# Council File: 14-1635-S2- Short Term Rentals/Home-Sharing Ordinance Vote on Tuesday 4/10/18

April 9, 2018

#### **Dear Elected Officials,**

People who own property have alternative ways to make money besides short term rentals. They can have roommates or tenants in accessory units. Renters do not have these options.

In a city with 65% renters it is the responsibility of our city leadership to protect the rental housing stock of our city.

In 2016 the leadership of the City of Los Angeles decided to take Transient Occupancy Tax from Airbnb while short term rentals in residential neighborhoods were illegal.

That is money laundering.

Why did our mayor & city council sign on?

Taking this money has created an unfair advantage in negotiations with a company & industry that is aggressive and disruptive everywhere they operate.

The City must protect renters.

There was a 23% increase in homelessness across LA County from 2016 to 2017, and a staggering 75% surge in the last 6yrs. The correlation is obvious.

Southern California has always been a desired travel destination. That is a given. It is the responsibility of our city leadership to put a higher priority on the protection of residents, the protection of our limited rental housing stock, and the integrity of our communities over "short-term" profits for a few.

Invariably lower-earning residents are displaced first. These are our service providers at all levels. The feasibility of working & living within a reasonable commuting distance effects the quality of life of all workers & renters. It also has an environmental impact.

The earth is melting. We know this. Displacement of workers & service communities has a negative accumulative environmental impact on our city.

It is obvious that we should implement the strictest possible ordinance to start. It is easier to expand privileges & legislation later than contract them.

Protecting resources is a primary responsibility of government.

Political ambition & expediency must be tempered with a big picture vision for our children & their wellbeing.

The gig economy promises immediate relief to many. Politically it makes unemployment numbers look good. On the downside it provides no infrastructure planning for the future- no dependable employment, no sick days, vacation days, unemployment benefits, or pension plans etc.. That translates to no funding for infrastructure.

Los Angeles has a Democratic Party hierarchy & yet increasingly we have a trickle-down economy. This is unacceptable.

We don't need the Olympics. We need a comprehensive plan that embraces ALL constituents of our city, with compassion.

Strictest possible regulations please with maximum clarification of details.

Sincerely,

Margaret Molloy

3841 Beethoven Street, Los Angeles, CA 90066

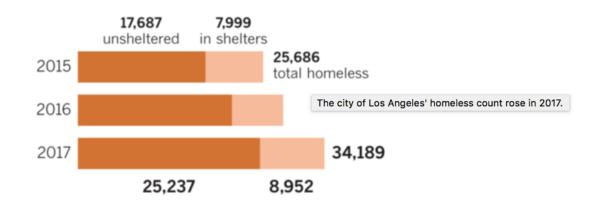
# L.A. County homelessness jumps a 'staggering' 23% as need far outpaces housing, new count shows By DOUG SMITH and GALE HOLLAND

MAY 31, 2017

http://www.latimes.com/local/lanow/la-me-In-homeless-count-20170530-story.html

Ridley-Thomas called on the community to "put your war clothes on and get ready to fight."

# City of Los Angeles homeless population



Source Los Angeles Homeless Services Authority

Jon Schleuss / @latimesgraphics

# L.A.'s homelessness surged 75% in six years. Here's why the crisis has been decades in the making By GALE HOLLAND

FEB 01, 2018

http://www.latimes.com/local/lanow/la-me-homeless-how-we-got-here-20180201-story.html

RSO Overview | HCIDLA 4/9/18, 4:16 PM





ACCESSIBLE HOUSING RESIDENTS PROPERTY OWNERS BUSINESS PARTNERS ABOUT US

English

# **RSO OVERVIEW**



Photo by Aydin Palabiyikoglu under CC BY 2.0

If you own rental property in the City of Los Angeles, it may be subject to the **city's Rent Stabilization Ordinance (RSO)**. Find out if your property falls under this ordinance and what you need to know to be in compliance.

