Controller Galperin,

We write to you as a coalition of Angelenos interested in the draft ordinance to legalize and regulate the short-term rental industry in Los Angeles. Our broad coalition is comprised of hotel workers, neighborhood groups, tenants, lodging associations, hotel employers and affordable housing advocates. We stand united behind responsible and appropriate regulation of the short-term rental (STR) industry in Los Angeles and hereby submit these comments in response to your letter to the City Council regarding the proposed 2017-18 Budget.

Brian Chesky Speaking at The Economic Club of New York (Video)

"I think the basic premise we want is if a city is in a housing constraint, San Francisco is in a housing constraint, New York City is in a housing constraint, we want people to rent the homes they live in, not take off units off the market. And so, right now, San Francisco instituted a cap, they figured out after X number of days, you probably don't live there, and so we work with those caps" Brian Chesky, Airbnb CEO (0:49 - 1:16)

Los Angeles

With Garcetti's budget relying on millions from Airbnb, will L.A. still clamp down on short-term rentals?

Worried about homes being operated like hotels, Los Angeles lawmakers have been weighing new regulations that would cap the number of nights Angelenos can rent out their homes for short stays. But when Mayor Eric Garcetti proposed his budget, he banked on allowing Airbnb rentals to continue without those kind of restrictions. City officials say the plan assumes the "status quo" on such rentals, which are already sending tens of millions in tax revenue to the city, because new rules have yet to be approved.

Lawmakers concerned that mayor's budget relies on Airbnb tax

The Real Deal | 5/4/17
Lawmakers are concerned that Mayor Eric Garcetti’s proposed budget depends on Angelenos continuing to be allowed to rent out their homes on sites such as Airbnb. Garcetti is banking on more than $33 million from Airbnb and other short-term rental platforms, which are required to collect lodging taxes per an agreement struck last year, the Los Angeles Times reported. The tax money will go toward closing an estimated $236 million shortfall, according to the budget. That move could put Garcetti in conflict with the L.A. City Council, which has long considered regulations and limits on short-term rentals, citing concerns that homes are being operated like hotels.

City & State Action

Airbnb, HomeAway settle SF suit, agree to register all local hosts
San Francisco Chronicle | 5/1/17

Airbnb and HomeAway settled a lawsuit against San Francisco on Monday by agreeing to help the city ensure that all local hosts are registered. The agreement caps a multiyear struggle by Airbnb’s hometown to rein in burgeoning vacation rentals, which critics say divert precious housing stock into the lucrative travel market. A San Francisco law requiring vacation-rental hosts to register with the city took effect in February 2015. Only about 2,100 out of 8,000 hosts on Airbnb have done so. San Francisco wants properties registered so it can ensure that they meet city rules that aim to prevent illegal hotels in homes, such as requiring vacation-rental hosts to be permanent residents and capping whole-home rentals at 90 days.

Short-term rental hosts beware: San Diego going after delinquent lodging taxes
San Diego Union Tribune | 4/28/17

While the City Treasurer’s Office continues to audit, as it has the last several years, Airbnb and other short-term rentals to ensure payment of the city’s 10.5 percent transient occupancy tax, it says it needs more resources to help keep pace with the explosive growth of vacation rentals. Included in the coming year’s budget is a request to hire three more audit staffers, bringing to five the number of people who would be devoted to completing audits of short-term vacation rentals.

Carlsbad to crack down on unauthorized vacation rentals
San Diego Union Tribune | 5/1/17

Carlsbad plans to hire an outside company to help enforce a 2015 city law regulating vacation rentals in the coastal tourist town. The city is one of dozens across the states struggling to get a handle on short-term rentals, which have proliferated with the advent of websites like Airbnb and VRBO. Passing an ordinance is the first step; getting property owners to comply with it comes next. Of the more than 2,100 properties listed as vacation rentals in Carlsbad, only about 340 have obtained the required city permits, officials said.

Tensions mount as Del Mar wrestles with short-term rentals
Del Mar Times | 5/3/17

The divide in Del Mar over short-term rentals grew even deeper on Monday night, May 1, as the city council ratified its decision from two weeks ago that homeowners are forbidden to rent out their home for less than 30 days. That decision came over the entreaty of residents pleading the council to reconsider. Some called on Del Mar to take the same steps Solana Beach and Encinitas have recently taken to allow short-term rentals (STRs).

Battle Over Airbnb Legislation Heats Up in Albany
Wall Street Journal | 5/4/17

Legislation that would carve exceptions into New York’s housing laws to allow for more Airbnb rentals has quickly spurred battle lines in Albany and set up a showdown likely to linger for months. Within days of the introduction of the bill in the state Legislature last weekend, a group of Democrats pushed back against it in public and privately. They organized partly through a union-backed anti-Airbnb group called Share Better.
St. Paul and Minneapolis consider regulations on short-term rentals like Airbnb
Star Tribune | 4/28/17

St. Paul's proposed rules would limit the number of people allowed to stay in a home and how many apartments or condominiums people could rent out in a building. Property owners would have to follow zoning and licensing rules, pay sales and lodging taxes, have appropriate insurance and, in some cases, a fire certificate of occupancy.

Airbnb Wants to Make Peace With New York and San Francisco Officials
Bloomberg | 5/1/17

In New York, Airbnb is working with a local lawmaker to carve exceptions into a housing law. Airbnb said it will register its New York hosts in a state database and permit them to rent only one unit at a time, the home where they live. The nine-year-old upstart has been facing pressure from governments saying its home-sharing website squelches the housing supply by providing landlords with incentives to turn apartments into illegal hotels. Regulatory tensions remain a major hurdle for a potential initial public offering for Airbnb, which was valued at $31 billion by investors this year.

Public Relations

Airbnb Host Refunds Only 50 Percent After Woman Cancels Reservation Due to Suspicious Activity on Her Account
NBC Washington | 5/2/17

Airbnb alerted a woman to suspicious activity on her account after she booked a rental in Germany, so she canceled her reservation immediately, but she said she only got half of her money back until she contacted NBC4 Responds. She said she automatically got a 50 percent refund per the host’s cancellation policy. She tried contacting Airbnb to find out when she’d get the rest of her money. "So I literally contacted Airbnb almost every day," she said. "I sent them emails; I made phone calls." After two weeks, she contacted NBC4 Responds, which reached out to Airbnb. Airbnb credited Tesch the rest of her money and recently took steps to crack down on account takeovers.

Growth

Hearst and Airbnb Roll Out New Magazine
WWD | 5/4/17

Hearst and Airbnb unveiled details about their new magazine today. Airbnbmag, which will be on newsstands on May 23, has been in the works for over a year - WWD first reported in 2015 that the publisher and the home- and apartment-renting start-up were in talks about partnering on print product to tap into the potentially lucrative market for travel-related advertising.

Airbnb's San Francisco Deal Puts Storyline Over Bottom Line
Wired | 5/4/17

Airbnb, a company now valued at $31 billion, has proven it can grow by disrupting the traditional hotel industry. Now, to please potential investors, Airbnb has to at least convey the sense that it's willing to play nice with regulators. The company will likely trumpet the new agreement with San Francisco, a symbolic gesture that will likely resonate well beyond the city's limits.

Our coalition represents workers, neighbors, tenants, lodging associations, employers and affordable housing advocates. We stand united behind responsible and appropriate regulation of the short-term rental (STR) industry in Los Angeles.
Short-Term Rental Coalition consisting of AH&LA, CH&LA, Hotel Assoc. of LA, Keep Neighborhoods First, LAANE, UNITE HERE Local 11, and other neighborhood, business and community groups, 414 29th Street, Sacramento, CA 95816

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