

December 4, 2018

Re: Council File No. 14-1635-S2
Allow Rent Stabilized Tenants to be a part of the Homesharing Economy

Dear Planning Committee Members,

I am writing to urge you to NOT ADOPT the provision that reinstates "the prohibition of units subject to the Rent Stabilization Ordinance as a use not permitted in the Home-Sharing Ordinance."

We all want to protect rent-controlled housing in Los Angeles. There are ways to do that which do not impinge on the rights of tenants to home share. I will list a few later, but first, these are the reasons why RSO renters should not be excluded from homesharing rights:

1. **Rent controlled units are still too expensive. Renters need relief.**
There is a misperception that all RSO renters are paying a ridiculously low rent. While some may be, the average rent in LA is \$2,265. Studios average \$1,622/month, while the average 2-bedroom is \$2,782. *These averages include the 85% RSO units.* The median per capita income in LA is \$30,800. This means that the average earner living in a one-bedroom apartment (at an average of \$2,068/month) clears about \$23,500 after taxes and pays \$24,816 in rent alone for a 1-bedroom. Obviously the numbers don't add up. Homesharing – whether renting out your home while out of town, or sharing a spare room – has become a viable way for Angeleno renters to stay afloat in an overheated rental market during times of stagnant wage growth. For the city to take it away would squeeze the median earners who need the help the most.
2. Most hosts, including renters, choose to host out of **economic necessity**. They need the extra income for many reasons –
 - a. Because they are freelancers who go through economic swings;
 - b. Because they travel for business and cannot afford to pay for housing in two locations at a time (many in the entertainment industry, for ex. are on location in other states or countries part of the year);
 - c. Because they are on a fixed income and need the extra income to make ends meet;
 - d. Or because, like me, they spend much of the year in another state, helping their elderly parents age in place. I make no income while caretaking. If I lose the added income from hosting, I have to choose between letting my parents go without the care they need, or lose my home. Does it make any sense to protect RSO units by forcing long-term tenants to leave them?
3. **The law impinges on the right of owners to enter into contractual**

- terms with their tenants as they see fit.** Standard terms on rental agreements allow for the tenant to sublease with the owner's permission. Primary residence homesharing is nothing more than subletting for short periods of time. (The average stay of most of my guests is 12-14 days). My landlord appreciates that I am a responsible tenant. He tells me he wants me to stay for 20 years. But I may have to move to another neighborhood, a smaller unit, or leave LA altogether, if I cannot host while caring for my parents. He would lose a good tenant; I would lose the home I have made for myself and love dearly. These matters should be decided on a case-by-case basis, and no one is in a better position to make that determination than the landlord himself. If a tenant is abusing those privileges, he has the right to evict on the basis of the terms of his lease; if the owner is amenable to homesharing, he can allow it and keep the tenants he wants to keep.
- a. **Hosts make desirable tenants.** As a host, I must maintain my home to a higher standard than the average renter. I take care of needed repairs immediately. I use a professional cleaning crew. I utilize security systems that the owner and my neighbors benefit from. My home is impeccable because I get rated on its cleanliness on a regular basis.
 4. **Excluding renters in older units is discriminatory.** 85% of all rental units in LA fall under RSO regulations. Denying these renters the right to home share discriminates against the vast majority of residents who are not homeowners. It does nothing to help the shortage of affordable housing in LA, and it could be challenged in a court of law as discriminatory.
 5. **It is fiscally irresponsible.** Homesharing is a big economy and brings visitors to the city who spend money. These visitors may not be able to afford a \$300/night hotel room, or they may need a multi-bedroom home to accommodate a family, or they may be visiting a neighborhood (such as mine) where there are no hotels. Homesharing encourages these travelers to choose LA. It benefits the local economy. Excluding 85% of all rental units from this growing economy will strangle it, and Los Angeles will be the loser.

There are ways to protect RSO units from exploitative homesharing practices:

1. Limit homesharing to primary residences.
 - a. Crack down on hosts who have multiple listings in the same city. These are often realty companies buying up properties for the STR market, or individuals who rent out multiple units for the purpose of short-term rentals. This is an exploitation of the homesharing concept and should be outlawed.
2. Limit duration of stays to a minimum number of days – i.e., no less than 4 or 5 days – to avoid daily turnover.
3. Limit the number of days/year that hosts can have guests. The 120-day limit is too restrictive for someone such as myself, who goes back and forth between

coasts every other month. But 180 days would assure that anyone who is trying to scam the system would not be able to rent half the year.

4. Allow landlords to provide for no-homesharing clauses in their leases if they like.

There are ways to save affordable housing in LA that do not impinge on the rights of tenants. These include:

1. Adopt new rules to prohibit the demolition of rent-controlled buildings.
2. Crack down on Ellis Act evictions. More than 1400 rent controlled units were removed through the Ellis Act last year alone. THIS is the primary cause of the affordable housing shortage, not tenants that home share to meet their rent.
3. Force landlords to provide proof of owner-occupancy evictions.
 - a. After 17 years, I was evicted from my duplex in Santa Monica because the owner said he was moving his son into the unit. In fact, the son lived there only a short time before the owner began renovations in preparation for selling the duplex. When I inquired with attorneys who had told me I could appeal in such a case, they backpedaled and said appeals relied on technical errors and were hard to win. The owner sold the home and new owner evicted the remaining tenant and turned the 1928 landmark duplex into a single-family home.
4. Force owners to pay legal fees for attempts at illegal evictions or harassment as deterrence.
5. Provide better legal assistance for tenants facing illegal evictions or harassment.
 - a. There are very few attorneys who work in tenant law in Los Angeles, and many of those are just plain bad or (in the case of the attorney I used) crazy, while owners have a plethora of good attorneys to choose from. Encourage more attorneys to go into tenant law with tuition grants and offers of employment upon graduation. While there are housing clinics where one gets advice, tenants need an advocate in the courtroom with them. Their chances of prevailing without representation are miniscule at best.
6. Purge the judiciary of landlord judges who are biased in the cases that come before them.
 - a. The judge in my case was not only a landlord, but a landlord who also owned a duplex in Santa Monica, just like mine. When I asked my attorney why she allowed him, she told me all the judges in housing court were landlords. This activist judge ignored the testimony of the city investigator who swore under oath that my unit was identical to the lower unit, where the newer tenant lived. Under Santa Monica's first-in, last-out law, that tenant should have been forced to vacate before me. But the judge ruled against me, claiming a walk-in closet constituted a bedroom and "a dockworker would be happy to have it". There is no way to fight a bad decision, but there is a way to keep crooked judges

off the bench.

7. Build more affordable housing. Instead of requiring that developers offer a token number of affordable units, force them to offer 33% RSO rentals (since RSO units begin at market rates, that still means they are allowed to charge market rents) and 33% at lower rates for low-income residents.

In summary, there are many ways to protect owners and the city from the abuse of homesharing allowances, while still allowing residents who the 85% of renters who live in older RSO units to share their home to make ends meet in this difficult Los Angeles economy.

Not only will the proposed restrictions NOT help the affordable housing markets, it may very well force many RSO residents who now home share out of their homes.

I urge you to VOTE NO on the RSO restrictions in this proposal.

Sincerely,

Karen Smith
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