

Joshua Tree region grappling with capping short-term rentals amid housing crisis



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Tamra Speakman received notice last year ordering her to vacate her rental home of nearly a decade in Yucca Valley. The owner was selling the home, and for Speakman, who relies on a limited income of disability payments and part-time work, the notice resulted in a month-long scramble to find housing she could afford in the High Desert, where she's lived for more than 20 years.

“There was nothing, and I looked everywhere. I was only able to put in a few applications because there just weren't that many doors open at all,” said Speakman, who eventually expanded her rental search to include most of California.

She found a rental home in Joshua Tree in the final week of her notice, and attributes this to her long rental history and frequent calls to the property management company, which told her they had hundreds of applications for just a few rentals. Her old place in Yucca Valley was \$800 a month and 1,450 square feet, while her new place is just under \$900 a month and 550 square feet. The air conditioning and heating systems are lacking, but “that was a choice I had to make as opposed to living in the car,” she said.

Speakman blames the dearth of available rental units and rising rents in the Morongo Basin on the increased prevalence of short-term rentals, and she's not alone. Some high desert residents say short-term rentals are taking over places that previously served as long-term housing for locals. And the ripple effects are having far-reaching consequences.

In the 10 years that Levon Kazrian has owned Crossroads Cafe in Joshua Tree, staffing the café has grown increasingly difficult, which he attributes to the unavailability of affordable rental housing.

“We are quickly heading to an unsustainable situation: huge demand for restaurants and other small businesses, simply not enough staff for them all to succeed,” Kazrian wrote in a letter to the San Bernardino County Planning Commission. “Resort/tourist areas need services, as well as lodging, by devoting too much of current rental housing stock to STRs instead of affordable rental stock via insufficient regulation, the county is handicapping the very services and businesses that help make areas like Joshua Tree more hospitable places to visit.”

Jasmine West, a manager at the Joshua Tree Saloon, says she's lucky she bought a home in Landers six years ago for around \$120,000 — the typical home value is now \$294,850, up from \$160,133 just two years ago.

“You can’t find anything to rent here anymore, and the homes that are up for rent the people who work here can’t afford because they’ve almost doubled in price (in the past few years). So (employees) just can’t afford it or they just can’t find anything, and property values have gone up so high that they can’t afford to buy anything,” said West.

“But there is a flipside to this whole thing,” she continued. “We’re getting a lot more business in here.”

The area is seeing increased visitors but declining residents — attendance at Joshua Tree National Park has more than doubled in the past seven years, from 1.3 million visitors in 2014 to nearly 3.1 million in 2021.



Meanwhile, the 2020 census counted 6,489 people in Joshua Tree, a 12.5% drop from 7,414 residents in 2010. And while some contend Joshua Tree has always been a haven for second homes, the percent of vacant units — a category that counts housing units that aren’t used as a primary residence, including short-term rentals — increased by 33.6% between 2010 and 2020.

Rental owners and managers argue short-term rentals aren’t solely to blame for rising housing costs and a lack of available housing.

'Playing musical housing'

The Joshua Tree region, like much of California, is facing a housing crisis — one that is possibly even more acute in the High Desert than in other parts of the state. A recent analysis by the San Francisco Chronicle of home value data from Zillow found the three California ZIP codes with the largest increases in home values during the pandemic were all in the high desert. Landers took first place, with an 84% increase, followed by Joshua Tree with a 69% increase, and Twentynine Palms with 63% increase.

A typical home value in Joshua Tree is now \$414,172, up from \$244,942 before the pandemic. As owners cash out on this market and new buyers look for properties in the Morongo Basin, either to use as second homes or short-term rentals or to relocate to the desert from urban areas during the pandemic, long-term renters are feeling the pinch.

Jennifer Shaumyan, the property manager at high desert property management company Affordable Rentals, says she served notices to vacate to renters in 40 different properties last year due to owners selling, an “unprecedented” number. The company manages around 380 units in both apartments and single-family homes.

