

The Effect of Short Term Rentals on Neighborhood Nuisance Complaints Along the Central Coast

**Do short-term rentals cause an increase
in nuisance complaints in Central Coast cities?**

A report prepared by the

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FINAL REPORT

Executive Summary

The purpose of this report is to present data-supported analysis and conclusions regarding the incidence of nuisance complaints for Short-Term Rentals (STRs) in cities and unincorporated areas along the Central Coast. This study addresses the specific question: Do short-term rentals cause an increase in nuisance complaints in Central Coast cities?

Nuisance complaints can be associated with safety issues for residential neighborhoods. Nuisance reporting includes noise, parking on front yards or setbacks, trash, suspicious activity, abandoned automobiles, and outside storage.

The areas that we evaluated for nuisances included the cities of San Luis Obispo, Santa Maria, Lompoc, Solvang, Goleta, Santa Barbara, Carpinteria, Ventura, Thousand Oaks, and the unincorporated areas of Santa Barbara County.

Nuisance report data for STRs are only collected in three cities along the Central Coast: Santa Barbara, Goleta, and Ventura. For Santa Barbara, the compiling of nuisance reported data for STRs began in 2006. For Goleta and Ventura, the compiling of nuisance reported data for STRs began in 2015.

For **STR residential homes**, the rate of nuisance reporting per year is as follows:

<u>Area</u>	<u>Reporting Period</u>	<u>Nuisance Report Rate per Home</u>
Santa Barbara City	01/06 – 05/16	0.00662
City of Goleta	02/15 – 05/16	0.00
City of Ventura	11/15 – 04/16	0.00

Nuisance report rates for all residential homes were compiled for the areas that maintain such records. These areas include the cities of Santa Barbara, Santa Maria, Thousand Oaks, and San Luis Obispo, and the unincorporated areas of Santa Barbara County.

For **ALL residential homes**, the rate of nuisance reporting per year is as follows:

<u>Area</u>	<u>Reporting Period</u>	<u>Nuisance Report Rate per Home</u>
City of Santa Barbara	01/06 – 05/16	0.00699
City of Santa Maria	03/97 – 03/16	0.065
Unincorporated Santa Barbara County		
Including Isla Vista	01/15 – 12/15	0.045
Excluding Isla Vista	01/15 – 12/15	0.014
Thousand Oaks	01/15 – 12/15	0.025
San Luis Obispo	01/15 – 12/15	0.019

The results above indicate that the nuisance report rates for STRs in Santa Barbara City, the City of Goleta, and the City of Ventura are substantially less than the nuisance report rate for all residential homes in Santa Maria, the unincorporated area of the County, Thousand Oaks, and San Luis Obispo.

Furthermore, the nuisance report rate for STRs in Santa Barbara City is slightly lower than the rate for all residential properties in the City.

Consequently, the findings of this study strongly suggest that the presence of STRs do not result in heightened nuisance issues in Central Coast residential neighborhoods. Moreover, the presence of STRs may actually reduce the rate of nuisance complaints; possibly because of the type of occupant that utilizes STRs.

Nuisance Reports for Short-Term Rental Properties

In a separate report, we concluded that STR properties are principally single-family detached homes.¹ Consequently, they would largely be located in residential neighborhoods around the County of Santa Barbara.

The question of safety was originally raised in a report by the Los Angeles Alliance for a New Economy.² In the report, the authors write about numerous complaints made to Neighborhood Councils by neighbors over actions by tourists staying in AirBnB rentals. "These complaints include unfamiliar cars blocking driveways, late night parties on formerly quiet streets, and concerns about child safety in an environment with fewer familiar eyes on the street."³

For this study, we reviewed nuisance reports for 6 cities and found that the cities of Goleta, Santa Barbara and Ventura monitor these reports for homes designated as STRs. No such designation exists in Santa Maria, Lompoc, Carpinteria, or the unincorporated areas of Santa Barbara County.

The fact that the majority of cities have not deemed it necessary to establish a zoning designation for homes being used as STRs (for the purpose of monitoring complaints and/or safety issues) is evidence that they generally are not considered safety threats in neighborhoods.

