

A Visual Guide to Understanding Measure 'M'

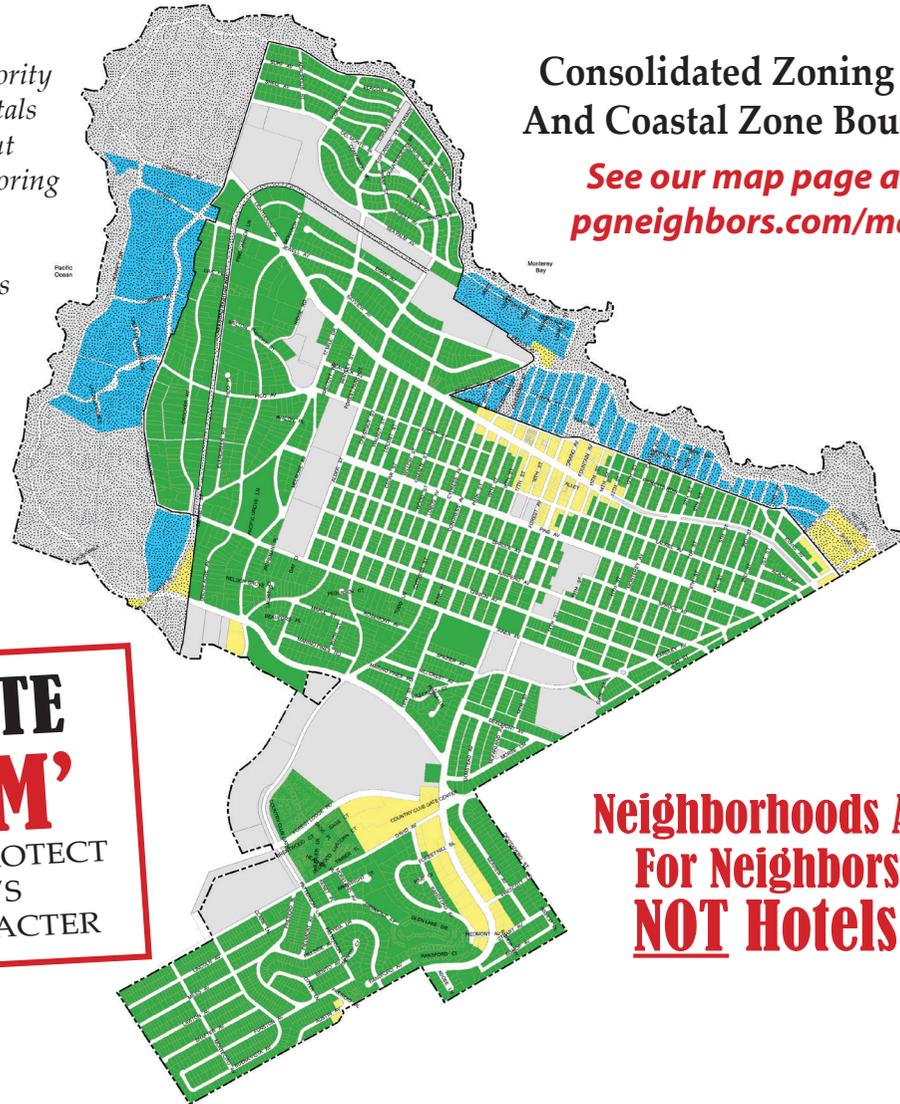
We created this map to show the distribution of residentially zoned parcels within Pacific Grove. There are 5,081 residential parcels outside the Coastal Zone and 626 residential parcels inside the Coastal Zone. Measure M will only affect residentially zoned parcels outside of the Coastal Zone (Green Parcels). The commercially zoned parcels and the area governed by the California Coastal Commission (Coastal Zone) are NOT affected by Measure M (Yellow and Blue Parcels). Further, Measure M does not change the City's existing rules allowing room rentals in resident occupied single family homes.

The Pacific Grove City Council majority expanded Short-Term Vacation Rentals (STRs) into residential areas without voter approval and with little monitoring or regulatory enforcement.

Measure M restores the zoning rules that once protected Pacific Grove neighborhoods.

22% of all residential parcels are within 55 feet of a Short-Term Vacation Rental.

Contact us to volunteer today!



