From: Sent: To: Subject: CPCinfo Thursday, October 15, 2015 9:39 AM Nicholas J. Kindel FW: NO short term rentals

From: Maureen Wall [mailto:mowall@bellsouth.net] Sent: Wednesday, October 07, 2015 1:46 PM To: CPCinfo Subject: NO short term rentals

I am opposed to short term rentals. If for some reason you are going to acquiesce at all PLEASE make sure there is a homestead exemption AND the owner is ON the premises NOT

JUST AVAILABLE for complaints. I have a 4 bedroom home next to my home. There is a pool right under my bedroom window. The owners offer the home year round. When they get a

renter they simply move the family out for the duration leaving me not only with strangers next door but a hotel pool under my bedroom window . Sometimes three couples with kids rent this

and I have to deal with the noise and aggravation. There have been times when people stayed by the pool until 6 AM. They may not be making enough noise for me to call the police BUT I

cannot sleep and they are depriving me of the peaceful enjoyment of my residential property . I purchased this home in a residentially zoned area because I was NOT interested in living in a

commercial area. That WAS and IS my right. Also, If the above restrictions are met there should be a limit of one bedroom per home and a limit to how many days a year it can be rented.

The homestead exemption was not meant for owners to profit from their homes.

Thank you for your consideration regarding this letter.

From: Sent: To: Subject: CPCinfo Thursday, October 15, 2015 9:40 AM Nicholas J. Kindel FW: Short term rentals

From: Mia Oramous [mailto:mia@transformnola.com] Sent: Thursday, October 08, 2015 4:45 PM To: CPCinfo Subject: Short term rentals

Hello,

I am a homeowner and business owner in the Carrollton/Riverbend area. I love living and working in this neighborhood and am excited about the renovations being worked on in the area. I hope that they are being carried out by owners who are vested in the neighborhood and plan to support it by either living here or renting the properties to people who are committed to the city for the long term.

I believe that short term rentals (STRs) will undermine the housing in New Orleans and make it unaffordable for those of us who work in the city to actually live here. Housing prices will continue to unrealistic levels, driving prices beyond the reach of most of the people who make the city run on a day-to-day basis.

If STRs become entrenched and plentiful in the market, the "regular" rental property and housing inventory will shrink, driving up prices. Rental prices are currently at the point where they are close to or exceed a mortgage note for working class families. Buying a home is beyond their reach as well. New Orleans will lose sales taxes generated by residents when they are forced, out of economic necessity, to the surrounding parishes where rents are more affordable and they will spend their money for food, clothing, entertainment and other things outside New Orleans parish. More people commuting to the city will also increase congestion and stress infrastructure.

STRs will cause neighborhoods to become shadows of their former selves. The homeowners and people who WANT to live here because they are committed to the city will be replaced by a revolving door of tourists paying above market rates to short term property owners who may or may not be residents of the city.

I urge you to consider the long term consequences of this situation and either ban STRs altogether or restrict them to certain areas with a certain percentage of properties allowed to be STRs in the city. Illegal STRs should be dealt with strongly, with consequences that may include seizing the property.

New Orleans does not need to become a motel in order to thrive.

Thank you for your consideration.

Mia Oramous 9025 Green St. New Orleans, LA 70118 985-640-2648

From: Sent: To: Subject: CPCinfo Thursday, October 08, 2015 5:07 PM Nicholas J. Kindel FW: Short term rentals

From: Mia Oramous [mailto:mia@transformnola.com] Sent: Thursday, October 08, 2015 4:45 PM To: CPCinfo Subject: Short term rentals

Hello,

I am a homeowner and business owner in the Carrollton/Riverbend area. I love living and working in this neighborhood and am excited about the renovations being worked on in the area. I hope that they are being carried out by owners who are vested in the neighborhood and plan to support it by either living here or renting the properties to people who are committed to the city for the long term.

I believe that short term rentals (STRs) will undermine the housing in New Orleans and make it unaffordable for those of us who work in the city to actually live here. Housing prices will continue to unrealistic levels, driving prices beyond the reach of most of the people who make the city run on a day-to-day basis.

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New Orleans does not need to become a motel in order to thrive.

Thank you for your consideration.

Mia Oramous 9025 Green St. New Orleans, LA 70118 985-640-2648





Grand Victorian <info@gvbb.com>

## Level Playing Field as seen by PIANO documentation - for S. Head's office

Grand Victorian <info@gvbb.com> To: shead@nola.gov Cc: jtharris@nola.gov, brfurness@aol.com Wed, Aug 12, 2015 at 12:28 AM

Cm Head,

Here are the references for each item listed to the best of my research. I did rely on my architect 18 years ago to research the rules that would allow me to be inspected and earn a Certificate of Use & Occupancy that was issued by the State Fire Marshall in conjunction with NOLA Safety & permits office.

As you can see, some I couldn't explain completely as there are rates set (by Entergy, for instance) that are labelled "commercial" on my bill and from my experience are significantly increased over the "residential" rates I initially paid when starting out. These rates have simply grown over time!

## Level Playing Field as seen by PIANO

Items that a B&B had to comply with in order to open our doors to operate:

- owner occupied/owner designee occupied vs. no occupant - safety, noise, contact person/neighbor old CZO Article 2 #17; new CZO Article 26.6

- zoning restrictions - permitted use vs conditional use vs no use at all old CZO Article 11.6-9; new CZO Article 20.3 I

- density - 1 per block face, max 9 sleeping rooms w/ traditional 2 ppl/room;

20 (?) person capacity based on Fire Marshal

old CZO Article 2 #17; new CZO Article 26.6

2 people/room with 9 room limit by definition CZO (potential extra persons on a private sofa (20)

ppl?)

http://sfm.dps.louisiana.gov/insp\_crl.htm : LA state Fire Marshall website

#### -taxes pay vs. none

license fees: http://www.nola.gov/onestop/business/bed-and-breakfast/bed-breakfast-license/ B&B Resource Guide: http://www.nola.gov/nola/media/One-Stop-Shop/Revenue/BOR-Bed-and-Breakfast-

Resource-Guide.pdf

- considered commercial defined as doing business on premises

= property tax

rates are commercial for B&Bs vs residential EVEN THOUGH by definition in both old & new CZO, B&Bs are DEFINED as "residential structures"

= personal property tax

Also not paid by "non-registered" businesses in NOLA

http://www.nolaassessor.com/docs/Business%20Personal%20Property%20Self%20Reporting% 20Form%20FAQ.pdf

= utilities: Entergy, Cox, ATT, Internet, water, trash collection, sewerage/drainage fees self-explanatory - don't know the %/rates charged for residential vs commercial

= insurance commercial vs residential

self-explanatory - do know that calling myself a B&B means commercial insurance; a regular homeowner's policy could not be written; no company would write a simple homeowner's policy with commercial activity on premises

= installed ADA compliance - ramp, early detection light flashers, 1 ADA room, door/hallway widths, grab bars in bathrooms http://sfm.dps.louisiana.gov/pr\_adaag.htm

= emergency lighting \*\*\* See architect's note below.

