

Martha Alvarez

From: Bruce Moe
Sent: Monday, April 8, 2019 2:31 PM
To: Martha Alvarez
Subject: FW: Airbnb

Bruce Moe
City Manager
(310) 802-5053
bmoe@citymb.info
City of Manhattan Beach, CA

Office Hours: M - Th 7:30AM - 5:30 PM | Alternate Open Fridays 8:00AM - 5:00 PM | Closed Alternate Fridays | Not Applicable to Public Safety

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-----Original Message-----

From: Rita Chavers <rmchavers@yahoo.com>
Sent: Monday, April 8, 2019 12:55 PM
To: List - City Council <CityCouncil@citymb.info>
Subject: Airbnb

Dear City Council,
I'm a long time resident of Manhattan Beach and I strongly support your ban of Airbnb.
~ Rita chavers
420 32nd street

Sent from my iPhone

Martha Alvarez

From: Mary Kirchwehm on behalf of Bruce Moe
Sent: Monday, April 8, 2019 10:34 AM
To: Martha Alvarez
Subject: FW: Short term rentals and AirBnB

Bruce Moe
City Manager
(310) 802-5053
bmoe@citymb.info
City of Manhattan Beach, CA

Office Hours: M - Th 7:30AM - 5:30 PM | Alternate Open Fridays 8:00AM - 5:00 PM | Closed Alternate Fridays | Not Applicable to Public Safety

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-----Original Message-----

From: Hildy Stern <hstern@citymb.info>
Sent: Thursday, April 4, 2019 6:54 PM
To: Bruce Moe <bmoe@citymb.info>; Quinn Barrow <qbarrow@citymb.info>
Subject: Fw: Short term rentals and AirBnB

Hildy Stern
Councilmember
310-802-5053
hstern@citymb.info
City of Manhattan Beach, CA

Office Hours: M - Th 7:30AM - 5:30 PM | Alternate Open Fridays 8:00AM - 5:00 PM | Closed Alternate Fridays | Not Applicable to Public Safety

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From: Larelle Rutherford <larellek@verizon.net>
Sent: Thursday, April 4, 2019 5:07 PM
To: Steve Napolitano; Nancy Hersman; Richard Montgomery; Suzanne Hadley; Hildy Stern
Subject: Short term rentals and AirBnB

Council members,

As a resident of Manhattan Beach who lives close to town in a small condo complex I have seen what happens when we allow short term rentals in our town and am very much opposed to having them here. I support the ban that will be discussed at the April 16, 2019 meeting.

Thank you,

Larelle Rutherford

Martha Alvarez

From: Mary Kirchwehm on behalf of Bruce Moe
Sent: Monday, April 8, 2019 10:25 AM
To: Martha Alvarez
Subject: FW: Ban of STRs

Bruce Moe
City Manager
P: (310) 802-5053
E: bmoe@citymb.info



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From: Hildy Stern <hstern@citymb.info>
Sent: Sunday, April 7, 2019 12:18 PM
To: Bruce Moe <bmoe@citymb.info>
Subject: Fw: Ban of STRs

Hildy Stern
Councilmember
P: 310-802-5053
E: hstern@citymb.info



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From: Susan Sweeney <susan@sweeneyhomes.com>

Sent: Friday, April 5, 2019 5:11 PM

To: Hildy Stern

Cc: 'Susan Sweeney'

Subject: Ban of STRs

I believe that the city should ban the use of Short Term Rentals.

Susan Sweeney

1152 10th Street

Manhattan Beach, CA 90266

310-780-6429

Martha Alvarez

From: Bruce Moe
Sent: Monday, April 8, 2019 8:09 AM
To: Martha Alvarez
Subject: FW: Why Are STRs Like Vampires?!
Attachments: Inside Airbnb's 'Guerrilla War' Against Local Governments - Wired 3-20-19.pdf; As Airbnb Grows, So Do The Problems Cities Have With It - NPR 3-28-19.pdf; MB Council Meeting Minutes 3-6-19.pdf

Bruce Moe
City Manager
P: (310) 802-5053
E: bmoe@citymb.info



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From: Paul Beswick <pgb7723@earthlink.net>
Sent: Sunday, April 7, 2019 3:50 PM
To: Steve Napolitano <snapolitano@citymb.info>; Nancy Hersman <nhersman@citymb.info>; Richard Montgomery <rmontgomery@citymb.info>; Suzanne Hadley <shadley@citymb.info>; Hildy Stern <hstern@citymb.info>
Cc: Bruce Moe <bmoe@citymb.info>
Subject: Why Are STRs Like Vampires?!

To Manhattan Beach City Council Members and City Manager,

Why are STRs (and particularly Airbnb) like vampires?! Because they suck the lifeblood out of a community and they are incredibly hard to kill!

In case you haven't seen the recent Wired Magazine article on Airbnb that was referenced in "Next Door" last week (<https://www.wired.com/story/inside-airbnbs-guerrilla-war-against-local-governments/>), I have attached a copy of it and a transcript of an NPR interview with the article's author. The article, titled "Inside Airbnb's 'Guerrilla War' Against Local

Governments”, details how Airbnb and other Short-Term Rental (STR) companies wage a sneaky, underhanded and well-financed war against local governments in an effort to block or frustrate municipalities’ efforts to ban or control them.

As you can see from the article, Airbnb and these other STR companies have no interest in or concern about preserving the character of the communities within which they operate or the welfare of their residents. They do their best to obscure who are using their platforms (the “hosts”) to rent rooms or houses, frustrating attempts to collect occupancy taxes from them. Also, these STRs do nothing to help the cities in which they operate enforce health, safety and zoning regulations on their “hosts”. Contrast all this with the way in which hotels, motels and bed & breakfasts operate. If those entities didn’t pay all the occupancy taxes due and/or ignored health, safety and zoning regulations, there would severe financial and perhaps criminal repercussions.

Furthermore, the article describes how Airbnb (and other STRs) will mobilize their “hosts” and/or utilize deceptively-named PACs in stealth attacks, presenting “grassroots/middle class” opposition to attempts by local governments to block them or rein them in. Keep this in mind as you receive (or are barraged by) “personal” entreaties, often seemingly innocuous and reasonable, asking you to consider “the other side” of the STR issue.

As you are all well aware, at the March 6th City Council meeting, the Council Members voted unanimously to maintain a complete ban on short term rentals and, further, to strengthen enforcement (see page 8 of the attached March 6th Council Minutes). I urge you to resist any attempts by STR interests to undo this total ban. Such a total ban is in the best interest of the city we love and its residents.

Thank you for your consideration of this important matter.

Sincerely Yours

-- *Paul*

Paul G. Beswick

P.S. I am copying Mr. Moe on this e-mail so he is also current on this matter and to ask him to follow up with Ms. McIntosh to ensure she is taking the necessary steps for aggressive enforcement of the STR ban ... something that has been sadly lacking!

City of Manhattan Beach

*1400 Highland Avenue
Manhattan Beach, CA 90266*



Meeting Minutes - Final

Wednesday, March 6, 2019

6:00 PM

Regular Meeting

City Council Chambers

City Council Regular Meeting

*Mayor Steve Napolitano
Mayor Pro Tem Nancy Hersman
Councilmember Richard Montgomery
Councilmember David Lesser
Councilmember Amy Howorth*

PLEASE NOTE THAT THE CITY ARCHIVES THE VIDEO RECORDINGS OF ALL REGULAR CITY COUNCIL MEETINGS AND THE VIDEO FOR THIS MEETING IS HEREBY INCORPORATED BY THIS REFERENCE. ALSO IN SUPPORT OF MORE TRANSPARENCY AND THE AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE, THE CITY OFFERS CLOSED CAPTIONING FOR REGULAR CITY COUNCIL MEETINGS. FOR A COMPLETE RECORD OF THIS CITY COUNCIL MEETING, GO TO:
www.citymb.info/departments/city-clerk/city-council-meetings-agendas-and-minutes

A. PLEDGE TO THE FLAG

Mayor Napolitano called the meeting to order and presented a certificate of recognition to Parker Lynch, Mira Costa High School, for leading the Pledge of Allegiance.

B. ROLL CALL

Present: 5 - Mayor Napolitano, Mayor Pro Tem Hersman, Councilmember Montgomery, Councilmember Lesser and Councilmember Howorth

C. CEREMONIAL CALENDAR

1. Presentation of Certificates to the Winners of the 2018 Fire Department Annual "Home Escape Plan" Contest. [19-0034](#)
PRESENT

Mayor Napolitano, on behalf of the City Council, presented certificates of recognition to the Winners of the 2018 Fire Department Annual "Home Escape Plan" Contest. The following students were recognized:

*Ellie Stetson, American Martyrs Catholic School
Dylan Black, Grand View Elementary School
Melia Tsai, Meadows Elementary School
Sydney Weitz, Pacific Elementary School
Adelaide Barber, Pennekamp Elementary School
Conner Saxena, Robinson Elementary School*

2. Presentation of the "Lifesaving Award" to Barry Cottle, Gareth Dulai and Erik Svensson for Assisting and Administering CPR to a Cardiac Arrest Victim. [19-0100](#)
PRESENT

Mayor Napolitano, on behalf of the City Council, presented the "Lifesaving Award" to Barry Cottle, Gareth Dulai, and Erik Svensson for assisting and administering CPR to Erik Jackson.

D. APPROVAL OF AGENDA AND WAIVER OF FULL READING OF ORDINANCES

Mayor Pro Tem Hersman requested to remove from the Consent Calendar, Agenda Item No. 7 -- Consider Approving a Comprehensive Citywide Salary Schedule for all City Positions and Adjustments to Salary Ranges.

Mayor Pro Tem Hersman requested to remove from the Consent Calendar, Agenda Item No. 8 -- Consider Adopting Resolution No. 19-0024 Establishing the Manhattan Beach City Logo and Authorizing and Directing Staff to Take All Related Actions to Implement and Trademark the City Logo.

A motion was made by Councilmember Howorth, seconded by Mayor Pro Tem Hersman, to approve the agenda and waive full reading of ordinances, and remove Agenda Item Nos. 7 and 8 from the Consent Calendar for individual consideration. The motion carried by the following vote:

Aye: 5 - Napolitano, Hersman, Montgomery, Lesser and Howorth

E. CITY COUNCIL AND COMMUNITY ORGANIZATION ANNOUNCEMENTS OF UPCOMING EVENTS (1 MINUTE PER PERSON)

Kelly Stroman announced the Gelson's Gives Back event on Saturday, March 9, 2019, benefitting the Manhattan Beach Education Foundation.

Izzy, Sammy, Emma, students from Mira Costa High School, announced the Mira Costa High School Beautification Day on March 9, 2019, from 9:00 AM to 1:30 PM.

Councilmember Montgomery announced that Manhattan Beach Community Church has a new reverend, Matthew Baugh.

Councilmember Howorth requested that if community members see campaign signs, that they remove them now that the election is over.

F. PUBLIC COMMENTS (3 MINUTES PER PERSON)

The following individuals spoke:

*Randy Schnack
Lissen Schnack
John Eapen
Will Arvizo
Hal Croft
Esther Hutchison
Nicole Shepley
Allie Bussjaeger
Sydney Huber
Kathy Clark
Sara Shehan
Coda Christoferson
Suzanne Lerner
Michelle Murphy
Ray Joseph
Dr. Cotton
Karen Komatinsky
Mike Matthews
Madeline Komatinsky
Jon Chaykowski
Karen Grenier
Steve Packwood
Elyse Gura
Bridget Hawkins
Nirmal Patel
Erin Purdy
Unknown speaker
Bill Victor
Cheryll Lynn
Unknown speaker
Erin Rezner*

G. CONSENT CALENDAR (APPROVE)

Mayor Napolitano asked when the trash contract is going to be ready for public viewing, and City Attorney Quinn Barrow stated that it should be done in the next two weeks.

A motion was made by Mayor Pro Tem Hersman, seconded by Councilmember Howorth, to approve the Consent Calendar with the exception of Items Nos. 7 and 8 to be heard under Section H. The motion carried by the following vote:

Aye: 5 - Napolitano, Hersman, Montgomery, Lesser and Howorth

3. City Council Minutes: [19-0101](#)

This Item Contains Minutes of the Following City Council Meeting(s):

a) City Council Adjourned Regular Meeting Minutes (Closed Session) of February 19, 2019

b) City Council Regular Meeting Minutes of February 19, 2019 (City Clerk Tamura).

APPROVE

The recommendation for this item was approved on the Consent Calendar.

4. Financial Reports: [19-0095](#)

a) Schedule of Demands January 31, 2019

b) Investment Portfolio for the Month Ending January 31, 2019

c) Month End Report for January 31, 2019

(Finance Director Charelian).

ACCEPT REPORTS AND DEMANDS

The recommendation for this item was approved on the Consent Calendar.

5. Consider Second Reading and Adoption of Ordinance No. 19-0006 to [19-0124](#)

Prohibit Shared Mobility Devices from Being Placed or Operated in Any Public Right-of-Way or on Public Property, or Offered for Use Anywhere in the City (City Manager Moe).