In the City of Goleta, there have been no reports or complaints filed regarding short-term rentals since the monitoring started in February 2015. Our contact at the City of Goleta was Vyto Adomaitis, Director, Neighborhood Services and Public Safety.

In the City of Ventura, the monitoring of STR homes commenced in November 2015. We spoke to Noelle Sorensen, the administrator in the City of STRs. She indicated that no nuisance reports had been received regarding STRs in the 5-month period between the inception of the program and April 1, 2016.

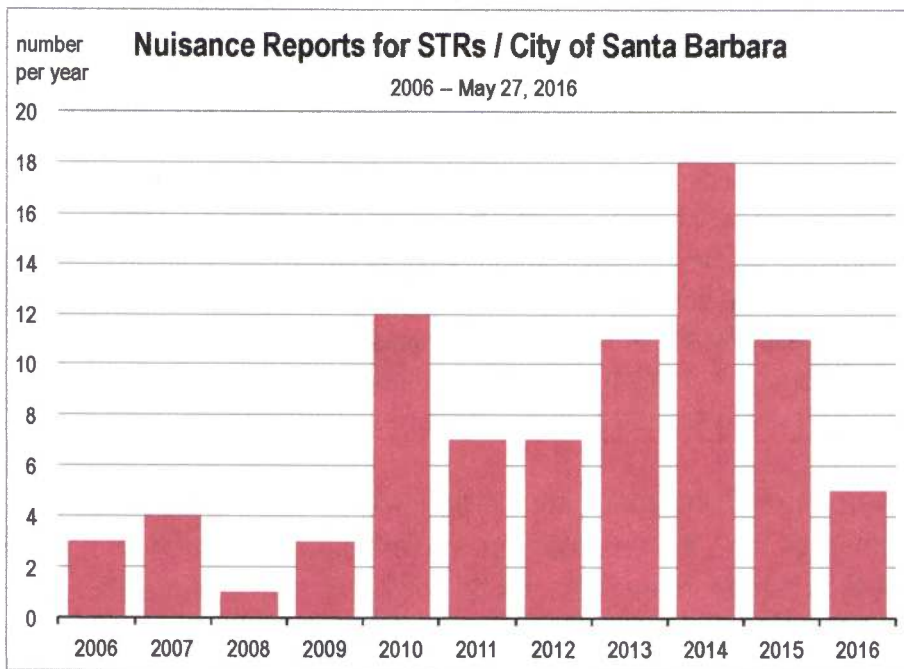
However, in the City of Santa Barbara, there is a zoning designation for homes that rent short term, and this designation has been in effect for approximately 10 years.

In a report to the City Council, staff wrote the following:

¹ "The Effect of Short Term Rentals on the Supply of Housing in Santa Barbara City and County," a report prepared by the California Economic Forecast, May 12, 2015.

² AirBnB, rising rent, and the housing crisis in Los Angeles, <http://www.laane.org/wp-content/uploads/2015/03/AirBnB-Final.pdf>

³ *ibid.*, page 21



82 nuisance reports over a 10.42 year period produces an average of 7.9 nuisance complaints coming from STRs per year.

There are 1,193 STRs operating in the City of Santa Barbara as of 2015⁶ and 7.9 nuisance reports per year on average. The rate of STR nuisance reports in the City of Santa Barbara for STRs is therefore:

$7.9 \text{ reports per year} / 1,193 \text{ STRs} = 0.00662 \text{ nuisance reports per STR per year.}$

Nuisance Reports for ALL Residential Properties

Nuisance and/or noise complaint data for ALL residential properties is available for the City of Santa Maria, the unincorporated areas of Santa Barbara County, the City of San Luis Obispo, the City of Thousand Oaks, and the City of Santa Barbara.

