



Venice Neighborhood Council

PO Box 550, Venice, CA 90294 / www.VeniceNC.org
Email: info@VeniceNC.org / Phone or Fax: 310.606.2015



BY EMAIL

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September 24, 2014

Sharing Economy Work Group
Attn: Sharon Gil and Richard Williams
Los Angeles City Clerk Office
200 N. Spring Street, Room 360
Los Angeles, CA 90012

Re: Council File 14-0593 Sharing Economy – letter requesting focus on Venice as a distinct residential community/Venice community impact statement general comments

Dear Members of the Sharing Economy Work Group,

Please be advised that at a regularly held public meeting of the Venice Neighborhood Council (VNC) Board of Officers, on September 16, 2014, the following Motion was approved as part of the Consent Calendar by a 14-0-1 vote:

MOTION:

The VNC Board shall send a letter to the L.A. City Council Sharing Economy Work Group recommending and making it very clear that the Venice Community deserves to be included in preparing the Work Group's report and recommendation to the City Council; and that the VNC Board recommends that as the L.A. community most severely negatively affected by short-term rentals that City Councilperson Mike Bonin strongly support us in having a seat at the table of the Work Group; and further, the VNC Board recommends that the CAO, CLA and other members of the Work Group focus on the positive and negative impacts of the recent exponential expansion of the short-term rental market on Venice as a distinct residential community of the City of L.A., and that they carefully research and analyze the impact of non owner-occupied short-term rentals on the availability of long-term housing stock in Venice, the number of rent controlled units in Venice, and on the quality of life and socio-economic diversity in Venice's residential neighborhoods (including commercial zones with rent-controlled properties).

Approved by LUPC on 9/2/2014 by a vote of 7-0-0

Supporting Documentation:

www.venicenc.org/sharing-economy-short-term-rentals/

A copy of that letter, and the Community Impact Statement, which were both attached to the VNC's September 16, 2014 agenda at www.venicenc.org/sharing-economy-short-term-rentals/, follow on the next page.

Yours truly,

Mike Newhouse
President
Venice Neighborhood Council



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Dear Members of the Sharing Economy Work Group,

We are writing pursuant to the Motion (Council File: 14-0593) recently passed by the Los Angeles City Council to convene a Working Group to prepare a report on the “sharing economy” to help the City better understand its impact. The Venice Neighborhood Council is requesting that the Work Group focus on Venice as a distinct residential community of the City of Los Angeles as they study the positive and negative impacts of the “sharing economy” in general, and of short-term rentals in particular.

As the primary beach community in Los Angeles, Venice is experiencing a massive influx of year round, full-time non owner-occupied short-term rentals. As a result of this onslaught, we are the most negatively impacted area in the city. In the past, the owners of these rentals lived on the premises full time and only periodically or seasonally shared their homes occasionally with paying guests. In early 2013, the Venice Neighborhood Council and City offices began to receive increasing numbers of complaints with respect to short-term rentals, due to the increasing numbers of investors and “host” managers buying and leasing residentially zoned dwellings with the express purpose of turning them into year-round short-term rentals.

The largest of the online short-term rental facilitators markets this activity using the misnomer “home sharing,” but it could be more accurately described as an illegal underground hotel business. Entire houses, apartment buildings, and multi-unit properties have been turned into full-time hotels in disguise. This is not ‘home sharing’ as portrayed by proponents of short-term rentals and the “sharing economy.” In residential neighborhoods closest to the beach, the proliferation of these de facto hotels is escalating at an alarming rate.

Under the guise of “home sharing” lies the reality: selective and non enforcement of zoning codes has enabled real estate investors and property managers “hosts” to illegally convert entire apartments, multi-unit properties and homes in residential neighborhoods into year-round non owner-occupied short-term rentals. In addition, some investors have acquired an “unfair advantage” over others, as they are enabled in continuing to violate current regulations in anticipation of a change in such regulations. We ask that the Work Group include a careful examination of this negative impact.

Venice residents are seeing their quality of life and the right to quiet enjoyment of their homes significantly harmed by these short-term rentals, which have been allowed to proliferate without adherence to existing zoning codes, housing and safety regulations, and insurance requirements. Neighborhoods are suffering from increased noise from late night parties, sanitation and garbage issues, and safety issues, including increased crime.

Long-term residential housing stock, including many rent-controlled units, is quickly disappearing from the market. At the last count, there were 14 online brokerage sites, some of which cater exclusively to Venice properties and list somewhere between 2,000 – 3,000 short-term rentals in the three square miles that comprise Venice. This is approximately triple the number of a year ago.

The lure of inflated profits has spawned a Gold Rush mentality and is prompting real estate investors and property manager/“hosts” to evict long-term tenants. We have lost and continue to lose affordable housing at an alarming rate. Rent controlled units are being illegally converted to short-term rentals, costing us the socio-economic diversity that makes Venice unique. The local impact of mass conversion of housing stock is stark. These investors and property manager/“hosts” skirt the law, violate leases, remove scarce housing stock, drive up rents and disrupt neighborhoods.

In addition, Venice is designated as a special coastal community under the California Coastal Act, which protects the character of unique communities from adverse impacts. Therefore we ask that the Working Group ensure that the character of Venice as a residential community is preserved, as required under State law.



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We ask that the Work Group carefully research and analyze the impact of short-term rentals on the availability of long- term housing stock in Venice, the number of rent controlled units in Venice, and on the quality of life and socio-economic diversity in Venice's residential neighborhoods and commercial zones with rent-controlled properties.

We stand ready to assist in your analysis of the Sharing Economy and related short-term rental impacts on Venice, and look forward to discussing this with you further.

Sincerely,

**Venice Neighborhood Council Executive Board
Mike Newhouse, President**



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VENICE COMMUNITY IMPACT STATEMENT general comments

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