ADOPT ORDINANCE NO. 19-0006

The recommendation for this item was approved on the Consent Calendar.

6. Consider Approving a Memorandum of Understanding Between the City [19-0126](#)

of Manhattan Beach and California Teamsters Local 911 (Human Resources Director Jenkins).

ADOPT RESOLUTION NO. 19-0025

The recommendation for this item was approved on the Consent Calendar.

7. Consider Approving a Comprehensive Citywide Salary Schedule for all [19-0127](#)

City Positions and Adjustments to Salary Ranges (Human Resources Director Jenkins).

ADOPT RESOLUTION NO. 19-0026

This item was removed from the Consent Calendar and subsequently continued to a later City Council Meeting.

8. Consider Adopting Resolution No. 19-00024 Establishing the Manhattan Beach City Logo and Authorizing and Directing Staff to Take All Related Actions to Implement and Trademark the City Logo (Parks and Recreation Director Leyman). [19-0133](#)

ADOPT RESOLUTION NO. 19-0024

This item was removed from the Consent Calendar and heard under Section H- Items Removed from the Consent Calendar.

9. Consider Second Reading and Adoption of Ordinance No. 19-0003 to Reduce Single-Use Plastic and Balloon Pollution (Community Development Director McIntosh). [19-0117](#)

ADOPT ORDINANCE NO. 19-0003

The recommendation for this item was approved on the Consent Calendar.

10. Approve the Selection of the New City Website Domain Name: manhattanbeach.gov (Information Technology Director Taylor). [19-0094](#)

APPROVE

The recommendation for this item was approved on the Consent Calendar.

H. ITEMS REMOVED FROM THE CONSENT CALENDAR

7. Consider Approving a Comprehensive Citywide Salary Schedule for all City Positions and Adjustments to Salary Ranges (Human Resources Director Jenkins). [19-0127](#)

ADOPT RESOLUTION NO. 19-0026

City Manager Bruce Moe stated that subsequent to the agenda packet going out, staff discovered changes to the item that need to be made.

Mayor Pro Tem Hersman stated that there are a number of positions listed on the salary schedule which are not currently filled, and directed staff to remove the Assistant City Manager and Economic Vitality Manager positions from the Citywide Salary Schedule.

Mayor Napolitano opened the floor for public comments. The following individuals spoke:

*Steve Packwood
Bill Victor*

Seeing no further requests to speak, Mayor Napolitano closed the floor for public comments.

By order of the Chair, this item was continued to a future City Council meeting.

8. Consider Adopting Resolution No. 19-00024 Establishing the Manhattan Beach City Logo and Authorizing and Directing Staff to Take All Related Actions to Implement and Trademark the City Logo (Parks and Recreation Director Leyman). [19-0133](#)

ADOPT RESOLUTION NO. 19-0024

Parks and Recreation Director Mark Leyman responded to City Council questions.

Mayor Napolitano opened the floor for public comments.

Seeing no requests to speak, Mayor Napolitano closed the floor for public comment.

A motion was made by Councilmember Howorth, seconded by Mayor Pro Tem Hersman, to adopt Resolution No. 19-0024 establishing the Manhattan Beach City logo and authorizing and directing staff to take all related actions to implement and trademark the City logo. The motion carried by the following vote:

Aye: 5 - Napolitano, Hersman, Montgomery, Lesser and Howorth

At 7:38 PM, City Council recessed and reconvened at 7:45 PM with all City Councilmembers present.

I. PUBLIC HEARINGS

11. Consider Introduction of Ordinance Nos. 19-0007 and 19-0008 Amending the Zoning Code and Local Coastal Program to Reinforce the Prohibition on Renting Residential Property for Less Than 30 Days, Except Under Limited Circumstances (Community Development Director McIntosh). [19-0108](#)

a) CONDUCT PUBLIC HEARING

b) INTRODUCE ORDINANCE NOS. 19-0007 AND 19-0008

Community Development Director Anne McIntosh presented the staff report and responded to City Council questions.

Mayor Napolitano opened the public hearing.

Paul Beswick expressed his view that short-term rentals should be banned completely as they do not make sense from an economic standpoint, and they do not preserve the City's small town feel.

Lee Phillips stated that she supports keeping and enforcing the ban on short-term rentals and that there needs to be more active announcements made regarding this issue.

Steve Packwood stated that he supports a complete ban on short-term rentals in the City of Manhattan Beach and encouraged the City Council to not allow any exceptions to this ban.

Robin Spence stated that she supports a complete ban on short-term rentals in the City of Manhattan Beach and encouraged the City to look at how Hermosa Beach has enforced their ban on short-term rentals.

Ashleigh Daniker expressed that she supports a complete ban on short-term rentals as it changes the dynamics of a neighborhood, and can be very difficult for the residents to maintain a good relationship with their neighbors who live within close proximity.

Manuela Millington stated her view that there should be a complete ban on all short-term rentals in the City of Manhattan Beach as they will change the feel of the City and go against the City's General Plan.

Bill Victor stated his view that the City and its residents do not own the ocean or the beach and that much of the beauty preservation has come from the regulations by the California Coastal Commission. He stated that the ban on short-term rentals takes rights away from property owners without due process.

Rosalee Eisenstadt expressed her view that she is opposed to short-term rentals with no exceptions.

Martha Andreani urged the City Council to continue to support the City's General Plan and community values and to uphold the complete ban on all short-term rentals in the City of Manhattan Beach.

Greg Ugarte stated his concern that allowing short-term rentals could complicate his relationships with his neighbors and urged the City Council to uphold the complete ban on short-term rentals.

Karol Wahlberg stated that she is for a complete ban on short-term rentals as it changes the fabric of the community.

Heather Rezner expressed that she believes the City has failed to enforce the ban that is currently in place, and supports maintaining and further enforcing a ban on all short-term rentals.

Neil Leventhal stated that he supports a complete ban on short-term rentals.

Scott Frego stated that while he owns a rental property unit in the City of Manhattan Beach, he is not interested in renting it out short-term, but rather is committed to creating a community where he lives.

Tammy Zomersil expressed her complete opposition to any allowing short-term rentals in the City of Manhattan Beach. She stated that allowing some types of short-term rentals may open the City up to the California Coastal Commission's review of the local ordinance.

Will Arvizo expressed his view that the City could enforce the ban that they already have in place, but have failed to do so, and that putting in place the proposed ordinance would serve to only complicate enforcement efforts.

Seeing no requests to speak, Mayor Napolitano closed the public hearing.

Councilmember Montgomery stated that in his 2017 election campaign, he received a campaign contribution from AirBnB and he returned it after his campaign manager passed away last year.

City Attorney Quinn Barrow stated that based upon his statement, Councilmember Montgomery has no financial interest in the matter before the City Council.

City Manager Bruce Moe, City Attorney Quinn Barrow, and Community Development Director Anne McIntosh responded to City Council questions.

A motion was made by Mayor Napolitano, seconded by Councilmember Howorth, to maintain a full ban on short-term rentals in residential zones in the City of Manhattan Beach, strengthen enforcement by prohibiting advertisement and have a six month review on the enforcement of the ban on short-term rentals. The motion carried by the following vote:

Aye: 5 - Napolitano, Hersman, Montgomery, Lesser and Howorth

- 12.** Consider Second Reading and Adoption of Ordinance No. 19-0004
Establishing a Sepulveda Boulevard Corridor Overlay District and
Amending Commercial Development Standards to Provide a Height
Bonus of 40 Feet for Hotel Developments in the General Commercial
(CG) Zoning District Along Sepulveda Boulevard (Community
Development Director McIntosh).

[19-0109](#)

a) CONDUCT PUBLIC HEARING

b) ADOPT ORDINANCE NO. 19-0004

Community Development Director Anne McIntosh introduced the item and Senior Management Analyst Nhung Madrid provided the staff presentation and responded to City Council questions.

Assistant Planner Rafael Garcia responded to City Council questions.

Mayor Napolitano opened the public hearing.

Paul Mullin stated that he is concerned about the height limit increase, underground parking, and noise mitigation.

David Rutan stated his concern with increasing the height limit for hotels near residential areas as it would reduce views for community members.

Marsha Hawkwood expressed her view that parking considerations should be a component of this ordinance.

Will Arvizo expressed that if the current ordinance does not allow for higher structures, then the City should not change it and hotels should not build in the City of Manhattan Beach.

Steve Packwood stated that he is opposed to raising the limits as it gives a benefit to hotels at the expense of residents.

Bill Victor stated that he does not see any reason to increase the height for hotel developments.

Mike Grannis with Highland Partners stated that increasing the height of hotels would allow more to be built in the City of Manhattan Beach and would mitigate the number of short-term rentals operating in neighborhoods.

An unknown speaker stated she objects to the height bonus for hotel developments.

Kathy Clark stated that allowing buildings 40-feet high will prevent the residents from receiving their share of the marine layer.

Karol Wahlberg stated her concern that increasing the maximum hotel height will compromise privacy for residents.

Seeing no further requests to speak, Mayor Napolitano closed the public hearing.

City Attorney Quinn Barrow read the title of Ordinance No. 19-0004, as amended.

AMENDING TITLE 10 OF THE MANHATTAN BEACH MUNICIPAL CODE TO ESTABLISH A SEPULVEDA BOULEVARD CORRIDOR OVERLAY DISTRICT AND SPECIFIC DEVELOPMENT STANDARDS FOR PROPERTY WITHIN THE GENERAL COMMERCIAL (CG) ZONING DISTRICT LOCATED ALONG SEPULVEDA BOULEVARD, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA, AS AMENDED

A motion was made by Councilmember Montgomery, seconded by Councilmember Howorth, to adopt Ordinance No. 19-0004 establishing a Sepulveda Boulevard Corridor Overlay District and amending commercial development standards to provide a height bonus of 40-feet for hotel developments in the General Commercial (CG) Zoning District along Sepulveda Boulevard, as amended to restrict the district to the properties shaded blue included in the overlay on the map. The motion carried by the following vote:

Aye: 3 - Hersman, Montgomery and Howorth

Nay: 2 - Napolitano and Lesser

At 9:47 PM City Council recessed and reconvened at 9:55 PM with all City Council members present.

13. Consider Adopting Resolution No. 19-0015 Approving a Coastal Development Permit for the 2019 Manhattan Beach Open Volleyball Tournament August 15-18; and Request from AOS GROUP for Special Permit: Limited Alcoholic Beverage Use in the Lower South Pier Parking Lot and VIP Bleacher Seating Area Adjacent to the Stadium Court (Parks and Recreation Director Leyman).

[19-0035](#)

a) CONDUCT PUBLIC HEARING

b) ADOPT RESOLUTION NO. 19-0015 APPROVING COASTAL PERMIT AND LIMITED ALCOHOLIC BEVERAGE USE

Recreation Services Manager Jessica Vincent provided the staff presentation and responded to City Council questions.

Mayor Napolitano opened the public hearing.

Bill Victor expressed his concerns with allowing this permit as it takes away beach access in the middle of the summer.

Will Arvizo stated his concern with allowing alcohol on the beach.

Seeing no further requests to speak, Mayor Napolitano closed the public hearing.

A motion was made by Councilmember Howorth, seconded by Councilmember Montgomery, to adopt Resolution No. 19-0015 approving a Coastal Development Permit for the 2019 Manhattan Beach Open Volleyball Tournament August 15-18; and request from AOS GROUP for the Special Permit: limited alcohol beverage use in the lower south pier parking lot and VIP bleacher seating area adjacent to the Stadium Court. The motion carried by the following vote:

Aye: 5 - Napolitano, Hersman, Montgomery, Lesser and Howorth

J. GENERAL BUSINESS

14. Consider Introduction of Ordinance No. 19-0009 to Reduce Polystyrene Meat Tray Pollution (Community Development Director McIntosh). [19-0122](#)
INTRODUCE ORDINANCE NO. 19-0009

Councilmember Lesser and Councilmember Montgomery stated for the record that they met with local Manhattan Beach grocers to discuss the matter before them.

Community Development Director Anne McIntosh introduced the item and Environmental Programs Manager Dana Murray provided the staff presentation and responded to City Council questions.

Mayor Napolitano opened the floor for public comments. The following individuals spoke:

*Jessica Mause
Dr. Katherine Pease
Craig Cadwallader
Bill Victor
Tim James
Will Arvizo
Emily Parker*

Seeing no further requests to speak, Mayor Napolitano closed the floor for public comments.

City Attorney Quinn Barrow read the title of Ordinance No. 19-0009 into the record:

AN ORDINANCE OF THE CITY OF MANHATTAN BEACH AMENDING THE MANHATTAN BEACH MUNICIPAL CODE TO EXPAND THE ENVIRONMENTAL REGULATIONS IN CHAPTER 5.80 TO REGULATE POLYSTYRENE MEAT TRAYS, AS AMENDED.

