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Michael LoGrande, Director
Los Angeles Department of City Planning
200 North Spring Street
Los Angeles, CA 90012

RE: Proposed Short-Term Rental Ordinance – Protect L.A.'s Tenants and RSO Units

Dear Mr. LoGrande:

We deeply appreciate the Planning Department's thorough efforts to solicit and incorporate stakeholder input regarding the proposed short-term rental ordinance. I am writing to you with concern because some have argued that tenants of rent-stabilized (RSO) buildings should have the ability to sublease their units as short-term rentals (STRs). This is a dangerous path to take that will have disastrous consequences on the city's already limited affordable housing stock. Declaring open season on these units and allowing mercenary profiteers to take hold will only force more and more vulnerable families out. For the reasons below, I urge you to prohibit the short-term rental of RSO units in Los Angeles.

Allowing STR of RSO Units Invites More Enforcement Problems

First of all, more than 85% of our city's total rental housing stock is composed of RSO units – arguably the most important housing units that we must protect. As a result of the tidal wave of short-term rentals in Los Angeles, whole RSO units and even entire RSO apartment buildings are being taken off the market because landlords and investors can make far more money renting out an RSO unit as a de facto hotel room than as long-term housing for Angelenos. As you have seen in San Francisco and other jurisdictions, STR regulations – if improperly drafted – are almost impossible to enforce. Whatever rules Los Angeles chooses to adopt must be enforceable. Allowing RSO tenants to sublease their units as STRs will make an already challenging enforcement problem even more difficult.

This Encourages More Unjust Evictions by Incentivizing Lease-Prohibited Activities

Furthermore, allowing the short-term rental of RSO units effectively incentivizes illegal subletting, illegal kick-backs, and unjust evictions. It is difficult to imagine that a landlord of a RSO building would permit a tenant to sublet their unit as an STR (probably earn 3-5 times more per night than rent), when the landlord cannot do the same. If the landlord is mandated to rent at below market rates and must abide by the RSO's stringent regulations, why would he/she allow a for-profit sublease of a unit? A major concern is that tenants led to believe they can short-term the RSO unit, and then the landlord subsequently evicts for illegal subletting since most standard California rental leases prohibit this type of activity. Such an eviction would allow the landlord the opportunity to raise the unit's rent to market rates. Landlords should not be given any more opportunities to evict RSO tenants, and the City should

not incentivize the illegal subletting of rent stabilized housing by permitting the short term rentals of RSO units.

Affordable Housing Crisis – Permitting RSO Units to STR Will Exacerbate the Crisis

According to the City's own Housing Element, Los Angeles needs an additional 5,300 units of affordable housing each year to keep up with demand. However, we have only managed to produce 1,100 units per year since 2006 – far short of our target numbers. The challenges of building more affordable housing are well-documented and new threats to the maintenance and preservation of existing affordable housing crop up every day. I urge you to protect the thousands of RSO units in Los Angeles from speculators and put our city's most needy and vulnerable families at the forefront of this issue.

Thank you for your consideration and I look forward to continuing this discussion with you.

Sincerely,



Larry Gross
Executive Director