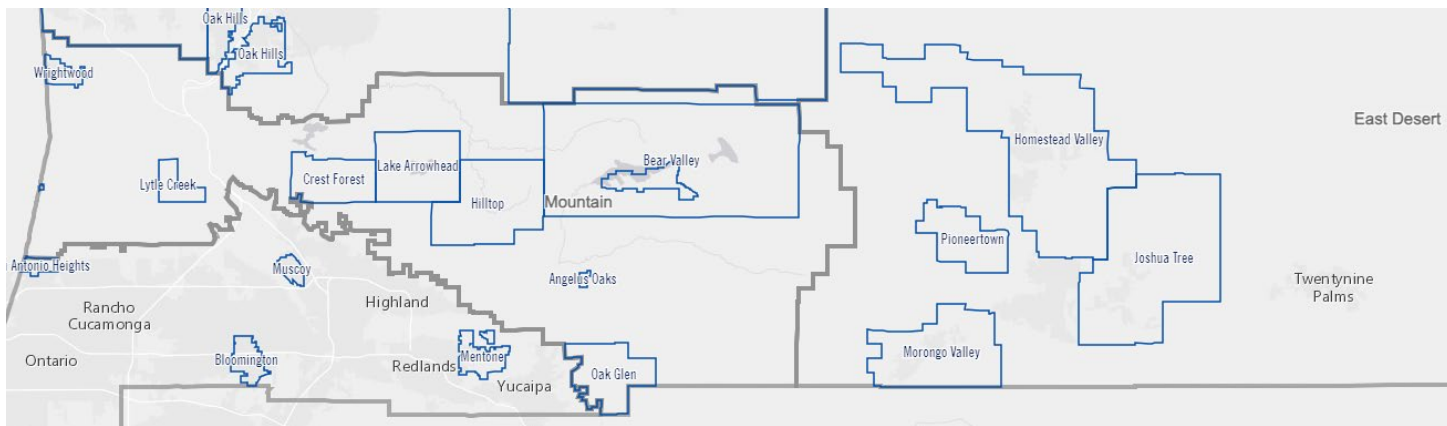
## BACKGROUND

### TRENDS

### NEXT STEPS

# STUDY METHODOLOGY

- **Step 1. Identify study area**
  - Unincorporated county (excludes incorporated areas)
  - Community Planning Areas in Mountain & East Desert Regions





BACKGROUND

TRENDS

NEXT STEPS

## STUDY METHODOLOGY

- **Step 2. Identify number and location of STR units**
  - County STR permit database (active and inactive)
  - Over 60 internet platforms (e.g., Airbnb, VRBO) to document historical activity and unpermitted STRs
  - Create a parcel-based list of historical and active STRs



BACKGROUND

TRENDS

NEXT STEPS

## STUDY METHODOLOGY

- **Step 3. Identify number of STR units previously occupied by long-term renters**
  - County Assessor data
  - Census data
  - Eviction records
  - Real estate data
  - Property management companies
  - Utility usage and billing data
  - DMV car registration data



