

14-1635

MOTION

The “sharing” or “peer-to-peer” economy has grown rapidly in Los Angeles. It is redefining the way that goods and services are exchanged among citizens, businesses, and governments. People have shared their assets informally for centuries, but now with the advent of the internet, innovative network technologies and social tools have made sharing, lending, trading, and renting assets easier and safer. This development has had impacts that are both beneficial and harmful.

A key part of the “sharing” economy is short-term room and home rentals. Numerous internet platforms now advertise rooms or entire homes for rent in neighborhoods across Los Angeles. Many who share their homes are working in the creative industry and using home sharing to even out income throughout the year. Others who share their homes include seniors on a fixed income and families who depend on extra income to make ends meet. Still others are local residents who want to give visitors an opportunity to live like a local and experience neighborhoods outside of the traditional tourist areas--and data indicate that a significant number of shared home rentals are located outside of traditional hotel zip codes.

At the same time, short-term rentals have had clearly negative impacts. They have begun to change the stable and familiar feel of many residential neighborhoods, disrupting the quality of life of permanent residents. In a rapidly escalating number of cases, commercial ventures have purchased large numbers of rental units or even entire apartment buildings and converted them into de facto hotels, reducing and threatening the City’s stock of rental housing and affordable housing. Moreover, unless the hosts pay the appropriate amount of Transient Occupancy Tax (“TOT”), the City could potentially lose large amounts of revenue that could otherwise be used for essential city services, such as public safety or public works.

Clearly, as short-term rentals have grown in popularity throughout Los Angeles, they have raised some important policy issues that must be addressed by the City. Without reasonable and enforceable regulations, the City will fail in its mandate to protect our neighborhoods, and the City will squander an opportunity to nurture an industry that promotes tourism and could generate revenue for municipal services. To create an effective policy, the City must examine ways to collect revenue while preserving the integrity of our rental and affordable housing stock. In so doing, the City will need to clarify or modify its existing zoning regulations.

The City’s current zoning regulations do not adequately address the issues associated with short-term rentals. The City must amend its zoning regulations to enact reasonable and enforceable regulations that protect our neighborhoods and balance the needs of our neighborhoods with these emerging economic and tourism models.

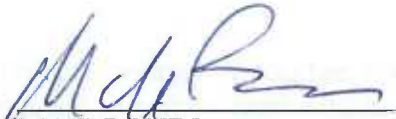
Other cities facing similar issues with short-term rentals have recently enacted regulations to govern the operation of short-term rentals in their neighborhoods. Both San Francisco and Portland, Oregon recently amended their codes to authorize and regulate short-term rentals, and both began collecting TOT from at least one significant short-term rental platform in recent months. The City should study these ordinances, as well as the efforts of other cities facing similar issues with short-term rentals, and enact reasonable regulations that reflect the unique character and address the specific needs of Los Angeles.


City

I THEREFORE MOVE that the Council direct the Chief Administrative Officer and the Chief Legislative Analyst, in conjunction with the relevant City Departments and the City Attorney to:

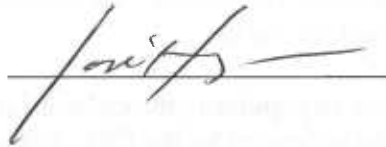
1. Review short-term rental regulations recently adopted or proposed by San Francisco, Portland, Oregon, and other cities in California and other states;
2. Work with stakeholder groups, community and neighborhood representatives, and operators of the major short-term rental platforms with significant numbers of users in the City, to gather input to serve as a basis for preparing an ordinance regulating and governing the legal operation of short-term rentals in Los Angeles;
3. Specifically examine and make recommendations for a policy and accompanying ordinance that (a) protects residential neighborhoods from large numbers of or a concentration of short-term rentals in any particular neighborhood at a given time; (b) provides for collection of the Transit Occupancy Tax; and (c) prohibits the removal of large numbers of units from the City's stock of rental or affordable housing.

PRESENTED BY:


 MIKE BONIN
 Councilmember, 11th District


 HERB J. WESSON, JR.
 Councilmember, 10th District

SECONDED BY:



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