Shaumyan tries to prioritize the tenants who have received notices for the company's other vacancies, in what she compared to musical chairs — “like playing musical housing.”

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When Shaumyan started at Affordable Rentals six years ago, the company didn't give regular rent increases, instead “giving an increase of maybe \$20 here and there.”

Now, they're giving annual increases. Six years ago, a typical one-bedroom apartment from Affordable Rentals went for \$500, while now that same unit would be at least \$775, Shuamyan said.

The median household income in Joshua Tree is \$39,424, and in Homestead Valley, which includes Landers and Flamingo Heights along Highway 247, the median income is \$31,864. In both unincorporated communities, more than a quarter of all residents live below the poverty line. The median household income for San Bernardino County as a whole is \$67,903 with around 13% of people below the poverty line, and California has a median income of \$80,440 with around 12% below the poverty line.

Wayne Hamilton, community outreach coordinator and homeless liaison for Morongo Unified School District, gets calls from about five or six families each week who have received notices to vacate their housing. In the 15 years he's worked in the role, the job has changed.

“Now, it's just totally out of control as far as people losing housing, but also, we have nowhere to place these families. When I first started, if somebody lost their housing, it was usually because the landlord wanted to remodel or something, and we always had a place to put them. At the time, we had landlords calling our office just to say they had vacancies if we had families who needed housing,” Hamilton said.

Many of the families struggle to find new housing that's in their price range, and Hamilton said some end up moving to places like Apple Valley, Needles, or Blythe, or doubling up in housing with other family members.

County weighs new regulations

Some community members have called for a cap on short-term rentals in the High Desert. But planning commissioners and county staff emphasize that current efforts to revise short-term rental regulations are focused on improving enforcement and reducing quality-of-life and nuisance issues, such as noise and parking, not on capping STRs.

The San Bernardino County Planning Commission recently advanced a proposal that would require a two-night minimum for weekend stays, and set a limit of only one STR on parcels under 2 acres and two STRs on parcels over 2 acres in the mountain and desert regions.



The proposed changes, which still need to go before the San Bernardino County Board of Supervisors, are a scaled-down version of stricter regulations initially proposed by county staff. That proposal would have placed a two-night minimum on stays throughout the week, limited STR owners to two STRs, and banned corporations and other business entities from owning STRs. Short-term owners had pushed back against this initial proposal, while some high desert residents say neither version addresses the issue of housing.

Incorporated cities in the High Desert, like Yucca Valley and Twentynine Palms, make their own short-term rental rules. But regulating the short-term rental industry in unincorporated communities like Joshua Tree, Pioneertown and Landers falls to the San Bernardino County Board of Supervisors, which governs the largest county in the contiguous United States by land area.

The expansive region encompasses more than 20,000 square miles, covering three distinct regions: the Valley Region, comprised of the Inland Empire cities of San Bernardino, Ontario, Rancho Cucamonga and Chino, among others; the Mountain Region, stretching from Wrightwood to Big Bear City; and the vast desert region, which stretches all the way to the Arizona border and includes the Morongo Basin, Needles, Victorville and Barstow.

In Yucca Valley, where Speakman previously lived, the town council recently enacted stricter regulations on short-term vacation rentals, including placing a limit on the number of STRs at 10% of the town's single-family housing units. With about 7,851 attached and detached single-family units in the town, the cap is currently set at 785 vacation rental units, 485 more than Yucca Valley's current number of about 350 permitted STRs. Twentynine Palms is also considering placing a percentage cap on STRs, which currently comprise about 6% of the city's single-family housing stock.



As incorporated cities in the high desert contemplate caps on short-term rentals, roughly 20% of unincorporated Joshua Tree's housing units are permitted as STRs. As of the 2020 census, the community has 3,745 housing units, including both single-family homes and multi-family units, and the community had 780 active STR permits as of early March.

As of Feb. 24, there were 3,332 permits for short-term rentals in unincorporated communities in the mountain region, and 1,339 in the desert region, but those numbers fluctuate daily; the county typically receives between 10 and 30 new applications each day.

