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BY EMAIL

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Honorable City Council
Attn: Sharon Gin and Richard Williams
Los Angeles City Clerk Office
200 N. Spring Street, Room 360
Los Angeles, CA 90012

Re: letter expressing support for, and requesting inclusion in, the Short Term Rental Working Group's discovery process related to Short Term Rentals Motion (Council File: 14-0593)

Honorable Councilmembers:

The Los Angeles Short Term Rental Alliance (LASTRA) is an advocacy organization of Short Term Rental (STR) owners and operators who are working together to establish guidelines to responsibly regulate and nurture our growing industry. LASTRA believes that STRs offer valuable, multi-tiered benefits, and can make a significant, positive impact to our City and its neighborhoods.

We recognize that, as with any nascent industry, problems arise and concerns are raised. However, we strongly advocate a fact-based, clear-eyed analysis that weighs STRs' positive benefits against their actual—not imagined—detriments. To that end, please find below several commonly-voiced—and in our view, exaggerated—claims made against STRs, along with what we feel are the facts necessary to make a balanced assessment of STRs' proper place in our communities.

- “STRs deplete neighborhood parking”

STRs use fewer parking spots than long-term rentals. Numerous STR visitors do not rent or arrive with vehicles and seldom with multiple vehicles as most often travel together. STRs rarely have 100% occupancy, leaving fewer cars on the streets and more available parking. Even fully-booked STRs use no more parking than owner-occupied or long-term rentals, and often use less.

- “STRs disrupt neighborhoods”

STRs generate far fewer noise and criminal complaints than owner-occupied or long-term renter-occupied properties, according to LAPD statistics; reports of partying (which occur as much or more at long-term rentals) are isolated incidents, and largely overblown. There are so few STRs in any given area, it's virtually impossible for STRs to impact a neighborhood's character. In fact, STRs help financially-strapped homeowners pay their mortgages and keep their properties, preventing teardowns and new “McMansions.” (Nationwide, foreclosed homes ruin a neighborhood more quickly and decisively than any STR.) Further, STR owners typically invest more in maintenance and upkeep than other landlords and many homeowners. In these respects, STRs actually help preserve neighborhoods.

- “STRs violate zoning and safety codes”

STR properties typically adhere to the same Building Code safety provisions as any rental property, as administered and enforced by the LA Housing Department's Systematic Code Enforcement Program (SCEP). As to zoning, current R-1, -2 and -3 usage prohibits rentals of fewer than 30 days. Such rentals

do not represent the entirety of STR activity; in the normal course of business, most STRs accommodate guests for 30 days or longer.

- “STRs deprive the city of hotel tax income”

Once properly regulated, STR owners paying the City of LA’s Transient Occupancy Tax (TOT) will add up to \$30 million annually to city coffers. Recent years have set revenue records for LA hotels and STRs alike, and hotel industry leaders concede that STR renters and hotel guests are separate tourism markets, not in competition with each other. Thus, STRs neither deprive hotels of income, nor the City of hotel TOT.

- “STRs are bad for LA”

In 2013, STR guests visiting Los Angeles spent over \$518.3 million. STRs support local merchants and their families, creating over 12,000 new jobs.

We feel that the claims typically made against STRs are based on a few exceptions to the norm, and neither accurately nor fairly represent the vast majority of STR activity in Los Angeles. It is our position that STRs can keep property owners in their homes, keep business owners in business, and help fund LA public works. In short, STRs keep LA thriving.

LASTRA fully supports the City’s effort to develop a sensible and fair ordinance that will allow property owners to responsibly manage their STR businesses. We are currently working to establish “Best Practices” guidelines for STR owner-operators to conduct business in a manner that respects neighborhoods, ensures safety, and promotes quiet enjoyment of our neighborhoods for guests and neighbors alike.

LASTRA encourages the City to adopt regulation that ensures full compliance and maximizes STRs’ benefits to the City. Limiting the number of permitted STR days per year—will only prohibit professional property managers from promoting good neighbor practices, and, by severely limiting the number of STRs citywide, deprive the City of significant tax revenues. It is also illogical whereas parts of Los Angeles have been built and grown as communities with short term visitors long before internet portals, whether for a beach vacation or for business. A city as unique and diverse in all ways as ours needs legislation that is reflective of the tapestry we offer to the world and is respectful of the citizens within it.

As part of the Working Group’s due diligence in gathering data on the current state of Los Angeles STRs, please be sure to seek the perspective of STR owners and operators who are eager to responsibly manage their businesses and comply with the City. LASTRA will be pleased to provide whatever input required to help formulate a fair, business- and neighbor-positive ordinance to allow STRs to continue benefitting LA.

Sincerely,



Robert St. Genis
Director of Operations