

August 18, 2014,

RE: ITEM NO. 14-0593

Honorable Councilmembers Huizar, Cedillo and Englander:

I am writing to express my concern about the Sharing Economy Motion and ask that the Planning and Land Use Committee amend this Motion to request an examination of the impacts, both positive and negative, of the "Sharing Economy" on the quality of life in residential neighborhoods, the housing stock in our City, including rent controlled units and availability of long-term rental properties.

The Motion as currently written and amended by the Economic Development Committee instructs only that the benefits of the "sharing economy" be examined and addressed by the Work Group in their Comprehensive Report and ignores any analysis of the potential adverse economic and social impacts. It would be a disservice to the citizens of Los Angeles if the opportunity to explore, analyze and understand not only the benefits, but the serious economic issues and potential adverse impacts of the "sharing economy" were not included in this analysis. The "Sharing Economy" Motion as currently drafted is vague enough to be considered a request for legalization of currently illegal activities and presupposes only the positive economic benefits of the so-called "sharing economy."

This motion appears to be biased in favor of supporting the current pernicious trend of converting residential properties to short-term/transient rentals. This is depleting the affordable housing stock in Los Angeles popular visitor destination neighborhoods already over-saturated with absentee/non owner-occupied, illegal short-term rentals, as corporate entities buy up and/or rent every available property to turn into short-term vacation rentals.

These are not "home sharing" individuals; the majority of properties listed on online platforms like Airbnb, Homeaway, Vacation Rental by Owner and Flipkey are not owner occupied; many were turned into vacation rentals after eviction of tenants who depended on rent control.

The impact of short-term rentals on affordable housing needs to be examined by the Work Group as does loss of housing stock, including rent controlled units/affordable housing and long-term rental units that are being permanently withdrawn from the housing market and threaten the very existence of rent control and affordable housing. This is of particular concern in popular visitor destination areas of the city already over-saturated with absentee owner-occupied, illegal short-term rentals.

The term "sharing economy" needs to be defined and fully understood; within the context in which it is currently being practiced it is a misnomer. Companies like Airbnb use the language of "sharing" to conceal ambitions that are far more self-serving. This model may collectivize experience – profits, however are privatized!

The creation and enforcement of regulatory safety and risk management structures is the appropriate way to support new technologies, innovators and entrepreneurs -- otherwise the potential benefits of a true sharing economy will be lost.

I would further request that this committee amend the motion to ensure that the Economic Development Motion work group is a diverse group made up not only of proponents the sharing economy as it is currently practiced, but to ensure that those who are interested in protecting rent control units, the fabric of residential neighborhoods, labor union representative and affordable housing advocate representatives are included.

Thank you,

Judith Goldman  
Stakeholder