= smoke detectors \*\*\* See architect's note below.

= fire retardant sheet rock \*\*\* See architect's note below.

= studs inside walls blocked every 6 feet - fire retardant \*\*\* See architect's note below.

= fire extinguishers every 15' & annual inspection/maintenance on them \*\*\* See architect's note below.

= sprinkler system & annual inspection/maintenance on system \*\*\* See architect's note below.

- installed commercial water line separate to facilitate sprinkler system \*\*\* See architect's note below.

= architectural plans w/ elevations to ensure safe egress in case of fire \*\*\* See architect's note below.

= add hand rails on any porch, balcony, stairs to certain height required \*\*\* See architect's note below.

= realign slats in historic banisters to be safe distance apart (so kids can't put their heads thru them, for ex) \*\*\* See architect's note below.

= no common/public kitchen use - no State Dept of Health inspections,

sanitation old CZO Article 11.6-9; new CZO Article 20.3 I (predominantly removed from new CZO)

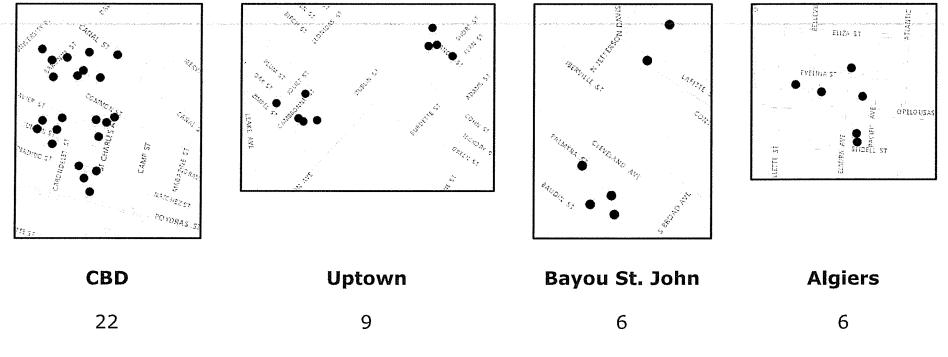
\*\*\*To address your question: A bed and breakfast with more than 2 rooms falls under the commercial building code (International Building Code 2012) rather than the residential code (International Residential Code 2012). So in addition to the items you list we had to comply with commercial electrical and mechanical standards, special egress requirements (remember that second stair), specific fire separation requirements between rooms and common areas, and Americans with Disabilities Act requirements for access, and accommodation. The difference in construction cost between a residential code complying building and one that meets commercial code is significant.

I'd suggest Head's office ask Zachary Smith in the Department of Safety and Permits for reference. He is very knowledgeable and accessible to laypersons.

Rick Fifield, Architect 600 St Roch Ave, New Orleans, LA 70117 (504) 949-3309

# Single Hosts, Multiple Listings

Octo

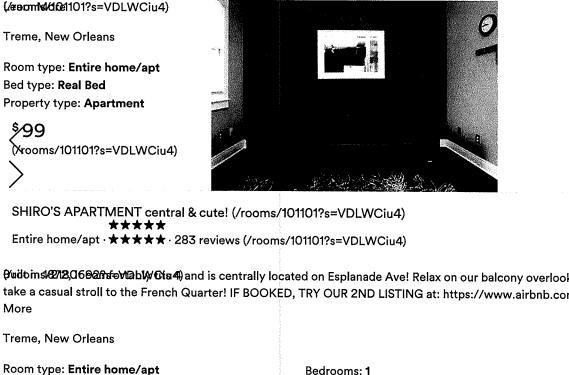




\$⁄99

Cancel

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Buildoms 2012, Clooding Wate 4) and is centrally located on Esplanade Ave! Relax on our balcony overlooking the courtyard or take a casual stroll to the French Quarter! IF BOOKED, TRY OUR 2ND LISTING at: https://www.airbnb.com/rooms/3189828 Learn More

Bathrooms: 1



Accommodates: 3

\$**⁄**85 (Xrooms/2180692?s=VDLWCiu4)

On Esplanade, Walk to Jazz Fest, FQ (/rooms/2180692?s=VDLWCiu4) \*\*\*\*\* Entire home/apt · ★ ★ ★ ★ + 103 reviews (/rooms/2180692?s=VDLWCiu4)

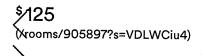


Private entrance, original art,

(meatines 80058 973st Well WC2840) yea double shower.... Learn More

Treme, New Orleans

Room type: Entire home/apt Bed type: Real Bed Property type: House





Treme, New Orleans

Room type: Entire home/apt Bed type: Real Bed Property type: Apartment

\$92 (Xrooms/107325?s=VDLWCiu4) Accommodates: 2 Bedrooms: 1

BUNNY'S APARTMENT, walk everywhere! (/rooms/107325?s=VDLWCiu4) ★★★★ Entire home/apt ·★★★★ · 253 reviews (/rooms/107325?s=VDLWCiu4)

#### (/room/s/062312?s=VDLWCiu4)

Treme, New Orleans

Room type: Entire home/apt Bed type: Real Bed Property type: Apartment

\$95 (xrooms/182312?s=VDLWCiu4)



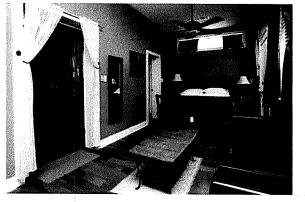
SHOGAS, full apartment and central. (/rooms/182312?s=VDLWCiu4) ★★★★ Entire home/apt ·★★★★ · 252 reviews (/rooms/182312?s=VDLWCiu4)

