



Rita Moreno <rita.moreno@lacity.org>

Homesharing Regulation / Primary Residences Subject to Rent Stabilization Ordinance (RSO) / Council District 13 / Pilot Program--18-1245

Joe Hasenzahl <joehasenzahl@gmail.com>

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To: councilmember.harris-dawson@lacity.org, councilmember.blumenfield@lacity.org, councilmember.cedillo@lacity.org, councilmember.Smith@lacity.org, councilmember.price@lacity.org, rita.moreno@lacity.org, councilmember.ofarrell@lacity.org
Cc: christine.peters@lacity.org, juan.fregoso@lacity.org

Dear Council members,

I am writing you as a homeowner who is adversely impacted by the soon to be implemented Home-sharing regulations.

In 2015, my partner and I bought what we thought was the perfect house in Silver Lake. Amazing views, quiet street and incumbent renters to offset the hefty mortgage. On paper, this seemed like a great thing.

We started off on the wrong foot with the tenants and things barely got better as time passed. We hired an attorney to understand what our rights as landlords were. His advice? "Make nice."

Having strangers in your house that you just don't like is agonizing. Being on-site landlords made it worse. Uncomfortable confrontations regarding unwritten agreements, etc. just added to the friction.

They did eventually leave and we decided that short term rental via Airbnb was the answer. We have family members and friends who come to visit and the apartment is a perfect place to host them. After a modest renovation and thorough cleaning (the renters were not tidy by any stretch of the imagination—we had to replace the stove it was so filthy) we hosted our first guests on Airbnb.

It has been a godsend. I lost my job six months later and after a promising start to a consultancy, I struggled to find consistent work. That 3x multiplier for short term over long term revenue actually made it possible to stay in the house. There is simply no way I would have been able to pay the mortgage on the rent stabilized monies we were collecting.

On Airbnb, we are a 5 star property. We love hosting and are active and present during the process. We aren't a ghost hotel. We aren't a party house. In our neighborhood, there are no hotels so we fill a unique niche for visitors looking to enjoy everything we have to offer. We host parents whose children live in the area. We host travelers from around the globe and lots of New Yorkers.

This ordinance has so many unintended consequences especially as it relates to the RSO clause.

My neighbor, whose house is older than mine, and therefore should also be subjected to the ordinance, don't have to worry. They converted their downstairs space and as a result, aren't subject to the clause.

Us? Because of the broad sweeping nature of the RSO regulations and their incorporation into the home sharing regulations, we are no longer allowed to participate.

We will have to stop home sharing mid-June and start to screen prospective tenants. Just like the other 4,200 apartments about to enter the marketplace. Please check my math...

6,000 units in LA
70% of units in LA are under rent control.
4,200

Even if I'm wrong and there are only 3,000 units affected, they will all enter the marketplace at the same time. This surplus will temporarily drive down demand and therefore, the market value will also drop. Being rent stabilized, these units will be rented under-market and continue to be in that state until they turn over the tenant.

I get it, there have been bad actors. I am full supportive of an exception to the RSO clause for district 13. You're crippling my ability to make money with the RSO clause AND the frankly mean-spirited cap on the number of nights we can rent. I'm not a lawmaker, but I'm hard pressed to think of ANY OTHER situation where the city limits income like this.

I'm happy to share my story and perspective.

Thanks for your time,

Joe Hasenzahl
213 925 8780