A motion was made by Councilmember Howorth, seconded by Mayor Pro Tem Hersman, to introduce the ordinance with an implementation date of January 1, 2020, and allowing for a case-by-case compliance extension period. The motion was approved by the following vote:

Aye: 5 - Napolitano, Hersman, Montgomery, Lesser and Howorth

A motion was made by Mayor Napolitano, seconded by Councilmember Montgomery, to extend the meeting past 10:30 PM. The motion carried by the following vote:

Aye: 5 - Napolitano, Hersman, Montgomery, Lesser and Howorth

15. Request by Mayor Napolitano and Councilmember Lesser to Review Two Safe Routes to School (SRTS) Pedestrian Improvements: 1) Solar Powered Flashing Beacons, In-Road Warning Lights and a High Visibility Crosswalk at Blanche Road and 29th Street; and 2) a Solar Powered Radar Speed Awareness Sign Located 130 Feet North 29th Street on the West Side of Blanche Road (Public Works Director Katsouleas).

[19-0146](#)

RECEIVE REPORT

Public Works Director Katsouleas introduced the item, provided the staff presentation, and responded to City Council questions.

Traffic Engineer Erik Zandvliet responded to City Council questions.

Mayor Napolitano opened the floor for public comments. The following individuals spoke:

*Lessin Schnack
Randy Schnack
Bill Victor
Will Arvizo*

Seeing no further requests to speak, Mayor Napolitano closed the floor for public comments.

By order of the Chair, this item was agendized for review in six months.

16. Library Commission Recommendations Regarding the Use of Manhattan Beach County Library Surplus Funds (Parks and Recreation Director Leyman).

[19-0012](#)

APPROVE

Recreation Services Manager Eve Kelso provided the staff presentation and responded to City Council questions.

Mayor Napolitano opened the floor for public comments.

Seeing no requests to speak, Mayor Napolitano closed the floor for public comments.

A motion was made by Councilmember Montgomery, seconded by Councilmember Howorth, to approve the Library Commission's recommendations regarding the use of Manhattan Beach County Library Surplus Funds. The motion carried by the following vote:

Aye: 5 - Napolitano, Hersman, Montgomery, Lesser and Howorth

K. CITY COUNCIL REQUESTS AND REPORTS INCLUDING AB 1234 REPORTS

Councilmember Montgomery reported that he attended the California League of Cities meeting in Grass Valley, California, and spoke to Governor Newsom regarding funding from the state regarding housing.

Councilmember Lesser announced that he attended the South Bay Cities Council of Governments 20th Annual General Assembly in Torrance where they had a panel of historians discussing the future of the South Bay and how the South Bay has changed over time.

Councilmember Howorth announced that the County Board of Supervisors approved her appointment by Supervisor Hahn to the Commission for Women.

L. FUTURE AGENDA ITEMS

17. Agenda Forecast (City Clerk Tamura). [19-0102](#)
DISCUSS AND PROVIDE DIRECTION

Councilmember Montgomery requested to discuss at a future City Council meeting, placing parking meters on Parkview Avenue, Mayor Napolitano concurred.

M. CITY MANAGER REPORT

None.

N. CITY ATTORNEY REPORT

None.

O. INFORMATIONAL ITEMS

18. Commission Minutes: [19-0067](#)
This Item Contains Minutes of the following City Commission Meetings:
a) Library Commission Meeting Minutes of January 14, 2019 (Parks and Recreation Director Leyman)
b) Parks and Recreation Commission Meeting Minutes of January 28, 2019 (Parks and Recreation Director Leyman)
c) Planning Commission Action Meeting Minutes of February 13, 2019 (Cancelled) (Community Development Director McIntosh)
d) Planning Commission Action Meeting Minutes of February 27, 2019 (Cancelled) (Community Development Director McIntosh)
INFORMATION ITEM ONLY

This item was received and filed by order of the Chair.

P. CLOSED SESSION

Q. ADJOURNMENT

At 11:26 PM, Mayor Napolitano adjourned the meeting to a 5:00 PM Closed Session meeting on Tuesday, March 19, 2019, in the City Council Chambers.

Alexandria Latragna
Recording Secretary

Steve Napolitano
Mayor

ATTEST:

Liza Tamura
City Clerk

INSIDE AIRBNB'S 'GUERRILLA WAR' AGAINST LOCAL GOVERNMENTS



"Read my lips: We want to pay taxes," Chris Lehane, Airbnb's global head of public policy, [told the nation's mayors](#) in 2016. In the years since, the home-sharing site has repeated the declaration in [press releases](#), [op-eds](#), [emails](#), and on [billboards](#). On its website, Airbnb says it is "democratizing revenue by generating tens of millions of new tax dollars for governments all over the world."

But when Palm Beach County, Florida, a popular tourist destination, passed an ordinance in October 2018 requiring [Airbnb](#) and other short-term rental companies to collect and pay the county's 6 percent occupancy tax on visits arranged through their sites, Airbnb sued.

Palm Beach County tax collector Anne Gannon wasn't surprised. "We knew we were going to get sued," she says. "That's what they do all over the country. It's their mode of operation."

Gannon has been cajoling, threatening, and ordering Airbnb to collect taxes for its hosts since 2014. Five years, three lawsuits, and millions in unpaid occupancy taxes later, she's still trying. "All we want them to do is pay their taxes," she says. "They absolutely don't want to pay their taxes the way we want to collect them. That's the bottom line."

Similar dramas are playing out around the country. From Nashville to New Orleans to Honolulu, Airbnb is battling local officials over requests to collect occupancy taxes and ensure that the properties listed on its site comply with zoning and safety rules. In the past five months alone, the company has spent nearly \$1 million to overturn regulations in San Diego and has sued Boston, Miami, and Palm Beach County over local ordinances that require Airbnb to collect taxes or remove illegal listings. Elsewhere, Airbnb has fought city officials over regulations aimed at preventing homes from being transformed into de facto hotels and requests from tax authorities for more specific data about hosts and visits.

Airbnb is engaged in “a city-by-city, block-by-block guerrilla war” against local governments, says Ulrik Binzer, CEO of Host Compliance, which helps cities draft and enforce rules for short-term rentals, sometimes putting it at odds with hosting platforms. “They need to essentially fight every one of these battles like it is the most important battle they have.”

Founded in 2008 as an early champion of the sharing economy by allowing people to rent homes, apartments, and rooms to others, Airbnb has grown into a lodging colossus, offering more than 6 million places to stay in more than 191 countries. Its listings [outnumber](#) those of the top six hotel chains combined, helping the company [reportedly](#) generate more than \$1 billion in revenue in the third quarter of 2018. It is valued by investors at \$31 billion, making it the country’s second most valuable startup, after Uber. By comparison, Hilton and Marriott’s current market capitalizations are \$25 billion and \$43 billion, respectively. Earlier this month, Airbnb acquired last-minute hotel booking service HotelTonight, [reportedly](#) for more than \$400 million.

One reason Airbnb is often a cheap option for travelers: Running a hotel or bed and breakfast is expensive; snapping photos of your home, apartment, or spare room and filling out an online profile is not. Hotels must comply with a litany of health, safety, and zoning rules—as well as register with local agencies and agree to collect certain taxes—before they can book a single guest.

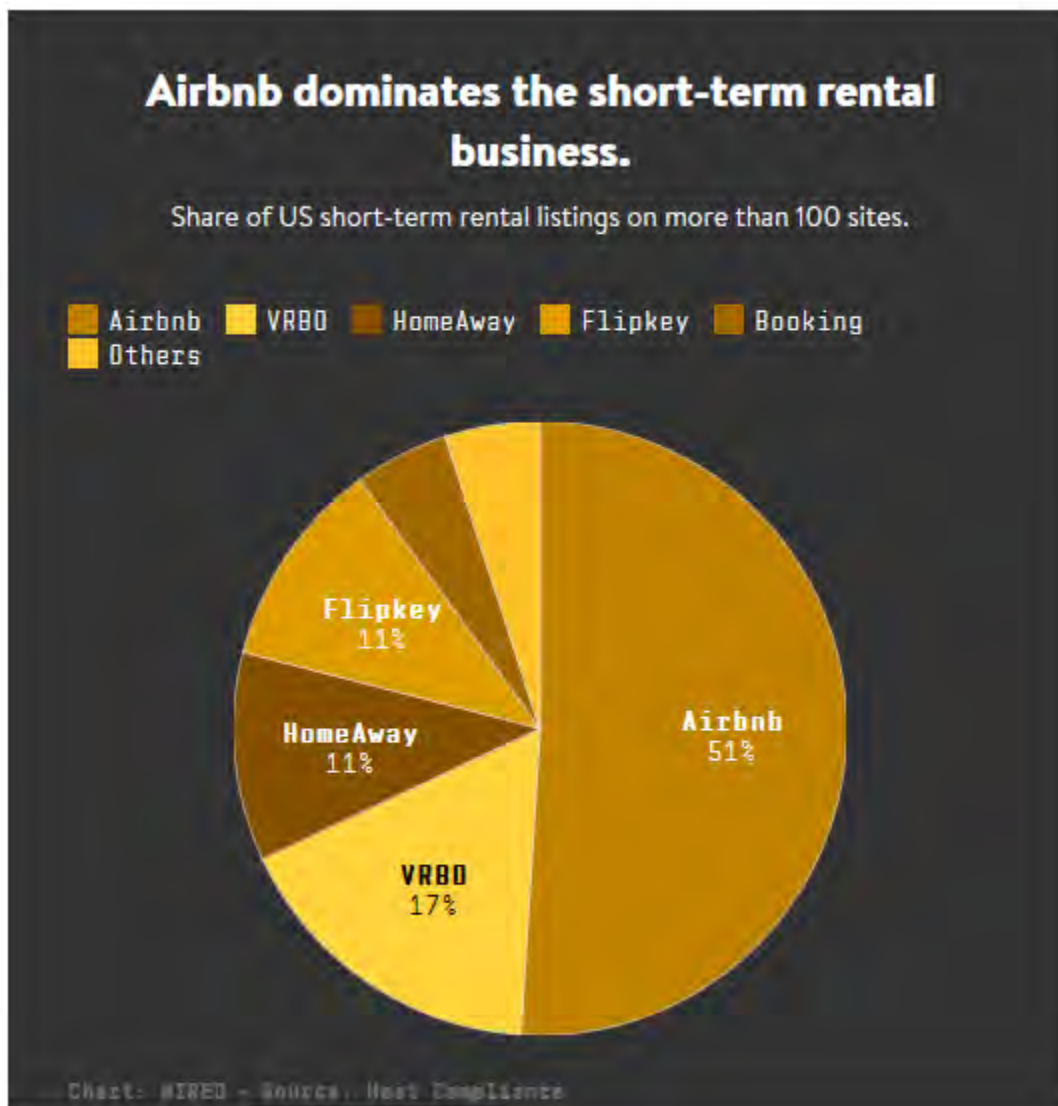
Airbnb maintains that, in most cases, it’s not responsible for collecting occupancy taxes required of hotels and other lodgings or for ensuring the rooms and homes listed on its sites comply with zoning or health regulations. The company says it follows local and state laws but considers itself a “platform,” serving merely to connect hosts and visitors, rather than a lodging provider—more akin to Facebook than Marriott.

The onus is on hosts, Airbnb argues, to collect and pay any relevant taxes and to comply with other regulations. In practice, though, few actually do—at least not without considerable effort by local authorities—according to interviews with more than a dozen local government officials and advisers.

Some officials agree with Airbnb. In an early 2018 survey of state tax departments by [Bloomberg](#), officials in 25 states said it was the host’s responsibility to pay occupancy tax for an Airbnb stay. Officials in 14 states said they consider it the responsibility of Airbnb or other short-term rental operators. The survey was taken before the US Supreme Court ruled in June that states may collect sales tax from online retailers even when they don’t have a physical

presence in that state. The survey did not include local authorities, who are often more reliant on revenue from occupancy taxes, especially in popular tourist areas.

To be sure, these aren't Airbnb's taxes, any more than Hilton "pays" taxes for its guests' hotel stays. Rather, the officials sparring with Airbnb want the company to collect and forward the taxes from guests, much as hotels do. Airbnb says it isn't required to collect the taxes in many places; early on, it largely didn't.



That changed around 2014, when Airbnb began striking deals with officials in select cities to collect and deliver taxes from its hosts. It calls these Voluntary Collection Agreements, or VCAs. In Portland, site of the first agreement, city officials legalized home-sharing and lowered the registration fee for short-term rentals around the same time Airbnb agreed to add a 11.5 percent occupancy tax on each booking. It later negotiated similar deals in San Francisco, Chicago, Philadelphia, Washington, DC, and elsewhere. The company says it has signed more

than 350 such agreements nationwide and more than 500 around the world, and has collected more than [\\$1 billion](#) in taxes.

“Some governments have rules requiring platforms like Airbnb to collect and remit taxes, and we make every attempt to comply with these obligations,” says Christopher Nulty, Airbnb’s head of public policy. “However, many governments do not have such rules and so Airbnb has proactively established more than 500 voluntary collection agreements globally to ensure our community is paying their fair share of taxes.”

