

Contact Information

Neighborhood Council: Historic Highland Park Neighborhood Council

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Impact Information

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Directed To: City Council and Committees

Council File Number: 14-0593

Agenda Date:

Item Number:

Brief Summary: On October 2, 2014, a fully Brown Act compliant general meeting of the Historic Highland Park Neighborhood Council, the council voted in support of the legalization of private home sharing. 6 council members voted in support with 2 opposing, 3 abstentions, and 1 recused. Support as outlined in the letter attached.

Additional Information: If there are any questions, please contact me

CITY OF LOS ANGELES

HISTORIC HIGHLAND PARK NEIGHBORHOOD COUNCIL

Post Office Box 50791
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<http://www.highlandparknc.com>
Certified as NC #33 May 28, 2002

CALIFORNIA

DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT

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October 2nd, 2014

Mayor Eric Garcetti
City of Los Angeles
200 N Spring St #303, Los Angeles, CA 90012

CD-1 Councilman Gilbert Cedillo
City of Los Angeles
200 N Spring St #450, Los Angeles, CA 90012

CD-14 Councilman Jose Huizar
City of Los Angeles
200 N Spring St #450, Los Angeles, CA 90012

Re: CIS, Council File Number 14-0593, Home Sharing in the City of Los Angeles

Community Impact Statement: The Historic Highland Park Neighborhood Council (HHPNC) advocates for the official legalization of private home sharing, including but not limited to both short term and long term rentals in private residences that are located in residential and commercial zones of Los Angeles, where the rental activity complies with standard rules of occupancy.

The Historic Highland Park Neighborhood Council represents over 60,000 Los Angeles stakeholders who reside, own property, or conduct business in our neighborhood. On behalf of our stakeholders, we advocate to legalize the activity of home sharing in our neighborhood and throughout the city of Los Angeles. By legalizing and regulating a practice that has become very prevalent in our city, we can help insure that home sharing continues to be a positive aspect of our economy and culture, not only for stakeholders but also for city revenue.

Home sharing can be defined basically as sharing available space in one's home with visitors to our city. Home sharing is just one aspect of a larger economic movement called the "peer to peer share economy." Forbes Magazine estimates the revenue flowing through the share economy directly into people's wallets will surpass \$3.5 billion this year, with growth exceeding 25%. At that rate peer-to-peer sharing is moving from an income boost in a stagnant wage market into a significant, positive economic force.

HR&A recently conducted an economic impact assessment on home sharing in the cities of San Francisco and New York, based on data collected from popular home sharing platforms. The studies reveal multiple ways in which the new economic activities associated with home sharing have significant impacts on a city and its neighborhoods and residents. The assessment found the following:

- Home sharing benefits its many hosts, who use home sharing to supplement their income.
- Home sharing impacts neighborhoods that are off the main hotel beat, distributing visitor spending across many neighborhoods and businesses throughout the city.
- Home sharing benefits the city as a whole. In San Francisco, it generated \$56 million in direct and indirect spending in one year and supported 380 full-time equivalent jobs. In New York, it generated \$632 million in economic activity in New York and supported 4,580 jobs throughout all five boroughs.
- Much of this economic activity is new. Even as hotel occupancy has climbed, the number of reservations booked through home sharing platforms has grown dramatically, indicating that many home sharing users are a different visitor segment than hotel guests. Home sharing brings new economic spending to cities from visitors who are price-sensitive and seek a “live like a local” experience they may not otherwise find in conventional accommodation.
- Home sharing also enables cities to become more competitive by attracting skilled workers and incentivizing relocation with innovative short-term stay opportunities.

The HHPNC is aware of many of our stakeholders who benefit from home sharing, from students supplementing their school expenses, to artists creating more time to work on their art instead of going to work, to retired people on fixed incomes. These stakeholders have reported positive experiences with home sharing and can attest to the favorable quality of visitor the practice is attracting to Los Angeles. Many current Los Angeles home sharing hosts are already voluntarily registered with the LA City Office of Finance and pay the TOT (Transient Occupancy Tax). Since most of the home sharing guests are short term visitors, they are adding to the economy without taking a job or becoming a permanent liability on many city resources that residents rely upon.

With the data we have before us, we can conclude that the legalization and regulation of home sharing in Los Angeles will greatly benefit neighborhoods like Highland Park, by not only insuring best practices among home sharing hosts, but by insuring that Los Angeles will benefit from a healthy piece of this emerging market, both by way of increased spending at our local businesses by the guests, and increased tax revenue from the hosts.

We strongly urge city council to establish a well thought out code to legalize and regulate home sharing as soon as possible, as this economy is rapidly growing, and will continue to impact our city. Legalizing sooner than later is the only way to insure that the people of Los Angeles can benefit from this emerging economy in the best way.

Sincerely,

Monica Alcaraz, President

Historic Highland Park Neighborhood Council