#### (/eepmtel/@2877?s=VDLWCiu4)

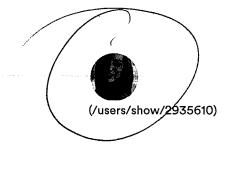
Treme, New Orleans

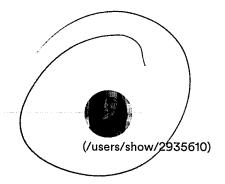
Room type: Entire home/apt Bed type: Real Bed Property type: Other

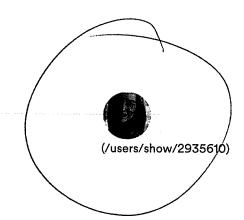
\$90 (\*rooms/83877?s=VDLWCiu4)



NOLA'S STUDIO central to everything (/rooms/83877?s=VDLWCiu4) ★★★★ Entire home/apt · ★★★★ · 319 reviews (/rooms/83877?s=VDLWCiu4)



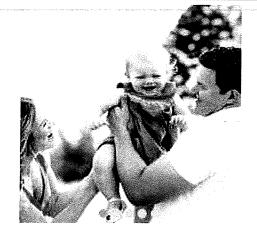




#### 1 – 18 of 174 Rentals

(/s/Treme-new-orleans?page=2)

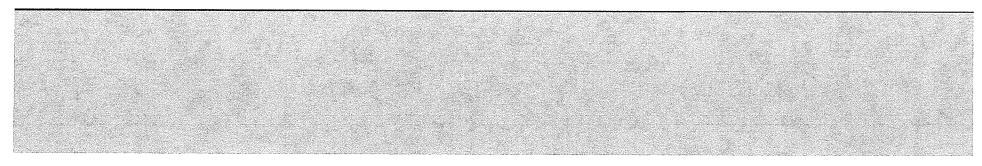
United States (/s/United-States) > Louisiana (/s/Louisiana--United-States) > New Orleans (/s/New-Orleans--LA?sublets=monthly)



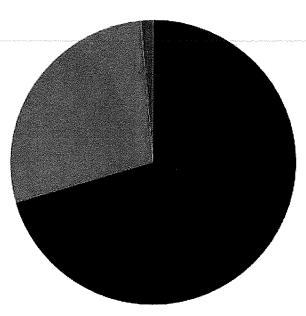
# Hey, I'm Jordan!

Spokane, Washington, United States · Member since February 2013

Stay Alfred was created based on the idea of offering short term rentals at an unbelievable price while making the booking process easy and problem free. Stay Alfred acquires properties in high end buildings and condominiums in the best locations to ensure your stay is satisfying and you want to come back. Since we value your return business, we always offer discounts to those who stay in any of our units time after time. We want you to feel at home when you stay with us and that's why you will always be greeted with a professionally cleaned unit and quality furnishings. We welcome feedback in any kind of way to ensure we are meeting the needs of everyone!



## Type of Airbnb Listing



📕 Entire Homes/Apartment (70%) 📓 Private Room (28%) 📓 Shared Room (1%)

## Prices

Airbnb	Nightly Average	Nightly Maximum	Monthly Average	Monthly Maximum
Total	\$207.00	\$2,198.00	\$5,045.00	\$61,544.00
Entire home/apt	\$251.00	\$2,198.00	\$6,063.00	\$61,544.00
Private room	\$104.00	\$1,000.00	\$2,661.00	\$28,000.00
Shared room	\$75.00	\$200.00	\$2,104.00	\$5,600.00
HomeAway				
Entire home/apt	\$339.00	\$4,700.00	\$8,694.00	\$78,400.00

From: Sent: To: Subject: CPCinfo Thursday, October 15, 2015 9:40 AM Nicholas J. Kindel FW: (AIR BNB) Change in the regular Uptown rental market

From: New Orleans Rental [mailto:rentalpropno@gmail.com] Sent: Friday, October 09, 2015 3:25 PM To: CPCinfo Subject: (AIR BNB) Change in the regular Uptown rental market

Until this year, I have never had a problem leasing my Uptown rentals on a yearly basis, and I have been in the rental business since the early 90's. Despite reductions of my rental amounts and other changes, the few who are looking to rent seem to want very small and cheap rentals, and they are willing to live in areas other than Uptown. Because we are now out of the high rental cycle, (late spring to mid August) I may be forced to rent on a short term basis to cover taxes and insurance.

I spoke with a real estate agent today who said he is seeing the same thing. The agents are being advised to lower the price of their current listings.

The rental market has definitely declined, at least in the Uptown area. I am not in favor of regulations and more taxes and fees for any rentals. I have already lost too much revenue to absorb more expenses. If I had a choice, I would rent on an annual basis. Unfortunately, there no longer seems to be enough of a demand. Mary Arnold

From: Sent: To: Subject: CPCinfo Thursday, October 15, 2015 9:40 AM Nicholas J. Kindel FW: October 10, 2015 NYTimes Article | Austin TX 2012 STR Regulations Unenforceable

From: Calvin A Lopes [mailto:clopesea@gmail.com]
Sent: Sunday, October 11, 2015 7:24 PM
To: CPCinfo
Subject: October 10, 2015 NYTimes Article | Austin TX 2012 STR Regulations Unenforceable

A version of this article appears in print on October 10, 2015, on page B1 of the New York edition with the headline: Animal House Shakes Up Cul-de-Sac.

