

May 3, 2016

Honorable Councilman Mike Bonin  
Los Angeles City Council District 11  
Los Angeles City Hall  
200 N. Spring Street  
Los Angeles, CA 90012

The Neighborhood Council of Westchester/Playa ("NCWP") has reviewed the draft ordinance relating to the regulation of STR's and has found it to be so significantly short of detail to be unworthy of moving forward irrespective of position on the legalization of STR's which are presently illegal.

We are especially concerned about the impact of legalizing the STR's in our area given that the adjoining communities in the South Bay and Santa Monica have taken aggressive action to prevent them from ruining their communities forcing all of the STR activity in the desirable beach areas into our community.

We note that the very purpose of zoning historically has been as a permitting system to prevent new development from harming existing residents or businesses. Consistent with this core concept of zoning, we believe that no system allowing for the legalization of STR's should move forward unless and until existing residents can be adequately assured that their quality of life will not be adversely impacted by this enormous change in the use of the R-1 (and related) zones.

What is odd is that the City on the one hand says that the problem is "Lack of enforcement has led to confusion." What makes no sense is adding a complex, vague and competing set of new regulations that make enforcement more difficult not less. This only exacerbates the existing problem in which there is a simple line drawn - either you are illegally renting for less than thirty days or you are not. Lack of enforcement boils down to expecting the two overworked city inspectors in our area to divert their attention from construction projects to enforcement of STR laws. In practice they do no such enforcement.

While we recognize that the draft ordinance is a first effort at putting together a proposed schema of regulation, it is stunningly devoid of any new resources to enforce it. There are no new city inspectors hired, no new city attorneys, indeed no funding at all for anyone to enforce the myriad of new rules. If we already admit we have inadequate resources to enforce the simple, how are we to enforce the complex?

Even if there was anyone to enforce and cite the violators, the proposed penalties are a slap on the wrist which the scofflaw will simply choose to pay as a cost of doing business as compared against the massive profits that come from operating STR's. And using a pilot diversion

program (mostly used for animal regulation issues) as the court system to handle violators is naive. In fact raging multimillion dollar battles are going on right now in other cities in which the host websites have willfully refused to list the critical information upon which the entire proposed Los Angeles system is predicated. If the hosts don't list the registration numbers there is NO WAY TO TRACK any illegal activity under the proposed system. Case in point is the City of Portland which in October 2015 was forced to sue. The lawsuit, filed in U.S. District Court, says HomeAway and its subsidiary VRBO owe \$1.5 million in lodging taxes and \$1 million in fines for not requiring its clients to post their city permits. These hosts are not cooperative and expecting a system to function based on that cooperation clearly fails.

Additionally, there is a failure to define everything from how to prove whether the 90 day limit has been exceeded to what exactly it means to owner occupy an STR.

The proposal is also completely devoid of any system for addressing concerns about the nuisance that short term guests present to existing homeowners. This is a major concern and yet not one word of the proposal is addressed to the problem!

All things being equal, we must err on the side of caution and protect those who have a right to expect that their quality of life will not suddenly change when our neighboring cities to the north and south have taken steps to do that for their residents. The proposed ordinance is woefully short of being able to make that promise. And it all begs the threshold issue which is why it has suddenly become necessary to dramatically change the sanctity of the R-1 zone which has been a historic part of the fabric of Los Angeles itself.

The NCWP requests that the City Council proceed on this issue in a cautious and discerning manner as it has potentially wide spread devastating impacts on our community.