BACKGROUND  
TRENDS  
NEXT STEPS

## LOCAL DATA POINTS & TRENDS

**50,000+/-**

Total housing units in  
unincorporated Mountain  
and East Desert regions



**93%**

of STRs are single family homes

**6,300+/-**

STRs in unincorporated  
Mountain and East  
Desert regions



**99%**

of STRs rent the entire home

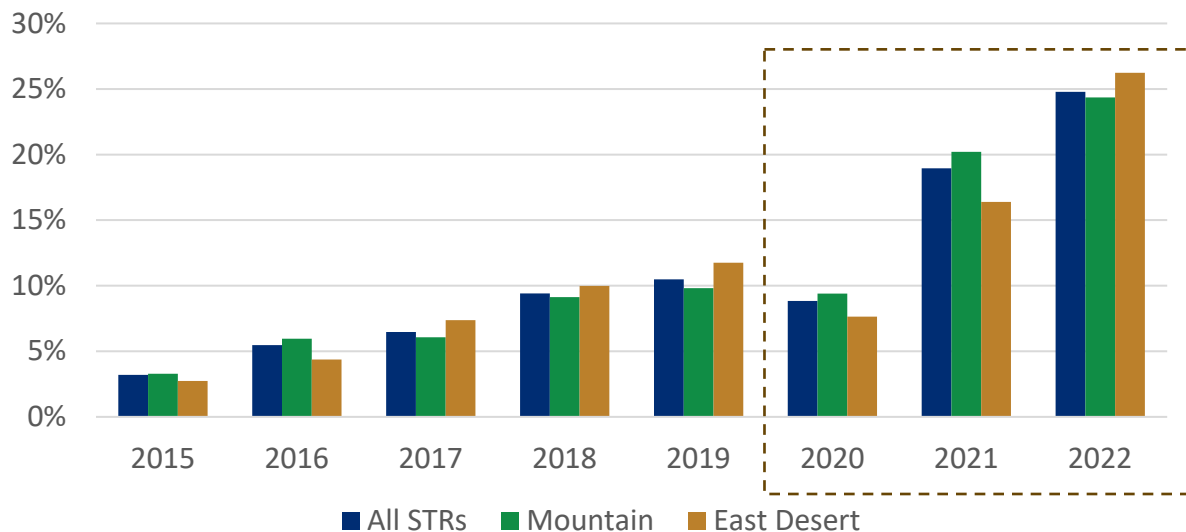


BACKGROUND  
TRENDS  
NEXT STEPS

## LOCAL DATA POINTS & TRENDS

- Most STRs (53%) first became an STR in 2020 or later

When was a housing unit first listed as a STR?

