



November 7, 2016

From: Robert St. Genis, Executive Director, Los Angeles Short Term Rental Alliance
To: Los Angeles Councilmember, Jose Huizar

Re: Home-Sharing Ordinance

Dear Councilmember Huizar,

We would like to express both my support and concern regarding the draft Home-Sharing Ordinance that the City Planning Commission agreed upon in June of this year. While we are grateful to the City for its efforts to create reasonable measures, the ordinance still contains elements that present significant barriers to all stakeholders in the short-term rental (STR) industry.

The City should hold vacation rentals to the same standard as all other short term rentals given that they both serve the same purpose, to provide quality accommodations for guests. Vacation rentals have a smaller footprint than other short term rentals, while also having the potential to bring in more Transient Occupancy Tax (TOT). While we can't distinguish which vacation homes in Los Angeles are primary versus secondary, we do know that guests tend to stay longer – on average of 6 days – in comparison to guests in hotels who stay an average of just 1 day. This means vacation rental guests are paying six times the amount hotel guests pay in TOT to the City. Think about it. If you are called to LA for business, you are going to be in and out in general. If you can figure a way to bring the family and make a vacation out of it, you will stay longer.

The Mayor has made ending homelessness a top priority and has stated that all TOT collected from STRs will go into a homeless housing voucher trust fund. In considering regulating the STR industry, we should determine how to maximize the collection of TOT while balancing other concerns surrounding this industry. Using TOT to fund constructive programs that help provide long term housing and job trainings for homeless people is the ethical thing to do. It benefits our most in need, the local economy, and all Angelenos ultimately. Remedying our homeless population will also offer an increased boost in tourism to the City of Angels.

We believe the City should not limit the number of days that vacation rentals can be rented out each year. It will put people out of business. Furthermore, a survey conducted by HomeAway of its user base found that if they were banned from renting on a short-term basis, the majority of them would use their homes for personal use. This dispels the notion that many of HomeAway's users would sell or rent their property, and therefore create more housing stock. The reality is the issues related to housing stock are rooted in long term problems with not meeting demand and underfunding affordable housing projects.



In the meeting with the Planning Commission it was mentioned that some 50,000 people moved to Los Angeles last year, some 16,000 new homes came online. Some estimates say there needs to be 100,000 new homes built a year for a decade to make any sizable dent in this long standing crisis. Something that should be addressed, but not with smoke and mirrors trying to deflect the problem on a contributor to Los Angeles on multiple levels that accounts for less than .02% of the city's housing stock when looking at number of rentals over 120 days.

There are a variety of reasons why owners may choose to rent out their homes, but for a lot of us, this is not only a source of income – this is our livelihood. The limitations posed by this ordinance could have a significantly adverse impact on Angelenos who greatly depend on this industry, including the workforce that depends on this industry for steady work, among them housekeepers, landscapers, handymen, dry cleaners, property managers, insurance agents and local restaurants and retail. I am asking that the City recognize and address the restrictions which prove unreasonable and indifferent to STR owners.

We encourage the City to take into account the ineffective, unenforceable and arbitrary elements of the current ordinance, and to collaborate with your local organization, LASTRA (Los Angeles Short Term Rental Alliance) to address these issues. We remain here to help.

Sincerely,

Robert A St. Genis

Robert A. St.Genis
Executive Director, Los Angeles Short Term Rental Alliance

Dear Councilmember Huizar,

My wife and I own a short term rental property located in South Carthay Circle and have serious concerns about the Home Sharing Ordinance in its current form. We do not live at the property as my 92 year old mother in law now lives with us because of health and safety (fall risk) issues. The money generated from the short term rentals helps us cover the costs associated with her care. But that is only part of the story.

To fully appreciate our concern, I believe it is important to know more about our property. It is a 1930s duplex that is beautiful and extremely well maintained. We love it. No expense is spared in our upkeep of this property. It's originality is preserved (tiffany windows, doors and skylight) as are the original architecture accents and wood floors. We still have the original fixtures and even antique O'Keefe stoves in the units. We have a landscaped backyard with a water fountain. The units are also furnished with estate furniture. Quite frankly, we take pride in the ownership of our duplex. So, first and foremost, we have a strong desire to control the use of and to preserve the historic beauty of the property. Forcing us to transform the units to traditional long term rentals will destroy our ability to do so. We would have no control over the units for long periods of time as all control and access are given up in traditional rentals. This causes us grave concern. Furthermore, ownership of long term rentals promotes deferred maintenance and neglect as there is no reason to spend money on upkeep beyond what is necessary. So this would be a loss to our neighborhood.

It is also important to note that we rent to tourists visiting Los Angeles which helps generate revenues for local business and tax revenue for the city and state. And we love it meeting people. We meet families from Paris, Italy, Germany, China, Canada, Egypt, Israel, Russia, Saudi Arabia, Mexico, Spain, Brazil, Argentina and, of course, other parts of the United States. Many families also come for weddings as they have family here, graduations (UCLA, USC, Loyola) or to be near Temple Beth Am for the high holidays (we are walking distance to the temple). We truly enjoy this experience.

Additionally, our next door neighbor is a stay at home mother and works for us. She uses the additional income to help pay medical bills as her husband is currently fighting cancer. She will suffer from the loss of this income should we be forced to end our short term rentals. Similarly, our cleaning lady relies upon our business. Additionally, we employ gardeners, plumbers, painters and a variety of other small businesses to keep our property in tiptop shape. All of these businesses would suffer if short term rentals like ours are severely restricted or forced out of business.

Another consideration is that we have never had any complaints about our guests. (And I suspect this is true for a majority of short term rental owners.) We restrict the number of people who can stay at the property and forbid parties or commercial use. So we are mindful of our neighbors and, of course, our next door neighbor is our "boots on the ground" to ensure that there are no problems. Moreover, our guests usually only use one vehicle which helps reduce traffic congestion in the city. It is quite unusual for a family in Los Angeles to only have one car. I think it is also important to note that having a long term tenant is no guarantee that there

will no problems with their use of the property. So I believe the argument that severely restricting short term rentals will eliminate such issues is misplaced.

Similarly, I seriously doubt that short term rentals effect the availability of affordable housing. In our situation, the market value of our units is \$4,500 - \$5,000, a month. In contrast, our net income from short term rentals is less than what we would get if the units were rented out as long term rentals but that is fine with us as we prefer to have control over the property and interact with all the great tourists visiting us. So in conclusion, our particular type of property (duplex in a high rental market) has little or no impact on affordable housing. I believe a much bigger issue is all the high value developments being constructed in Los Angeles without any allocation of units for affordable housing. I believe measures like JJJ are a better solution to address this problem.

For all of these reasons, I hope you will agree to some degree that the Home Sharing Ordinance is not the right answer. It is too restrictive and will not have the desired impact. It will hurt rather than help the local economy and unfairly targets citizens like my wife and me who manage our property in a responsible manner and simply wish to exercise our rights in a reasonable manner as property owners. I welcome the opportunity to meet you or your community liaison to discuss this matter further.

Sincerely,

Andrew Marton, Esq.

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