

March 28, 2024

Via email: gavin.newsom@gov.ca.gov Hilda.Boyadjian@hcd.ca.gov

Dear Governor Newson and MS Boyadjian,

We are writing to you today regarding the failure of *San Bernardino County* (SBC) to comply with the *Housing Element Program 4* requirement for an analysis and mitigation of the overwhelming impact of Short Term Vacation Rentals on affordable housing in the in the unincorporated Morongo Basin and San Bernardino Mountain communities. Completion of Program 4 was slated for March of 2023, long after the SBC Housing Element was accepted by the State of California.

Since taking office Governor Newsom has recognized our States' Housing Crisis and championed the creation of the *Housing Accountability Unit at the California Department of Housing and Community Development* to make sure cities and counties fulfill their legal responsibilities to plan and permit their fair share of housing.

A draft of the proposed SBC Program 4 was prepared, however in our opinion SBC's effort continues to be unacceptable and warrants the full attention and power of the Governor, and HCD Housing Accountability Unit.

In opposition to much public comment, SBC has continued for over five years to allow Short Term Rentals to proliferate unchecked, with no limit on the number or saturation within specific communities. As a result, since 2018 neighborhood densities of STRs have increased from approximately 5% to between 20% and 50% of available homes in specific neighborhoods such as Joshua Tree, Landers, Flamingo Heights, Johnson Valley, Pioneertown, Rimrock, Pipes Canyon, Morongo Valley and Wonder Valley. Why is it that SBC cannot simply place an immediate cap on the number of STRs as has nearby Yucca Valley, Twentynine Palms or Palm Springs?

As a result of SBC's STR permitting, for the first time there is a historic affordable housing crisis in the Morongo Basin which is displacing families, senior citizens, local workers and has impacted the cost of housing for the Twentynine Palms Marine Base. The STR market is now saturated, occupancy and overnight stay rates are dropping, with former homes now 'empty STRs'. Many of these former homes were renovated to create luxury STRs and are now appearing on real estate listings at a now unaffordable price for locals. The majority of these STRs are owned by out-of-area real estate speculators with no ties to the Morongo Basin. SBC has taken NO steps to mitigate the affordable housing crises in the high desert.

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In late 2023 the Morongo Basin Conservation Association (MBCA) provided extensive public comment on the SBC Draft Program 4 Technical Memorandum. We have provided the HCD with this more-than 50-page response and the appendices. Since December 2023 SBC has neglected to meet with us or provide any status as to Program 4. SBC and has ignored our many emails and request for information.

We hope that the Governor's office and the HCD Housing Accountability Unit will review MBCA's comments on the Draft SBC Program 4 and encourage San Bernardino County's cooperation and communication with Morongo Basin and other community groups to resolve STR impacts on neighborhood quality of life and housing for our residents. In our response you will find detailed documentation of the history of the STR housing impacts on affordable housing and suggestions for changes in the analysis, conclusions, and mitigation.

## Background-

The mission statement of the Morongo Basin Conservation Association is:

To Advocate and educate for a healthy desert environment which nurtures wildlands and our communities' rural character, cultural abundance, and economic well-being.

MBCA is an active participant in County land use decision making because the governance structure of the County gives but one elected representative, the Third District supervisor to address our local concerns. Commenting on land use decisions allows us to advocate for the natural environment which the majority of San Bernardino County consists of. MBCA prepared many comments during the preparation of the 2019 County Wide Plan (CWP) that replaced the 2007 General Plan. Our involvement in the planning process included the preparation of the most recent Housing Element of the CWP.

Through the Instagram popularity of Joshua Tree, the impact of the pandemic, the explosion of vacation rental lodging demand, the abundance of Naturally Occurring Affordable Housing in the high desert with its many Homestead-era houses, the number of Short Term Rentals (STRs) exploded. The economic well-being of our area, which is founded on the availability of housing, has been drastically affected by this explosion within the un-incorporated mountain and desert regions of SBC. Entire neighborhoods have been converted to become in effective 'commercial' lodging zones.

MBCA has been active in bringing awareness to Housing and STR issues in the Basin and produced this video with examples and anecdotes of residents, business owners and homeless advocates on the effects of the STR boom and housing shortages here in the Morongo Basin. The video was presented to all members of the Board of Supervisors as the STR ordinance was being considered amended which we believed would have addressed some of the issues created by an out-of-balance housing market. Unlike tourism focused communities such as Big Bear, Lake Tahoe and Palm Springs, there are not many vacation homes that were being converted to STRs in the High Desert; the homes being converted were formerly family homes. Additionally, the High Desert, and many of the mountain communities, lack the infrastructure necessary to allow the construction of new multifamily and affordable housing.

As we became involved with commenting on the Housing Element and Annual Progress Reports (APRs), we raised the issue of STRs being tabulated as vacancies within the APR. MBCA expressed our concerns to the HCD with phone calls and letters. Subsequently, we

were pleased to see that a condition of acceptance of the Housing Element by the State was to require a study of the effects of STRs on housing availability; known as Program 4.

In August 2023 the county held a public meeting requesting input on what the scope of the Program 4 study should include. In November of 2023, a virtual presentation followed by a Technical Report and Appendix, prepared by consultants, was released for public review. During the virtual meeting, a date of mid-December was given for consideration of the report by the Board of Supervisors. Comments on the report were delivered to the county prior to this date when the report was to be considered. Subsequently a revised date was given for January 2024 and after this date passed, yet another date was given for consideration of the report for March 2024. As of this writing, there has been no further mention of the Study or any response to comments made by MBCA and others on the Study.

While the Short-Term Rental business continues to change and evolve, the effects of STRs on the availability of housing within the County has yet to be recognized and accounted for as committed to by the County.

MBCA joined the Center for Biological Diversity in this <u>letter</u> to the County expressing our contention that the belated adoption of an STR ordinance should have been subject to a comprehensive CEQA analysis and the ordinance is inconsistent with the County Wide Plan and Housing Element.

Meanwhile the significant effects of STRs on our communities continues to be felt...

Regards,

Steve Bardwell, President

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Morongo Basin Conservation Association