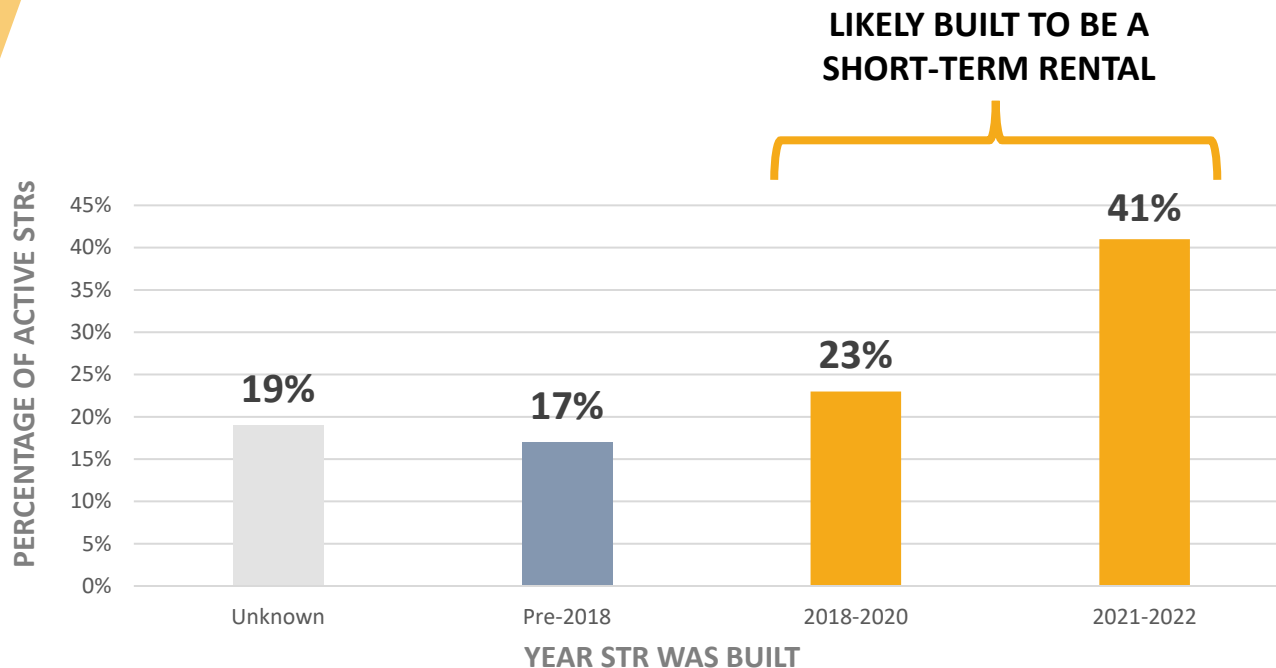




BACKGROUND  
TRENDS  
NEXT STEPS

## LOCAL DATA POINTS & TRENDS

- Roughly two-thirds of active STRs built in 2018 or later

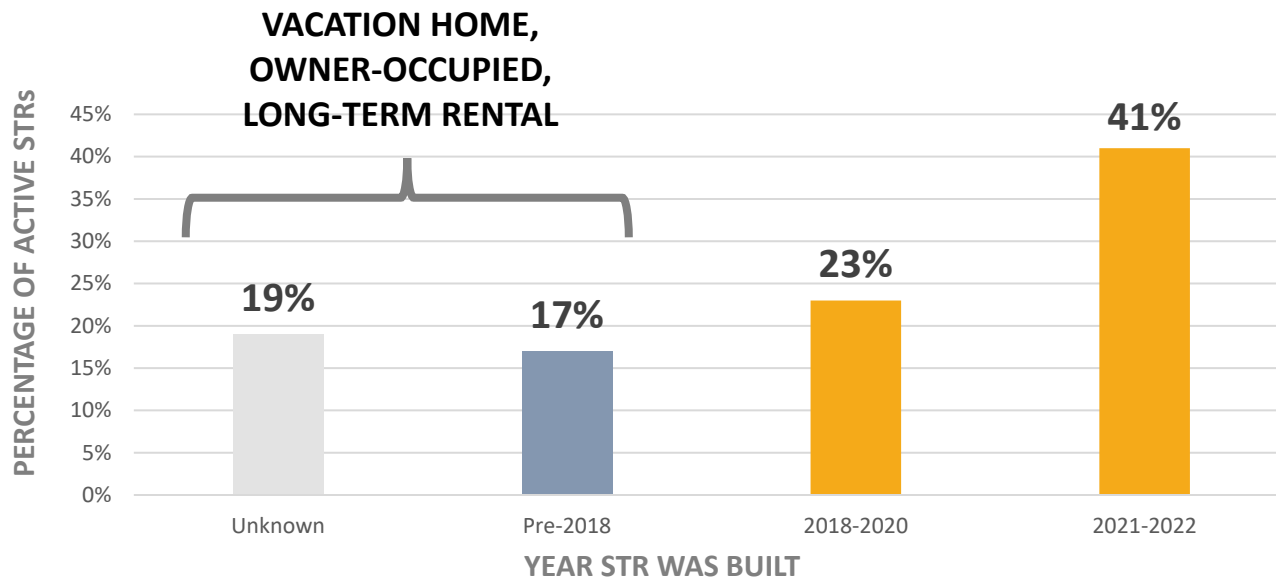




BACKGROUND  
TRENDS  
NEXT STEPS

## LOCAL DATA POINTS & TRENDS

- One-third of active