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Los Angeles City Council  
c/o Office of the City Clerk  
City Hall, Room 395  
Los Angeles, CA 90012

A ONE-YEAR REVIEW REFLECTS THE PRESSING NEED TO PRIORITIZE  
SHORT-TERM RENTAL ENFORCEMENT IN THE CITY OF LOS ANGELES

Dear Los Angeles City Council,

A year ago, the City of Los Angeles tasked the Department of Planning with enforcement of the City's Home Sharing Ordinance ("HSO"). As set forth below, the City has taken inadequate measures to ensure that short-term rental platforms and hosts are complying with the law. As a result, Los Angeles has been flooded with illegal short-term rentals.

In 2018, the Los Angeles City Council passed the HSO to end the transition of long-term rentals onto the short-term rental market, a practice that had exacerbated the housing crisis and materially contributed to sharply rising rental rates. Specifically, the Council sought to protect long-term housing by limiting short-term rentals to one registered primary residence per host. These limitations were intended to preserve long-term housing for city residents and discourage landlords from hoarding housing stock to dedicate to temporary tourist and party houses.

Better Neighbors LA has been tracking various short-term rental platform listings, including Airbnb, VRBO, HomeAway, Synergy Housing and Trip Advisor, to evaluate compliance. Our findings are that the City has failed to effectively enforce the HSO, resulting in a short-term rental marketplace where platforms and hosts face no consequences for violating the HSO.

Our evaluation revealed several areas of violations, including short-term rental listings without a valid registration number; false claims of exemptions from the HSO; listings of non-residential buildings; and multiple listings by the same host.

*Hosts Allowed to Use Fake Registration Numbers or No Registration Number at All.* The HSO requires that short-term rental hosts and platforms provide their registration number on each listing. Los Angeles Municipal Code ("LAMC") 12.22 A. 32 (d)(1)-(2). Despite the law, the platforms allow hosts to list properties with no registration number or with fake HSO registration numbers. Of the listings we reviewed, we found 47% had no registration number or claimed an exemption. We found 31% of the listings had fake registration numbers. As a result, illegal listings have been allowed to propagate and the platforms currently list thousands of unregistered short-term rentals. For example, our analysis found that as many as two-thirds of Airbnb's Los Angeles listings do not have a registration number.

The violations are not limited to Airbnb. Better Neighbors LA has reviewed listings across several housing rental websites and found similar rates of unregistered properties. Nearly three quarters of the surveyed listings on Bookings.com fail to include a registration number. Eighty percent of the surveyed listings on Trip Advisor's platform Holiday Lettings had no registration number or claimed exemption. On Mister B&B, we were unable to verify 60% of the surveyed properties claiming to be registered. Better Neighbors LA could only verify 30% of the registration numbers we reviewed on One Fine Stay. Across the five different platforms we surveyed, 47% of the short-term properties we reviewed had neither a registration number nor an exemption listed.

*Platforms Allow False Claims of Exemptions.* The platforms also allow hosts to fraudulently claim that their properties are "exempt" from the HSO requirements by listing any property that the host claims is a hotel, Single Room Occupancy property, or bed and breakfast. The platforms do not require the host to provide any information to validate their claim of exemption.

*Illegal Listings of Non-Residential Buildings.* The HSO prohibits the short-term rental of "a non-Residential Building, including but not limited to, a vehicle parked on the property, a storage shed, trailer or any temporary structure, including, but not limited to, a tent." LAMC 12.22 A 32 (d)(5). Nonetheless, the platforms freely allow hosts to list driveways, trailers, and vehicles as rental housing with hundreds of such listings are currently available online in Los Angeles.

*Hosts Allowed to Illegally List more than One Property.* One of the fundamental components of the HSO is that it allows a host to list only one property for short-term rental. LAMC 12.22 A 32 (c)(2)(ii) d. There are no exceptions to this rule. Despite the unambiguous language of the statute, the platforms continue to allow hosts to list multiple units for rent. Better Neighbors LA found that the top 20 Airbnb hosts in the City of Los Angeles list 1,154 units between them.

The Los Angeles City Council passed the HSO to protect long-term housing during a housing crisis. Los Angeles' tenants need that protection now more than ever. Since the HSO first went into effect, we have been through eight months of pandemic-related shutdowns leaving record numbers unemployed. State and federal unemployment benefits have already begun to run out for most families. State-wide protections against eviction will expire in two months. This Thanksgiving, more families than ever will celebrate the holiday uncertain about where they will be next year. Los Angeles needs enforcement of the HSO now.

Sincerely,



Randy Renick

Better Neighbors LA