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June 4, 2021

Los Angeles City Council  
c/o Office of the City Clerk  
200 N. Spring Street  
City Hall – Room 395  
Los Angeles, CA 90012

**Re: June 2021 Home Sharing Ordinance Enforcement Report**

Dear Los Angeles City Councilmembers,

Better Neighbors LA (“BNLA”) is writing to update the City Council on the current status of enforcement of the Home Sharing Ordinance (“HSO”) by the Los Angeles Department of City Planning (“Planning”). On a regular basis, our offices have met with neighbors, investigated their complaints of HSO violations, and sent written reports to Planning to request HSO enforcement. BNLA also communicates directly with Planning and tracks their responses to our written reports. Most recently, on May 14, 2021, BNLA spoke with Planning staff members Phyllis Nathanson and Joanna Lim to discuss the reports we received from neighbors and the role Planning plays in enforcing the HSO.

As a result of this work, we have identified several deficiencies in the City’s enforcement of the HSO.

The Planning Department is Not Enforcing the Ordinance for Any Platform other than AirBnB. While Planning does enforce the requirement that hosts and platforms obtain and display a valid registration number on all listings, it limits its enforcement of this regulation largely to AirBnB, the only platform to share data with the City in compliance with the HSO. Eighteen months since enforcement began, Planning has not sent a single notice to any other platform asking them to take down an illegal registration, nor taken any action to require compliance by such platforms.

The Planning Department does not Aggressively Fine Violators. We estimate that roughly half the listings on AirBnB are illegal, and given the lack of enforcement on other sites, that percentage is likely higher there. Despite the thousands of illegal listings on-line at any one time, only 854 hosts have ever been fined. More than 60% of these fines do not appear to have been paid, nobody appears to have been fined twice. Moreover, the pace of fines appears to have slowed. Only 97, or 11 percent, of those fines have been issued since Labor Day, fewer in eight months than in any of the 5 months prior individually,

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The Planning Department does not Fine Platforms. On a recent day, the department identified 1951 non-compliant listings, less than third were on AirBnB. We estimate many more non-compliant listings on AirBnB and can assume the same is true on other platforms. Moreover, other platforms are not sharing data as required with the City. Regardless, neither AirBnB nor any other platform has been fined even once since the inception of the ordinance.

The Planning Department Does Not Enforce the 120-Day Cap. The HSO limits the number of days a unit can be rented on a short-term basis to 120 days in a year, except where a host obtains an extended home-share permit. Planning, however, does not track the number of days home-shares are rented even on AirBnB, where it does collect data, let alone on other platforms where it does not. This renders enforcement of this rule impossible.

The Planning Department Does Not Enforce the HSO Commercial Use Restriction. Non-residential uses are disallowed at home-shares including sales, product promotion, events that charge a fee and unpermitted filming. It is the position of Planning that the Los Angeles Department of Building and Safety (“LADBS”) is the appropriate department to enforce the HSO prohibition against non-residential use of short-term rental properties. Commercial uses may include unpermitted filming, paid events, promotional events, or product sales. Planning again does not respond to complaints of, investigate reports of, or issue citations for short-term rentals used for non-residential purposes.

The Planning Department Does Not Enforce Noise or Gathering Regulations. The HSO prohibits the use of sound amplifying equipment at home-shares after 10:00 p.m. as well as evening outdoor congregations of more than eight adults. It is Planning’s position that the Los Angeles Police Department (“LAPD”) is the appropriate department to enforce the HSO’s noise and gathering regulations. Planning does not investigate reports of these violations, track neighbors’ complaints about these violations, and does not issue citations for these violations. Planning also does not take reports from the public of on-going violations into consideration when renewing or extending home-sharing registrations. Instead, Planning instructs the public to address their concerns with other departments.

Planning’s position is particularly problematic during a time when many communities have questioned the role of community policing. Communities of color are especially hesitant to call on police enforcement for non-emergency matters to avoid triggering an excessive or even deadly response. Planning’s policy will disproportionately limit the willingness of Black, Latinx, and other communities of color to report HSO violations to the extent it is dependent on reports to the police.

The Planning Department Fails to Coordinate with Other City Departments. Planning asserts that other departments are responsible for enforcing some aspects of the ordinance, but does not coordinate with those departments, including LADBS and LAPD. This has led to Kafkaesque enforcement failures. For example, a neighbor recently described having called Planning to report an HSO violation, only to be directed to LADBS, and then by LADBS to the Los Angeles Housing and Community Investment Department (“HCIDLA”), which then referred the neighbor back to Planning. This same neighbor also separately contacted the LAPD which also refused to send an officer to enforce the HSO. Ultimately, this neighbor found no City

department willing to act on his complaint of an illegal short-term rental operating out of a rent-controlled property.

