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Motion to file a Community Impact Statement on Proposed Home-sharing ordinance

Agenda Item: To Be Filled in by Exec Committee

Date: Date motion will be considered

Proposed By: Adam Rich

Include motion in Consent Agenda? Preferably not

Background

The city council is considering a new ordinance to regulate the practice of home-sharing (e.g. via AirBnB) in Los Angeles. This ordinance does many things, but its main effects are as follows:

1. Home-sharing will now be permitted under city zoning regulations as an accessory use of a residence
2. Home-sharing will be limited to 120 days a year
3. Home-sharing will be limited to the host's primary residence
4. Hosts must register with the city
5. Home-sharing is prohibited for apartments subject to the rent stabilization ordinance (RSO) and for units designated as affordable housing
6. Require hosts to pay a registration fee to the city
7. Renters must have permission from their landlords to share their home
8. Only one home-sharing booking is permitted at one time
9. Hosts must report the total number of nights their home was booked and the amount paid each time to the city on a monthly basis

Proposed Motion

SORO NC should file the attached community impact statement that advocates that the council pass the proposed ordinance after making several amendments to the ordinance.

Considerations

Committee review:
(highly recommended)

Votes For: 0

Against:

Amount previously allocated in Committee's working budget: \$
(applies to funding motions only)



Arguments for:

The proposed ordinance benefits our community in several ways:

- It legalizes home sharing, giving our residents extra income
- It puts limits on home-sharing that will prevent housing units being converted to full time home sharing units
- It makes it easier for the city to enforce its laws and prevent home-sharing from causing problems

The amendments we are asking for will make benefit our community by:

- Allowing us to adjust the regulations for our own neighborhoods' needs
- Allow the regulations to be flexible during emergencies to account for displaced people who may need temporary housing
- Allow the regulations to be flexible during special events when demand on hotels is high and affordable lodging is needed
- Allow RSO landlords to make income during the periods when units are unoccupied between tenants
- Allow RSO unit tenants to make extra income when they are away on vacation

Arguments against:

The proposed ordinance legalizes home sharing which could cause problems:

- It means more strangers in our community which can cause security concerns
- It can hurt local hotels
- It can change the character of the neighborhood

It limits home-sharing by banning it on non-primary homes and RSO units depriving those owners of the income and other benefits of home-sharing.

It requires hosts to pay taxes and pay registration fees that burden the hosts.

The amendment we are requesting to allow NCs to modify the rules could create a complicated patchwork of rules throughout the city.

The amendment we are requesting to lift the rules during emergencies and special events may be invoked frequently causing too much home-sharing.

The amendment we are requesting to allow RSO units to have home-sharing could cause landlords to violate the rules and convert their units to full time home-sharing units.

Community Impact Statement on Home Sharing Ordinance

Summary

SORO NC Supports the passing of the home sharing ordinance with a few changes:

- Neighborhood councils should be able to adjust the ordinance to increase or decrease home-sharing to better suit their neighborhoods' needs.
- It should be possible to suspend restrictions on home-sharing during times when there may be a shortage of hotel rooms.
- It should be possible for landlords and tenants of rent-stabilized units to share their home with reasonable limitations.

Detailed Position

Different neighborhoods have different needs when it comes to home-sharing. In some neighborhoods causes problems, because it contributes to a lack of available housing. In other neighborhoods it is a great benefit as it helps people make extra income and alleviates a lack of hotel rooms in the area. One policy for the whole city does not make sense. Neighborhood councils should be empowered to modify the ordinance for their neighborhood in any of the following ways:

- Banning home-sharing
- Removing the 120 day limitation
- Modify the 120 day limitation to be higher or lower

Sometimes there are events (e.g. The Olympics, the Super Bowl, etc.) that take place in the city that can bring in a large influx of visitors. This can cause a shortage of affordable hotel rooms. When this happens we should use home-sharing to make up the short-fall. Whenever one of the following happens:

- An event declared by the US Department of Homeland Security to be a National Special Security Event (NSSE)
- An event is declared to be a major tourism event by the mayor or the city council

Then the following should happen:

- People who have already shared their home for 120 days and are no longer allowed to share their home should be allowed to do so for the duration of the event, as well as the days up to and including the preceding and following weekends.
- People who are allowed to share their homes may do so and the days of the event will not count towards the 120 day limit

Another scenario that can result in a hotel room shortage is the displacement of a lot of individuals due to an emergency situation such as a wildfire, earthquake, or gas

leak. Any mandatory evacuation of more than 1,000 people should cause the same suspension of rules as outlined above. In addition to those rule modifications the rules should be further weakened during the emergency:

- Units subject to RSO should be allowed to be shared
- Homes that are not one's primary residence should be allowed to be shared
- Multiple bookings at one time should be permitted

The proposed ordinance bans home-sharing of RSO units to prevent them from being taken off the long-term housing market and being converted to full time home-sharing units. This is an important goal, but we believe that it can be accomplished without banning all home-sharing of RSO units, but rather limiting it as follows:

- Tenants of RSO units may rent out their unit only if:
 - The landlord approves
 - They do not rent it out for more than 30 days in one 12 month period
 - They do not charge more for home-sharing than what they are paying in rent for the unit (plus utilities)
- Landlords of RSO units may rent out their unit only if:
 - The unit has been occupied by a long-term tenant for the past 12 months
 - It is within 90 days from when the long-term tenant left
 - The unit is being shared for the price of 80% or less of what the last long-term tenant was paying

We believe that these restrictions will prevent RSO units from being taken off the market while still allowing the tenant and the landlord opportunities to create a limited amount of additional income.