## New Worry for Home Buyers: A Party House Next Door

OCT. 9, 2015 By <u>RON LIEBER</u> <u>Your Money</u> <u>http://www.NYTimes.com/2015/10/10/your-money/new-worry-for-home-buyers-a-party-house-next-door.html</u>

From:Avenue Inn Bed and Breakfast <stay@avenueinnbb.com>Sent:Monday, October 12, 2015 9:21 PMTo:Nicholas J. KindelSubject:Trouble in San Francisco

I know you and your committee have the task of determining what to do about STR's. For quite a while, everyone believed that San Francisco was the utopia for this kind of lodging option. Now apparently they have run into trouble and everyone is not so enamored with the concept. I am sending this to you in the event you have not seen the article. No matter what the final vote is, it reflects a huge problem and I hope that you consider all of the ramifications of allowing a free run of these STR's in our community. Its a shame that those in favor don't have the war chest that AirBnB has put up for those in opposition. But it tells you that the sharing economy aspect is just big business trying to cash in at the expense of neighborhoods. As predicted, they have run into enforcement challenges and legal participation. Most STR's remained illegal even after given the opportunity to come forward. The same will happen here. New York stood up and did the right thing. They do not have this problem. Suggest to the council that a special consideration for this type of operator has the potential of doing what it's done in San Francisco. AirBnB only cares about itself, that's why they have poured 8,000,000 into the anti proposal campaign. That's 8,000,000!!

Please review the issue carefully and make the right decision.

http://ballotpedia.org/City\_of\_San\_Francisco\_Initiative\_to\_Restrict\_Short-Term\_Rentals, Proposition F (November 2015)

With appreciation for your fair efforts,

Joe Rabhan

Innkeeper/Proprietor Avenue Inn, member of PIANO 4125 Saint Charles Ave New Orleans LA 70115-4754 Toll Free 800-490-8542 Phone 504-269-2640 Fax 504-269-2641

#### Certificate of Excellence Award from Tripadvisor.com for 2015 Diamond Level Accreditation from BedandBreakfast.com 2015

Website: www.avenueinnbb.com

"Don't just visit New Orleans, live it!"

From: Sent: To: Subject: CPCinfo Thursday, October 15, 2015 9:41 AM Nicholas J. Kindel FW: Short term rental studies

From: James Morrison [mailto:jjmjr312@yahoo.com] Sent: Tuesday, October 13, 2015 9:18 AM To: Carol Allen; Stirling Lewis; Peggy Laborde; JohnLafargue Lafargue; CPCinfo Subject: Re: Short term rental studies

City Planning Commission, City of New Orleans:

As a comment to your short term rental study, some of my neighbors sent me an article about the horrors of short term rentals in residential neighborhoods and I thought I'd send them some more, and send them to you the Planning Commission for you to consider in connection with your study of short term rentals.

They should not be allowed in residential neighborhoods in the City of New Orleans and should be heavily regulated else where.

Hookers NY

Hookers turning Airbnb apartments into brothels

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## Hookers turning Airbnb apartme nts into brothels

Hookers are using the controversial Airbnb h ome-sharing Web site to turn prime Manhatt an apartments into temporary brothels, The P ost has learned. One escort se... View on nypost.com Preview by Yahoo

More Hookers Australia

#### Australia: Prostitute uses Airbnb flat as brothel



## Australia: Prostitute uses Airbnb flat as brothel

Airbnb spokesman said it was not an "Airbnb reservation" because it wasn't made on its we bsite.

View on www.ibtimes.co.uk

Preview by Yahoo

#### Orgy and Meth. addicts

#### 10 incredible Airbnb horror stories



## 10 incredible Airbnb horror storie

Sometimes things get weird when you sleep i n a stranger's home. View on www.foxnews.com Preview by Yahoo

There are tons of these articles web search it.

s

James J.Morrison, Jr Morrison Interests visit us at <u>www.morrisongrp.net</u> 101 Stella St. Metairie, LA 70005 C 504-884-1177 T 504 830-0128 F 504 830-2813

From: Carol Allen <<u>nolacarol@gmail.com</u>> To: Stirling Lewis <<u>lstirling@stirlingprop.com</u>>; James Morrison <<u>jimjr312@yahoo.com</u>>; Peggy Laborde <<u>peggylaborde@gmail.com</u>>; JohnLafargue Lafargue <<u>JohnLafargue@aol.com</u>> Sent: Tuesday, October 13, 2015 4:42 PM Subject: Fwd: R/A - NY Times: "Animal House" -- Short-term rentals

I received this from a friend. It rather says it all!

Carol Allen 530 Walnut St. New Orleans, LA. 70118

Our lives begin to end the day we become silent about things that matter. MLK

New Worry for Home Buyers: A Party House Next Door



## New Worry for Home Buyers: A Party House Next Door

The proliferation of short-term rentals offered by Airbnb, HomeAway and other websites has created problems in some goodtime destinations like Austin, Tex. View on www.nytimes.com Preview by Yahoo

From: Sent: To: Subject: Attachments: CPCinfo Thursday, October 15, 2015 9:41 AM Nicholas J. Kindel FW: Short Term Rental Position Air BnB.docx

From: Becker, Marc [mailto:Marc.Becker@neworleanshotelcollection.com]
Sent: Tuesday, October 13, 2015 11:49 AM
To: Mayor Mitchell J. Landrieu; Stacy S. Head; Robert D. Rivers
Cc: CPCinfo; Nicholas J. Kindel; Jason R. Williams; Susan G. Guidry; LaToya Cantrell; DistrictC; Jared C. Brossett; James A. Gray; Janice Delerno; Grand Victorian (info@gvbb.com); mavisearly@gnohla.com
Subject: RE: Short Term Rental Position

#### Dear Mr. Rivers

Thank you for your time in conducting the meetings with interested parties on this issue last Tuesday at the city planning offices, and for inviting me to address your planners.

At the meeting, you requested information that we have been using regarding the competitive environment created by the advent of Air BnB for hotels in the New Orleans Market.

I am attaching a research position paper we use to help our own marketing directors understand the impact of Air BnB. Air BnB and other similar platforms currently represent the equivalent of 11 new hotels in the market.

*Clearly, the most important issue you will be facing, regardless of the zoning, is enforcement, and I do admire you all for addressing it.* 

## Marc Becker

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From: Sent: To: Subject: CPCinfo Thursday, October 15, 2015 9:41 AM Nicholas J. Kindel FW: short-term rentals

-----Original Message-----From: John Olagues [mailto:olagues@hotmail.com] Sent: Tuesday, October 13, 2015 2:59 PM To: CPCinfo Subject: short-term rentals

My concerns are the following:

Parking--I live in HU-RD zone currently. That HU stands for Historic District. We already have problems in my neighborhood with restaurants/bars shoved on corners where groceries used to be. That already brings 60 strangers/tourists to my corner each weekend. My neighbor across the street sometimes rents her place to 10 people. There are only 2 bathrooms in the house. My neighbors on the other side pack so many people in their apartment that they can be seen bringing in king- sized mattresses when they expect guests, or else they sleep on the floor. They had one bathroom. Is the City going to require parking at these short-term rentals.