Nuisance and/or noise complaint data for ALL residential properties was not available for the cities of Goleta and Ventura until only recently. For Lompoc, Solvang or Carpinteria, no complaint data on nuisance issues could be acquired because databases do not exist for non-STR properties in these jurisdictions. For the City of Santa Barbara nuisance report

⁶ See: TXP, Inc., "The Local Economic Impact of Short Term Rentals in Santa Barbara, CA," Fall 2015, and page 7 of our first report entitled: "The Effect of Short Term Rentals on the Supply of Housing in Santa Barbara City and County," *op. cit.*

The City has seen a slight rise in complaints about vacation rentals, and the majority involve cases where the entire housing unit is being rented out as a vacation rental. The City has received very few complaints to date where a single room is rented out and the primary occupant remains on the property. Vacation rental complaints are extremely challenging enforcement cases, as the activity is not necessarily easily observed from the street or visible to the public. Since 2004, over 60 complaints regarding vacation rentals have been received. Zoning staff has been able to verify noncompliance and successfully abate most of those cases. The remaining cases were closed due to lack of evidence to confirm a violation. Currently, there are seven vacation rental complaints under investigation by zoning enforcement staff.⁴

We requested and were able to obtain nuisance report information from the Code Enforcement Department of the City of Santa Barbara, annually from 2006 through May of 2016.⁵ For this 10 ½ year period, there were a total of 82 nuisance complaints:

2006	3
2007	4
2008	1
2009	3
2010	12
2011	7
2012	7
2013	11
2014	18
2015	11
2016	5

Source: Andrew Perez, Code Enforcement Officer, City of Santa Barbara

⁴ City of Santa Barbara Staff Report to the City Council; Subject: the Council Direction on Short-Term Vacation Rental Regulations, June 23, 2015, pages 5 and 6.

⁵ The data was provided by Andrew Perez on May 27, 2016. (805) 564-5470 x4559. The reports for 2016 were year-to-date.

data for all residential properties was obtained annually for the 2006 through June 2016 period.⁷

City of Santa Barbara

The report data for the City of Santa Barbara originate in 2006 and are available annually through May of 2016. Total residential nuisance complaints per year are as follows:

2006	278
2007	228
2008	294
2009	247
2010	151
2011	130
2012	151
2013	228
2014	210
2015	329
2016	378

Annual information on the occupied housing stock for the City of Santa Barbara was obtained from the Department of Finance, Report E-5 for all years since 2006. Consequently, a nuisance report rate for all residential properties could be computed each year.

For 2016, the annual rate was adjusted to account for the partial year-to date- in which total nuisance complaints have been received. There have been an extraordinary number of complaints during the first 6 months of 2016 for all residential properties in the City. The nuisance report rate was 0.0208 per home, or 2.08 per 100 homes.

The annual average over the entire 2006 to 2016 period was 0.00699 complaints per home (or 0.761 complaints per 100 homes).⁸ A chart of the nuisance rate for STRs and All Residential Homes in Santa Barbara is presented here:

⁷ This information was received from Andrew Perez in Code Enforcement on June 27, 2016.

⁸ See Appendix A.

number of reports
per 100 homes
per year

Nuisance Report Rates / City of Santa Barbara

2006 -- May 2016



The nuisance report rates over time for STRs versus All Homes are very close. The rate for STRs was the lower rate from 2006 to 2009. The rate for All Homes was lower between 2010 and 2014. The rates were even in 2015. The rate for All Homes is substantially higher this year.

City of Santa Maria

The reports for the City of Santa Maria span 19 years and pertain to all properties. The total for the March 1997 to March 2016 period shows 38,131 complaints. Many of these complaints would not be the type associated with a short term rental, such as not having a temporary use permit, business sales without permits, keeping of roosters, living in recreational vehicles, legal recordings, conducting business in a residential neighborhood, or vector issues. If these are omitted, the total shrinks to 33,373, an average of 1,756 per year.

There are 27,185 occupied residential units in the City of Santa Maria. The average number of occupied housing units over the 19-year period was 26,936. Consequently, the rate of relevant nuisance reports is:

$$1,756 / 26,936 = 0.065 \text{ per home per year.}$$

Unincorporated Areas of Santa Barbara County

For the unincorporated area of Santa Barbara County, we obtained the following information on noise complaints:

Unincorporated Area	2014	2015
Santa Barbara	152	174
Santa Maria	261	210
Lompoc	69	55
Santa Ynez	51	67
Isla Vista	1,353	1,476
Montecito/Summerland Area	91	68
Totals	1,977	2,050

Total residential units that are occupied in the unincorporated area of the County sum to 45,992.⁹

For 2015, the noise complaint rate was:

$$2,050 / 45,992 = 0.0446 \text{ complaints per home}$$

The rate is clearly skewed upward, by Isla Vista.

