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Via Hand Delivery

April 24, 2019

City of Carmel-by-the-Sea

APR 24 2019

Marc Wiener, AICP  
Community Planning & Building Director  
P.O. Box CC  
Carmel, CA 93921

Received by City Clerk

Reference: Short Term Rentals; Commercial District

Dear Mr. Wiener,

Please find attached a review of Casa Isabel by a recent guest for your perusal. This review highlights the specific desirability and advantages of short-term rentals in the commercial district.

The vast majority of our guests would not consider a typical Hotel / Motel accommodation. They are interested in being able to interact socially with close friends and family in a home style environment.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Leidig", with a stylized flourish at the end.

Robert M. Leidig  
Manager

From: Airbnb automated@airbnb.com  
Subject: Read Pamela's review  
Date: Apr 23, 2019 at 3:52:35 PM  
To: robertleidig@sbcglobal.net



## Here's what Pamela wrote

"Robert has thought of everything to make a visit to Carmel relaxing and enjoyable. It's impeccably decorated, well stocked, the little touches make you feel like a welcome guest. The beds are comfortable, the towels luxurious, and the open concept makes it so easy for family to enjoy spending time with one another. The art, the tiles, the art - in particular, the art! There is a lovely patio to enjoy a glass of wine, and a wonderful space facing the street to luxuriate with morning tea or coffee. The location is right in the heart of the action making walks to shops as well as the ocean easy and enjoyable. We loved our short getaway and thank Robert for sharing this luxurious penthouse with us."

### Pamela's private feedback for you:

"Thank you so much for sharing your beautiful space. We were thrilled to be right in the heart of town staying at such a stylish and

Marc,  
For your review. Can  
be shared with city  
council members

Hello,

These are some of the stories reposted on the *Insurance Journal* website in the last couple months. Interestingly, there were no news items that supported short term rentals.

It appears the wind is shifting as communities experience the impact of STRs.

RECEIVED

MAY 24 2019

### ***Airbnb Loses Huge Battle Over California City's Rental Law***

Source: Bloomberg

March 14, 2019

City of Carmel-by-the-Sea  
Planning & Building Dept.

Airbnb Inc. and Expedia Group Inc.'s HomeAway failed to persuade a U.S. court of appeals to strike down a Santa Monica law that makes the companies liable for illicit rentals in the Southern California beach city.

### ***New Orleans Council Backs Strong Short-Term Vacation Rental Limits***

Source: *Associated Press*

May 20, 2019

A ban on "whole home" short-term vacation rentals in residential areas of tourism-dependent New Orleans has won unanimous backing from the City Council.

### ***City Council in Honolulu Advances Vacation Rental Bills***

Source: *Associated Press*

April 22, 2019

Bill 85 calls for no new vacation rentals to be permitted but allows a neighbor to seek legal action against a bed-and-breakfast or transient vacation unit operator who is violating city laws. It also would make hosting platforms liable for illegal transactions.

## **Airbnb Loses Huge Battle Over California City's Rental Law**

Source: Bloomberg

March 14, 2019

**Airbnb Inc. and Expedia Group Inc.'s HomeAway failed to persuade a U.S. court of appeals to strike down a Santa Monica law that makes the companies liable for illicit rentals in the Southern California beach city.**

The ruling Wednesday by a three-judge panel of the Ninth Circuit is a setback for the home-sharing platforms in their effort to avoid regulation by cities that blame the rapid proliferation of short-term rentals for a shortage of affordable housing and a disintegration of residential communities.

**The Santa Monica ordinance holds the companies responsible for booking rentals of residences that aren't licensed by the city. The appellate panel agreed with the city that the restriction doesn't violate the U.S. Communications Decency Act of 1996, which shields online services from liability for the content that their users post on their sites.**

San Francisco-based Airbnb is the largest home-rental platform with more than 6 million listings around the world. The company is gearing up to be ready to go public by the end of the year, but is still fighting various cities in court over efforts to curtail its operation. In January, Airbnb and other home-sharing sites won a ruling granting a temporary reprieve from a New York City law that would compel them to turn over renter data, a requirement that threatens to cut their bookings in the city by half.

