

Contact Information

Neighborhood Council: Venice Neighborhood Council

Name: Mike Newhouse

Phone Number: [310-795-3768](tel:310-795-3768)

Email: [mike@mikeandruthie.com](mailto:mike@mikeandruthie.com)

The Board approved this CIS by a vote of: Yea(11) Nay(1) Abstain(1) Ineligible(0)  
Recusal(0)

Date of NC Board Action: 09/15/2015

Type of NC Board Action: For if Amended

Impact Information

Date: 10/09/2015

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 14-1635-S2

Agenda Date:

Item Number:

Summary: This authorizes a host to rent part of their primary residence to short-term visitors, permitting someone to rent a spare room or a back house, so long as the owner also occupies the house.

We also urge the City Council to take additional actions to protect our endangered affordable housing and RSO housing stock, and to protect home sharing from speculators and profiteers who are undermining its success.

We ask that the City immediately begin enforcing current zoning and occupancy laws that outlaw short-term rentals for fewer than 30 days in residential neighborhoods. We also make suggestions that apply to creating a system of regulations and enforcement under 14-1635-S2.



# Venice Neighborhood Council

PO Box 550, Venice, CA 90294 / [www.VeniceNC.org](http://www.VeniceNC.org)  
Email: [info@VeniceNC.org](mailto:info@VeniceNC.org) / Phone or Fax: 310.606.2015



October 9, 2015

## COMMUNITY IMPACT STATEMENT

COUNCIL FILE 14-1635-S2

TO: The Honorable City Council of Los Angeles and Committees in c/o the Office of the City Clerk at the Los Angeles City Hall 200 North Street, Los Angeles, CA 90012

The Venice Neighborhood Council requests that the following Community Impact Statement be attached to Council File 14-1635-S2.

On September 15, 2015, by a vote of 11-1-1, the Venice Neighborhood Council urges the City Council to support 14-1635-S2 if the following change is made:

From:

- Authorizes a host to rent all or part of their primary residence to short-term visitors, permitting someone to rent a spare room, a back house, or even their own home while they are out of town.

To:

- Authorizes a host to rent part of their primary residence to short-term visitors, permitting someone to rent a spare room or a back house, so long as the owner also occupies the house.

We also urge the City Council to take additional actions to protect our endangered affordable housing and RSO housing stock, and to protect home sharing from speculators and profiteers who are undermining its success.

We ask that the City immediately begin enforcing current zoning and occupancy laws that outlaw short-term rentals for fewer than 30 days in residential neighborhoods.

We also make suggestions that apply to creating a system of regulations and enforcement under 14-1635-S2.

### **MOTION:**

The Venice Neighborhood Council thanks Council members Bonin, Koretz and Wesson for their short-term rentals motion ([Council File: 14-1635-S2](#)) and for taking this important step toward reining in the proliferation of commercial short-term rentals that have impacted the affordable housing stock in Venice and the quality of life in our neighborhoods. We appreciate the goal of differentiating sharing of a primary residence



# Venice Neighborhood Council

PO Box 550, Venice, CA 90294 / [www.VeniceNC.org](http://www.VeniceNC.org)  
Email: [info@VeniceNC.org](mailto:info@VeniceNC.org) / Phone or Fax: 310.606.2015



from commercial exploitation and the Council's responsiveness to our prior motions regarding this issue.

**Whereas:** Venice is the City's most severely impacted neighborhood in Los Angeles, with 1,118 non-owner-occupied short-term rentals (STRs), while approximately 822 more, non-duplicate, entire apartments or homes are listed on the other 22 on-line platforms serving Venice, and we are losing affordable and Rent Stabilized housing to STRs at an alarming rate<sup>1</sup>, and

**Whereas:** STRs are impacting the quality of life in neighborhoods throughout Los Angeles and City enforcement and regulation is urgently needed, and

**Whereas:** City Council Motion 14-1635-S2:

- Authorizes a host to rent all or part of their primary residence to short-term visitors, permitting someone to rent a spare room, a back house, or even their own home while they are out of town.
- Prohibits hosts from renting units or buildings that are not their primary residence or are units covered by the Rent Stabilization Ordinance (RSO), forbidding speculators from creating a syndicate of short-term rental properties, and prohibiting the loss of valuable rental housing stock.

**Therefore, be it Resolved,** the Venice Neighborhood Council supports the concept of owner-occupied home sharing and asks that the first bullet of Motion 14-1635-S2 above be modified to say:

Authorizes a host to rent part of their primary residence to short-term visitors, permitting someone to rent a spare room or a back house, so long as the owner also occupies the house.