STRs could have originally been built for other purposes





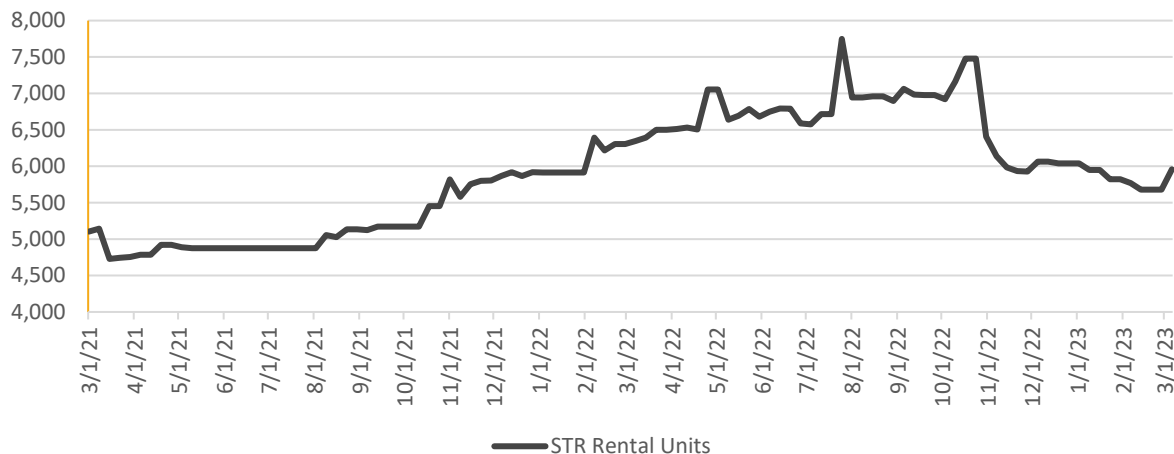


BACKGROUND  
TRENDS  
NEXT STEPS

## LOCAL DATA POINTS & TRENDS

- The number of STR units peaked in 2022
- Requests for new STR permits has slowed
- Evaluating data to better understand recent trend