Generally, the RSO applies to rental properties that were first built on or before October 1, 1978 as well as replacement units under LAMC Section 151.28 and is any of the following:

- Apartment
- Condominium
- Townhome
- Duplex
- Two or more single family dwelling units on the same parcel
- Rooms in a hotel, motel, rooming house or boarding house occupied by the same tenant for 30 or more consecutive days
- Residential unit(s) attached to a commercial building

**Mobilehomes** and recreational vehicles in mobilehome parks are also covered under the RSO.

#### WHAT THE RSO COVERS

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# Home-Based Transient Occupancy Tax Requirements



The City of Los Angeles Office of Finance is responsible for the administration and collection of the Transient Occupancy Tax (TOT). Property owners engaged in this activity within the City of Los Angeles should be aware that the current TOT tax rate in the City of Los Angeles is 14% and is applicable to all properties rented to transients.

A transient is defined as any person who exercises occupancy or is entitled to occupancy for 30 days or less.

If your property is located within the City of Los Angeles and is rented out to transient occupants for 30 calendar days or less, you are responsible for registering, collecting, and remitting the Transient Occupancy Tax to the City of Los Angeles. A Transient Occupancy Tax Registration Certificate is required within 30 days of commencing business. Examples of lodging businesses subject to the TOT include:

- Hotel/Motel.
- Vacation/Short-term Rentals of any kind (i.e. houses, condos, rooms, or spaces)
   rented directly by the owner/operator, by property management companies, or via internet travel services
- · Recreational Vehicle (RV) Parks and Campgrounds
- Secondary operators (managing agent, booking agent, online sellers, agents, etc.)

More information is available through the link below:

Chapter II, Article 1.7 Transient Occupancy Tax, of the Los Angeles Municipal Code (LAMC)

(http://finance.lacity.org/sites/g/files/wph1051/f/Transient%20Occupancy%20Tax%20AR TICLE%201.7.pdf)

Questions may be directed to:

City of Los Angeles Office of Finance

Phone: (213) 744-9749

Email: <u>Finance.taxliaison@lacity.org</u>

(mailto:Finance.taxliaison@lacity.org)

The City of Los Angeles requires ALL property owners that engage in this type of activity to apply for the Transient Occupancy Tax Certificate. <u>Click here to register online</u>. (<a href="https://latax.lacity.org/oofweb/eappreg/eappreg\_criteria.cfm">https://latax.lacity.org/oofweb/eappreg/eappreg\_criteria.cfm</a>)

**NOTE:** AirBnB, HomeAway, onefinestay, and AE Hospitality are a few of the several online marketplaces that enables people to list, search and book rental accommodations. These specific online marketplaces have agreed to collect and remit TOT on behalf of property owners within the City of Los Angeles who utilize their services. Some property owners may use other online marketplaces in addition to the ones listed here. Please be advised that these services will only collect and remit TOT for transactions processed through their services and will not collect and remit TOT for other online marketplaces or for rental fees collected directly by the property owner.

# Coastal ZONE: Venice, Pacific Palisades, San Pedro

The California Coastal Act: mandate to protect "unique coastal communities," protect diversity & housing opportunities in the coastal zone.

## Mello Act:

# 1.3. OVERVIEW OF THE MELLO ACT

The Mello Act was adopted by the State Legislature in 1982. The Act sets forth requirements concerning the demolition, conversion and construction of housing within California's Coastal Zone. Each local jurisdiction shall enforce three basic rules:

- Rule 1. Existing residential structures shall be maintained, unless the local jurisdiction finds that residential uses are no longer feasible. A local jurisdiction may not approve the Demolition or Conversion of residential structures for purposes of a non-Coastal-Dependent, non-residential use, unless it first finds that a residential use is no longer feasible at that location.
- Rule 2. Converted or demolished Residential Units occupied by Very Low, Low or Moderate Income persons or families shall be replaced. Converted or demolished Residential Units occupied by Very Low, Low or Moderate Income persons or families shall be replaced on a one-for-one basis.
- Rule 3. New Housing Developments shall provide Inclusionary Residential Units. If feasible, New Housing Developments shall provide Inclusionary Residential Units affordable to Very Low, Low or Moderate Income persons or families.

These rules are subject to numerous exceptions and additional required feasibility determinations which complicate the administration of the Mello Act.

### PLUM 4/10/18 - Short Term Rentals CF 14-1635-S2

Barbara Broide Apr 10, 2018 7:53 AM

Posted in group: Clerk-PLUM-Committee

Dear Chair Huizar and PLUM Committee Councilmembers,

Any action or policy that will legalize short-term rentals and reduce the supply of housing for Angelenos at a time when vacancy levels are so low (and at a time when there is an affordable housing crisis coupled with the homeless situation) to be an ill-conceived effort. (If and when the City has a healthy vacancy level and the housing shortage has been adequately addressed, the City then can decide whether/when to revisit its short-term rental policy.)

