



Etta Armstrong <etta.armstrong@lacity.org>

## Fwd: Home Sharing

1 message

14-1635-S2

**Sharon Dickinson** <sharon.dickinson@lacity.org>

Fri, Feb 5, 2016 at 12:34 PM

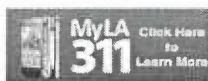
To: Etta Armstrong <etta.armstrong@lacity.org>

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----- Forwarded message -----

From: **Constantine Vlahos** <tim@thevillasophia.com>

Date: Fri, Feb 5, 2016 at 12:22 PM

Subject: Home Sharing

To: david.ryu@lacity.org

Cc: sharon.dickinson@lacity.org, sharon.gin@lacity.org

Dear Councilman Ryu,

I understand that the L.A. City Council is in discussions about how to regulate "home sharing" in the city of Los Angeles. I would like to share my perspective as a homeowner who has been renting out his guesthouse on a nightly basis for over 7 years.

I don't rent out a room in my house to make "extra money" or because I'm "greedy". While I have had a positive experience and met many wonderful people over the years, I would rather live in privacy than share my home with strangers. I rent out a room in my home to survive. I don't have extra money to eat in restaurants or go on vacations. I make just enough to eat and pay the mortgage. I have been able to keep my home, which I mostly built myself.

I first started renting out my guesthouse in January 2009 in a desperate attempt to stave off financial ruin. I had been renovating homes in the Los Feliz neighborhood and selling them but got caught in the financial collapse of 2008. That business is now impossible for me to continue because I can no longer secure bank financing. In fact, most people who used to be in the renovation business can no longer compete with banks because the banks now offer cash, renovate the homes, and then sell them. Ironically, it is the very institutions that caused the financial crisis in 2008 through their mortgage lending practices that have now taken over the residential home renovation business in Los Angeles.

Like many people, I cannot even get a mortgage because of the congressional laws that came into effect in response to the financial crisis. The result is that I am stuck in my old higher adjustable-rate mortgage. I live in fear of raising interest rates, which would substantially raise my mortgage payments. Today it is practically impossible for any self-employed person to get a mortgage.

Against that backdrop, I would like to outline the many economic benefits to the City of Los Angeles from my Home Sharing. Here are a few:

- 1) I collect and remit to the Office of Finance \$15,000 per year in Transient Occupancy Tax each year.
- 2) My guests rent a room and have no access to a kitchen. Therefore they eat out in local restaurants every day--mostly in the Los Feliz and Silverlake neighborhoods.
- 3) My guests always rent a car and there are no parking issues on my street.
- 4) My guests come from all around the world and they like to shop when they are here on vacation. I see the shopping bags that are left behind and assure you that they spend exorbitant amount of money in LA shops.
- 5) Home beautification is paramount to my success as a home-sharer and it also makes me the best kind of neighbor. By continually investing the money I make back into my property I not only improve ratings and increase bookings but also enhance my neighborhood's value and curb appeal. This is not like erecting a dry cleaner or gas station or anything that would detract from the beauty of the neighborhood. Quite to the contrary I have made many landscaping and home beautification improvements over the years that I could not have initiated without the money I make by home-sharing.
- 6) Home-sharing creates positive Los Angeles tourist experiences. When I was younger, I made many trips to Europe and stayed in family homes. It is commonly done in Europe and the rest of the world. Students learning foreign languages often times live with a local family to round out their foreign immersion experience. Home-sharing in Los Angeles allows tourists to see the city from the perspective of the natives. They like what they find! They would never get this "feel" for Los Angeles by staying in a hotel. This reflects well on the city. It humanizes the city and makes a bid sprawling city more people friendly.
- 7) My property, like many homes in Los Angeles has a history. The director James Whale lived in The Villa Sophia when he made his cult classic films "Frankenstein," "The Invisible Man" and "Bride of Frankenstein" in the 1930's. They made an Oscar winning movie about him called "Gods and Monsters" starring Sir Ian McKellan in the lead role. Tourists are delighted to get a little Hollywood glamour in their accommodations. The Chateau Marmont sometimes actually refers their guests to The Villa Sophia if they are looking for what we have to offer. Le Petite Hermitage and other hotels have also referred their guests to us in the past.
- 8) I only permit 2 guests. Two additional persons on this huge estate certainly does not cause a strain on environmental resources. It is actually more ecologically sustainable to share my home with two other people than to stay in this big home by myself.
- 9) I advertise as a Honeymoon Destination. The Villa Sophia is a destination type property. I am attracting tourists to Los Angeles who may have otherwise decided to go to another destination for their honeymoon. This is therefore added economic activity that the city may not have otherwise gotten.

In response to complaints that short-term renters disrupt neighborhoods, I have never had a single complaint by my neighbors in 7 years. People who stay in my home—and there are only ever two—are greeted by me upon arrival and have interactions with me until they leave. These guests don't make noise or cause destruction of the neighborhood. To the contrary they are on their best behavior because they know that they are in my home. They are super respectful of me, my property, and my neighborhood. It is a very different dynamic from a hotel guest who never meets the owner of the hotel and only has contact with the front desk.

I am happy to pay a transient occupancy tax and support legislation that would makes this tax a requirement of all home-sharers. I also agree that people should not take units off the market for short-term rental purposes but please don't create a one-size-fits-all law that would prevent travelers from experiencing The Villa Sophia and cause me to lose my home. Home-sharing is allowing many Angelenos to weather tough economic times. Home-sharing is healthy and positive socially, economically, and ecologically for the city of Los Angeles.

Sincerely,  
Constantine Vlahos

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