Enforcement--No matter how much we say these short-term rentals will be enforced, it will never happen. People are breaking the law now, and the City doesn't enforce the law. I have people who stay in these units traveling down our streets in packs of four, five, whatever. How do you expect the ordinary resident to tolerate this. We already have enough crime to deal with. There will no longer be an "authentic experience" for them to experience. They might as well go to Las Vegas to see imitations of cities. The City will not collect the all the taxes it should collect. People lie! This is just another way for people to make money without paying taxes. We are just fooling ourselves.

Quality of Life Issues--Are Code Enforcement officers going to come out at 4 a.m. to enforce these laws. As it is now during major tourist events, we never see police cars in our neighborhoods and that's even when we pay extra for the MCSD.

Homestead Exemption--Will the owner of property in which he truly lives, continue to receive a homestead exemption on property he rents out or will he lose this exemption.

I was told if I applied under the current CZO for an Accessory B and B license, my property would then be designated "Commercial" and I would lose my homestead exemption.

Please remember that these decisions will affect the City for years to come. I've had my current property for 24 years. If people cannot rely on the CZO to regulate the redevelopment of the city, just say so. If we have a whole generation of newbies coming to New Orleans who don't know our laws or won't follow them, who is going to want to live here. No one will want to own property in this town anymore. It's already out-of-control! It has already destroyed Austin, Texas.

From:	Becker, Marc <marc.becker@neworleanshotelcollection.com></marc.becker@neworleanshotelcollection.com>
Sent:	Tuesday, October 13, 2015 11:49 AM
То:	Mayor Mitchell J. Landrieu; Stacy S. Head; Robert D. Rivers
Cc:	CPCinfo; Nicholas J. Kindel; Jason R. Williams; Susan G. Guidry; LaToya Cantrell; DistrictC; Jared C. Brossett; James A. Gray; Janice Delerno; Grand Victorian (info@gvbb.com); mavisearly@gnohla.com
Subject:	RE: Short Term Rental Position
Attachments:	Air BnB.docx

#### Dear Mr. Rivers

Thank you for your time in conducting the meetings with interested parties on this issue last Tuesday at the city planning offices, and for inviting me to address your planners.

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Clearly, the most important issue you will be facing, regardless of the zoning, is enforcement, and I do admire you all for addressing it.

## Marc Becker

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#### Air BnB

In a very short two year period, *Air BnB* has become a force to be considered in competive analysis in New Orleans and other major tourist destinations. It must be considered within the city inventory for occupancy, ADR projection purposes, but due to its "next generation" status, old school traditional methods of calculating inventory and projecting market growth have not yet grasped the risk posed by the sharing economy.

Some facts about *Air BnB* and *Vacation Rental by Owner (VRBO*) in New Orleans affecting inventory and market growth:

- Each night, more than 2,600 listings on *Air BnB* and 400 more on *VRBO* with more than 3900 rental units are available in New Orleans, equaling the size of 11 "average" size Hotels in rooms inventory.
- Nearly 70 per cent of these are "whole house" usually "whole condo" rentals. Only 30 per cent are rooms inside an occupied home. This means that in fact, the guest experience is **not** the "room in grandmas' house" that Air BnB would like the public to believe, but is much more like a hotel experience. Some of the listings actually provide breakfast.
- 94% of these listings are available year round at an average rate of \$201.
- 3900 rental units against 35,000 hotel rooms in the city. *Air BnB* represents over 10 percent of the city's lodging choices on any given night.
- Although listings for *Air BnB* include every neighborhood, the historic districts, and particularly the French Quarter are the hardest hit.
- <u>Facts for the FQ</u>: 183 listings on *Air BnB* and 120 more on VRBO, with 330 units. Fully 90 percent are whole house, 6 percent are rooms inside an occupied home. 93% are available for rent year round, and 50% are managed by individuals with multiple listings. ADR is \$276, reflecting high demand periods, and whole home rentals.
- Air BnB has a larger Market Capitalization than Hyatt Corporation. (12 Billion)
- *Air BnB* is a marketing organization of the first order, whose reach and power has not yet been fully understood and realized.
- Using a keen grasp of the internet as a tool, *Air BnB* has a user interface for reservations that is faster, easier to use, more comprehensive and friendly than 90% of the hotel reservation systems currently being used by legacy hotel companies.
- The threat is growing rapidly. Although illegal, local law enforcement has proven unable to regulate this fast growing lodging segment, and in fact, investors are looking at the purchase and development of whole buildings to be rented via *Air BnB* in the coming months.
- According to industry news (M&C Magazine Oct 2015) Air BnB now derives ten percent of its total revenue from business travelers, and has actively ;moved into the convention group room block and corporate travel program arenas.

NOTE: In order to be competitive, *Expedia* has added the following categories in the past 18 months: Inn; apart-hotel; condo; guest house; condo; lodge & private vacation home, they have done this in an effort to gain some of the same owner listings and commissions that *Air BnB* has targeted. This inventory in New Orleans represents another 64 listings, and more than 140 rooms per night. This is exclusive of normal Bed and Breakfast listings, which have long been a part of Expedia listings.

Air BnB inventory growth in NYC 192%: NY Times article failed to include additional rooms from this source:

http://skift.com/2015/03/05/the-one-big-thing-the-new-york-times-forgot-about-the-citys-hotelmarket/?utm\_campaign=Daily+Newsletter&utm\_source=hs\_email&utm\_medium=email&utm\_content=1 6374118& hsenc=p2ANqtz-9dR30dwD\_S41uyF8sx4SF58beH9065qXXlpXyuRC-LeiSBirwPEA4Dgsz3s8ivgbVzjHT9xZFKoNeuiCvsztgK7xnphA&\_hsmi=16374118

Considerations:

- Impact on neighborhoods of use of residential buildings for Air BnB rentals.
- Insufficient or non-existent liability insurance for guests and property insurance for owners.
- Improper or non-existent business licenses for regulatory purposes
- Lack of contribution to city tourism marketing efforts via taxes and
- Lack of contribution to state taxes and State Tourism Marketing
- Lack of contribution to city services, police, schools etc.