Meanwhile, if PLUM takes action to move an ordinance to full Council, it is hoped that PLUM's compromise position would be to allow short-term rentals for no more than 30-60 days/year as higher numbers of days make short-term rentals more lucrative than renting for longer terms.

Many are skeptical that a new ordinance can and will be enforced as to number of days permitted (whether 30, 60, 90 or 180 days or more /year) and whether multiple listings by the same individual will finally be pulled from the inventory of available short-term rentals.

The proposed notification to neighbors within 100 feet is very limited and inadequate. Neighbors beyond 100 feet are often impacted by land uses nearby -- including those from short-term rentals. The regular comings and goings of strangers to blocks makes neighborhood watch and crime prevention activities more difficult for blocks/communities.

Finally the so-called new revenue the City is excited to receive from airbnb that is collected from their hosts may not be new income at all. Much of it may simply be a transfer over of funds that would have been collected by a hotel or motel and remitted to the City.

Is there language for a mandatory evaluation of the program, an assessment of the ordinance's adoption on the level of short-term rental activity, etc.? Our City has a terrible history of adopting policies that are never revisited to evaluate their impact, unintended consequences, etc. A planned evaluation and review should be part of any ordinance adopted.

Thank you for your consideration,
Barbara Broide
President-Westwood South of Santa Monica Blvd. HOA

# Council File Number: 14-1635-S2 Short-Term Rentals / Preparation of Ordinance / Home Sharing Ordinance

Jane Taguchi Apr 10, 2018 8:08 AM

Posted in group: Clerk-PLUM-Committee

My name is Jane Taguchi. I'm LA born & raised. I went to UCLA. My business has been in LA since 1983 and I always had a business license and a resale certificate. I became a homeowner in Silver Lake 22 years ago.

I took for granted that my city would enforce the laws of our fair city, especially when in May 2014, a rich couple opened a dedicated Airbnb across the street that could sleep up to 20 people. At that time, I was assured by O'Farrell's staffers that it would be ordered to comply. Well, it didn't happen.

But today, you are putting into place an ordinance to help the city to enforce these short term rental laws. I am hoping that this will bring peace to the residents like me, who may someday find a hotel next door and don't know what to do.

Be aware that I am NOT talking about the individuals who are renting a room in their homes where they live. Many of these people are my neighbors who I have known and lived among for many many years. I am talking about the commercialized hosts who don't even live there.

I hope that you ask Airbnb to pay back taxes. This is something that Airbnb did for the city of San Francisco. It seems only fair and would go along way to help us.

I also hope that you ask Airbnb to assist in removing all the illegal multi-unit, non-primary resident hosts from the platform. It seems only fair that we ask Airbnb to now assist us in enforcement when, in the past, they have spent their money & effort fighting against attempts to regulate. It is time for them, and other platforms to cooperate and help us.

My heart has been sad for 4 years. I want the peaceful enjoyment of my home back. Yet, I have been sued in court, verbally attacked in person and online. This is so unfair because I am a law abiding citizen while the hosts are breaking the law by operating short term rentals while LA zoning law clearly states that it is illegal. And LA has ignored any attempt at enforcement and so has supported them, and ignored the 99% of the population that follows these zoning laws. Apparently, Airbnb is a special interest that the City of Los Angeles has supported for a long, long time.

Now is the time for the City of Los Angeles to act and to act strongly. Look and learn from cities like Santa Monica, San Francisco and New York. Airbnb fights each city one at a time. They are strategic and relentless. Look at Hawaii and how there are very little residential areas for a normal person to live anymore. This is what has happened to the Venice area here.

Please enact a strong and enforceable Short Term Rental ordinance. It is not sharing, as the many Airbnb hosts are showing you. They just want to make money. And make money by pimping out my residential neighborhood. This simply is not right.

- Jane Taguchi

Los Angeles, CA 90039 jteis@sbcglobal.net

April 10, 2018.