However, those agreements don’t require hosts to meet other zoning, health, and safety rules, and they prohibit cities from attempting to collect back taxes. Some also create obstacles for local agencies to identify and police hosts who list through the site. Dan Bucks, former director of the Montana Department of Revenue and former executive director of the US Multistate Tax Commission, [analyzed](#) some of the few publicly available Airbnb agreements and found that most prevented city officials from learning the names or addresses of Airbnb hosts, making it impossible for officials to enforce local codes. Bucks says the agreements helped Airbnb grow by “providing a shield of secrecy” to hosts. His study was partially funded by the American Hotel and Lodging Association, which is often at odds with Airbnb and other short-term rental companies.

"All we want them to do is pay their taxes."

Anne Gannon, Palm Beach County Tax Collector

Airbnb says its VCAs are designed to help government agencies collect tax revenue, not to help them enforce other laws related to short-term rentals. The company says the agreements show that it is a responsible corporate citizen.

Historically, other online rental services, such as Booking.com, HomeAway, and VRBO, have not collected these taxes in many places. In the past two years, [HomeAway](#) and [VRBO](#) have begun collecting some occupancy taxes in a handful of areas—sometimes using [their own version](#) of a VCA. Booking.com does not offer any occupancy-tax collection services, compounding the revenue drain for municipalities. Booking.com’s global communications manager, Kim Soward, says the company pays all required taxes. Expedia Group—owner of HomeAway, VRBO, VacationRentals, and other sites—did not respond to multiple requests for comment.

Airbnb is the undeniable giant of the field, and is reportedly preparing for an initial public offering. About 51 percent of all short-term rental listings in the US are on Airbnb, according to an analysis by Binzer, of Host Compliance. VRBO controls 17 percent of listings and HomeAway 11 percent, he says.

Poster Child

New Orleans was hailed as the [poster child for Airbnb’s work](#) with local governments after signing a VCA in December 2016. Around the same time, the city struck a deal with Airbnb to

legalize short-term rentals while requesting that the company share the names and addresses of hosts, ban certain illegal listings, and create an online system that automatically registers hosts with the city, among other things. Many viewed the deal as a sign Airbnb was learning to live with local taxes and regulations.

Today, city officials say they're disappointed. They say a surge in short-term rentals has exacerbated New Orleans' affordable housing crunch and turned entire residential blocks into de facto hotels. Jane's Place Neighborhood Sustainability Initiative, a local housing group, says there were 4,319 whole-unit Airbnb listings in the city last year, more than double the 1,764 in 2015. The group found that 11 percent of operators, including many from outside Louisiana, control 42 percent of the city's short-term rentals.

The largest operator, a company called Sonder, has 197 short-term rental permits. Nearly 80 percent of Sonder's listings are booked through platforms like Airbnb, according to Sonder's director of communications, Mason Harrison. "That's a different story than the mom-and-pop" narrative that Airbnb often uses to describe its hosts, says New Orleans councilmember Kristin Gisleson Palmer.

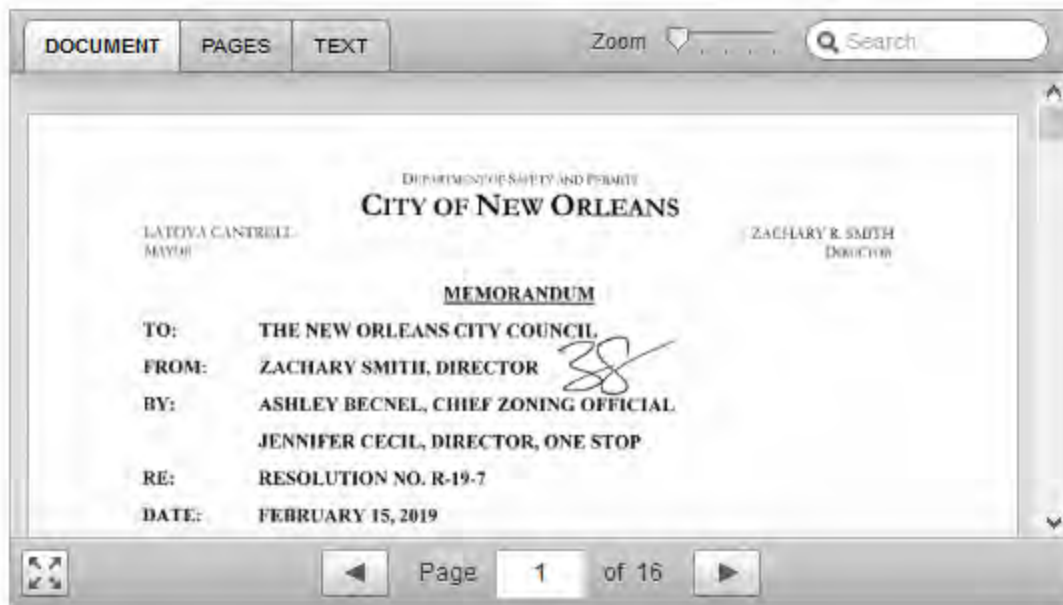
City officials say the registration system Airbnb launched in April 2017 didn't give them some data they had requested, such as the identity of the property owner or tenant, the number of bedrooms in the property, and contact information for the property manager. To collect the missing data, city staffers say they had to contact 4,786 applicants over three months. "We could not really effectively use [the data provided] for enforcement and holding folks accountable," Palmer says.

In May 2018, the city council imposed a nine-month freeze in some areas on new permits for renting a home without an owner present. The following month, Airbnb disabled the registration system—including another enforcement-enabling feature, which displayed hosts' license numbers on their Airbnb listings.

A February 15 report by the city's Department of Safety and Permits, obtained by WIRED, states that disabling the registration system caused a year of work by city officials tracking short-term rentals to "disappear overnight." The report concludes that Airbnb and other short-term rental companies had engaged in "deliberate data obfuscation, refusal to provide the required data, and a total failure of cooperation with any enforcement mechanisms pursued by the City." The report notes that Airbnb continues to collect and remit occupancy taxes for its listings in the city.

Airbnb says city officials' description of events is "inaccurate," and that it is supplying all the information that is required. The company says there were "initial bumps in the road that Airbnb was working with the city to address, only to have lawmakers abruptly change the rules in May 2018." Those changes, the company says, made the registration system ineffective.

"Housing affordability is a challenge in New Orleans—in fact 70 percent of our host community have said they rely on the income they make to stay in their homes," Airbnb says. The company says it is committed to working with officials to resolve any concerns.



A February report by the New Orleans Department of Safety and Permits is critical of short-term rental companies.

Blocking New Laws

Airbnb says it complies with laws that require it to collect and pay taxes for hosts. But it has also worked to forestall such laws—even seeking at times to strip cities of authority over short-term rentals. That’s what happened in Nashville in late 2017 and early 2018.

As the city inched closer to prohibiting so-called “mini hotels”—non-owner-occupied homes used exclusively as vacation rentals—Airbnb shifted its focus from City Hall to the state Capitol three blocks away. In the latter half of 2017, the company more than doubled the number of lobbyists it employed in Tennessee, to from four to 11, and spent between \$225,000 and \$350,000 on lobbying between February 2017 and August 2018, according to reports the company filed with the state.

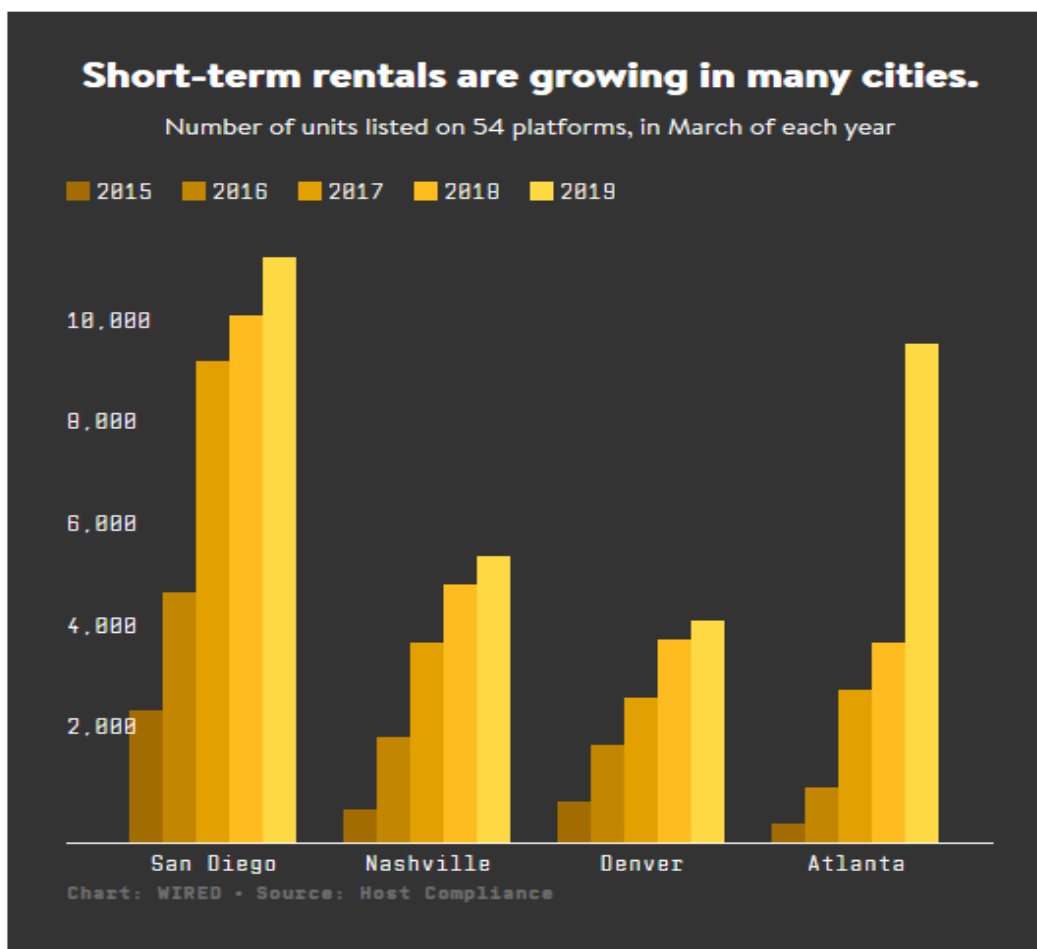
In January 2018, the Tennessee Department of Revenue signed a VCA with Airbnb. The agreement requires Airbnb to collect and pay the 7 percent state sales tax on its bookings, but does not cover the 5 percent occupancy tax in Nashville, by far its largest market in the state. A few days later, Nashville [passed its ordinance](#) prohibiting mini hotels.

Around this time, a political action committee called the Committee to Expand Middle Class By Airbnb, Inc. donated \$10,000 to groups representing Tennessee Republicans, according to campaign finance records. The donations included \$2,500 to the campaign of state representative

Cameron Sexton, who had introduced a bill in 2017 specifying that short-term rentals should not be considered hotels under state law. The bill, known as the Short-Term Rental Unit Act, was drafted in consultation with Airbnb and other short-term rental companies, including HomeAway, [according](#) to the *Tennessean*. It included a provision stripping cities of the power to ban existing short-term rentals. The Tennessee General Assembly passed the bill in April 2018.

Local activists say the law cripples cities' ability to tackle an important local issue. "The Tennessee state Legislature and Tennessee's governor decided to severely weaken the basic protections for the health, safety, and well-being of Nashvillians that were created by our local government," John Stern, president of the Nashville Neighborhood Alliance, a residents' group, says via email.

Airbnb says the Tennessee law was the work of "state lawmakers who care deeply about this issue and worked to organize a broad coalition of supporters—including the business, technology, property rights, and home sharing communities." Sexton did not return a request for comment.



Similar scenarios have unfolded elsewhere after cities have moved to restrict short-term rentals. In February 2016, the Austin City Council voted to phase out mini hotels in residential areas by 2022. In the following months, several other Texas cities passed similar restrictions. Then, early in 2017, Texas state lawmakers introduced two bills in the legislature preventing municipalities from banning short-term rentals and enforcing many regulations.

A few months later, in April 2017, Airbnb announced that it had signed a VCA with Texas officials to collect state occupancy taxes. Bennett Sandlin, executive director of the Texas Municipal League, which represents cities, called the deal “a smokescreen to cover the company’s refusal to pay taxes.” The 2017 bills eventually stalled in the Texas legislature, but lawmakers plan to try again [this year](#).

Airbnb says it has “excellent working relationships” with many Texas cities and hopes to extend the VCA with the state to “new tax agreements with Texas municipalities to help them collect new revenue from home sharing.”

Where’s the Money?

