

August 15, 2016

Mayor Eric Garcetti
City Hall
200 North Spring Street, 3rd Floor
Los Angeles, CA 90012

Dear Mayor Garcetti,

Our coalition represents workers, neighbors, tenants, lodging associations, employers and affordable housing advocates. We stand united behind responsible and appropriate regulation of the short-term rental (STR) industry in Los Angeles and fully support the Planning Department's (Department) initial staff report, released on April 15, 2016.

We appreciate all of the Department's efforts in creating the regulatory framework for this fast growing industry. After several public meetings and hearings which included hours of testimony from the community, we believe the Department's recommendation achieves the right balance in the draft ordinance.

We recently became aware of an interim contract entered into by the City and one of the largest internet STR platforms, Airbnb. Our coalition is concerned that this contract undermines the efforts of all the stakeholders during the open and transparent rule making process. The contract allows Airbnb to collect and remit all transient occupancy taxes (TOT) that hosts are required to pay the City, even though most STR activity is prohibited throughout the City. As you are aware, platforms like Airbnb have contributed to the rapid commercialization of the STR industry in Los Angeles, which has resulted in thousands of violations of the Los Angeles Municipal Code. Commercialization has also led to entire apartment buildings, many of which are rent-stabilized, to being converted into de facto hotels. These conversions reduce the already scarce housing stock in our City.

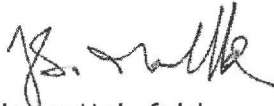
Entering into a deal with Airbnb before the ordinance has been passed by the City Council is both disingenuous to all the stakeholders involved in the process and counterproductive to the efforts of the Department.

The agreement with Airbnb gives legitimacy to an illegal industry that the City Council determined cannot continue to go unregulated. This type of arrangement also makes enforcement of the proposed ordinance more difficult. As you are aware, instead of working with cities to develop reasonable regulations, Airbnb continues to blatantly violate local rules and challenges local jurisdictions with lawsuits.

Even more troubling is that the agreement does not require Airbnb to disclose pertinent information that is necessary to audit taxes remitted to the City. We question why the City would enter into such an agreement without also outlining a methodology for audit and review.

In conclusion, our coalition supports the Department's report and draft ordinance and believes that any agreements with STR platforms should be delayed until after the ordinance is approved and adopted by the City Council to promote effective and efficient enforcement of the new laws.

Sincerely,



Lynn Mohrfeld
California Hotel & Lodging Association



Judy Goldman
Keep Neighborhoods First



Katherine Lugar
American Hotel & Lodging Association



James Elmendorf
Los Angeles Alliance for a New Economy



Larry Gross
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Bob Amano
Hotel Association of Los Angeles



Becky Dennison
Venice Community Housing



Cynthia Strathmann
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Thomas Walsh
Unite Here Local 11

Cc: Los Angeles City Council