Also on Feb. 24, the county had 186 desert region applications and 335 mountain region applications in the processing stage, which typically takes about 30 days.

Where is the saturation point?

Jenn Gladysz, founder of the short-term rental company Cocoon, which manages about 40 short-term rentals in the high desert, said a lack of affordable housing production is an issue across the nation.

"I think that is more of the problem than short-term rentals. I also think the short-term rental market is becoming saturated here. It's going to start to regulate itself," she said. "People have jumped into this market, and they think they're going to make a certain amount of money. And they're not necessarily. If they don't have a special and unique place, it might not do as well as they thought it would."



Gladysz said she thinks some of those short-term rentals will go back to long-term rentals or be sold.

Breana Violanti, a lifelong Morongo Basin resident who maintains her own map of short-term rentals in unincorporated San Bernardino County, says her tenancy was terminated at her previous rental in Joshua Tree last year after the owner said they intended to move into the property. But Violanti suspects that the unit is actually being converted to a short-term rental due to the renovation work that appears to be happening at the property.

“Long-term rentals are non-existent now, and if there is one that comes up on the market, there’s no way any local can actually afford it based on the wages that you make here in the Morongo Basin. So it’s either people coming in from other places who now work from home, or they’re people who are commuting down the hill or somewhere else for work that can actually afford \$2,000 plus a month, for rentals that used to be \$800,” Violanti said.

Violanti called the culture perpetrated by short-term rentals and businesses now owned by people from Los Angeles or other areas a “hipster lie about our community.”

“There needs to be limits, there’s no reason that in a town with 3,000 homes that half of them should end up as AirBnbs,” said Violanti.



Absent a cap on short-term rentals set by the county, Violanti hopes the saturation point is coming soon — an idea that was echoed by short-term rental owners and managers themselves.

“Short-term rentals aren’t for everybody. I think some people have some pie-in-the-sky idea that they’re going to buy these houses and make tons of money, but it’s not tons of money, you make more money than you would as a long-term rental, but it’s also a lot more work and a lot of people are disillusioned by the amount of work that it is,” said Sati Ah, who has owned short-term rentals in Joshua Tree since 2014.

Thomas Fjallstam, founder of the Joshua Tree Gateway Communities Vacation Rentals Association, said he’s kept two homes as long-term rentals “because I realized that eventually, short-term rentals might oversaturate.”

But he also disputes that all of the short-term rentals were previously used as long-term housing, arguing that himself and many others bought homes that had long been vacant and needed significant repairs before offering them as short-term rentals.

“A lot of people just want to point to an easy target of vacation rentals being the problem, but our area has historically been second homes and a lot of empty houses; it’s been a lot of people coming in and investing money into dilapidated properties,” he said.

County considers study of impacts on housing

Both planning commissioners and county staff refuted the idea that STRs reduce available housing during recent meetings on short-term rentals. When Commissioner Michael Stoffel asked county staff if there have been any issues of owners evicting long-term rentals to convert the property into short-term rentals, planning director Heidi Duron said “we haven’t come across anything like that.”

Under California’s eviction laws, most landlords cannot evict tenants in good standing without a just cause, but exemptions to this include if the owner intends on occupying the property themselves or if the owner intends to withdraw the property from the rental market by selling the property. This means that while an owner couldn’t expressly evict someone to convert the property into a short-term rental themselves, they could sell the property to someone else who later converts it to a short-term rental.

Jennifer Shaumyan, the property manager at Affordable Rentals, says these rules mean that when an owner decides to sell their long-term rental property, she doesn’t necessarily know whether it will ultimately be converted to an STR by the new owner.

Short-term rental owners say the problem lies with housing stock, with several short-term rental owners arguing the county could address the issue by building more affordable housing.

“Affordable housing is absolutely an issue, and there must be some way to put the money that is being generated by STRs toward affordable housing,” said STR owner Vanessa Ruble during the March Planning Commission meeting.



While permit fees from short-term rentals are used for STR code enforcement, there currently is no requirement or provision that the county reinvests the 7% transient occupancy tax collected on STRs back into the mountain and desert communities where those STRs are located.