Gannon, the Palm Beach tax collector, has been tilting at travel companies for a decade. In 2009, she sued Expedia, Orbitz, Priceline, and Travelocity for failing to collect and pay occupancy taxes on the full cost of the hotel rooms they were selling; three years later, the companies [settled](#) the suit and agreed to pay nearly \$2 million in back taxes.

She then turned to the online home-rental companies. In 2014, she sued Airbnb, HomeAway, and TripAdvisor, alleging they should be classified as “dealers” renting accommodations under Florida law, and thus required to collect occupancy taxes on behalf of their hosts. In January, after five years, a judge ruled that the services were not dealers under Florida law and did not have to collect the taxes for hosts. Gannon is [appealing the ruling](#).

In 2015, the Florida Department of Revenue signed a VCA authorizing Airbnb to collect and remit the 6 percent sales tax for all listings in the state, plus local sales and occupancy taxes for some counties.

Soon after, Gannon asked to see the details of the agreement; state officials told her it was confidential. So she sued the Florida Department of Revenue, alleging that the agency’s secrecy violated the state’s public records law. A few hours later, the department faxed a copy of its Airbnb VCA to Gannon’s office; she says she was instructed not to share it with anyone. It required Airbnb to provide the state only with aggregate data and allowed the company to withhold “any personally identifiable information” about hosts or guests. Most other VCAs signed with state or local governments contain identical language.

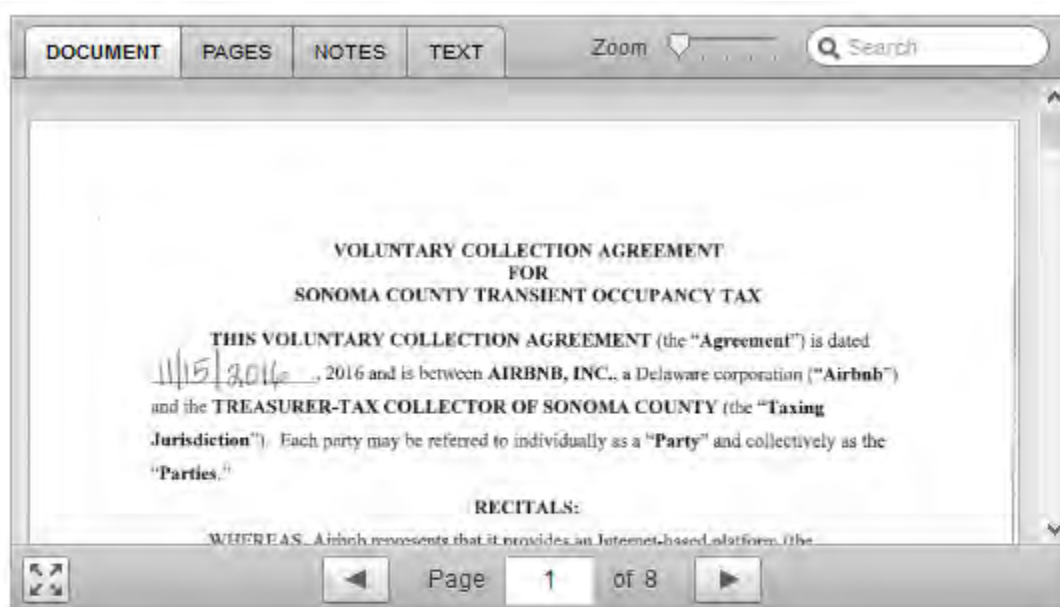
Officials say such details about hosts and their rentals are crucial to enforcing local laws and ensuring the lump sum tax payments match up with detailed data on stays. Shielding names and other details from tax officials “is a gross departure from standard practice,” says Bucks, the former tax commissioner.

"We're the middle—the hosts are stuck in the middle."

Maria Vale, Airbnb host in Palm Beach County, Florida

In New Orleans, the February report by the city's Department of Safety and Permits says Airbnb provided officials there with anonymous account numbers in place of addresses or taxpayer identifiers, making it difficult for the city to audit the information. "It is impossible to track whether we are getting all the money that we are supposed to get," says Andrew Sullivan, chief of staff for Palmer, the New Orleans councilmember.

Airbnb disagrees. "Airbnb provides the necessary information to ensure tax payments are accurate, including number of nights, charges, and the amount of tax collected," Nulty says. He says the company welcomes audits; however, many of the company's VCAs prohibit cities from auditing Airbnb more than once every two years.



Airbnb's 2016 VCA with Sonoma County, California.

A Public Clash

Palm Beach County's monthly commissioners meeting is typically a dull affair. But October 16, 2018, was different.

The chambers were packed with people dressed in white, holding hot pink flyers. The reason: Gannon's proposal to amend the county's Tourist Development Ordinance to require platforms

such as Airbnb to collect and remit occupancy taxes on behalf of hosts, and to share more data with the county.

A few weeks earlier, emails from Airbnb had arrived in the inboxes of its hosts in the county. “Home-sharing in Palm Beach County is under attack,” many declared in bold letters, asserting that Gannon had proposed an “unfriendly” ordinance that would make hosts’ lives more difficult. The emails implored hosts to attend the hearing and “use your voice to oppose this proposal and share the benefits” of home sharing.

Around 100 hosts attended the meeting. But Gannon was prepared. Having seen several of the emails, she assembled a three-page document rebutting what she calls Airbnb’s “campaign of misinformation,” line by line. The packet was printed on hot pink paper and given to each person who walked through the door.

During the meeting, some hosts expressed doubts about Airbnb’s position. Some recalled seeing a message from Airbnb stating that it was collecting and remitting taxes on their rentals, though the company was not. “I have this underlying fear ... that I am breaking a law that I don’t really know about,” said Ruth Riegelhaupt-Herzig, an Airbnb host since 2015.

“We thought Airbnb took care of everything, and I was a little scared I was in trouble with the government,” host Maria Vale said at the meeting. “All I’m saying is we’re the middle—the hosts are stuck in the middle.”

Nulty says that Airbnb makes it clear to hosts which taxes it collects via [this webpage](#), which lists areas with VCAs and what taxes they cover. The page does not explain which taxes hosts are required to collect on their own. A [different Airbnb page](#) instructs hosts to tell guests to bring extra money when checking in so the host can collect taxes in person. Riegelhaupt-Herzig says that isn’t effective, as most guests are wary of paying an additional 6 or 10 percent directly to the host, in addition to the booking charges they paid online through Airbnb.

What’s more, all stays booked in the area have a charge labeled “Occupancy Taxes and Fees” added to the final bill, because of the state’s VCA. “So for us to turn around and say, ‘I’m sorry, you haven’t paid the occupancy tax in Palm Beach County,’ they think we’re scamming them,” which isn’t good for a reviews-based business, Riegelhaupt-Herzig told WIRED. She says she has been paying the county occupancy tax since October out of her own pocket.

\$137 per night
★★★★★ 11

Dates
04/17/2019 → 04/29/2019

Guests
1 guest

\$144 x 12 nights ?	\$1,731
5% weekly price discount ?	-\$87
Cleaning fee ?	\$150
Service fee ?	\$231
Occupancy taxes and fees ?	\$126
Total	\$2,151

Request to Book

You won't be charged yet

Screenshot of the confirmation for a booking in Palm Beach County, Florida, showing occupancy taxes and fees.

After more than an hour of testimony, commissioner Dave Kerner said Airbnb had allowed its hosts to “be misled” about paying taxes. “That is concerning,” Palm Beach County mayor Melissa McKinlay said. “And so I will support this ordinance today.” It was approved unanimously seconds later.

In San Diego last year, Airbnb took a different tack to counter a new law. City officials had signed a VCA with Airbnb in 2015. But they grew unhappy with the setup’s lack of transparency and the inability to audit, says San Diego councilmember Barbara Bry. What’s more, Airbnb use had skyrocketed in San Diego since then. In March 2015, there were more than 2,600 rental units listed on short-term rental sites in San Diego, according to Host Compliance; by 2019, that total had soared to more than 11,500. Host Compliance says two-thirds of short-term rentals in San Diego are posted on Airbnb. Bry says that the rise of full-time investor-owned short-term rentals in residential areas has hurt enrollment in public schools, transformed neighborhoods into districts of mini hotels, and contributed to a citywide housing shortage.

Last August, the San Diego City Council passed an [ordinance](#) that banned the short-term rental of homes that aren’t the owner’s primary residence and required platforms to collect taxes on behalf of their hosts, effectively overriding their VCA. Bry says she assumed Airbnb would sue, but it didn’t. Within days, Airbnb threw its weight behind a movement to overturn the new rules through a citywide referendum.

Public records show Airbnb donated \$700,000 to a California political action committee called “Committee To Expand the Middle Class, Supported by Airbnb, Inc.” That group reported spending \$300,000 to hire signature gatherers to circulate petitions opposing the San Diego ordinance, and made a \$300,000 donation to another group behind the referendum movement, “Stand for Jobs, Stop the Vacation Rental Ban.” Airbnb also directly donated \$276,358 to the second group around the same time, records show.

Four weeks after the city council approved the new rules, representatives of Airbnb, HomeAway, and Stand for Jobs delivered more than 62,000 signatures calling for a referendum to rescind the ordinance, nearly twice the number needed to force a citywide vote.

City councilmembers said they didn’t want to risk losing the vote, so they rescinded the ordinance, with plans to try again. “I’m disappointed that a corporation reportedly valued at \$31 billion descended upon our city with its unlimited millions of dollars and used deceptive tactics to force us to where we are today,” Bry said during a council meeting on October 22, just before the council voted to rescind its ordinance.

Airbnb says the petitions garnered so many signatures because the ordinance “would have devastated the local economy, impacted property rights in every San Diego neighborhood, and cost the city millions annually in tax revenue.”

The San Diego City Council plans to introduce a new short-term rental ordinance sometime this fall, Bry told WIRED. If Airbnb challenges a new ordinance, Bry says city officials will be more prepared, and will respond with their own public-education campaign and take the contested ordinance to a public vote.

Airbnb’s battles with local officials have intensified since last year’s Supreme Court ruling in a case involving online retailers. Some tax experts say the decision undercuts Airbnb’s position that it doesn’t have to collect taxes for its hosts. “There is no doubt whatsoever now that on a constitutional basis Airbnb can be required to collect [taxes],” says Bucks. “There is no justification for these special deals anymore.” Airbnb says it’s monitoring state-by-state developments related to the case.

Airbnb’s recent lawsuits against Palm Beach, Boston, and Miami focus on another aspect of those cities’ ordinances: a requirement that platforms remove listings that don’t comply with the law. Airbnb says the requirements are unconstitutional and technologically unfeasible. But the company does remove illegal listings in its hometown of [San Francisco](#), and has conducted occasional or ongoing purges in New Orleans, Santa Monica, [Japan](#), [Berlin](#), [Vancouver](#), and, briefly, [New York City](#). In New York, Airbnb sued to block a city ordinance requiring it to turn over more detailed information on listings; a judge in January blocked the law from taking effect.

In Boston, city councilor Michelle Wu helped lead the push last year for an ordinance aimed at discouraging hosts from turning apartments and homes into mini hotels. The ordinance requires hosts to register with the city and restricts short-term rentals to owner-occupied units. “Airbnb describes itself as a quaint little home-sharing service ... but the reality is that it has grown to be

a corporate entity that makes millions of dollars from businesses taking advantage of loopholes and running de facto hotels,” she says.

On April 17, Airbnb sent emails to thousands of Boston Airbnb users criticizing Wu. The email claimed that she was aligned with “big hotel interests” and falsely said she intended to place a “restrictive 30-day cap on unhosted stays.” Wu says Airbnb never sought to discuss the ordinance or check the claims in the email. Airbnb says Wu’s proposal was “anti-tenant, anti-middle class,” and “overly restrictive.”

<https://twitter.com/wutrain/status/986272774003089408>

The ordinance passed in June. Four months later, Airbnb sued the city, alleging the rules—which went into effect January 1—violate state and federal laws. Wu says the city modeled its ordinance after San Francisco's, which Airbnb complies with. The Boston lawsuit—much like others recently filed by Airbnb—only challenges requirements that platforms remove illegal listings and share information with local officials to aid enforcement. The suit seeks an injunction against parts of the law, and the city has agreed not to enforce those sections until a judge rules.

A few weeks after Airbnb sued Boston, Massachusetts governor Charlie Baker signed legislation to tax and regulate short-term rentals at both the state and local levels. The law, which goes into effect in July, requires hosts to register with the state. Information about hosts—minus specific house numbers—will be displayed on a publicly available registry, and hosts who run multiple rentals must pay additional taxes. Airbnb says the law will “jeopardize the privacy of our hosts while placing significant and unnecessary burdens” on them. The company says it is working with state officials to address those concerns.

Airbnb’s municipal confrontations have been a boon for Binzer, whose company Host Compliance works with 150 cities to identify short-term rental owners skirting taxes and regulations and to devise an enforcement strategy without striking deals with Airbnb. He used to be an occasional Airbnb host himself—and paid occupancy taxes—when he lived in Tiburon, California; then he was tapped to help local officials quantify Airbnb’s business in town. He says cities are often overmatched by Airbnb, in part because the company periodically tweaks the site in ways that impede tax collectors and enforcement agencies.