We urge Council members Bonin, Koretz, Wesson and the entire City Council to take additional assertive actions to protect our endangered affordable housing and RSO housing stock, and to protect home sharing from speculators and profiteers who are undermining its success. We ask that the City immediately begin enforcing current zoning and occupancy laws that outlaw short-term rentals for fewer than 30 days in residential neighborhoods

The Venice Neighborhood Council further suggests that while motion 14-1635-S2 is a positive step forward, it is incomplete as written because it does not include suggestions to enhance regulation and enforcement of STRs. We suggest the following list of recommendations be reviewed for inclusion in any final ordinance. We further suggest that this list be expanded through a series of regional meetings to be held throughout the City to gather additional input.

---

<sup>1</sup> Roy Samaan, LAANE Policy Brief: Short--Term Rentals and Los Angeles' Lost Housing, July, 2014, supplement to "Airbnb, Rising Rent, and the Housing Crisis in Los Angeles," (LAANE, 2014)



# Venice Neighborhood Council

PO Box 550, Venice, CA 90294 / [www.VeniceNC.org](http://www.VeniceNC.org)  
Email: [info@VeniceNC.org](mailto:info@VeniceNC.org) / Phone or Fax: 310.606.2015



1. **Must be primary residence, owner occupied required** Absolutely no investment property owners or owners with 2nd (and 3rd and 4th) “homes.” Many STRs are currently commercial operations with multiple units offered for rent, often in separate structures. These STRs frequently resemble hotels rather than residential properties.

Most of these commercial operators currently claim to be "hosts" and to live on their properties. However, the majority of these commercial operators do not live on the property, or live there only a few days out of the year. Many operate multiple short-term rentals as a commercial enterprise and falsely claim "guests" are family members or friends. Regulations designed to end this practice must be incorporated into the motion to insure that no loophole allowing this practice to continue is created.

2. **No grandfathering or amnesty for existing STRs and de facto “hotels”** Existing STR’s should not be granted amnesty. Rather they should be required to begin an application process and required to register with the City under any new ordinance(s) or regulations to insure that current operators of STRs are barred from continuing operation. No commercial operators should be permitted.
3. **No rent stabilized properties (RSO properties) should be permitted to operate as an STR** City Council must clarify how this will be accomplished and how to ensure that RSO units are not converted to short-term rentals. One solution would be to enact the proposed Rent Registry, which would record occupancy and rental amount on every RSO unit, as a matter of course, on an annual basis. This will give city departments the data necessary to evaluate if a unit has been illegally converted from RSO.
4. **Mello Act provisions must be strictly adhered to** Special Coastal Zone provisions in any new short-term rental regulations should implement the protections of the Mello Act. The three Coastal Zone neighborhoods within the City (Venice, San Pedro, and Pacific Palisades) warrant special attention, and possibly an exemption from this ordinance in favor of stricter rules. The Mello Act, a state law, expressly prohibits the conversion of residential housing to non-residential uses in most circumstances. An RSO building owner currently operating an illegal hotel (which we have many of in Venice) cannot be granted the required zoning changes, permits or certificates of occupancy to convert their operation to a legal hotel, because the Department of City Planning would be compelled by the Mello Act to deny these requests. Currently, many operators of STRs are operating without the required zoning, certificates of occupancy, or permits to operate a commercial hotel. Therefore, in the Coastal Zone especially (and throughout the City, as a matter of good public policy), the Council should first address how to bring all residential properties into compliance with applicable laws and rules, including the Mello Act. Secondly, the City should address if and how a property owner could operate an STR legally. If no measures can be found, we have no choice but to ban STR's in the Coastal Zone, in accordance with State Law and in the interest of protecting our neighborhoods and residential housing stock.



