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From: **Casey Maddren** <cmaddren@gmail.com>

Date: Fri, Feb 2, 2018 at 8:43 PM

Subject: Comments Re: Home Sharing Ordinance, COUNCIL FILES 14-1635-S2, 14-1635-S3

To: councilmember.ryu@lacity.org, CityClerk@lacity.org

February 2, 2018

Comments Re: Home Sharing Ordinance, COUNCIL FILES 14-1635-S2, 14-1635-S3

Dear Councilmember Ryu,

As the City comes closer to adopting rules to govern home sharing, I'd like to submit the following comments on the proposed ordinance. This is obviously a complex issue, and it's important that the City craft this ordinance carefully, since it could have serious impacts on the housing market.

While many individuals are legally offering their homes as short-term rentals (STRs), it is clear that there are also many others who are abusing the system, turning thousands of apartments into hotel rooms. There have been numerous reports of landlords evicting tenants to convert units into STRs. The City of LA has done virtually nothing to crack down on abuse. Whatever shape the final ordinance takes, it is imperative that it include funding for enforcement. Without enforcement, the HSO will be meaningless, and abuse will continue unchecked.

These are the issues I feel need to be addressed in the HSO:

1. Prohibit Both TORS Conversions and Overlays

While the staff recommendations talk about prohibiting TORS conversions, it's important to also specifically prohibit TORS overlays. The DCP recently granted a TORS overlay at The Metropolitan in Hollywood. I was at the appeal hearing, and the Commissioners used the argument that they weren't removing housing since the overlay still allowed the units to be used as apartments. This was especially maddening, since the owners had already signed an agreement with an STR company, and it's clear they plan to turn the place into a hotel.

One option suggested in the DCP's report on the HSO is prohibiting construction of new TORS buildings, but allowing TORS conversions. This just means a developer would build a project and call it residential, then request a conversion later on, as Onni did with Level Furnished Living. This makes no sense.

Both TORS conversions and TORS overlays need to be specifically prohibited. It's clear from what we've seen at The Metropolitan and Level Furnished Living that developers/owners are willing to take advantage of this option, and the City seems more than willing to grant it.

2. 90 Day Limit

It is imperative that that City set a limit no higher than 90 days. While we can argue over the exact number of days where it becomes more profitable to turn housing into hotel rooms, it's clear that the higher the limit, the greater the temptation to property owners. Among cities that have passed ordinances to regulate home sharing, 90 days is the most common limit.

3. No Self-Certification

I am completely opposed to self-certification. We need a system that verifies user info, otherwise people will abuse it, as they do now.

4. Funding Enforcement

I feel strongly that money must be collected to fund enforcement, whether it means setting aside a percentage of the TOT or imposing an additional fee. We need City personnel dedicated to monitoring this program and going after those who break the law. Abuse is rampant now, and there's no point in passing this ordinance unless we're going to enforce it.

One of the things that makes me skeptical about the City's willingness to enforce the law is that the revenue from the TOT on STRs has already been included in the City's budget. This seems to indicate that City Hall is anxious to have the extra money, and would be reluctant to make significant enforcement efforts if that would curtail the revenue stream. This is worrisome, because we're already seeing that unscrupulous landlords are willing to turn apartments into hotel rooms, and tenants have been displaced as a result. The City needs to protect renters by funding positions dedicated to enforcing the HSO.

Hopefully the final version will allow legitimate uses by those who are willing to follow the law, and stop abuses by those who only care about profit.

Thanks for your time.

Sincerely,
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