Solution: enact law to require Airbnb and other like organization to obtain proof of legal rental for any listing prior to display, and to collect and remit appropriate taxes.

From:	info@gvbb.com on behalf of Bonnie Rabe <bonnie@gvbb.com></bonnie@gvbb.com>
Sent:	Tuesday, October 13, 2015 4:52 PM
То:	CPCinfo
Cc:	Nicholas J. Kindel; Stacy S. Head; Jason R. Williams; Susan G. Guidry; LaToya Cantrell;
	DistrictC; Jared C. Brossett; James A. Gray; Mayor Mitchell J. Landrieu
Subject:	Another interesting article from San Francisco: "The truth behind the Airbnb lies"

#### CPC Staff,

Here is yet another very interesting article pointing out many of the "shortcomings" of AirBnB & this "sharing economy" model.

#### http://www.48hills.org/2015/10/12/the-truth-behind-the-airbnb-lies/

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← The Agenda, Oct. 12-Oct. 18: Are we really better off after five years of Ed Lee?

## The truth behind the Airbnb lies

Posted on <u>October 12, 2015</u> by <u>Tim Redmond</u> Analyzing the \$8 million corporate campaign to stop effective regulation of short-term rentals

Landlords (Charlie Goss from the Apartment Association) and tenants (Jennifer Fieber from the SF Tenants Union) are united, for once, in favor of regulating Airbnb

## By Sara Shortt

X

**Disclosure**: I would find it funny if anyone ever called me a "paid shill," but I do work as the Executive Director of the <u>Housing Rights Committee of SF</u>, a nonprofit tenants rights organization that offers free counseling for San Francisco tenants in all types of housing, including rent-control, SROs, public housing and Section 8. I am a long-time SF resident and while I hope that people read things before they vote, I actually hope that they get involved in local issues beyond just reading. OCTOBER 13, 2015 – To Emey (and the people who are wondering whether to believe the \$8 million Airbnb campaign):

I really enjoyed your recent piece – the dramatically titled "I Have Read Prop F, and It is Way Worse Than You Think" – that is getting passed around the Internet. I know that if you say something enough, people are bound to believe it, so I thought I'd respond via an open letter. And with Airbnb, the primary funder of No on F, spending \$8 million on a fear campaign to spread lies about Prop F, - I thought it would be a good opportunity to set the record straight. Never believe everything that a multi-billiondollar corporation tells you. Unfortunately, big corporations lie all the time when it's profitable – as thousands of VW owners just found out. There's a lot of fun stuff in your piece to address – a lot of which is addressed in the recent piece "I Have Read Prop F And It's Perfectly Normal" – but I think it's important to educate voters about what's happening with housing in the city, the effects of short-term rentals and why I think we must pass Prop F to protect our neighborhoods. First, let me get this out of the way: You say, "It's actually really hard to find the text online" and "...you'll see exactly why they don't want you to read the text." Really? Have you ever used Google? I typed "text prop F sf" in the search bar and...hey, here's the text of Prop F! In 20 seconds. (p.s., all that money Airbnb spent on Google ads is working: The No on F link pops up at the top even if you search for Pope Francis. Glad all that money is getting the company something.) I guess you can fault the campaign for not including a link on its website, but to say the text is hard to find is ludicrous. Now, on to the real issue:

## Airbnb is Not Helping the Housing Crisis, It's Making Things Worse

I've worked on tenants' rights and affordable housing here in the city for about 20 years, and right now, our housing situation is the worst that I've ever seen. There have been about 10,000 evictions since 2010, most fueled by real estate speculation and the new profit found in renting to high-paying tourists rather than long-term tenants (who have, you know, rights and stuff). Ellis Act, owner movein, nuisance violations, illegal intimidation – you name it and it's happening now. Every tenant in the city knows that if he or she has to leave an apartment, their time in San Francisco is over.

I think what I find most fascinating (and troubling) about the discussion around Prop F is how Airbnb and the other 60 or so hosting platform companies get a complete pass on any responsibility for what their business model is doing to neighborhoods and housing markets, and the fact that they intentionally turn a blind eye to the many abusers on their sites who openly break the law (more on that later). Ignoring the law and undoing years of carefully thought out housing regulations isn't an innovation, it's simply putting profit over people. This isn't the "sharing" economy, it's the profit economy — and right now, Airbnb is profiting off of our housing crisis.

Prop F didn't come out of nowhere, and it was **not** created in the backrooms of the hotel industry. I am part of the coalition of tenant and housing groups that moved to put it on the ballot when it became clear that City Hall was going to cater to corporations like Airbnb rather than solve the short-term rental issue.

San Francisco and literally hundreds of cities all over the world are dealing with the fact that the Airbnb model has gutted the basic foundation of housing regulations in every city where it exists (let's not forget that Airbnb was illegal in SF from its start in 2008 to February 2015, *ignoring the law while city government did nothing*). We have a severe housing crisis and Airbnb is making it worse: Rather than use much-needed housing for residents, we are instead using it for tourists. For cities like San Francisco with extremely tight housing markets – including Berlin, <u>Paris, Barcelona</u>, and New York City – the problem is even worse. For more information on the importance of regulating short-term rentals, read <u>here</u>. "What concerns us is when someone purchases one or more properties with the aim to turn them into tourist rentals. We don't have enough properties to house Parisians." *said Ian Brossat, Paris' deputy mayor in charge of housing*.

Deputy Mayor Brossat could have been speaking about San Francisco.

Consider:

- More than two thirds (68%) of all short-term rentals in San Francisco are for entire homes/units, not spare rooms.
- Airbnb and VRBO alone account for roughly 4,500 entire homes and apartments removed from the San Francisco rental market. They've taken away 1,000 units more than the 3,500 new units San Francisco built in all of 2014.
- In addition to Airbnb and VRBO, over 60 other companies offer short-term rentals to tourists, meaning SF may have lost up to 10,000 units to full-time tourist accommodation. That drives up rents. And it incentivizes evictions.