For example, Binzer says that until December 2016, Airbnb included the street name of a property in the metadata attached to the listing. Airbnb’s terms of service prohibit third parties from scraping its site for this kind of information, but critics say it’s crucial for enforcement. Officials in some cities used this data to identify hidden hosts. Then Airbnb removed the street name, and altered the geocoding for listings, changing the latitude and longitude so properties appear in slightly different locations.

“It’s a cat and mouse game,” Binzer says. “They literally put the pin in the wrong place of where the actual property is.”

Airbnb says it shields the street name and other personal information related to hosts “to ensure an added level of privacy when third-party scrape sites aim to compile listing information.”

From Negotiation to Litigation

Around the time Palm Beach County Commissioners passed the short-term rental tax ordinance in October, Gannon says she spoke with a representative from Airbnb. She recalls the company floating a gradual implementation strategy: Airbnb would comply with some of the new rules immediately, but others—like a system requiring hosts to be properly registered with tax authorities—would be phased in over time.

Gannon thought that seemed reasonable, as long as Airbnb collected and paid the taxes. But she didn’t have time to see the discussion through. A month and a half after the ordinance was passed, Airbnb sued the county. The suit argues Airbnb can’t be required to police illegal listings and share host information because “Airbnb is a realization of Congress’s [free speech] goals” and a “classic intermediary.” It doesn’t question whether the company can be compelled to collect occupancy taxes; Airbnb is not collecting them in the county, though the ordinance went into effect on January 20. HomeAway also sued the county; the suits have since been combined.

“They were just stringing us along until they had their lawsuit ready to file,” Gannon says. “It’s typical of Airbnb ... They’re getting ready to issue an IPO and go public.”



Airbnb's lawsuit against Palm Beach County, Florida.

Updated 3-21-2019, 5:30 pm EDT: This story was updated to clarify the relationship between the American Hotel and Lodging Association and Airbnb, to clarify a characterization of Airbnb’s corporate citizenship, and to add a comment clarifying Airbnb’s position about its cooperation with the city of New Orleans. The updated story also makes clear that HomeAway was among the companies that helped draft a Tennessee law and that HomeAway has sued Palm Beach County.

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As Airbnb Grows, So Do The Problems Cities Have With It

Heard on [All Things Considered](#) - March 28, 2019 5:03 PM ET

NPR's Audie Cornish speaks with *WIRED* reporter Paris Martineau about her investigation into how Airbnb fights local governments trying to collect taxes on Airbnb stays.

AUDIE CORNISH, HOST:

The home-sharing site Airbnb has grown so big that investors consider it worth \$31 billion, more than the Hilton Hotel network. And as Airbnb has grown more powerful, it acknowledges that it has had more and more controversies with cities. The headline of an investigation published in Wired goes further and declares the company is executing a, quote, "guerilla war" against local governments. Reporter Paris Martineau wrote that story. She's here to talk more about it. Welcome to the program.

PARIS MARTINEAU: Thanks so much for having me.

CORNISH: So let's talk about what's at stake here - occupancy taxes, right? How do they work, and why has it become a problem for Airbnb?

MARTINEAU: Yeah. Don't change your radio station yet. It's actually an interesting subject. So when you stay at a hotel in the U.S., you're charged occupancy taxes. These tax dollars are especially important to cities in tourist areas in particular and are used to fund public works projects and to maintain the sort of things that attract tourists to their towns in the first place. Airbnb maintains that it isn't legally responsible for collecting these taxes. It says that that's its host's

responsibility, but few do. Airbnb tries to remedy this by getting cities to sign these things called voluntary collection agreements.

CORNISH: Right. So these are agreements that say, look; we're going to make sure all of our Airbnb hosts - right? - the people who use the service, will collect these taxes, and we will make sure, local city, town mayor, to get that money to you.

MARTINEAU: Yeah. It makes it so that automatically whenever you check out, let's say, on the Airbnb site, the tax is automatically added in there like any other tax you'd normally pay. But these agreements give the company special protections from audits, shield hosts from city officials and makes it extremely difficult for cities to check to see if they're even getting the correct amount of taxes from Airbnb.

CORNISH: Help us understand what makes this guerrilla war. I mean, how does Airbnb go about trying to deal with cities?

MARTINEAU: Yeah. So Airbnb has kind of a multipronged approach they deploy in these sort of situations. Let's use, I guess, the case of Palm Beach County, Fla., for example. The first tactic generally is to mobilize their hosts or guests individually. In Palm Beach County, they send out a bunch of emails directly to the hosts saying home sharing is under attack; go to this city council meeting, and stand up for your rights. And this was in response to a county ordinance that would have forced Airbnb to collect taxes on behalf of their hosts.

In addition to that, Airbnb also uses lobbying often. Airbnb has a bunch of different PACs all over the nation that it pours money into. And then, in addition to that, when a county or city passes rules that Airbnb does not agree with, oftentimes Airbnb will file a suit.

CORNISH: Why are cities and towns having such difficulty fighting back, so to speak?

MARTINEAU: One of the reasons is Airbnb has this reputation among city officials as being very litigious. In the past five months alone, Airbnb has spent over a million dollars to overturn regulations in San Diego. But it's also sued Boston, Miami and Palm Beach over rules that require Airbnb to collect taxes or remove illegal listings.

CORNISH: You spoke with the head of public policy for Airbnb. What did they have to say?

MARTINEAU: The head of public policy for Airbnb, Christopher Nulty, says that Airbnb is responsible for paying taxes and that these agreements that it forms with cities show that and that Airbnb has a great relationship with cities.

CORNISH: What's at stake for cities and towns wrestling with this?

MARTINEAU: I think probably the most important to city officials and just communities at large is their housing stock. In the case of New Orleans as well as San Diego, Boston, countless other cities around the nation, officials told me that since Airbnb's popularity has surged, there are whole streets and blocks and neighborhoods where it's just basically a hotel district.

The houses that normally used to be full of families are now just full of people who come in for a weekend to go party or someone who goes there for Mardi Gras. It changes the face of the community, and it makes it much harder for residents to find affordable housing because investors are snapping up properties left and right 'cause they can make a killing from them.

CORNISH: Paris Martineau, reporter for Wired magazine, thank you so much for sharing your investigation with us.

MARTINEAU: Thanks so much for having me.

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Martha Alvarez

From: Bruce Moe
Sent: Thursday, April 4, 2019 12:52 PM
To: Martha Alvarez
Subject: FW: AirBnB

Bruce Moe
City Manager
P: (310) 802-5053
E: bmoe@citymb.info



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From: City of Manhattan Beach <CityofManhattanBeach@citymb.info>
Sent: Thursday, April 4, 2019 10:11 AM
To: List - City Council <CityCouncil@citymb.info>
Subject: AirBnB

Message submitted from the <City of Manhattan Beach> website.

Site Visitor Name: Susan Stromgren
Site Visitor Email: suefowl@mac.com

I fully support the decision of banning short term rentals. Please don't let Air BnB threaten you!

City of Manhattan Beach
City eNotification
P: (310) 802-5000
E: CityofManhattanBeach@citymb.info



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Martha Alvarez

From: Bruce Moe
Sent: Friday, April 5, 2019 4:36 PM
To: Martha Alvarez
Subject: FW: Air BnB and Short Term Rentals: City Council

Bruce Moe
City Manager
P: (310) 802-5053
E: bmoe@citymb.info



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From: Craig Sussman <craig.sussman@gmail.com>
Sent: Friday, April 5, 2019 3:55 PM
To: List - City Council <CityCouncil@citymb.info>; City Manager <cm@citymb.info>
Cc: Craig Sussman <craig.sussman@gmail.com>
Subject: Air BnB and Short Term Rentals: City Council

Attn MB City Council,

As a 30 year Sand Section walk street resident, I have voiced my concern in the past with the City allowing Air BnB type / short term rentals in Manhattan Beach. I fully endorse your recent and hopefully continued decision to adopt and implement a system similar to that in place with Hermosa Beach.

Glad to articulate (one again) my many reasons for this policy should you be interested.
Kind regards,

Craig Sussman
6th Street
Mobile: 310 200-4544

Nextdoor

Air BnB and Short Term Rentals

WARNING! Air BnB threatens our council over it's decision to ban STRs, Short Term Rentals. Last night the City Council was scheduled to reaffirm it's decision from the Wednesday, March 6, meeting to maintain the ban on STRs. This adoption did not occur because a representative from Air BnB threatened the city with possible litigation on procedural grounds related to the availability of presentation materials at the March 6, meeting. As a result, the necessary 2nd vote to maintain the ban has been pushed back to April 16,. Air BnB is attempting to intimidate our council and usurp our local control. Air BnB is not a resident of our community. Their only concern is their bottom line and this comes at the expense of our community. If you oppose Short Term Rentals in our neighborhoods, it is imperative that you write council and very importantly voice your support for the ban at the April 16th Meeting.

Martha Alvarez

From: Bruce Moe
Sent: Friday, April 5, 2019 7:46 AM
To: Martha Alvarez
Subject: FW: City Council

Bruce Moe
City Manager
(310) 802-5053
bmoe@citymb.info
City of Manhattan Beach, CA

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-----Original Message-----

From: Mary Chieffe <mary.chieffe@gmail.com>
Sent: Thursday, April 4, 2019 4:27 PM
To: List - City Council <CityCouncil@citymb.info>
Subject: City Council

Dear Councilmembers,

I support the ban on short term rentals and I hope you will, too.

Sincerely,

Mary Chieffe
616 N Ardmore Avenue
Manhattan Beach

Sent from my iPhone

Martha Alvarez

From: Bruce Moe
Sent: Friday, April 5, 2019 7:42 AM
To: Martha Alvarez
Subject: FW: Against short term rentals

Bruce Moe
City Manager
(310) 802-5053
bmoe@citymb.info
City of Manhattan Beach, CA

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-----Original Message-----

From: J Horibe (Tomongin) <janelle.horibe@gmail.com>
Sent: Thursday, April 4, 2019 6:01 PM
To: List - City Council <CityCouncil@citymb.info>
Subject: Against short term rentals

Hello Manhattan Beach City Council - I would like to reiterate my stance on the STR. I am against them. While I understand that this would be a great opportunity from an investment property standpoint, having lived next to one of these rentals, I can tell you that it is no fun. The rental property I live next to is well maintained, beautiful and attracted what seemed like high end clientele. However, even these well behaved clients got loud and boisterous in the evenings. That's fine one time, but when it happens almost EVERY NIGHT (because 1. it's a great beach property, who doesn't want to have a glass of wine on the patio and enjoy the cool beach breeze? 2. They're only here for a short time, best enjoy while they can! Who cares what time the neighbors have to get up in the morning or if they have young children trying to sleep?) it becomes a nuisance. What makes this even worse is the high density of our population - streets and alley ways echo noise. I love that although I live on a major street, it's relatively quiet most nights now (since the short term rental ban). Short term rentals prevented us from forming neighborhood connections with the long term neighbor who could have been on that side, breaking down our sense of community in the city we have chosen to raise our children in. It also becomes a security issue as different people are walking around at all hours of the evening that I am not familiar with and with package thieves and burglars running rampant in our little city, I am concerned.

The reason my husband and I chose manhattan beach to settle in and raise our family was because of the small town feel of the city and how it was significantly more family oriented and environmentally friendly vs. some of our neighboring cities.

I urge the city council to take a closer look at what makes Manhattan Beach the city we are all so willing to sell a kidney to live in. ;)

Thank you

Janelle Horibe

Martha Alvarez

From: Bruce Moe
Sent: Friday, April 5, 2019 7:39 AM
To: Martha Alvarez
Subject: FW: City Council - Support for ban on STRs

Bruce Moe
City Manager
P: (310) 802-5053
E: bmoe@citymb.info



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From: Richard Ginsburg <Richard@rginsburglaw.com>
Sent: Thursday, April 4, 2019 6:22 PM
To: List - City Council <CityCouncil@citymb.info>; City Manager <cm@citymb.info>
Subject: City Council - Support for ban on STRs

Ladies & Gentlemen:

It is my understanding that a decision affirming the Council's March 6th determination to maintain a ban on Short Term Rentals (STRs) was carried over to the City Council's upcoming meeting on April 16th.

As a father of two young children I look forward to raising in our beautiful city, this issue is very important to me.

During the recently contested City Council Election Cycle, I paid close attention to each candidate's position vis-à-vis STRs and voted accordingly. Prior to moving to Manhattan Beach, I lived for 20 years (collectively) in the cities of Brentwood, Santa Monica, and Pacific Palisades. Not shabby communities by any stretch... but *none* of these cities have the relaxed nature and warm atmosphere of Manhattan Beach.

For many reasons that are unnecessary to list here, people often come to the Greater Los Angeles area for short periods of time. We rightfully welcome and encourage them to come see why those of us that call this

part of the world home love it so. Visitors are important to our cities and communities and will forever be critical to our continued success.