If Isla Vista is removed from the rate determination for the unincorporated area noise complaint rate, the rate declines to:

$$574 \text{ complaints} / 40,828 \text{ occupied housing units}^{10} = 0.0140 \text{ per home}$$

San Luis Obispo and Thousand Oaks

We obtained information on nuisance reports in 2015 for Thousand Oaks and San Luis Obispo. The nuisance report rate for each was:

⁹ The housing stock information is from Table 2 of Report E-5 City/County Population and Housing Estimates 1/1/2015, from the Department of Finance, Population Research Unit.

¹⁰ There are 5,164 occupied housing units in Isla Vista. If these are removed from the total occupied housing units in the unincorporated area of Santa Barbara County (45,982), the total is reduced to 40,828. See <http://islavista.areaconnect.com/statistics.htm>

Nuisance Report
Rate per Home

San Luis Obispo 0.0252

Thousand Oaks 0.0193

Calculations for these rates: see Appendix A

Conclusion

One of the principal efforts to monitor the nuisance and/or safety issues associated with STRs in residential neighborhoods is to determine how many complaints are filed by neighbors for disturbances coming from STR homes.

Nuisance Reports for Short Term Rental Properties

An average of 7.9 nuisance complaints per year for STR properties in the City of Santa Barbara were received over a 10.42 year period, ending May 2016. The rate of complaints per STR home is 0.0066 per year.

Zero nuisance complaints have been recorded for STR properties in the City of Goleta since monitoring commenced in February 2015. Zero nuisance complaints have been recorded for STR properties in the City of Ventura since monitoring commenced in November 2015.

Nuisance Reports for ALL Residential Properties

Nuisance and/or noise complaint data for ALL residential properties is available for the City of Santa Maria, the Unincorporated Areas of Santa Barbara County, the City of San Luis Obispo, the City of Thousand Oaks, and the City of Santa Barbara.

Nuisance and/or noise complaint data for ALL residential properties was not available for the cities of Goleta or Ventura until just recently. Complaint data is entirely unavailable for Lompoc, Solvang or Carpinteria because databases do not exist for non-STR properties.

The nuisance report rates for STRs in Santa Barbara, Goleta, and Ventura are substantially less than the nuisance report rate for all residential homes in the cities for which data could be obtained. For the City of Santa Barbara, the two rates were approximately the same, but slightly lower for STRs over the entire 2006-2016 period of examination.

Consequently, the findings of this study strongly suggest that the presence of STRs do not result in heightened nuisance issues in Central Coast residential neighborhoods. Moreover, the presence of STRs may actually reduce the rate of nuisance complaints in residential neighborhoods.¹¹

¹¹ See Appendix B

Appendix A / Methodology and Calculations

A number of cities in the central coast were contacted to obtain reports on residential nuisances. For the central coast, the cities of Santa Barbara, Goleta, Carpinteria, Santa Maria, Ventura, Solvang, Thousand Oaks, Lompoc, and San Luis Obispo were contacted. We requested reports of the number of nuisance calls made on residential properties over time.

However, not every city maintained data on nuisance reports and virtually no cities maintained information that was separate between STR classified houses and non-STR classified homes. The cities of Santa Barbara and Goleta were the only two cities in our sample that tracked nuisance reports separately for STR classified properties and non-STR classified properties.

In fact, some cities, such as Lompoc, had no information on nuisance reports whatsoever. Furthermore, Solvang, Ventura, and Carpinteria reported that even though they have a Code Enforcement Division, they do not track the number of nuisance reports received over time, nor do they have any record of the current number of nuisance reports.

Below is a table that presents our city contacts:

Location	Contact(s)
Santa Barbara City	Andrew Perez
City of Goleta	Vyto Adomaitis
Carpinteria	Silvia Echeverria
Santa Maria	Ezekial Moran
Santa Barbara County - Uninc.	Jessica Metzger
Ventura	Noelle Sorensen
Solvang	805 - 688 - 5575 (Name Not Given)
Thousand Oaks	Geoff Ware
San Luis Obispo	805 - 781 - 7311 (Name Not Given)

Following receipt of the nuisance reported information from the cities, a ratio of nuisance reports per occupied housing unit was created by city for each year. The ratio was scaled per 100 homes.