Units Listed for STR in San Bernardino County, 2021 to 2023

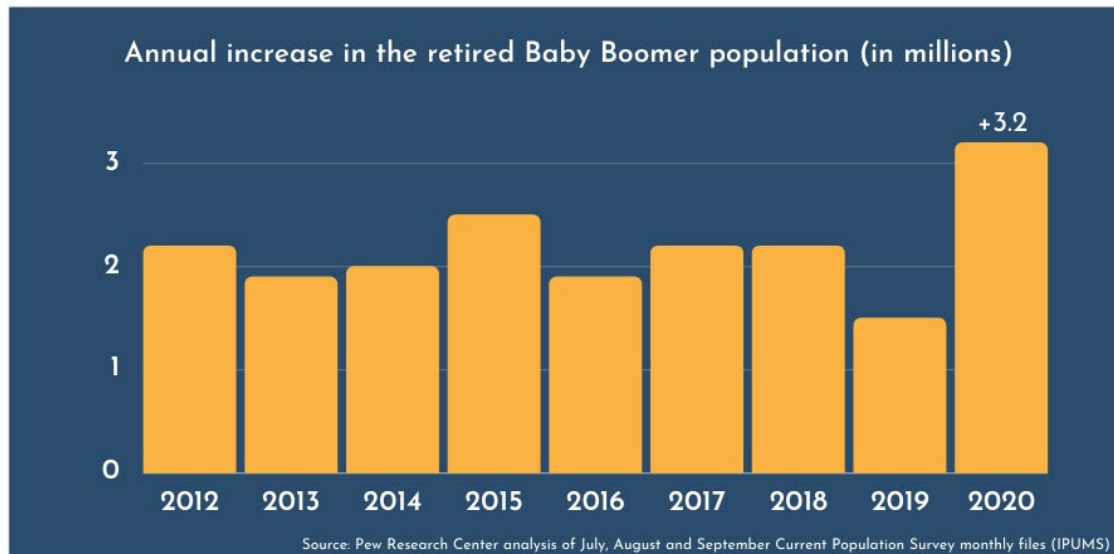




BACKGROUND  
TRENDS  
NEXT STEPS

## BROADER TRENDS

- More baby boomers retired since COVID than in previous years



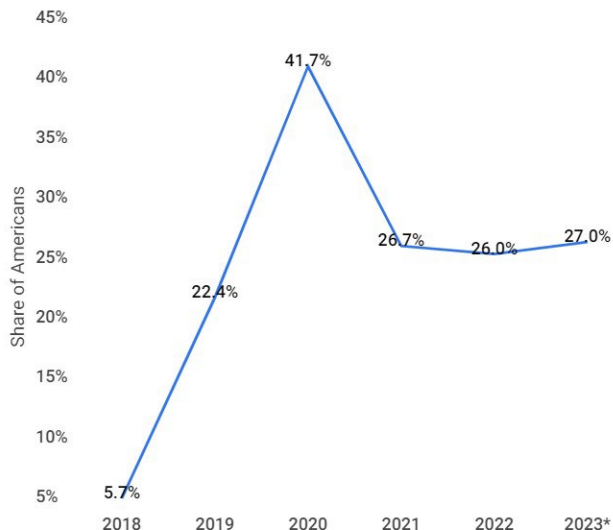


BACKGROUND  
TRENDS  
NEXT STEPS

## BROADER TRENDS

- Rates of working remotely increased dramatically since COVID

SHARE OF AMERICANS WORKING REMOTELY



THE NEW  
NORMAL



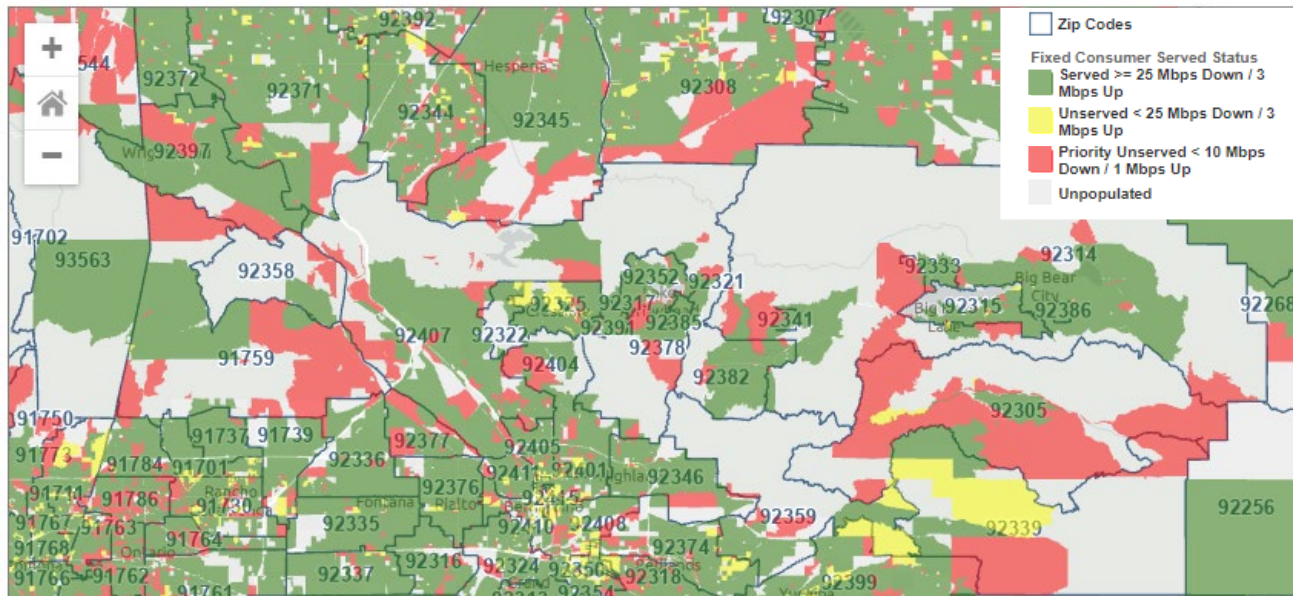
- **Broadband internet is widely available throughout most of the County's Mountain communities, facilitating remote work and enhancing long- and short-term stays**



## Interactive Broadband Map

**This map shows data as of April 2023**

**Maps published by the CPUC in 2019 and 2020 indicate that a similar level of broadband infrastructure was in place prior to the pandemic**

