

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **The Lingering, Unresolved Battle Over Short-Term Rentals in One California City.**

**Almost a year after San Diego first passed restrictions on rentals marketed on Airbnb and other platforms, only to rescind them months later, the issue is still unsettled. Now, it has moved to the state Legislature.**

In San Diego, like other California cities, affordable homes are in scarce supply, with some in the city placing part of the blame on the abundance of short-term vacation rentals marketed on websites like Airbnb. After a decade-long debate over how to regulate vacation rentals, the San Diego City Council passed a sweeping new ordinance last July. Supporters of vacation rentals—a longstanding sector for this coastal community—called the law a [de-facto ban](#), but similar ordinances later followed in [Los Angeles](#) and [Washington, DC](#). The law's backers heralded it as a major success—and then it wasn't.

Just four months later, the San Diego City Council voted 8-1 to repeal the ordinance that the same council members had passed, in response to a successful petition to put the law on the 2020 ballot, delaying it until voters could weigh in. At the moment, the fight has moved to the state Legislature, where a bill would limit platforms advertising vacation rentals to 30 days a year for residentially-zoned properties in the coastal zone. The measure would only apply to San Diego county. The State Assembly [passed](#) the bill in late May and it is now before the State Senate, although its prospects there remain uncertain as some lawmakers say they are hesitant about preempting local governments with state-level legislation.

It's worth asking how the vacation rental issue became so intractable. It wasn't bogged down in partisan gridlock—members of both parties have found themselves on both sides of the issue. While dysfunctional government has sometimes been a problem for San Diego, this doesn't appear to fit into that trend. State Assembly member and mayoral candidate Todd Gloria, a Democrat, [coined the term](#) "San Diego special" for a situation in which "obvious solutions to long-running problems die for lack of vision, leadership, and action." But the Airbnb battles don't look like a San Diego Special: there was no shortage of legislative proposals, and lawmakers came together to take action (and then undo it).

[Continue reading.](#)

### **Route Fifty**

By David Hervey

JUNE 21, 2019