**Airbnb is also fighting Paris where it faces as much as 12.5 million-euro (\$14 million) in fines for allegedly posting illegal advertisements, and in November it sued Boston over a new ordinance that it says would limit short-term home rentals and impose unfair restrictions and financial penalties on the company.**

The courts' interpretation of the 1996 law and the protection it affords interactive online businesses has become a central theme in legal challenges to Airbnb and its rivals. Federal judges in San Francisco and Los Angeles have found that cities can hold the companies liable for processing transactions, as opposed to simply listing information from users. Yet in a separate case in Los Angeles, a judge concluded that Airbnb can't be made responsible for renters breaking their leases when they list their apartments on the site.

Airbnb and HomeAway argued that the Santa Monica ordinance makes it impossible for them to operate, particularly if other municipalities adopt similar laws, because it would require them to monitor and remove listings for unregistered residences. If they don't, users would be stuck looking at listings that they won't be able to book, according to the companies.

The Ninth Circuit panel concluded the city's statute only puts an "incidental" burden on the companies' constitutional right to free speech. "Even assuming that the ordinance would lead

the platforms to voluntarily remove some advertisements for lawful rentals, there would not be a 'severe limitation on the public's access' to lawful advertisements, especially considering the existence of alternative channels like Craigslist," the judges said in the ruling.

Airbnb said in a statement that the Santa Monica case doesn't reflect the progress it has made working with local governments across the country.

"Airbnb has made great strides around the world, working with dozens of cities to develop more than 500 partnerships including fair, reasonable regulations, tax collection agreements, and data sharing that balance the needs of communities, allow hosts to share their homes in order to pay the bills and provides guests the opportunity to affordably visit places like the California Coast," the company said.

Expedia said Wednesday's ruling is out of step with other court decisions and runs contrary to the Communications Decency Act's protections for innovation on the internet.

**Santa Monica said in a statement that the unanimous ruling confirms the city's right to regulate home sharing to protect its limited housing stock for residents.**

**"We are thrilled to have confirmation from the Ninth Circuit that our balanced approach to home sharing is working at a time when housing and affordability continue to challenge the region," Santa Monica Mayor Glean Davis said. "This is a big win for Santa Monica residents and our residential neighborhoods."**

The case is *HomeAway.com Inc. v. City of Santa Monica*, 18-55367, U.S. Court of Appeals, Ninth Circuit.

## **New Orleans Council Backs Strong Short-Term Vacation Rental Limits**

Source: *Associated Press*

May 20, 2019

**A ban on “whole home” short-term vacation rentals in residential areas of tourism-dependent New Orleans has won unanimous backing from the City Council.**

It was a preliminary vote. A final one is expected in 90 days. But the council made its intention clear, 7-0, a year after imposing a moratorium on new or renewed licenses for rentals of whole homes not occupied by the owner.

Residence owners in most of the city will still be able to rent out part of their home to visitors. But to get a license to do so they will have to show that they have a homestead tax exemption granted by the state to people who own their main residence.

Some building owners and managers opposed the changes, saying they had played by the rules when they invested in their property and were now being penalized. A representative of a cleaning service said fewer short-term rentals would mean fewer jobs.

**But council members have been swayed by years of complaints from residents who say short-term rental properties owned by investors have proliferated since the advent of online operations like Airbnb. The result, they say, has been inflated property values and property taxes, and homes occupied only by transients with little interest in neighborhood upkeep. “Every day, I’m cleaning up glass, aluminum, trash from overflowing trash cans,” said one resident. “I did not buy my home to be the sheriff of the neighborhood.”**

Council members also voted Thursday to continue a ban on short-term rentals in all but a small part of the historic French Quarter, and they approved a ban on short-term rentals in another historic area, the Garden District.

Issues involving short term rentals are far from settled. A group called Alliance for Neighborhood Prosperity has filed suit over the city’s restrictions. And the council still has to deal with regulations for commercial areas and proposals to require larger scale operations to make provisions for low-income housing.



## **City Council in Hawaii Advances Vacation Rental Bills**

Source: *Associated Press*

April 22, 2019

The Honolulu City Council has advanced two bills aimed at providing regulations on short-term vacation rentals on Oahu. Both bills now go back to the Council Planning Committee, as interim Council Chairwoman Ann Kobayashi proposes a new draft of Bill 89, the *Honolulu Star-Advertiser* reported on Friday.