San Luis Obispo			
Year	Housing Stock	DAC Reports	Reports per 100 Homes
2006	17867	1217	6.81
2007	17906	1286	7.18
2008	18022	1364	7.57
2009	18083	1148	6.35
2010	17,711	785	4.43
2011	17,720	639	3.61
2012	17,720	544	3.07
2013	17629	515	2.92
2014	17679	549	3.11
2015	17752	448	2.52
Average for 2006 to 2015			4.76

Thousand Oaks			
Year	Housing Stock	Reports	Reports per 100 Homes
2011	45913	879	1.91
2012	46278	1039	2.25
2013	46723	743	1.59
2014	46914	1327	2.83
2015	47095	907	1.93
Average for 2011 to 2015			2.10

Santa Maria			
Year	Housing Stock	Reports per year	Reports per 100 Homes
1997 - 2015 Cumulative			6.52
	26936	1756	

Santa Barbara Unincorporated Cumulative			
Year	Housing Stock	Reports	Reports per 100 Homes
2014	45751	1977	4.32
2015	45992	2050	4.46
Average for 2014-2015			4.39

City of Santa Barbara

The total number of nuisance reports for STR properties in the City of Santa Barbara is 82 between January 2006 and May 2016. The average per year is therefore $82 / 10.42 \text{ years} = 7.9$. Total STR housing stock has been estimated at 1,193 in the City of Santa Barbara. The rate is therefore:

$$7.9 / 1,193 = 0.00662 \text{ per home}$$

Year	Number of STRs	Reports for STR	Reports per 100 STR Homes	adjusted
2006	1,193	3	0.25	0.25
2007	1,193	4	0.34	0.34
2008	1,193	1	0.08	0.08
2009	1,193	3	0.25	0.25
2010	1,193	12	1.01	1.01
2011	1,193	7	0.59	0.59
2012	1,193	7	0.59	0.59
2013	1,193	11	0.92	0.92
2014	1,193	18	1.51	1.51
2015	1,193	11	0.92	0.92
2016	1,193	5	0.42	1.01

Average rate for the 2006 to 2016 period 0.625 0.0662

Year	Housing Stock	Total Reports	Reports per 100 Homes	adjusted
2006	35,168	278	0.79	0.79
2007	35,270	228	0.65	0.65
2008	35,372	294	0.83	0.83
2009	35,413	247	0.70	0.70
2010	35,449	151	0.43	0.43
2011	35,633	130	0.36	0.36
2012	35,793	151	0.42	0.42
2013	36,154	228	0.63	0.63
2014	36,250	210	0.58	0.58
2015	36,337	329	0.91	0.91
2016	36,383	378	1.04	2.08

Average rate for the 2006 to 2016 period 0.667 0.0699

The adjusted column adjusted the rate for the full calendar year; only 2016 has been adjusted, based on reports for the first 5 months of 2016

Source: Andrew Perez City of Santa Barbara

For all residential properties in the City, the total number of nuisance complaints over the 10.5 year period (January 2006 through June 2016) was 2,624. The average per year is:

$$2,624 / 10.5 \text{ years} = 249.9 \text{ per year}$$

The average annual occupied housing stock in the City of Santa Barbara over the 2006 to 2016 time period was 35,747 homes. The nuisance rate is therefore:

$$249.9 / 35,747 = 0.006991 \text{ per home}$$

Appendix B

STRs may actually reduce the rate of nuisance complaints in residential neighborhoods

Because of the type of home (and therefore the type of occupant) that typically engages in STR activity, this conclusion should intuitively follow. A survey that was conducted of 319 STR homeowners indicated that the value of the median home was \$2.6 million.¹²

Occupants of these types of properties are more likely to be older and more affluent than the typical homeowner in Santa Barbara. More affluent and older users of STRs are going to be less likely to create nuisances in City neighborhoods.

¹² *op.cit.*, "The Effect of Short Term Rentals on the Supply of Housing in Santa Barbara City and County," a report prepared by the California Economic Forecast, May 12, 2015. See page 13