

Dear Mayor Garcetti and City Council members:

Have you read the entire proposed ordinance and subsequent reports? Do you want to be known as the Council that passed a home-sharing ordinance that will have the following consequences?

- Hundreds, maybe thousands, of elderly, retired, disabled, single parents, and workers losing their AFFORDABLE homes and thrown into the already overcrowded rental housing market?
- Hundreds, maybe thousands, of working people (generally paid at above \$15/hour) in the cleaning and maintenance field losing their jobs?
- Millions of dollars in TOT revenues lost to the city?
- Millions of tourist dollars lost to small and developing businesses in often-neglected small neighborhoods?

If not, here are just a few suggestions on how to change (or entirely re-write) the ordinance—and make Los Angeles a model city that does all it says it want to—Stimulate economic development, maintain affordable housing, allowing aging in place, and maintain neighborhood character!

1. First of all, grandfather in current hosts of home sharing rentals in their primary homes and adjacent on-site buildings. Utilize existing infrastructure and models for licensing and fees.

*You have heard from hosts that say hosting has allowed them to keep their homes and provide a stable environment for their families. Hundreds of those already hosting will lose their homes and force them into the rental market. **Streamlined Grandfathering** will assure that many workers in this small cottage industry will not lose their jobs and be able to provide for their families.*

2. No caps on the number of days of rentals or number of listings in one home.

The original Planning Department report stated that the effect of home-sharing on the housing market has been negligible. Recent statistics have shown that owner-occupied short-term rentals of over 180 days number around 6000. These are the hosts who also provide thousands of well-paying livable wage jobs to Angelinos.

3. No ban on RSO primary home or host-based listings of short-term rentals.

Banning home sharing in RSO units does not preserve affordable housing but instead targets the most vulnerable in our city. It is a discriminatory policy that invites legal action. Many of those currently hosting in RSO units have their landlord's approval, and they and others are only able to keep their affordable homes due to hosting of a room in their primary dwelling. Many workers in the film industry get work outside of LA, and hosting allows them to keep their home (whether as owners or renters of RSO units) while out of town.

4. No ban on other home-based businesses in homes with short-term rentals.

*.This extremely vague provision of the ordinance has not been addressed by either the PLUM or the Housing Committee. No other business in the city is thus restricted. Those that run home-based businesses, whether screenwriters, graphic designers, a seamstresses, tax-preparers or therapists (to name a few), make ideal hosts **because they are at home** to monitor guests and their activities, minimizing impact on the neighborhood.*

Again, these are only a few suggestions. I have included below a point-by-point analysis of the original ordinance that was submitted to the PLUM Committee. Please make certain you have read the entire ordinance, and this point-by-point critique to address other concerns.

Finally, do not be the City Council that bows to the whims and the outright stealth advertising campaign of an out-of-control hotel industry that wants to create more and more hotel rooms (displacing entire affordable housing communities) and make more money than ever, only to send it out of the community to its international shareholders. If anything, let's ask the developers who are asking to build new hotels and luxury housing to provide at least one floor of affordable housing and another floor of transitional (or permanent) housing and support services for those without homes!

Feel free to contact me for other ideas.

Andy Griggs,

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Point by point analysis of Home Sharing Ordinance Council File Number: 14-1635-S2

Dear Members of the PLUM Committee:

If an ordinance was to be devised to destroy home sharing without an outright prohibition, and provide an unfettered monopoly on accommodations to the hotel industry, **this is that ordinance**.

If the intent was to limit the number of whole house listings, preserve neighborhoods, protect housing stock, and enforce tenants' rights against landlord abuses, then enforce existing laws, and **WRITE THAT ORDINANCE!**

We have reviewed the proposed ordinance in depth, and hope that all those influential in its outcome do the same. Here are the areas of concern and our analysis of their impact.

Commentary:

It is our recommendation that the ordinance be totally rewritten to address whole house/apartment listings only and that no prohibitions be placed on rooms rented in host occupied primary residences.

The only reason for a cap on rentals of rooms within one's host occupied primary residence, where there is shared space with the host and possibly other guests, is to ensure an undue advantage to the hotel industry and to prevent low income and homebound home owners from year round income and maintaining their **affordable** housing. Such a prohibition is cruel and intrusive. It also prevents hosts from providing secure employment and benefits to support staff and independent contractors.

The proposed ordinance would criminalize home sharing, make it unaffordable and inaccessible to the people who need it most, and use it the most to remain in their own homes in the communities they have lived in for years. If the intent is to abolish most home sharing in the city of L.A. without explicitly saying so, this is that ordinance.

If the city insists on the draconian clauses in this ordinance and the policing of private relationships in private homes, it should at least consider **grandfathering and hardship exceptions**. Many hosts are low income, elders, women, and people with significant health conditions. Home sharing allows them to control with whom they live and for how long. Long-term roommate tenant relationships can be difficult and expensive to terminate and can open already vulnerable hosts to domestic abuse and further financial hardship.

