



VENICE ACTION

May 29, 2015

Senator Ben Allen
Sacramento, CA 95814
Sent Via Email:

Senate Bill 593 Thriving Communities and Sharing Economy Act – SUPPORT

Dear Senator Allen:

The Venice Action Alliance writes to express our support for SB 593, which would facilitate the efforts of cities seeking to understand and regulate short-term rentals to suit the specific needs of their communities.

Los Angeles is home to the highest percentage of renters of any major city in the country. It is also the least affordable, as documented in a recent UCLA report. While rents have continued to skyrocket, places to live in are in short supply. According to a 2015 Los Angeles Alliance for a New Economy investigation, Airbnb has rapidly removed approximately 7,795 units from the Los Angeles housing market in some of its most historic neighborhoods, including Venice, Hollywood, Silver Lake, and the city of Santa Monica. Short-term rentals are removing precious housing stock, sometimes illegally, from the market to rent to tourists. This growth in short-term rentals is pitting stable renters' dollars against tourist dollars across Los Angeles. Eighty-Nine percent of Airbnb's LA revenue is generated from hosts with whole units and professional management companies renting out two or more units. This is not a "sharing economy." It is an extractive practice dependent on skirting regulation by municipalities, which are less nimble than the scofflaw companies involved, and hamstrung by inability, under current state law, to access the information necessary to evaluate, much less regulate, this business.

Short-term rentals are not a new phenomenon. They are as old as our country, and over the years, cities have realized the need to regulate them. The zoning code and other ordinances here in L.A. already address the issues of short-term rentals to a large degree and have done so for decades.

What is new is the use of internet "platforms" as marketplaces for these rentals. This technology and practice have allowed proliferation of illegal short-term rentals to be carried on largely beyond the reach of municipal regulation in our city and others. The new industry's facility at skirting rules has made it incredibly lucrative. Airbnb, in existence for less than seven years, has already reached a capital valuation of \$20 Billion. Los Angeles and municipalities across the state are working to catch up with facts-on-the-ground.

From Sonoma to San Diego, cities large and small are frustrated in their efforts to understand the short-term rental industry, because many of the largest companies in the industry fail to disclose basic information about the location and scope of their operations. SB 593 provides for that disclosure, while preserving the right of municipalities to implement appropriate regulatory measures.

We applaud your leadership in crafting legislation that will allow municipalities to protect housing and neighborhood quality of life.

We would be happy to provide your office with factual support for any of the statements contained in this letter.

Sincerely,

Sylvia Aroth
David Ewing
Jed Pauker

Jim Bickhart
Linda Lucks
Karen Wolfe

for Venice Action Alliance

CC: Senator Mike McGuire
Senate President pro Tempore Kevin De Leon
Los Angeles City Councilmember Mike Bonin