And yet we must also admit that short term visitors to our city do not possess the same *vested interest* as the residents of Manhattan Beach in protecting our neighborhoods or building our community in a way that reflects our collective values and ideals. If visitors want to stay in or near Manhattan Beach, they have plenty of options without renting houses and townhomes next door to us... in fact, my brother-in-law and his 4 kids are coming to visit in two weeks during Spring Break and will be staying locally at the Westdrift Hotel. It's a great hotel. We know they will be comfortable there and be able to take advantage of all that Manhattan Beach has to offer.

Let's also acknowledge one other significant point: Maintaining the ban on STRs is not an unfair restriction on businesses... it is an acknowledgment that WE, as a community, have decided that we prefer our short term visitors and guests utilize the wonderful hotel options we have in our city over renting houses and townhomes in the middle of our neighborhoods. On the one hand, yes, a ban on STR's will mean that the AirBNB's of the world, as well as Manhattan Beach residents and potential investors yearning to utilize their homes as "income property," will be unable to take advantage of this potential new income stream.

On the other hand, if the majority of residents in Manhattan Beach believe maintaining the relaxed nature and warmth of our community is more important than providing a "business opportunity" to a few anxious residents and a billion-dollar corporation, I hope the City Council, as the stewards of our city, will respect our choice and affirm its decision to ban Short Term Rentals in Manhattan Beach.

Thank you for your consideration.

Best regards,

Rich Ginsburg
1821 Palm Ave.

Martha Alvarez

From: Bruce Moe
Sent: Friday, April 5, 2019 7:36 AM
To: Martha Alvarez
Subject: FW: Abb

Bruce Moe
City Manager
(310) 802-5053
bmoe@citymb.info
City of Manhattan Beach, CA

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-----Original Message-----

From: gary cawthon <cawthongs@icloud.com>
Sent: Thursday, April 4, 2019 9:21 PM
To: City Manager <cm@citymb.info>
Subject: Abb

No short term rentals again!

Sent from my iPhone

Martha Alvarez

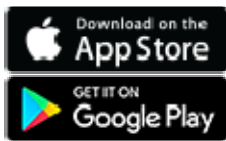
From: Mary Kirchwehm on behalf of Bruce Moe
Sent: Wednesday, April 3, 2019 6:55 PM
To: Martha Alvarez
Subject: FW: The Air B&B Stunt Last Night

Bruce Moe
City Manager
P: (310) 802-5053
E: bmoe@citymb.info



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From: Jim Burton <jburtun@ecokai.com>
Sent: Wednesday, April 3, 2019 8:35 AM
To: List - City Council <CityCouncil@citymb.info>
Subject: The Air B&B Stunt Last Night

Good Morning –

First – Congratulations to both our new Council Members Hadley and Stern – Welcome! Now, echoing both your statements last night – let's get to work.

Although I was disappointed Item No. 8 (Adoption of Ordinance No. 19-0007 - i.e., the STR issue) was pulled from the consent calendar, I was not surprised. Short term rental companies and their investors stand to lose money if the ban remains. As a small business owner I understand the need for revenue and profit but I also understand that STR revenue is coming at significant cost to the quality of life for residents and increased need for City services. I am a 25 year resident of downtown MB on a walkstreet and have personally seen the negative side of STR's. Residents and many MB business owners have been consistently clear for several years – No STR 's in MB – quality of life is more important and should not be sold. Local residents and local businesses working together make for strong communities and wonderful strong community based local schools. Let's not allow external commercial influences to diminish the quality of our residential neighborhoods.

I trust you will see last's night stunt for what it is – a for profit corporation(s) trying to take local control from residents and their elected leaders. I understand Mr. Barrow's decision and the need to re-introduce the measure but let's see this through to the finish line!

Respectfully,

Jim Burton
328 11th Street
(310) 376.8939
jburtonMB@gmail.com

Martha Alvarez

From: Bruce Moe
Sent: Wednesday, April 3, 2019 12:33 PM
To: Martha Alvarez
Subject: FW: City Council

Bruce Moe
City Manager
(310) 802-5053
bmoe@citymb.info
City of Manhattan Beach, CA

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-----Original Message-----

From: Gloria Lee <artsail@roadrunner.com>
Sent: Wednesday, April 3, 2019 12:07 PM
To: List - City Council <CityCouncil@citymb.info>; City Manager <cm@citymb.info>
Subject: City Council

I resent bullying of any kind!

I do not think we need any air b&b in our city or in our lives here in Manhattan Beach.

It already is overcrowded here and too much traffic.

I hope you will be strong and prevent a company that doesn't live here from taking over.

--

Gloria D Lee
home studio
461 28th Street
Manhattan Beach CA 90266
artsail@roadrunner.com

San Pedro 1st Thursday
345 West 7th Street
San Pedro CA 90731

Martha Alvarez

From: Bruce Moe
Sent: Monday, March 11, 2019 10:58 AM
To: Martha Alvarez
Subject: FW: STRs - Looking good!

From: Martha Andreani <mandreani09@gmail.com>
Sent: Thursday, March 7, 2019 9:27 AM
To: List - City Council <CityCouncil@citymb.info>
Cc: Bruce Moe <bmoeb@citymb.info>; Anne McIntosh <amcIntosh@citymb.info>
Subject: STRs - Looking good!

Dear Mayor Steve Napolitano, Mayor Pro Tem Hersman, Councilmembers Howorth, Lesser, and Montgomery:

Thank you all -- Council and Staff -- for your long, sometimes difficult study of Short Term Rentals. A BIG shout-out thank you for your decision last night to ban short-term rentals in our residential zones. That was one of the biggest decisions of this Council's term -- and a huge benefit for the long-term protection of our unique residential neighborhoods.

Now, on to enforcement of the ban.

Sincerely and with gratitude,
Martha Andreani

Bruce Moe
City Manager
P: (310) 802-5053
E: bmoeb@citymb.info



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Martha Alvarez

From: Bruce Moe
Sent: Wednesday, March 13, 2019 3:27 PM
To: Martha Alvarez
Subject: FW: 'Like a ghost town': how short-term rentals dim New Orleans' legacy | US news | The Guardian

Bruce Moe
City Manager
(310) 802-5053
bmoe@citymb.info
City of Manhattan Beach, CA

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-----Original Message-----

From: Debra Geist <citegeist@gmail.com>
Sent: Wednesday, March 13, 2019 9:50 AM
To: List - City Council <CityCouncil@citymb.info>
Subject: 'Like a ghost town': how short-term rentals dim New Orleans' legacy | US news | The Guardian

<https://www.theguardian.com/us-news/2019/mar/13/new-orleans-airbnb-treme-short-term-rentals>

Sent from my iPhone

The Guardian



'Like a ghost town': how short-term rentals dim New Orleans' legacy

As rentals with companies such as Airbnb proliferate in the area, raising rent and property taxes, officials are enacting laws to protect local residents

Tom Perkins in New Orleans

Wed 13 Mar 2019 03.00 EDT

New Orleans' Treme is regarded as the nation's oldest African American neighborhood, but some of its residents, like Darryl Durham, now say that legacy is fading quickly.

In recent years, short-term rentals with companies such as Airbnb proliferated and now operate on about 45% of the Historic Faubourg Treme District's parcels. Resulting rent rises and property taxes stemming from that have forced out many black families and residents, said Durham, a musician who has lived there since 2006.

Now Treme moves in an unnatural rhythm. For about half of each week, the number of tourists drops and many blocks are “like a ghost town”, Durham said. Each Thursday, the tourists return, filling hundreds of units. Suddenly, Treme is alive with groups of drunk, mostly white college-aged kids, Durham said. There are loud parties, overflowing garbage cans and countless other issues “grating” on remaining residents, he added.

Treme isn't an isolated case. Short-term rentals are so concentrated in Bywater, Marigny and other neighborhoods around the French Quarter that some residents and longtime homeowners are finding investors have effectively converted their blocks into hotels.

The number of Airbnbs citywide spiked from 1,905 to 6,508 between 2015 and December 2018, according to the watchdog website Inside Airbnb. Of that figure, 85% are owned by investors, some of whom live as far away as San Francisco or New York City.

The low housing stock coupled with investor demand has helped send home prices and rents soaring, and exacerbated a housing crisis that's displacing longtime New Orleanians, said housing advocate Breonne DeDecker, the Jane Place Neighborhood Sustainability Initiative's program manager.

“We need to be placing the housing needs of residents in front of the property values of speculators,” she said.

DeDecker acknowledged that gentrification and the city's depleted affordable housing stock also contribute, but called the short-term rentals “jet fuel on the fire”.

Ultimately the issue pits the needs of low- and middle-income residents in the majority black city against the financial interest of mostly white investors. New Orleans is now joining a growing number of cities worldwide that are enacting new laws to protect local residents.

In January, the New Orleans city council unanimously approved a package of regulations that would make it illegal to convert “whole home” investment properties into short-term rentals in residential zones. The laws would require short-term rental operators to hold a homestead exemption verifying they live on site.

“Operating a short-term rental here is a privilege, not a right,” said councilwoman Kristin Palmer, who introduced the legislation.

In a statement to the Guardian, an Airbnb spokesperson said the company will support what it deems “fair, reasonable regulations”, but opposes Palmer's legislation. “The Palmer ban fails to distinguish between New Orleanians who rely on short-term rentals to support their families and bad actors who may be impacting the availability of long-term housing,” the spokesperson said.

If the rules are ultimately approved, thousands of homes could be forced back to the local housing market, and Airbnb would take a financial hit. But DeDecker said that's a welcome change for most New Orleanians.

“The reality is there’s not that many people who own short-term rentals in New Orleans, and the only people who really like short-term rentals are the people making money off them,” she said. “They’re a very small minority.”

‘Prohibitively expensive’

Since 2015, neighborhoods with the highest concentrations of short-term rentals saw some of the highest jumps in home prices, according to city data. Real estate listings for homes in those neighborhoods suggest the market is geared toward Airbnb investors, while city tax records show the economic fallout for local residents.

A listing for the 1,000sq ft house at 1133 N Villere St in Treme shows a clean and freshly painted exterior, but its interior is gutted. Still, the property is listed for \$300,000 in a neighborhood where black families’ median income is \$29,000. The real estate agent calls the home “ideal” for a short-term rental.

The property’s tax records show the home, which is owned by a California investor, sold for about \$92,000 in 2015, and \$220,000 a year later. Between 2017 and 2018, its tax bill jumped from around \$1,500 to more than \$3,000.

Neighboring properties saw similar increases, and affordable housing advocates say such drastic changes can force low- or middle-income homeowners to sell, or fall behind on the rising taxes and lose the home. Investors are best positioned to buy them.

“That’s a very real problem that a lot of people are experiencing,” Palmer said. “Imagine what a big tax increase does to a homeowner that’s been living in a neighborhood for 10, 15 years, and all of a sudden they get a tax bill that’s two, three times what they paid in the past.”

Investors are also regularly evicting tenants, DeDecker said, and their motivation is simple: short-term rentals can pull in over \$200 a night, while the average tenant pays around \$30 a night.

For that reason, more short-term rental operators are scaling up. In 2015, only 31 short-term rental operators owned four or more units, but that number jumped to 182 by early 2018, an increase of 487%, according to Jane Place.

Among that group is Sonder, one of New Orleans’ largest operators, with 209 city licenses as of February, according to city records. Like many of the largest owners in the city, Sonder isn’t from New Orleans. It’s a San Francisco-based corporation with Airbnb units across the globe.

Those are the type of entities Treme residents see running most of the short-term rentals, Durham said.

“It started out being neighbors, but once people realized how much money could be made, you started seeing the corporations,” he said.

Extra income

Still, there are plenty of local short-term rental operators, such as single mom Mary Margaret Kean, who uses the extra income from one Airbnb investment property to help pay for her kids' school. She's also president of the pro-Airbnb Neighborhood Alliance For Prosperity, and said short-term rentals "are a scapegoat".

Airbnb spokeswoman Laura Rillos and Kean also questioned the accuracy of Jane Place's data, and Rillos pointed to studies that suggests short-term rentals have little impact on the housing market. However, activists also pointed out that Airbnb and the Neighborhood Alliance funded the studies and criticized the latter's methodology.

Kean blamed gentrification and the affordable housing shortage for New Orleans' housing problems while adding that the neighborhoods' recent improvements are a positive change.

"The neighborhoods gentrified before short-term rentals," Kean said. "I'm really sorry the crack houses went away and the taxes went up. Is that really bad?"

Officials stressed the proposed rules would allow residents to rent rooms in their homes to earn extra money, and permit whole-home short-term rentals in downtown New Orleans' central business district and neighborhood commercial districts.

Beyond the prohibition of whole-home short-term rentals, the city is also proposing a tax of about \$30 a night that could generate up to \$20m for new affordable housing units. The addition of affordable housing and reintroduction of short-term rental units to the market might push down costs.