**To: City of Los Angeles** 

PLUM Committee Members City Council Members Mayor Planning Commission

From: Jane Taguchi 1963 Redesdale Ave. Los Angeles, CA 90039

I am a resident of Silver Lake, a native Angeleno, business owner in Los Angeles; and victim of an illegal (albeit, they are ALL illegal in R1 zones) Airbnb illegal rental which has been hosted by the new owner since May 2014.

I have learned a lot about Short Term Rentals and Airbnb. Since May 2014, the house across the street from my wonderful home of 18 years in Silver Lake enlightened me to a violation that, I painfully discovered, was NOT being enforced nor were they ordered to comply with current laws.

The propaganda of Airbnb is relentless, selfish, unapologetic and shows a company full of hubris. They are, after all, a company that defies the laws of the land while they don't even make a honest profit. They are venture capitalized. With their \$31 billion, they are able to afford to bring legal fights and push their agenda.

See what is happening all over the world.

Sadly, there is no way a single resident, like myself, could possibly make a difference, or can I? I have fought and continued to fight this illegal company and some of its Hosts because I am a law abiding citizen, and my rights should be protected.

**Airbnb hosts are less than 1% of the population of Los Angeles.** Yet, they are given a large amount of consideration. This is not fair. You may say, "oh, but a resident with financial difficulty can make extra money with Airbnb." But the truth is that the vast majority of the hosts are affluent, upscale, and often professional managers who list entire units and multiple units. These Hosts are able to use the Airbnb platform and make themselves look like sympathetic homeowners. The idea that a senior citizen and low income peopel could do

Airbnb seems unlikely. It takes time and money to operate such a rental. I host relatives and I find it daunting to prepare a house for several guests. But, of course, I don't charge my guests. They are my relatives and friends. The Airbnb platform encourages deceit and unfair privacy. If they are operating a business, the City should know about it. Most of them are NOT individual homeowners. They are businesses, plain and simple. Most are rich – how many of us can afford to live in one home, and yet rent out another, or more? Only upscale and affluent individuals or groups.

I have personally spent hundreds of hours, thousands of dollars, volunteered services (hours) to organizations, and interviewed with the media, to fight against this Airbnb company. They are destroying neighborhoods all over the world.

**This is my plea.** Do not legalize Short Term Rentals for non-residents nor as second homes. Limit the number of days per year to 90 days. It is NOT intended as a business. If it is a business, a host should not be allowed to skirt the laws that other hotels, motels, and bed & breakfast businesses must follow. That would be patently unfair. You would be siding with one business against another. **And please do not side against law abiding residents like myself.** When you side with Airbnb, with lax restrictions and no cooperation or plan for enforcement from Airbnb and their Hosts, what you are doing is siding with Airbnb. There are a lot more people like me. We should not have to be subjected to a vacation rental, like an Airbnb, next door.

Sincerely, Jane Taguchi jteis@sbcglobal.net My name is Jane Taguchi. 4 years ago, I took for granted that my city would order an illegal Airbnb to stop. It had as many as 20 guests or more.

### This is what has happened.

The Airbnb host and her husband threatened me at my front gate. They sent me and my neighbors cease & desist letters. She took me to civil court telling lies and she lost the case. I have been yelled at by an Airbnb host outside this City Hall building while I was being interviewed. City attorney, LADBS and O'Farrell's reps met at my home with many of my neighbors. I accidentally discovered a blog telling lies about me as if I were some kind of hotel-backed person. I have gone to City Council members' offices several times to tell them of this short term rental problem. I held my own meeting and Councilmember Koretz was kind enough to attend and speak. John Choi of Airbnb visited my home to discuss my situation. I've phoned, written, and clicked to complain to Airbnb. I've interviewed with LA Times, Daily News, NBC, CBS and more. I've written many letters and made many phone calls.

#### Can one person make a difference?

I am so tired of this. The longer this process goes, the worse it gets. Residents like me, get very tired, felt ignore, we have to work to pay our bills. Airbnb's John Choi said that waiting will allow them to get closer to what they want. But what I want is peaceful enjoyment of my home.

Please enact an ordinance to do that. I would be eternally grateful. Look, not all Airbnb hosts are mean to me. I have met and know some very nice hosts. But I am tired of being beaten down by Airbnb and the selfish commercial hosts. And I wish the City of Los Angeles had done more to help me. Perhaps, you, the PLUM committee can help me to again enjoy peaceful enjoyment of my home.