Consolidated Zoning Map And Coastal Zone Boundary

See our map page at: pgneighbors.com/map

Neighborhoods Are For Neighbors, NOT Hotels!

PLEASE VOTE YES on 'M' TO PRESERVE AND PROTECT PACIFIC GROVE'S RESIDENTIAL CHARACTER

MAP KEY

- 1) Green colored parcels are affected by Measure M (residential parcels outside the coastal zone)
- 2) Blue colored parcels are NOT affected by Measure M (residential parcels inside the coastal zone)
- 3) Yellow colored parcels are NOT affected by Measure M (commercial parcels)
- 4) Home sharing (room rentals in resident occupied homes) is NOT affected by Measure M

Limit Short-Term Vacation Rentals In Our Neighborhoods

- Pacific Grove City Council majority expanded Short-Term Vacation Rentals (STRs) into residential areas **without voter approval** and with little monitoring or regulatory enforcement.
- The Council's actions are not compatible with the City Charter, which states: "Pacific Grove is primarily a city of homes... Business and industry shall be compatible with its residential character."
- STRs have driven out long-term renters and home buyers, disrupting our "city of homes."
- STRs hurt local inns and motels that have supported our economy for decades, so the Pacific Grove Chamber of Commerce supports the citizens' initiative.
- Out-of-town investors exploit our residential neighborhoods solely for profits. People who don't live here own 82% of the STRs.
- 63% of the residents polled by the city this year feel STRs are not being managed well by the city. The residents also said the two biggest problems facing the city are affordable housing and STRs.
- The city's largest Homeowners Associations (Country Club Gate, Forest Grove, The Glen and Monarch Pines) all prohibit STRs. Why should your neighborhood be any different?

Read the Initiative at: pgneighbors.com



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ABSENTEE OR AT THE POLL
PLEASE VOTE YES on 'M'

Will You Help Us Limit Short-Term Vacation Rentals In Our Residential Neighborhoods?

Neighborhoods Are For Neighbors, NOT Hotels!



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Why A Citizens' Initiative Is On The Ballot

Pacific Grove broke its prohibition on Short-Term Vacation Rentals (STRs) in 2010. The intention was to allow occasional renting of resident occupied homes on weekends and during major events. That blew up within a few years when some property owners found reservation services on the Internet and started **renting houses by the night year-round**. These stopped being "homes" and became commercial enterprises, changing the character of our residential neighborhoods with daily influxes of strangers, many who came to party, and more cars crowding onto our narrow streets.

Long-term **renters were evicted** to make way for more STRs and outside investors swooped in to open more. Our city council decided to accept the STRs and tax them as motels – 10% Transient Occupancy Tax (TOT) on top of the rents. The council did little else as scores of disrupted residents over the past four years asked for their help. Council majorities by 4-3 and 5-2 votes allowed the **spread of "mini-motels"** owned by out-of-town investors. They abandoned the zoning rules that once protected Pacific Grove's residential neighborhoods from the disruptions of commercial activity.

Since the initiative came forward, the city council has held a lottery to thin out STRs on overdense blocks and will cap the overall number to 250 by next spring. However, it's too little, too late, as the **"cap" can be increased at any time by a simple majority vote of the council**. The initiative requires a vote of the people before it can be altered.

How Neighboring Cities Took On STRs

In 1989, Carmel prohibited Short-Term Vacation Rentals in their residential neighborhoods. Carmel successfully defended their prohibition in a landmark case, *Ewing v. City of Carmel-by-the-Sea*. Monterey prohibited STRs in 1991 and Pacific Grove reaffirmed their longstanding prohibition in 1993. Carmel and Monterey continue to enforce their zoning rules that place **residents above revenue**. Several coastal cities recently banned or limited STRs – San Diego in July, Santa Cruz in April, Del Mar last November, Santa Barbara in June 2015, etc.

Residential neighborhoods are not responsible for generating hotel tax revenue.

Restore Our Residential Neighborhoods With Your Vote On Measure M

We have the opportunity to restore the rules that once protected our neighborhoods by simply voting **YES on M** on the Nov. 6 election ballot. The citizens' initiative is written by residents and their attorney, placed on the ballot by residents, and supported by residents. **Its sole purpose is to limit commercial Short-Term Vacation Rentals (STRs) in our residential neighborhoods.** Measure M is a zoning measure.

