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Please post on Council file: 14-1635S2 Short-Term Rentals/Preparation of Ordinance

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To: Richard.williams@lacity.org, Sharon.Gin@lacity.org

Fri, Jul 24, 2015 at 8:00 PM

Please post this letter on Council file: 14-1635-S2 Short-Term Rentals/Preparation of Ordinance. Please also provide the name and email contact info for the Legislative Assistant for the Planning and Land Use Management Committee.

Thank you,

The LASTRAC Team

Honorable Councilmembers Bonin, Koretz and Wesson,
Harris-Dawson, Englander Cedillo, Fuentes:

We are writing pursuant to the Motion (Council File: 14-1635-S2) recently passed by the Los Angeles City Council to direct the City Planning Department, with the Assistance of the City Attorney, in consultation with the Office of Finance and other relevant City departments, to prepare and present an ordinance governing the short-term rentals in Los Angeles.

We are a citywide group of stakeholders (Short Term Rental Awareness Coalition (LASTRAC: <http://www.lastrac.org>) concerned with the commercial stockpiling of illegal non-owner occupied short-term rentals in our City.

Contrary to the letters posted here thus far, the Los Angeles short-term rental market is not made up of "home-sharers." Quite the contrary, the greatest revenue stream is now dominated by two extremely problematic abuses of the so-called "sharing economy" or peer-to-peer sharing: 1)

Rentals in residential neighborhoods where entire multi-unit rent stabilized properties have been converted into transient use and (2) the take-over of entire rent stabilized apartment buildings that have been converted into hotels in disguise by commercial real estate developers that now dominate the short-term rental market. This serious problem is destroying the peaceful enjoyment of life in our residential neighborhoods and robbing our citizens of much needed affordable rental housing. This is not, by any stretch of the imagination the "home-sharing" described by the other letters submitted regarding this motion.

There is also a large-scale trend toward illegal conversion of apartments that are located in commercial zones and are protected under the RSO ordinances .

We are asking that the City of Los Angeles immediately ensure the enforcement of current zoning code and occupancy regulations in compliance with the March 19, 2014 memorandum from the Department of Planning, which clearly sets out how current zoning laws regulate rentals in the City of Los Angeles and the prohibition on short-term rentals in single-family and lower-density multi-family residential zones. We also ask the City look into the abuses by real estate investors of rent-controlled buildings in commercial zones.

As the Council considers the Short-term rental issue we urge the following:

1. Consider the Impact on Affordable Housing and Rent Control. There is concern about how the much more lucrative short-term rental business impacts the availability of affordable housing and rent-controlled units in Los Angeles communities, especially in areas attractive to tourists. Our members have been told by numerous developers how they have been able to skirt rent control

regulations in Los Angeles by renting out the properties on a long term basis to commercial operators whose master leases allow them to sublet the units and properties to short-term tenants for short-term hotel rates. These units are then lost to long-term residents whose rents would otherwise be protected by rent control. Additionally, long-term residents are being harassed, threatened and evicted under false pretenses to allow the owner to enter into the more lucrative short-term rental market business. The impact of short-term rentals on housing supply and price needs to be carefully studied.

2. Avoid Negative Impact of Developers Running Disruptive Commercial Businesses in Residential Communities. In many instances, developers are purchasing properties in residential communities and converting entire buildings to short-term rentals and rather than a short-term rental benefiting the small homeowner who needs to rent out a room to make ends meet, the business is dominated by big commercial interests who grab up every available property, sell rooms every night of the week at much higher rates than paid by long term residents and who, in doing so, skirt zoning laws, taxation, insurance, safety standards and licensing in the City. We need to develop ways in which a single homeowner has some flexibility in renting out rooms, but at the same time, we avoid the negative impacts of commercialized short-term residential industries carried out by professional developers in residential neighborhoods.

3. Consider the Impact on Quality of Life of Residential Communities. Although cloaked in the myth of the "shared economy," unregulated short-term, transient rentals are destroying the fabric of traditional neighborhoods. In many places where there is a lucrative large-scale short-term rental trend, there has been a noticeable impact on the quality of life and neighborhood

cohesion in the community. Airbnb and other online platforms have take over streets in some popular neighborhoods. As the constant revolving door of strangers in and out of the homes on these streets grows, long-term residents complain about exacerbated parking problems, the noise from tourists, and trash from visitors with no connection with the community and that loss of sense of community, as they now have few opportunities to get to know their neighbors.

There are greater impacts in certain communities where there are more tourists and others interested in short-term rental housing, and the impact on these specially impacted communities should be specifically considered in evaluating how the short-term rental business may affect the quality of life and neighborhood cohesion in a community.

4. Enforce Current Laws Until Zoning, Taxation, Insurance, Safety, and Licensing Issues Are Addressed and Until We Consider the Impact on Long Term Rental Housing. The illegal practice of short-term rentals in residential areas has become a problem throughout our City.

We ask that Councilmembers ensure distribution of the memorandum from the Department of City Planning to the Neighborhood Councils throughout your district so that they will have this important tool in understanding where and in what situations short-term rentals are prohibited.

We further urge you to encourage the enforcement of the current regulations until the issues raised in this motion have been addressed, including zoning, taxation, insurance, safety, and licensing issues in the City, and until the impact of short-term rentals on the social cohesion within neighborhoods and on the housing supply has been fully evaluated.

Thank you for your consideration of our points and we ask

that you use this opportunity for smart, proactive urban planning -- that protects our neighborhoods, rent control ordinances and affordable housing.

The LASTRAC Team

<http://www.lastrac.org>