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## LAWSUIT: VACATION-RENTAL RULES ARE ILLEGAL

BY KELLY NIX

PACIFIC GROVE'S new rules limiting the number of vacation rentals in town — including a lottery system that will eliminate more than 50 such rentals next year — violate the 1976 Coastal Act, according to a lawsuit filed this week by four homeowners affected by the restrictions.

William and Susan Hobbs and Donald and Irma Shirkey filed the complaint Wednesday arguing that an ordinance the city council OK'd in February violates the law because P.G. didn't get approval from the California Coastal Commission before it adopted the rules.

On May 22, the city used a drum filled with pingpong balls to select the winners among 256 applicants who could continue to rent their vacation properties.

The result of the lottery was that the 51 property owners who weren't selected, including the Hobbses and Shirkeys, will no longer be allowed to use their homes for rentals as of next April.

The "enforcement of the ordinance, including the lottery, deprives plaintiffs of their constitutional right to due process of law," the complaint says.

The homeowners want a judge to declare the ordinance invalid and prohibit the city from enforcing its new short-term rental rules.

The ordinance also established a cap on the numbers of short-term rentals in some neighborhoods and prohibited them in others, rules that plaintiffs in the lawsuit say "suddenly and arbitrarily" took away their "vested" right to rent their homes.

"The process for stripping people of their short-term rental licenses was not based on how long the homeowner had been renting the home, or on whether they or their guests had caused disturbances or on any other factor except for the lottery," the lawsuit says. "As a result, owners who had incurred numerous complaints were allowed to keep their permits, while responsible homeowners and long-time renters like plaintiffs were stripped of theirs."

### For medical expenses

In 2013, the Hobbses, who own a house on the 1100 block of Ocean View Boulevard, obtained a rental license from the city and began renting the house to help pay for the "considerable costs" of a relative's medical expenses. They spent about \$50,000 to renovate the house, the lawsuit says.

The Shirkeys began renting their Fifth Street property, which they purchased in 1999, after getting a license from the city in 2010.

Neither couple, the complaint contends, have received complaints from

the city or neighbors.

The lawsuit was filed for the homeowners by Timothy Sandefur, Christina Sandefur and Matthew R. Miller, attorneys with the Phoenix-based Goldwater Institute, founded in 1988 with a "blessing" from the late Republican Sen. Barry Goldwater. The New York Times in 2011 called the group a "high-powered libertarian think tank."

The same day the suit was filed in Monterey County Superior Court, the organization addressed the suit on its website.

"The coastal commission has supported limiting the number of vacation rentals when necessary, but it has also implored cities to adopt only 'reasonable and balanced regulations that can be tailored to address the specific issues' of the community, rather than banning the practice outright," the website says.

Pacific Grove attorney David Laredo said the city has not been served with the suit, and he declined to comment.

This is the second lawsuit property owners have filed against the city over its vacation rentals rules.

Meanwhile, on June 6, the city OK'd a petition from critics of vacation-rentals to have the issue put on the November ballot. The initiative asks voters to ban and phase out existing short-term rentals in residential districts, except those in the city's coastal zone.

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