Commissioner Jonathan Weldy suggested the issue of housing supply could be solved by everyone deciding to stop gaining equity in their homes by selling them at the prices they were bought for, “which nobody’s going to do,” or by building subdivisions in the desert.

“People said we can’t do more short-term rentals because we have people that work in service industries that can’t afford to live here, but the truth of the matter is this is fair market, and so if you took out short-term rentals they’d be long-term rentals and they’ll be rent out for whatever the market is ... and service workers still won’t be able to afford it. The problem is there’s not enough housing stock,” Weldy said.

Steve Bardwell, president of the Morongo Basin Conservation Association, said he would like to see the commissioners take the issue of housing and short-term rentals “more seriously.”

“I was disappointed that they have yet to really acknowledge the difficulties and the problems that we're having with our housing supply out here that are in no insignificant part due to STRs. And that they talked about all these changes to improve the function of STRs, but what I really want to see them tackle head-on is how this is affecting the housing stock out here,” Bardwell said.

The county’s draft housing element identified the combined increase in short-term rentals and decrease in available long-term rentals as one of the top housing issues expressed by community members in unincorporated mountain and desert communities.

The housing element proposes that the county conduct a study to determine the impact of short-term rentals on housing supply in the unincorporated mountain and desert region, with a goal of concluding the study and implementing possible solutions in 2024. Potential solutions could include new regulations on short-term rentals or incentive programs for owners to use properties as long-term rentals for local employees and lower residents.

'They're making land-use decisions for us'

As the county works to address short-term rentals, both short-term rental owners and those who want more restrictions on STRs have questioned the county’s ability to craft policy that fits the vastly different unincorporated communities in the county, and whether supervisors and planning commissioners without any STRs in their district can effectively make decisions on these policies.

Before the San Bernardino County Planning Commission's Feb. 3 meeting on short-term rentals, more than 40 different short-term rental owners and operators in the desert region submitted a similar form letter drafted by the Joshua Tree Short Term Rentals Association that began with, “DESERT AND MOUNTAIN AREAS ARE DRASTICALLY DIFFERENT.”

The letter argued that the desert region requires different STR rules than the mountain region because, among several other differences, the desert region is more thinly populated and spread out than mountain communities or urban regions. This, the letter argued, is why there needs to be separate rules for things like occupancy limits and parking requirements for desert and mountain properties.

“Most of the county is rural desert. The vast desert region of SB County is NOT Palm Springs. The vast desert region of SB County is NOT Big Bear. The vast desert region of SB County doesn’t have the STR challenges of an urban, small-parcel town or city,” states the letter.



Following this pushback, county staff made several changes before bringing the proposed regulations back to the Planning Commission on March 3, including eliminating a proposed occupancy limit based on number of bedrooms and changing the allowed STRs per parcel to one on parcels under 2 acres and two on parcels over 2 acres, instead of a blanket limit of one STR per parcel regardless of size.

“It seems like most of our main concerns have been removed from the initial recommendations,” said Thomas Fjallstam of the Joshua Tree Gateway Communities Vacation Rentals Association, which distributed the form letter to its members.

For the Morongo Basin Conservation Association, the concerns lie in the fact that all five supervisors and commissioners have an equal vote in decisions on short-term rentals in the county’s unincorporated mountain and desert regions, even though the majority of the county’s unincorporated communities, including both the Morongo Basin and Big Bear regions, are concentrated in District 3, represented by Supervisor Dawn Rowe.

The Morongo Basin Conservation Association estimates that as of January, there were over 4,700 STR permits and applications in the Third District, 63 in the First District, and two in the Second District. The Fourth and Fifth Districts, which encompass valley cities such as Chino, Ontario, and San Bernardino, each had zero STR permits under county jurisdiction.

“How come those two situations have an equal seat at the planning commission, when the planning commission deals with the unincorporated areas?,” said Janet Johnston, one of the organization’s directors. “They’re making land use decisions for us, and they have no stake in it, and we can’t vote for them.”

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