The burden of this ordinance on city infrastructure is significant. Enforcement could be resolved without creating new administrations and bloated administrative salaries, through increased funding to existing offices, most specifically the housing office, the city attorney's office and the finance office. The enforcement requisites of this ordinance would detract from monitoring landlord abuses in general and other city resources. If the issue is decrease in rental stock, imposing city inspections and monitoring of private lives in private homes is a waste of resources and incredibly intrusive.

The following clauses are the ones that are most problematic.

Summary:

- Forbids rental in any RSO units.
- Limits all rentals including host occupied rentals to 180 day.
- Imposes fines that disproportionately impact low-income host occupied rentals even though the pretext for the ordinance is to support affordable housing and maintain existing housing stock.
- Sets up an entire new administrative bureaucracy with high administrative salaries instead of using and increasing funding to existing departments for housing enforcement & business licensing, creating more jobs that could effectively enforce housing and business licensing.
- Taxes, fines and applies fees to home sharing like no other business, including home based businesses.

Section 1 establishes that home-sharing IS a residential use of residential space, begging the question as to why home sharing would incur greater restrictions, fees, fines and registration than actual commercial businesses

including home-based businesses. As a residential use, why isn't it subject to the same processes and formalities as other residential uses?

Section 2

Need to strike the 180-day cap, at least as it pertains to renting of rooms where there is shared space in the host's primary residence.

Section 3 Modifies section 12:22 of the L.A. Municipal Code:

Modifications to: 31 B 3: We have no problem with this definition if the intent of this ordinance is in fact to preserve existing housing rental stock; however, the city may want to consider vacation homes in general for the purpose of tourism, economic vitality and tax base.

This definition of primary residence could assure that whole house/apartment listings would be for 180 days or less, preserving the existing housing stock, but rooms in a host's home would have no cap because it's a primary residence and would have no impact on rental stock.

Modifications to: 31 C 1: Fee should be stated in the ordinance and should cost no more than any other application for a business license or accessory use of a residence.

Modifications to: 31 C2c: The city should not be in the business of lease enforcement. This is a tenant landlord issue and there are already civil procedures for enforcement.

Modifications to: 31 C2d: Prohibits ANY home sharing in RSO units.

This is one of the most troubling and discriminatory clauses in the proposed ordinance. It impacts the lowest income homeowners and renters. Rent stabilization provides stable rent to stable tenants. It does not guarantee low rent, especially for newer tenants, and can be an incredible financial burden for owners who live in their RSO buildings. Home sharing in one's host-occupied primary residence could offset the impact of providing and maintaining rent stabilized rental units. Furthermore, many low-income families and homeowners inhabit RSO buildings as their primary residence. So long as no one has been displaced, there should be no limit on home sharing host occupied listings. Allowing owners who live in their RSO properties, especially properties of 4 units or less, to home share in their own homes would offset losses due to rent control.

This is perhaps where it would make the most sense to impose a 180 day limit on **whole apartment listings, (allowing vacation homes in more affluent structures)** so that tenants or owners who occupy their property can rent out whole apartment listings when they are away, out of town for work or vacation, but not as a year round enterprise.

Restricting home sharing to rooms within the host occupied primary residence year round, and limiting whole apartment listings to 180 days in one's PRIMARY RESIDENCE, is sufficient to prevent the abuses of home sharing of RSO units. The RSO units are among the most enforceable of L.A. housing. All RSO units are on file with the housing office as are all Ellis Evictions. With the funds set aside for enforcement of home sharing, the city should increase regular inspections of RSO units in general and improve outreach and education to tenants of their rights. The city attorney's office would also be responsible with enforcement of any landlord abuses of tenants' rights including listing of whole apartments as short term rentals, that are not the primary residence of the landlord or a tenant.

Modifications to: 31 C2f: While the city may want to limit the number of whole house or vacation listings per host, hosts certainly should be able to offer more than one guest room to more than one group of guests at a time in their homes and the city should not be policing private relationships in private homes. This has absolutely no impact on rental stock and has terrible implications for privacy rights.

Modifications to: 31 C3: Expiration and Renewal: Fees should not be used to prevent people from home sharing. Licensing in general should be through the finance office and should be consistent with business licensing in general and home based business licenses specifically.

Modifications to: 31 C4 Suspension and Revocation: A 3 year prohibition if violations have been corrected, and without due process, is especially harsh. Such a time frame could result in a host losing one's home, thus having a greater impact on rental stock and homelessness in the city and presenting an undue hardship on low income homeowners and renters who homeshare. A restaurant or hotel with major safety violations doesn't

have to wait 3 years to reopen. Again, the restrictions on home sharing should be consistent with business licensing in general.

Modifications to: 31 3d: Prohibitions

Prohibitions 3-10 should be eliminated or modified as follows: Home sharing provides essential income to marginalized workers who may have difficulty finding work in the mainstream workforce. Sections 3-5 need to be struck in entirety. The second half of 6 and all of 7 needs to be struck. A home with 2, 3 or more extra rooms should be rentable to separate parties.