Please act for the 99% of the population of Los Angeles, like me, who live and work here, the ones who do NOT make any money whatsoever from Airbnb. Most of us have nothing to do with Airbnb. The fact that so much time has been wasted waiting and waiting.

#### But the good thing.

We have the experience of time. Look at what other cities around the world have had to deal with in terms of the damage that Short Term Rentals have caused. We can do it right for our city and constituents by limiting the number of days that a Host can operate such a business, and thus keep our neighborhoods as just that. Neighborhoods.

Sincerely, Jane Taguchi jteis@sbcglobal.net

## **Short Term Rentals**

**Kris Dahlin** Apr 10, 2018 12:27 PM

Posted in group: Clerk-PLUM-Committee

I got side tracked to babysit my 10 month old grandson, so will be unable to come to the hearing today.

My comments would have been to stop big businesses from buying houses and apartments at exhorbitant prices, knowing LA does not enforce the current regulations and they will be able to turn them into short term rentals and off the homeowner and/or rental market.

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As a resident of Venice since 1955, I feel that something must be done to protect our neighborhoods from predatory practices of hedge Funds and businesses created for the purpose of gaming the system - created by the non-enforcement by Los Angeles of existing rental laws.

As a Venice homeowner since 1972, and with two daughters having completed college and being married, I have chosen to remain in my hometown and by using one of their 2 bedrooms as a short-term rental to help ends meet.

It seems a commonsense solution would be to allow an owner-occupied property to rent out one room for as many days as they can.

So one owner of one owner-occupied property renting out one room for unlimited days.

Zero short-term rentals for apartments or other rent-controlled units.

All of these would require zero personnel traveling around to enforce the rules, by simply having a hotline (actually a website) for neighbors to report known scofflaws with meaningful daily penalties when found out.

I would not argue against possibly some short-term rentals of whole houses while the owner is "traveling abroad." Owners right now, including businesses, can legally rent out their property for 30 or more days at a time for these vacations in Europe for more than a month. So they could be limited to 30 days but I wouldn't be opposed to going with your suggested number of 90 days per year.

KRIS DAHLIN KDAssoc@gmail.com 310 560 4194 From: **David R Garfinkle** < <u>drgarfinkle@sbcglobal.net</u>>

Date: Tue, Apr 10, 2018 at 10:40 AM Subject: Home Sharing Ordinance

To: "Councilmember.huizar@lacity.org" <councilmember.huizar@lacity.org>, "councilmember.Englander@lacity.org" <councilmember.Englander@lacity.org>, Councilmember Harris-Dawson <councilmember.harris-dawson@lacity.org>,

"councilmember.price@lacity.org" <councilmember.price@lacity.org>,

"councilmember.blumenfield@lacity.org" <councilmember.blumenfield@lacity.org>

Cc: "Cityclerk@lacity.org" <Cityclerk@lacity.org>

At the April 9 meeting of the Board of Directors of the Tarzana Property Owners Association, the Board voted unanimously to oppose the latest version of the Home Sharing Ordinancee forwarded by the City Planning Commission. We have previously indicated support of a prior version which included the key provisions:

- Only the person's home may be rented
- Primary resident must live in the home; use of an investment property is not permitted
- Rent controlled units may not be vacated and converted to a short tem rental
- Rental of ADUs is permissible
- The property may only be rented a maximum of 90 days per year
- Permission must be granted by a pertinent HOA is there is one with jurisdiction
- The property must be registered and a fee and appropriate taxes paid to the City
- Non-residential use, for instance commercial, is not permitted. It is not permitted if there is entry fee (for a party, an art exhibit, etc.).

While we are willing to agree on a limit of 120 days per year, the 240 days currently proposed makes little sense as it would essentially turn the unit into a hotel (for 3/4 of the year) with few of the provisions and regulations applicable to hotels. We also feel that notification of neighbors within 100 feet of the property is totally inadequate. For instance, the Ordinance Regulating Party Houses (185451), due to go into effect next week, considers 500 feet a more reasonable distance over which noise significantly affects neighbors.

We therefore urge that you support the prior version, rather than the current proposal.

David R. Garfinkle President, Tarzana Property Owners Association