#### The Current Law Is Unenforceable

The No on F side says that we already have a law and should give it a chance to work. *But we already know the law doesn't work. It was built to fail by Airbnb's friends in City Hall.* Let's look at a couple of examples: <u>Emily</u> <u>Benkert</u> has 10 active Airbnb listings. Do you think she is the primary resident of each of them, as required by the current law? She's definitely not registered with the city. Or take <u>Fergus O'Sullivan</u>, who has left a trail of evictions and illegal tenancies. Or maybe <u>Vic Wang</u> who has no less than **28** active Airbnb listings. Working folks renting a spare room to make ends meet? Yeah. Right. We also know from experience that the city did nothing for years when short-term rentals were illegal (2008-2015) prior to the new law and the city did no enforcement against even the most obvious violators.

For example, there have been 350 complaints re: shortterm rentals filed with the city since the beginning of 2014 and only nine notices of violation. Only 2% of complaints are actual violations and all nine of these were issued just weeks before this current election? Coincidence?

# And virtually nothing is being done about these abuses.

Why? Because the current law is unenforceable, and that's intentional. In the midst of the city's worst housing crisis in over 50 years, the law allows people like Emily and <u>others</u> to take multiple units and homes off the market and illegally list them on sites like Airbnb with no repercussions. And in the meantime, Airbnb continues to make money off these illegal listings.

As of September 2015, only 600 out of the 5,400 SF listings on Airbnb have actually registered with the city. Yes, that's right – **90% of Airbnb's listings are illegal** — but under the current law, **nothing happens**.

## "<u>We have no way of enforcing</u>" the new law, said Planning Department communications Manager Gina Simi.

That's not me talking, it's the city's own Planning Department. In a <u>memo</u> earlier this year the department called the current law "unenforceable" and laid out the ways that the current law can be flouted:

- Without Airbnb providing its data to city officials, city regulators can't be sure that every host on the site is registered and paid up.
- Officials who are supposed to enforce the law have no way to know whether somebody was or wasn't in the house for 90 days.

• The \$50 registration fee isn't enough to cover the cost of administering the law.

<u>What the law needs</u>, according to the Planning Department, is:

- Booking data from the online services, so the department can crosscheck to see that rentals being offered are registered with the city.
- A straight cap on the number of days any unit can be rented out per year. Current law limits rentals of unit to 90 days if the owner isn't home — something that's "virtually impossible" to prove.
- A way to cover the actual cost of administering the law, which the two-year, \$50 registration fee doesn't come close to doing.

Were any of those suggestions included when the Board of Supervisors amended the law in July? **NO**. Rather than give the law teeth with real enforcement mechanisms, as their own Planning Department requested, all the supervisors added was window dressing, the new Office of Short-Term Rental Administration **that has no new enforcement powers**.

## Airbnb and Other Companies Could Stop Abuse Right Now But Refuse

Here's the kicker, Emey: Airbnb and the other companies could put a stop to the vast majority of short-term rental abuse by simply allowing only units or homes legally registered with the city to be listed on their site. No registration? No listing. Pretty simple. they refuse, despite the clear number of bad actors abusing the system, because they make money off of those illegal listings. Thanks Airbnb!

#### **Criminal Penalties? You're In Jail? Really?**

The criminal penalties section, including the penalty being a misdemeanor, comes directly from the current law, you know the one that Airbnb now asks you to "let work", – we didn't invent this nor did we create the penalties for misdemeanors. Try reading<u>Supervisor Chiu's</u> <u>legislation</u> before you try to scare folks about Prop F. Not knowing about a law isn't an excuse if you end up breaking it. This applies to almost every law, not just Prop F.

#### Spying On Your Neighbors? What Planet Do You Live On?

I'm not even sure where to start with this. The billboards with people using binoculars to spy on each other? Incentivizing people to spy? Puh-leeze.

Prop F simply lets San Franciscans protect our neighborhoods when City Hall can't or won't. Right now, if you see Airbnb abuse – say, apartments in your rentcontrolled building illegally turned into tourist hotels, disrupting life for everyone – there's not much you can do. Prop F at least gives you a chance to make your case in court and have a shot at getting it fixed but that only happens if the city fails to act.

Lawsuits are how we protect our rights when government won't help. Lawsuits helped right the wrongs done to victims of tobacco industry lies and Enron's fraud. What the No on F side doesn't want you to know is that what they really fear isn't neighbors suing neighbors, but rather neighbors suing Airbnb and other web hosting platforms for breaking the law. With regards to neighbors suing neighbors, you still have to get and pay for a lawyer. You have to do intensive, rigorous investigation. And you have to actually provide strong evidence to prove your case. You may get your costs back, but only if you win. Not a guarantee – you need a strong case. Seeing someone enter or leave a home once with suitcases isn't enough to clear that bar.

We have experience with this. The expedited condo conversion law had a provision that condo conversions would be halted if a lawsuit was filed — not won, just filed – and there were predictions of the courts being overrun by lawsuits, just like No on F says now. In the end *no lawsuits were ever filed*.

This section also came from the current law:

In addition, an owner, or, business entity in violation of this Chapter or a Hosting Platform in violation of subsection may be liable for civil penalties of not more than \$1,000 per day for the period of the unlawful activity. If the City or the interested Party is the prevailing party, the City or the interested Party shall be entitled to the costs of enforcing this Chapter 4A, including reasonable attorneys' fees, to the amount of the monetary award, pursuant to an order of the Court.

That's what Prop F does – it simply gives interested parties (neighbors) the right to take action to ensure that the law is enforced. This is how Americans have protected themselves from corporate abuse since the 1800s. In Prop F, it simply means that if the city doesn't take action or resolve your complaint in 90 days, then you have the right to sue to ensure that they do. Why? Because we don't trust City Hall to enforce the law, since it hasn't enforced the current one.

If you really believe a multi-billion-dollar corporation is spending \$8 million on the No on F campaign because it's deeply concerned about your privacy rights (read Airbnb's terms of service – you don't have any privacy) or cares about your relations with your neighbors, I've got a bridge to sell you.

## Banning In-Law Units for Short-Term Rentals (ABSOLUTELY)

To answer your questions, yes: Prop F does ban the use of in-law units for short-term rentals. This might be the first true thing that the No on F side has said, and the provision is there for a good reason.