"Rents won't totally reverse, and no one thinks Airbnb is responsible for all of the increases," said Josh Bivens, a research director at the Economic Policy Institute who recently authored a report on Airbnb. "But take that factor out of play maybe you get some relief from higher rents."

There's already anecdotal evidence of that in the French Quarter, said Vieux Carre Property Owners Association director Erin Holmes. The city banned Airbnb there in 2016. Before that, it faced similar issues to Treme, but Holmes said it's returning to normal.

"We see children and young families returning, and we think it's a strong indication that prices are coming down to where young people can afford them," Holmes said.

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Topics

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- Airbnb
- Gentrification
- Louisiana
- features

Martha Alvarez

From: Bruce Moe
Sent: Wednesday, March 13, 2019 3:27 PM
To: Martha Alvarez
Subject: FW: NYTimes: Airbnb and Miami Beach Are at War. Travelers Are Caught in the Crossfire.

Bruce Moe
City Manager
P: (310) 802-5053
E: bmoe@citymb.info



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From: Debra Geist <citegeist@gmail.com>
Sent: Wednesday, March 13, 2019 9:49 AM
To: List - City Council <CityCouncil@citymb.info>
Subject: NYTimes: Airbnb and Miami Beach Are at War. Travelers Are Caught in the Crossfire.

Here's a story from The New York Times that I thought you'd find interesting:

The Florida city, like others around the country, is trying to control the home sharing market. Renters often find out their weekend home is illegal when they get a knock on the door.

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The New York Times

Airbnb and Miami Beach Are at War. Travelers Are Caught in the Crossfire.

The Florida city, like others around the country, is trying to control the home sharing market. Renters often find out their weekend home is illegal when they get a knock on the door.



By **Tariro Mzezewa**

March 9, 2019

On a recent Friday evening, David Igboke and his friends were relaxing in their Miami Beach Airbnb, listening to music and getting ready to go out to dinner.

Their plans were interrupted by a knock at the door.

“City of Miami Beach,” said Jackie Caicedo, a code compliance officer who works for the city.

Mr. Igboke opened the door and began answering questions: Was he from Miami Beach?

No.

Was he on vacation?

Yes.

Did he find the apartment on Airbnb?

Yes.

Ms. Caicedo had some bad news. “I’m here because, basically, this is an illegal short-term rental,” she said. “It’s in a residential area. It’s zoned in a residential area, so it’s prohibited for anyone to rent a unit for less than six months and a day.”

That same night, within a 45-minute period, Ms. Caicedo knocked on the doors of five other apartments in the building at 1300 15th Street, a two-story, eight-unit white structure. Apt. 101 had two older men who wouldn’t reveal their plans. In Apt. 103, two

men in their 20s were visiting from New York City for the weekend. Apt. 104 had an Argentine family of four. Apt. 201 had an older Chilean couple on vacation for the week. In Apt. 204, a young man and woman were visiting from the nearby town of Hallandale, Fla.

All of the apartments had been illegally rented out. The property manager of an apartment building next door had called in a complaint.

Typically, when the city's code compliance officers come across illegal short-term rentals, they ask renters to contact their hosts and ask to be relocated. In situations where the hosts won't cooperate, guests still have to leave. On occasion, the city helps them find a new place to stay. But since Mr. Igbokwe and his friends were cooperative and leaving after just two nights, Ms. Caicedo said she would recommend that they be allowed to stay in the apartment.



Night after night, code compliance officers like Jackie Caicedo knock on doors and tell renters that they're breaking the law. Scott Baker for The New York Times

But when another officer arrived the following day, the friends became annoyed. They contacted the man who had rented them the apartment on Airbnb, who went by the name of Jason, to ask for a refund, and contacted Airbnb as well. They were told that, because

they did not notify anyone immediately after Ms. Caicedo's visit on Friday evening, they could not get their money back. Mr. Igbokwe said that Jason, who was friendly on the first day, seemed angry with his guests when they complained about the officers coming by. The owner of the building was fined \$40,000.

Mr. Igbokwe's rental was on the edge of a neighborhood known as Flamingo Park that has become a flash point in the battle between residents and companies that offer short-term rentals in Miami Beach, including Booking.com, VRBO, HomeAway, FlipKey and, in particular, Airbnb. Save for a few properties that have been grandfathered in, and in the City's overlay district where short-term transient rentals are allowed, the city prohibits rentals of less than six months and a day in many residential neighborhoods.

On a recent weekend, six of 1330 15th Street's eight units were occupied by short-term renters.
Scott Baker for The New York Times

Lockboxes at each apartment door at 1330 15th Street. Scott Baker for The New York Times

“We have residential areas in our community and we have zoned them so when people purchase a home they know they are in a residential community,” said Mayor Dan Gelber of Miami Beach, saying that Airbnb was knowingly flouting the law.

Airbnb, for its part, is currently suing the city, saying that its regulations are overly burdensome. “Nobody benefits when cities impose laws written with the sole intent of punishing both residents and consumers,” wrote Benjamin Breit, a spokesman for the company, in an email.

In the increasingly heated war between the rental companies and communities, renters like Mr. Igbokwe and his friends, who unwittingly book rooms that are being offered illegally, are the collateral damage. They can end up out on the street, out hundreds of dollars and in need of a new place to stay, sometimes in the middle of the night.

“We 100 percent would have rented elsewhere if we’d known we couldn’t stay there,” Mr. Igbokwe said. “The whole thing was out of our hands, which is frustrating.”

A ‘Postcard Perfect’ Neighborhood

It’s easy to understand why tourists want to stay in Flamingo Park. It’s close to the beach. It’s surrounded by popular restaurants. As one tourist who didn’t want to be named because she was staying in an illegal rental said while rolling her bag down the street, Flamingo Park is “postcard perfect.”

An outsider might not notice, but locals walking through Flamingo Park point out the signs that homes are being rented out. There are the lockboxes on the sides of buildings, attached to bike racks or slightly hidden behind hedges. These boxes are where renters pick up the keys to their vacation homes. Sometimes these are the people wandering through the neighborhood looking a little lost, or the ones who ring the wrong buzzer because they aren't quite sure where to go.

“You get to a point where you feel like you're living in a hotel room,” said Kathaleen Smarsh, a Flamingo Park resident. Scott Baker for The New York Times

“These are inns without innkeeping, and the innkeeping falls on the neighbors,” said Jeff Donnelly. Scott Baker for The New York Times

READ MORE ABOUT THE DEBATE OVER AIRBNB IN NEW YORK CITY

[New York Empire of Illegal Airbnb Rentals Booked 75,000 Guests, Suit Says](#) Jan. 14, 2019

[‘Total Scam’ or ‘Fabulous’? Why Airbnb Deeply Divides Us](#) Feb. 27, 2019

“You get to a point where you feel like you’re living in a hotel room,” said Kathaleen Smarsh, a resident of Flamingo Park. “You don’t know who is coming and going at all hours.”

Another clue is usually heard before it's seen: The seemingly endless sound of suitcases rolling down the sidewalk, through a building's lobby or hallways, at all hours, residents said.

Then there's the loud music that residents said awakens them at night, typically blasting from Ubers, Lyfts and cabs depositing drunk young guests at their rentals, or from the homes themselves.

Increasingly, residents have filed noise complaints with the city, which brings out officers like Ms. Caicedo, who night after night knock on doors and tell renters that they're breaking the law. The code compliance department said that noise complaints are one way it finds out about illegal rentals.

"Young people often want to continue the party after they've left an actual party," Ms. Caicedo said. "Usually we only find out it's a short-term rental after we go to a place for another complaint like noise."

The department said it conducted 1,737 short-term rental investigations in the 2017-2018 fiscal year, up from 592 in 2013-2014; for the last two years any interactions have been captured on the body cameras code compliance officers wear when they're on duty.

Residents say they also have to deal with the trash left behind by renters.

"If these were mom-and-pop operations, with people renting out a room here and there, we wouldn't all notice," said Jeff Donnelly, who has lived in Flamingo Park with his wife since 1992. "We notice because these are inns without innkeeping, and the innkeeping falls on the neighbors."

Mr. Donnelly and Ms. Smarsh also said the short-term rentals are taking away long-term rentals for people who work in Miami's hotels and restaurants.

Ms. Smarsh said she and her neighbors were not motivated by renters' color or ethnic origins.

"We have neighbors from all over South America, from Europe and around this country, and we want them here," Ms. Smarsh said. "We want to see appreciation, development, growth, diversity, but it's still a neighborhood."

Merk Aveli at his home and studio in Massachusetts. He says his Airbnb host told him to tell code compliance officers that he was her boyfriend. Cody O'Loughlin for The New York Times

Fines starting at \$20,000

Short-term rentals are available on numerous sites, but with more than 5 million listings in more than 81,000 cities and 191 countries, Airbnb is the largest player in the market. The company has approximately 4,500 active listings in Miami Beach.

Airbnb has said it works with cities around the world to create reasonable regulation. It is currently suing the city of Miami Beach for a rule that went into effect in December that requires platforms only to allow posts from hosts with resort tax registration and business license numbers. The rule also requires home-sharing platforms to remove listings in neighborhoods that, like Flamingo Park, don't allow short-term rentals.

Airbnb chose to follow the second rule, which it refers to as "geofencing." The company is arguing that the city initially said it expected companies to follow either the first requirement or the second, not both.

“It came as a shock,” Airbnb says in its lawsuit, that the city “expected home-sharing platforms to comply *both* with the registration-number display requirements *and* the geofencing provision.” The company added that it does not review the listings that appear on its site and that it “also advises its hosts and guests to be aware of and comply with local laws.”

The company declined to comment on the situation in Flamingo Park. Jason, the man who rented to Mr. Igbokwe, declined to be interviewed.

Emails and messages on booking platforms to 15 other hosts either went unanswered, or they declined to comment. The other apartments in the building Mr. Igbokwe stayed in were not listed for rent online. The guests in those apartments said they had booked at a legal property through Booking.com, but were diverted to the 15th Street building by their host. The host did not respond to a request for an interview.

“That property has never been open on Booking.com for customers,” said Kimberly Soward, a spokeswoman for the company, who added, “Booking.com always abides by the applicable laws of the market we operate in.”

Natalie Nichols, a longtime Miami Beach resident, is one of the rare former Airbnb hosts willing to be interviewed. She is currently suing the city over the steep fines Miami Beach imposes on homeowners. Ms. Nichols said she began renting out space in her own home as well as in another building that she has owned since 2006. But it wasn’t until the financial crisis in 2008 that she depended on rentals for income.

That year, she said, “I was laid off of a pharmaceutical sales job I had for 14 years. Long-term tenants of mine quit paying rent and broke leases.” Renting out her properties short term allowed her to make money and avoid foreclosure, she said, as well as to pay taxes, mortgage and insurance.

But complaints about short-term rentals grew and the city increasingly cracked down. Owners caught renting illegally are fined \$20,000 the first time they are caught, with the fine going up in \$20,000 increments for every subsequent time they are caught. On a second violation there can be an added \$25,000 enhanced fine if the home is 5,000 square feet or larger.

A \$20,000 fine was enough for Ms. Nichols, who said she sold one home and is living in the other without the income to sustain it.

“I am depleting my retirement savings, and the city has taken a business from me that should have produced income and carried me through retirement,” she said.

Rejecting a Suggested Ruse

In December, MerkAveli, an artist from Boston, traveled to Miami Beach for Art Basel. He reserved a shared room on Airbnb for a weekend but because of car trouble needed to extend his stay, which his host, a woman named Dina, welcomed. While Dina was out one morning, code compliance officers knocked on the door and told Mr. Aveli the rental was illegal and he had to leave. Dina returned to the house and tried to advise Mr. Aveli on what to say if the officers returned to ensure he'd left.

"The lady wanted me to tell housing I was her boyfriend," Mr. Aveli said. "I did not. Instead I showed them my receipt and was sent from the spot."

Had he known it was illegally listed, Mr. Aveli said, he would not have booked the room.

"Why was it even an option?" he asked. "It's not right."

Mr. Aveli ended up crashing on a friend's couch for the remainder of his stay. Knowing that the rental had been illegal and upset about the experience, he tried to get a refund for the two nights he had stayed at the apartment.

"I contacted Airbnb and they refused to refund me," he said. Mr. Aveli said he didn't bother trying to get a refund from Dina directly because he was frustrated.

Mr. Breit would not comment on Mr. Aveli's situation, but said the company wanted to "partner with Miami Beach to develop sensible and enforceable home-sharing regulations, which would help protect guests to the City against unfortunate incidents like this."

The apartment and the host are no longer listed on Airbnb.

Even if that rental is no longer available, walking around Flamingo Park at midday, it's clear that many other homes are: every few blocks there is a van parked on the street with its doors wide open. Inside are towels and bedding that smell freshly cleaned. When asked if the linens are for hotels, a man laughed and said, "You a reporter? I can't talk to you, but lots of Airbnbs around here. Good for business."

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