**Bill 85 calls for no new vacation rentals to be permitted but allows a neighbor to seek legal action against a bed-and-breakfast or transient vacation unit operator who is violating city laws. It also would make hosting platforms liable for illegal transactions.**

Bill 89 would allow up to 4,000 bed-and-breakfast operations, those run by owner-occupants, across Oahu but no new “whole home” vacation rentals, also known as TVUs, where there is no owner-occupant present.

Bill 89 is supported by hotel-resort industry representatives who think it's a fair compromise. Kobayashi's proposal would allow for some whole-home vacation rentals, so long as the operators can prove they live in another Oahu residence they own by providing a homeowner exemption.

The draft also calls for these operators to pay the same tax rate as owners of hotels and resorts instead of a new vacation rental rate for B&Bs, and wants the operator to submit a telephone number for neighbors to voice their concerns 24 hours a day.

Kobayashi said she's not a fan of whole-home TVUs, but wants councilmembers to at least address concerns raised by local residents who said they want to be able to hold onto their family home.

May 23, 2019

Honorable Mayor, City Council, and Planning Department,

I'd like to thank the City of Carmel for doing their best to stop the invasion of commercialized short-term rentals. A quick search on the internet proves you're at the leading edge of the pushback against an internationally disruptive trend. This short-sighted business model is yanking the few existing rental properties off the market, displacing long-time residents, and compromising the character our residential and commercial neighborhoods world-wide.

Now I'm a casualty. After enjoying 16 years living in downtown Carmel-by-the-Sea, my new landlord ended my lease and plans to rent my home to tourists. I'm quickly learning that the housing stock is vanishing, replaced by their gamble to become part-time hotels. I also noticed real estate companies and STR websites advertise plenty of vacation rentals, but few or no long-term rentals, somehow skirting the law.

Beloved cities such as Venice, New York, Santa Monica, Paris, Nashville, New Orleans, Barcelona, and even Pacific Grove have all been affected, too, but they're fighting back to protect their heritage, character, and residents. I sincerely appreciate Carmel's efforts. I'll be watching and willing to help in any way I can.

Please don't give in.

Respectfully,  
Carmel Resident

(Until I find a new home, I should remain anonymous.)



March 27, 2019

*Clyde W. Sturges*  
*Attorney at Law (Inactive)*  
*Calif. Bar Association*  
*Iowa Bar Association*  
*831-601-5575*  
*dwsturges@yahoo.com*

Re: Overnight Guests  
Carmel California

Gentleman:  
Honorable Mayor Dave Potter  
Honorable Vice Mayor Bobby Richards  
Honorable City Administrator Chip Rerig

This communication expresses my concern regarding property adjacent to the Briarwood Inn at 3 SE of 4<sup>th</sup> on San Carlos Street and 6 SW of 4<sup>th</sup> on Mission Street. Both properties are fully located in the R-4 commercial zone of Carmel-by-the-Sea.

Both of the above properties have been owned as mentioned for several years by us. The first property is regularly called "Stephenson Property" since Bob Stephenson, former city official, owned it. The Stephenson Property consists of 5 units containing a Business License from us for more than 8 years.

There is also Mission Street Property which has had a Business License from us, containing 5 units too. There is also property immediately adjacent to both of these properties which is known as "Briarwood Inn". All properties have been paying their respected room tax.

All of the above units have their own designated off street parking space. This of course serves to assist us in having downtown metered parking spaces available for other guests.

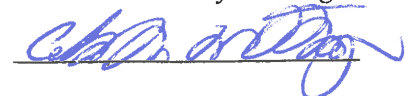
All of the above properties are adjacent to each other for our accounting and tax purpose which are consolidated together.

In retrospect, all properties for several years have been treated as vacation rentals and all taxes including transient occupancy tax has been paid. We would appreciate your attention and concern in retaining these properties together, as they have been for many years, so that we may permanently retain them as overnight guest quarters.

Thank you for your attention to this matter.

Respectfully,

Clyde Sturges



CC:  
Honorable Mayor: Dave Potter  
Vice Mayor: Bobby Richards  
Carmel City Administrator: Chip Rerig