# Venice Neighborhood Council

PO Box 550, Venice, CA 90294 / [www.VeniceNC.org](http://www.VeniceNC.org)  
Email: [info@VeniceNC.org](mailto:info@VeniceNC.org) / Phone or Fax: 310.606.2015



5. **No conversions to “legal hotels” or "corporate housing" of residentially zoned, rent stabilized apartment buildings and multi-unit properties** This is a violation of the Mello Act and removes long-term affordable and rent stabilized housing from the long-term rental stock.
6. **Neighborhood specific density caps** In order to protect quality of life, neighborhood stability and neighborhood diversity, the burden of STRs must be shared fairly by all residential neighborhoods. Limits must be placed on the number and concentration of STRs in any given residential neighborhood.
7. **Posting of STR contact information** A sign with the name, phone number, email address and mailing address of an emergency contact (who shall be available 24/7) shall be posted in a public viewable location on the STR’s premises whenever the STR is occupied.
8. **Parking for STR occupants** STRs shall supply parking spaces in accordance with standards set by the City Council and other regulatory agencies (such as the California Coastal Commission).
9. **STRs must comply with applicable noise ordinances** STR contracts must inform STR renters of applicable noise ordinances. Fines for excessive noise shall be levied to insure compliance. Noise complaints shall be tracked and repeated complaints shall be grounds for revoking an STR Permit.
10. **Health and Safety Regulations** The City shall establish health and safety regulations as are necessary to protect Renters of STRs
11. **Eviction and remedies available to Home-Sharers** The City shall establish regulations as necessary to protect home-sharers from renters. Such protections shall include a right of eviction for non-payment of fees and property damage claims.
12. **Protection of Home-Sharing service workers** The City shall establish regulations as necessary to protect the health and safety of STR service workers.
13. **A New STR Oversight Department should be created within the City to unify STR permitting, collection of fees (including TOT) and enforcement of STR regulations**
14. **An STR permit should be required for the operation of an STR** Permits would be issued by the new STR Oversight Department to properties that qualify under the STR ordinance and to qualified applicants who agree to provide reporting of STR activities, payment of the STR TOT and abide by STR regulations. Permits would not be issued without complete registration information including provision of certificates of insurance, STR address, owner name, contact information, emergency contact information, number of STR units on-site, number of parking spaces available for STR’s, etc should be collected.as well as any other permitting requirements deemed necessary by the city. The city should consider whether STR Permit applicants should advertise a pending application to their neighbors to allow for comment prior to issuing a permit.



# Venice Neighborhood Council

PO Box 550, Venice, CA 90294 / [www.VeniceNC.org](http://www.VeniceNC.org)  
Email: [info@VeniceNC.org](mailto:info@VeniceNC.org) / Phone or Fax: 310.606.2015



A permitting fee would be collected with the permit application. A permit number will be issued at the time the permit is issued.

15. **A Home-Sharing/STR Enforcement Unit should be created within the STR Oversight Department** The Enforcement Unit would house STR enforcement staff who will inspect properties, maintain registration data and regulatory reports, issue fines, investigate complaints and initiate legal action as necessary to insure that the City's STR regulations are complied with. The STR Enforcement Unit should be self-financed by permit fees for new STRs and adding a fee to the TOT that applies to STRs.
16. **Owners and/or Third-Party Service Agents of all STR units to be offered for rental must report monthly** Owners and Internet platforms, agents, realtors and others receiving payments from STR rental activity shall report such activity monthly. Using the permit number to identify the STR, they will report the number of occupancies, the dates of each occupancy, the number of renters per unit per occupancy, the names of the occupants, the number of vehicles per unit per occupancy, the rent charged per occupancy, the amount received per occupancy, STR TOT due per occupancy, and any other information required by the STR Coordinating Department. A check for the total STR TOT due for the month must be included with the report.
17. **STRs listed for rental shall include their Permit Number in advertisements** Internet platforms, websites, realtors and other parties advertising STRs for rent should identify the STR in its advertisement with the Permit Number issued to the STR operator. No STR may be listed as available for rent in the City of Los Angeles without a valid Permit Number.
18. **Fines for operating an STR without a permit, non-payment of STR TOT and non-reporting** Fines shall be levied for not reporting as required and / or non-payment of the STR TOT. The fines assessed should be sufficient to deter non-reporting / non-payment and should escalate for continued infractions.
19. **Tiered Performance Standards** A "three-strike" system in which properties that incur ongoing, verifiable complaints will receive escalating penalties and loss of ability to rent as an STR.
20. **Citizens will be allowed the Right of Private Action**



# Venice Neighborhood Council

PO Box 550, Venice, CA 90294 / [www.VeniceNC.org](http://www.VeniceNC.org)  
Email: [info@VeniceNC.org](mailto:info@VeniceNC.org) / Phone or Fax: 310.606.2015



Sincerely,

A handwritten signature in black ink that reads "Mike R. Newhouse".

Mike Newhouse  
President,  
Venice Neighborhood Council