Planning Fails to Investigate Complaints. Planning asserts that it cannot investigate alleged violations and has not investigated any of the thousands of complaints neighbors have phoned in to its hotline. On the rare occasion when Planning does investigate reported violations, those investigations are typically cursory and ineffective. During our May 14, 2021 meeting with Planning staff members, we reviewed several BNLA complaints submitted on behalf of neighbors with them. We learned at that meeting that where Planning instructs a platform to remove a listing, it does not take adequate steps to ensure the property has been taken off other platforms. For example, of the seven complaints to which Planning responded, Planning claimed that three properties were no longer listed on-line. That same day, however, BNLA was able to find active listings for those same properties across several platforms. Despite the fact that we provided those listings to Planning, they continue to be available online.

In addition, Planning dismissed each BNLA report of a housing unit dedicated to short-term rental without a primary resident claiming that the primary residence requirement is “unenforceable.” In these cases, Planning disregarded neighbors’ eye-witness accounts of housing units without a primary resident.

Planning also refused to accept complaints or respond to reports of properties listed online for 30+ days but that continue to operate as short-term rentals by taking “off-book” reservations for a few days at a time. BNLA has reported several such properties and offered Planning written correspondence from hosts accepting these “off-book.”

Planning’s limited enforcement has resulted in alarmingly low numbers of citations and registration revocations. In a recent response to a California Public Records Act request, Planning admitted that as of April 2021, it had rescinded only one registration. During our recent meeting, Planning advised it has since rescinded a second registration at a property that has been the subject of neighbor complaints for more than a year, after Councilmember Bonin’s staff contacted the department about this property. Planning also shared its intention to rescind a third HSO registration within the following 30 days for failure to display a registration number.

Planning’s lack of response to neighbors’ complaints not only results in the removal of housing stock but exposes the public to unnecessary threats to their safety. Neighbors whose reports to Planning have gone unanswered have turned to publicly calling for HSO enforcement. As a result, these neighbors have faced intimidation, threats, and retaliation by the exposed short-term rental operators. BNLA has reported concerning one family that was harassed and threatened by a host for complaining about the host’s illegal operation. Separately, BNLA also reported about another neighbor who exposed a nearby illegal operation and was accosted in a racially targeted attack. These neighbors have been exposed to retaliation as a result of publicly calling for enforcement after Planning’s failure to adequately address numerous anonymous reports of on-going HSO violations.

Planning Should Use All Available Enforcement Tools. The HSO and its administrative guidelines afford Planning with broad enforcement authority and powers. Planning has cited a lack of staffing and resources to make use of those powers. The City should afford Planning resources necessary to oversee the Los Angeles short-term rental industry.

Planning must have the resources to monitor all platforms which offer short-term rentals in Los Angeles. BNLA has previously reported that micro-platforms, or “boutique” platforms, are the most likely to list illegal and unregistered short-term rentals. Our research reflects that hosts which cannot, or refuse to, comply with the HSO turn to smaller platforms or even platforms they create themselves. So long as Planning continues to limit its oversight to AirBnB, it will remain unable to effectively enforce the HSO as deliberate bad actors shift from platform to platform to easily avoid regulation.

Finally, Planning must systematically employ the enforcement powers available under the HSO, including by issuing citations and rescinding registrations when appropriate. Planning affords hosts in violation of the HSO at least two separate warnings to hosts before issuing a single citation. Even numerous neighbor reports of an on-going violation will result in only a first warning. Neighbors must sustain an on-going campaign of reports to Planning to elicit a second warning. Even then, a citation is not issued until after a third round of on-going reports are made of an illegal short-term rental. Planning does not consider first warnings, second warnings, or even first citations when renewing or extending HSO registrations. It is not until a property has received two rounds of warnings and at least two citations that Planning will revoke a registration. Planning must record, respond to, and take into account each and every report of an HSO violation. Failure to do so allows home-shares to continue to operate even as Planning is aware of numerous community complaints about their illegal operation.

Inter-Departmental Coordination Should be Headed by Planning. To the extent that other city-departments are capable of supporting Planning’s enforcement of the HSO, Planning must initiate the appropriate inter-departmental coordination. As the single department authorized to enforce the HSO, Planning should take the lead to organize a systemic response to reports of HSO violations.

Thank you for your consideration of this report. As always, BNLA stands ready to support the City of Los Angeles as it strives to protect local housing. Especially in the face of an on-going economic crisis and as pandemic-related eviction protections are scheduled to expire shortly, Los Angeles’ residents and tenants need these protections more than ever.

Sincerely,

/s/ Randy Renick