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Los Angeles City Council

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Department of City Planning
200 North Spring Street,
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Re: **Response to Notice of Intent to Adopt
Negative Declaration-NG-16-242-PL**
Case: DIR-2016-1243-CA; ENV-2016-1277-ND
CF 14-1635-S2, 14-1635-S3

Dear Addressees:

Prior Correspondence

August 16, 2016 – My Response to Notice of Intent to Adopt ND and CEQA Findings
May 3, 2017 – Director of Planning Response to my Aug 16, 2016, Comments
May 2017 – My Further Response to Notice of Intent to Adopt ND

Incorporation by Reference

The above documents (Prior Correspondence) are hereby incorporated in this letter by this reference.

Third Supplemental Report Back to City Council, March 22, 2018 - CEQA Issues

The Third Supplemental Report Back from DCP to PLUM, dated March 22, 2018 (“Report Back”), proposes the possibility of “extended home-sharing” above the citywide cap by ministerial approval. The proposal suggests a notice of an application to exceed the short term rental cap be mailed to owners and occupants within an absurdly narrow radius of 100 feet. The Report Back states: “Neighbors offer an ability to know first-hand whether a home-sharing operator is creating a nuisance or disruption that requires more in-depth review.” The Report Back fails to explain how this knowledge of neighbors is possible if the applicant is registering for the first time without any prior short term rental operations. The Report Back does not clarify whether the notice to neighbors is required

upon every renewal of a registration. If the administrative exception cannot be met, the Report Back also proposes a discretionary process to obtain an Extended Home Sharing Use Permit that would enable home sharing beyond the annual cap. These exemptions to an annual cap of 180 days would have “significant implications” and “require additional environmental analysis” as stated in the Second Report Back dated January 11, 2018. In other words, exemptions to an annual cap of 180 days require a full Environmental Impact report (“EIR”).

The Second Supplemental Report Back stated: "Hosted activity protects the housing stock, ensures residential use is maintained and limits nuisance behavior by guests. . . . Unfortunately, it has proven difficult for any city to be able to verify whether each guest stay is hosted on a nightly basis. The City could require self-certification under the penalty of perjury and accept the use of complaints and proxy IT data to enforce violations, but enforcement would continue to be an issue of concern." Hence, the DCP acknowledges that the “use of complaints” may not be effective to enforce hosted rentals, but, inconsistently, raises no problem suggesting that neighbor complaints would be the enforcement tool justifying the administrative exception to an annual cap of days. A full EIR is necessary to study enforcement (and the environmental impacts from lack of enforcement) – not conjecture. Also, a full EIR is necessary to study the alternative of hosted rentals because it is acknowledged by the DCP that hosted rentals would have fewer environmental impacts, and hosted rentals is the law in the City of Santa Monica that DCP relies upon to base predictions as to how home sharing would work in Los Angeles.

The Report Back states that: “options to increase the days of home sharing may provide financial incentives to favor short-term rentals over long-term use of the City’s housing stock.” This acknowledgment is proof that a full EIR is necessary to properly analyze available protections against the harm resulting from administrative or discretionary exceptions to an annual cap that could result in rentals longer than 180 days per year. Short term rentals are not permitted at this time, and any new policies must be based on evidence that can be obtained only in an EIR, not conjecture.

The Second Supplemental Report Back states: “The possibility of requiring applicants to self-certify primary residency under penalty of perjury, with consideration of: . . . b) For investigation or verification, if the City could require that supporting documentation be furnished upon demand at any time.” The primary residence requirement is meaningless unless it prevents a person from owning, directly or through an LLC, multiple residences on which they could submit property tax bills, utility bills, etc., and nevertheless actually be residing in still another home that they rent. And why even suggest relying on public complaints for enforcement when Planning states that such a solution is not worth considering for enforcement of hosted listings? The primary residence requirement is an

important factor relied upon for the ND, however, a full EIR is necessary to study the potential to evade this requirement.

The Proposed Administrative and Discretionary Exemptions to a 180-day Cap Remove a Crucial Basis for the Attempt to Avoid a Full EIR by a ND.

The Second Report Back of DCP, dated January 11, 2018, stated on page 6:

“The implications of removing the proposed annual cap on home-sharing activity in a primary residence

The October 19, 2017 DCP report summarized the rationale for a cap on the number of nights that may be rented per year. The response to question one above provides some options for removing the annual cap for certain types of users. Removing the cap altogether would likely require additional environmental analysis and could have significant implications, including:

- *Allowing year-round short-term rentals in all neighborhoods in the City;*
- *Continued loss/conversion of about 1,500-2,500 units of housing per year to full time shortterm rental activity;*
- *Proliferation of short-term rentals and potential nuisance impacts in areas popular with tourists such as Venice, Hollywood and Downtown.”*

The proposed exemptions to the 180 day cap in the Third Report Back trigger the significant implications and environmental analysis referred to in the Second Report Back.

Of the 21 Responses by Planning in the letter of May 3, 2017, to the undersigned, seven rely, in part, on the limitation of 180 days a year, such as the statement: “The City’s proposed ordinance would significantly limit the number of days a residence may be rented as a short-term rental to 180 days a year.” Aside from whether a cap of 180 days is too high (the determination of which requires a full EIR), the proposed administrative and discretionary exemptions to that cap undermine the findings and mitigation basis for a ND. Further, since short-term rentals are currently prohibited, the 180 provision is actually a new permissive right – not a limitation. The proposed Los Angeles Ordinance is based on speculation – not a study of facts. A full Environmental Impact Report is necessary to properly analyze available protections against the harm resulting from removal of the current prohibition of short-term rentals in residential communities, and to be able to base any new policies on evidence.

Out-of-Date Analysis

The Environmental Impact Analysis (Exhibit B.2 - Negative Declaration - 6/14/16) is seriously out-of-date and cannot be relied upon to support a ND. If City Council and the DCP intend to evade the requirement of a full EIR, a new Notice of Intent to Adopt

Negative Declaration must be prepared and published for comment. **THE UNDERSIGNED REQUESTS A COPY OF ANY NEW NOTICE.**

Conclusion

The results of an EIR will **not** support legalizing short-term rentals in residential zones in Los Angeles. On the contrary the EIR would identify significant impacts the City would be **unable to mitigate**, including depleting housing stock, noise pollution, air pollution, traffic congestion, additional and unmanageable stress on City services, in particular first responders - fire and law enforcement, water, trash, and parks and recreation personnel and facilities. Turning a residential neighborhood of families into a commercial zone of mini-hotels would have significant impacts on the public school system, and these impacts must be studied in an EIR.

The proposed Ordinance legalizes a **new commercial, business activity throughout the City** and the “common sense” conclusion must be that the potential for significant environmental impacts is great and must be studied and disclosed for the benefit of the decision makers and the public. The evidence is available in multiple cities that have legalized the activity, including many of those that have subsequently imposed greater restrictions or entire prohibitions.

The adoption of the proposed Ordinance allowing short-term rentals, both true home sharing as well as absentee rentals, in residential zones would have multiple, foreseeable, direct and indirect significant physical impacts upon the environment and constitutes a non-exempt “project” under CEQA that is not subject to an MND or ND to avoid a full EIR.

Although I am on the Boards of the Brentwood Community Council and the Brentwood Homeowners Association, and they have each taken positions opposing any change in current zoning laws regarding short term rentals, this letter is not on their behalf, but from me personally.

Sincerely,

Raymond Klein

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