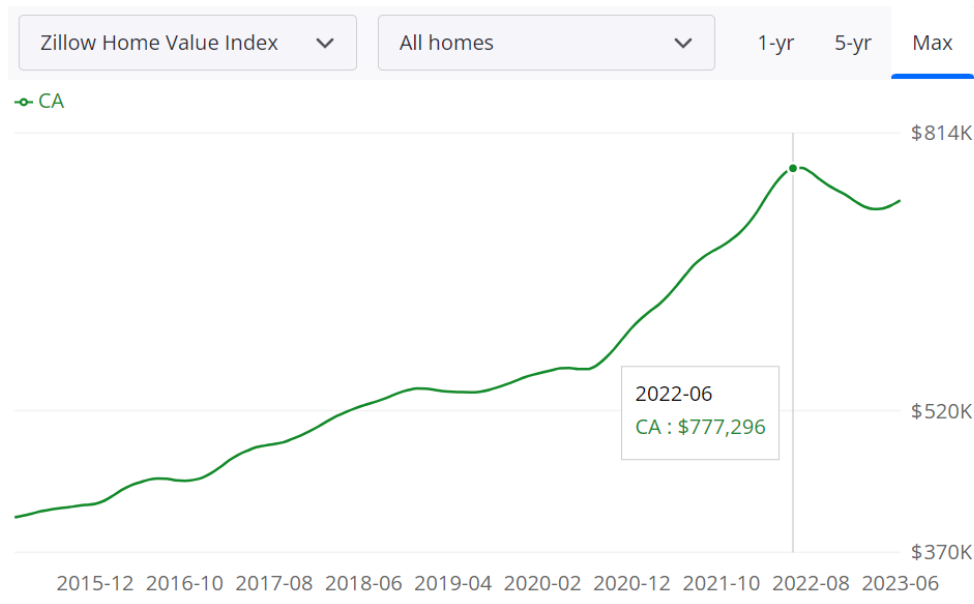




BACKGROUND  
TRENDS  
NEXT STEPS

## BROADER TRENDS

- Home prices, which were already steadily rising, accelerated during the pandemic





BACKGROUND  
TRENDS  
NEXT STEPS

## BROADER TRENDS

- More people are living in Mountain and East Desert communities year round



**+7% owner-occupied**

Crestline & Joshua Tree | 2015 vs 2021

*Only Lake Arrowhead saw a decrease (-1%)*



BACKGROUND  
TRENDS  
NEXT STEPS

## SUMMARY & NEXT STEPS

- **County is busy evaluating wide range of data to better understand how STRs are affecting the housing market**
- **Conduct community meetings in August**
- **Augment data collection and analysis based on community input by early September**
- **Target study completion and bring findings and recommendations to the Board by the end of the year**



BACKGROUND  
TRENDS  
NEXT STEPS

## SUMMARY & NEXT STEPS

- **Focus of current study is STR impacts on housing**
- **We are not studying**
  - Overall economic impacts of tourism or potential changes in the tourist industry
  - Economic impacts on other lodging providers (not currently a focus)
  - Environmental or service impacts of tourism
  - Potential budgetary impacts of fees, fines, or taxes





# REQUEST FOR COMMUNITY INPUT

- What are your questions?
- What other data points or sources should we examine?
- Are you planning on converting your long-term rental into a short-term rental?
- Please email us: [shorttermrental@lus.subcounty.gov](mailto:shorttermrental@lus.subcounty.gov)  
Subject: "STR Study Comments"

## **WANT MORE INFO ON STRs?**

To learn more about STRs, including the County's enforcement process, visit: <https://str.sbcounty.gov>

## **WANT TO FILE A COMPLAINT?**

The County now accepts and processes complaints 24-hours a day / 7-days a week:  
<https://sbcounty-str-complaints.deckard.com/>



# QUESTIONS & DISCUSSION

**THANK YOU!**