Measure M restores the zoning rules that once protected Pacific Grove residents and neighborhoods.

Helpful Definitions

- **Short-Term Vacation Rentals (STRs):** Houses repeatedly rented for short terms (less than 30 days), frequently overnight, just like motels. The owner/resident/manager does not have to be present.
- **Home Shares:** Single family homes that rent a bedroom on a short-term basis while the property owner/long-term tenant also is present. It's similar to having a paying houseguest that is supervised.
- **Seasonal Rentals:** Homes rented for intermediate terms, typically 30-90 days.
- **House Swaps:** An owner/family trades houses with another owner/family, typically for a vacation but without exchanging money.

Measure M only affects STRs, NOT home shares, seasonal rentals, house swaps, or overnight rentals in commercial areas.

Cashing In Our Neighborhoods Will Not Solve The City's Financial Woes

Owners of lucrative STRs are trying to tell us their commercial invasions of our neighborhoods are good for the city, solving our economic shortfalls. That's clearly overstated. Tourists renting houses for the night are not staying in the inns and motels that have been important parts of our local economy for decades. Innkeepers say they have been hit hard by the STRs and believe their occupancy rates would increase once they're gone. That's why the **Pacific Grove Chamber of Commerce supports Measure M.**

The City hired a consultant in June to estimate the fiscal impact of Measure M. The consultant considered the impact under several scenarios, including "business as usual" and an increase in Transient Occupancy Tax (TOT) from 10% to 12%. The City has placed the TOT increase on the November ballot as Measure U. Polling indicates it is likely to pass. **The increased TOT rate would substantially offset the loss caused by limiting STRs**, with total TOT revenue dropping from \$5.9M in fiscal year 2019 to \$5.6M, or \$265,182 in 2021, the first year of implementation. (See for yourself - Item 12A on the City Council agenda June 20, 2018). The consultant did not consider the likely increase of hotel occupancy as a result of significantly reduced competition from STRs. An increase of 6% in occupancy would yield approximately \$300,000, **fully offsetting potential financial loss.**

Out-of-Town Investors Fight For Profits

Pacific Grove's STR owners (82% of whom live out-of-town) are fighting to hang onto their personal profits, claiming they generate extra business for our restaurants and shops. But city sales tax collections say otherwise. **The sales tax has been essentially flat for the past five years**, showing no spurts from an influx of STRs. Longtime residents are much more likely to shop locally than overnight visitors.

Since the majority of the STRs are absentee owned, it seems most of this "new money" is flowing away from our local economy, including the "Big City" lawyers' fees being paid by the two groups of STR owners that have filed lawsuits against our city.

This is enforcement?

There are Short-Term Vacation Rentals on 175 blocks of our city. The city's lottery in May was intended to break up the worst concentrations picking 51 of these STR licenses to be retired next April. However, 45 of the 51 licenses will become available for new locations. **If you don't have one next door yet, you may soon.** Neighbors aren't notified in advance. The STRs just pop up unannounced and start renting to transients. If you object, you can pay \$500 to appeal it to the city official who approved it.

The city has issued more than 400 licenses for Short-Term Vacation Rentals but despite the scores of problems neighbors have experienced – loud parties at all hours, blocked driveways, trespassers, trash left on sidewalks and in the streets, etc. – **only 2 licenses have ever been revoked.** One of the two was only revoked after the STR caught fire, which revealed a caretaker was living in the garage and the emergency contact information was unreachable.

63% of the residents polled by the city this year feel the STR program is not well managed.

The Initiative to Preserve and Protect Pacific Grove's Residential Character

Measure M is a citizens' initiative placed on the Nov. 6 ballot by Pacific Grove residents fed up with Short-Term Vacation Rentals intruding and disrupting the character of their residential neighborhoods. It would remove them from residential areas except in the Coastal Zone, which is regulated by the California Coastal Commission.

The initiative would not affect STRs in the commercial zone, where such commercial activity belongs. **It would also allow residents to use their homes in the traditional ways – home sharing, seasonal rentals, house swapping.** The limits would be phased in after 18 months in order to allow the city, and effected property owners, time to adjust.

You can **read the entire initiative for yourself** on our website, www.pgneighbors.com, or by picking up an initiative booklet at our farmers market table, or by contacting the city clerk at (831) 648-3181.