Prohibition 8 should not apply to primary residences of host occupied listings, and whole apartment listings could be subject to a cap to assure that rental stock is maintained, but there is no legitimate rationale for excluding home sharing in RSO homes. Disallowing home sharing in newer affordable housing units unfairly impacts the lowest income tenants.

Prohibition 9 prohibits home sharing in single family homes that were converted from RSO units and should only apply to homes where there were tenant displacements via Ellis Evictions or otherwise illegal coercion and should have no bearing on hosts who converted their primary residences from a duplex to a single family home where no tenants were displaced. Many families live in RSO units in family owned property. Home ownership is the most basic and stable of affordable housing and RSO properties are among the least expensive, allowing homeownership to low income families. **At the very least, this clause should be grandfathered to apply to new conversions after passage of the ordinance.**

Prohibition 10 prohibits home sharing where any other home based business is conducted. This clause is especially vague and could include listing of restaurants in the neighborhood, sharing business cards, or simply having L.A. Times inserts on the coffee table. But it also prohibits any other otherwise allowed home-based business. With many workers in this economy having many income streams this serves only as a disincentive and has no value within the stated purpose of the proposed ordinance. Many hosts work out of their homes in many capacities, especially those hosts with health conditions that make work outside of the home difficult. People who run home-based businesses are at home and are ideal hosts. Their presence in the home is a deterrent to potential excessive noise and other neighborhood disturbances. Otherwise prohibited home-based businesses are already disallowed and do not need to be incorporated into this ordinance. Additionally, depending on whom you ask in city government, you get a different interpretation of this prohibition. It is dangerously vague.

Section 3 e 3: Transient Occupancy Tax: With some platforms collecting TOT for hosts, the department of finance may have to amend and correct its current reporting forms, and LAMC article 1.7 (Transient Occupancy Tax) may have to be further amended. Most hosts support this tax and are proud to provide essential income to the city despite the disproportionate tax burden to home sharing when compared to other small businesses.

Section 3 d: Enforcement of Violations: If the purpose of the ordinance is to protect housing stock, maintain communities and decrease or eliminate landlord abuses of tenants' rights it makes no sense to have penalties to host occupied, primary residences, especially where the penalty is greater for lower income hosting. The fine for a violation in a \$50/night listing is as great as the fine for a \$1000/night accommodation. This disproportionately impacts low-income hosts and could result in greater displacement, evictions and foreclosure if hosts can't meet these fines. It also further reduces city enforcement to count the number of days of hosting in private residential spaces in private homes of hosts. There should be no cap and no limits on private relationships in primary residences.

Section 3 f: Platform requirements: should be consistent with the other changes made to this ordinance. Hosts should be able to have more than one active listing in their host occupied primary residence with no cap on days of operation, and should be able to list on online platforms.

Section 3 g: Criminalization: criminalizes home sharing, making already draconian home sharing limitations, a misdemeanor criminal offense. This should be discouraged. Criminalization systemically disproportionately impacts the most marginalized members of our society.

Section 4 Hotels and home sharing in commercial zones. This section changes existing laws related to home sharing and transient occupancy in commercial zones where such enterprises were already allowed. These changes make it harder to establish home sharing in residential buildings in commercial zones. This serves no

purpose except to make it harder for people living in those nonresidential zones from participating in home sharing. If one of the concerns regarding home sharing is changes to residential neighborhoods, changing residential uses of commercial zones makes no sense at all. If conceding to the hotel industry is the purpose, then the intent is quite clear.

Conclusion:

It is our position that this ordinance should be voted down or totally redrafted to focus on whole house/apartment listings with no caps to any home based host occupied primary residences. Any limitation on whole house listings should be weighed against the benefits they provide our city in bringing in and supporting additional tourism, jobs, small businesses and taxes for essential services, and increasing access to beaches, mountains and accommodations that many Angelenos could otherwise not access. Home sharing provides the only alternative to the \$300 a night hotel room and the 12 month lease. We encourage using existing structures and offices to provide business licensing, increase tenants' rights and education, curb landlord abuses, and maintain current and provide additional affordable housing. Home sharing has provided work and business opportunities to many marginalized workers, maintained communities by allowing people to afford to stay in their homes, allows elders to "age in place."

If hosts are limited to one listing 180 days a year, in noncommercial areas only, then no one can provide on site 24/7, professional level accommodations, service and oversight, especially since this ordinance also disallows conducting any other otherwise permissible home based business in a home shared listing. The city cannot call on home sharing hosts to provide outstanding and accountable service while reducing home sharing to a part time hobby for otherwise employed hosts working outside of their homes, while simultaneously imposing fines, fees and taxes not experienced by or imposed on any other business model in the city.

If an ordinance was to be devised to destroy home sharing without an outright prohibition, and provide an unfettered monopoly on accommodations to the hotel industry, this is that ordinance.

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Sincerely,

Andy Griggs

America Gloria Lopez-Martinez

Emma Rosenthal

(Listed in alphabetical order)