The city spent years working on legislation finally <u>passed in</u> <u>2014</u> to legalize an estimated 30,000 to 50,000 in-law housing units, specifically to increase affordable housing opportunities for working families who live in San Francisco, not tourists. It makes no sense to turn around a year later, in the midst of a massive housing crisis, to suddenly use those same units for short-term rentals to visitors. Owners of in-law units would not be harmed because those units are not their primary residences. But if you don't believe me, then check out what then-Supervisor Chiu said about in-law units in his own press release.

"As housing costs have skyrocketed and working families are struggling, we must act quickly to address San Francisco's affordability crisis," said Board President David Chiu. "That's why I'm introducing legislation that will create a pathway to legalize tens of thousands of inlaw units, which will help tenants live in safe, affordable housing and homeowners have a good, long-term economic investment." (November 2013; emphasis added)

#### **\$8** Million Dollar Fear Campaign

One question I had before this campaign started was whether or not Airbnb would spend more fighting Prop F than <u>the \$10 Million PG&E</u> (another benevolent corporation) did in 2008 to fight Prop H, an initiative to create public power in San Francisco. Or whether or not the company would spend more than the real estate industry did last year to fight Prop G, the real estate speculation tax.

See a pattern? Any time citizens try to regulate corporations, they respond by spending millions to stop it. Like any other corporation, Airbnb is fighting fair, reasonable regulations by making the simple idea of regulation seem radical, or dare I say, "extreme."

Unfortunately, we know from sad experience that big companies lie to protect their profits. Just ask any Volkswagen diesel owner.

I can say pretty safely that in all my years of political involvement that I have never been on the same side of a local issue as Dianne Feinstein. But as a former mayor, she understands <u>what short-term rentals are doing</u> to the city and why it matters so much.

Other cities like Santa Monica, Berlin, Paris and Barcelona banned Airbnb. Prop F does nothing of the sort — it simply sets fair, reasonable rules for those wishing to rent out an extra room from time to time, or their entire house when on vacation. Prop F holds corporations like Airbnb accountable by limiting 'hosting platforms' to listing only units that are properly registered with the City, so the city can enforce the law. It's not rocket science. We're just trying to reasonably regulate one of the most vital assets – *housing* – that the city has in the face of a wealthy tech industry that wants to commodify absolutely everything without regard for who it hurts along the way. Being held accountable is why Airbnb is spending \$8 million against Prop F.

Bonnie Rabe, Innkeeper <u>Grand Victorian Bed & Breakfast</u> <u>info@gvbb.com</u> tel: <u>504-895-1104</u>; toll free: <u>1-800-977-0008</u> 2727 St. Charles Avenue New Orleans, LA 70130

From:	Jay Seastrunk <seastrunk@seastrunk.org></seastrunk@seastrunk.org>
Sent:	Tuesday, October 13, 2015 6:01 PM
То:	Robert D. Rivers
Cc:	Leslie T. Alley; Nicholas J. Kindel; Paul Cramer; Stacy S. Head; Susan G. Guidry; T. Gordon
	McLeod
Subject:	Short Term Rentals / San Francisco Revisits
Attachments:	ShortTermRentals_Text.pdf

I would like to draw the city planning commissions attention to San Francisco's Proposition F which is being proposed to fix the failure of the original short term legislation in San Francisco, California.

I would like to note that among the fixes in this proposed law that the previous law did not include and the fact that this law is going to a city wide vote of its citizens instead of being crafted and adopted by their elected representatives or commissions.

- 1. Requires reporting of rental data by short term rental operators.
- 2. Requires reporting by rental data by hosting platform agents (such as AirB NB etc.)
- 3. Allows for private right of action if the city fails to enforce its laws by interested parties defined as those within 100 feet (I think this distance is to short personally).
- 4. Prohibits the use of "in law" suites as short term rentals
- 5. Limits rentals to 75 nights a year (unenforceable without #2 above) for both owner occupied and non owner occupied rentals (a reduction from 90 days which was only applied to non owner occupied rentals)
- 6. Includes additional nuisance regulations
- 7. Limits rentals to residential units with resident occupants.

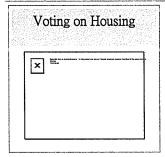
The actual text from the San Francisco government web site is attached.

Best Regards,

Jay Seastrunk 921 Henry Clay Ave New Orleans, LA 70118

The full text of the link is below: http://ballotpedia.org/City of San Francisco Initiative to Restrict Short-Term Rentals, Proposition F (November 2015)

## City of San Francisco Initiative to Restrict Short-Term Rentals, Proposition F (November 2015)



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An **initiative to restrict short-term rentals, Proposition F,** will be on the ballot for voters in San Francisco, California, on November 3, 2015.

This measure, which is proving the most contentious measure on the San Francisco ballot, would impose restrictions on private, short-term housing rentals. It would restrict all such private rentals to 75 nights per year and impose provisions designed to ensure such private rentals are paying hotel taxes and following city code. It would also require guest and revenue reports from rental hosts and "hosting platforms" every three months. Moreover, Proposition F was designed to prohibit the use of "in-law" units for short-term rentals and enact regulations concerning privacy, peace and quiet. Proposition F would allow enforcement of its provisions by the city, as well as authorizing private action lawsuits by "interested parties"—defined as anyone living within 100 feet—against those suspected of violating the law.<sup>[1]</sup>

The initiative was motivated by and targets websites such as Airbnb and Homeaway, which feature rental listings nation- and world-wide. It was proposed by a coalition of unions, land owners, housing advocates and neighborhood groups called *Share Better SF*. In the interest of easy enforcement, the initiative would focus on penalties for websites that post rental listings that do not comply with city law, as well as punishing individual home owners or sub-leasers. The fines proposed for websites featuring illegal posts range from \$250 to \$1,000 per day for each non-compliant post. Estimates show the fines for a website such as Airbnb could add up to millions of dollars unless a way was found to keep listings in accordance with city law. The campaign opposing Proposition F had received \$8,432,791 in campaign contributions as of October 2, 2015. Out of the total contributions received by the opposing campaign, 96.6 percent was donated by Airbnb. The support campaign had collected \$354,398 as of October 2, 2015<sup>[1][2][3][4]</sup>

Two related ordinances were introduced to the city's board of supervisors. The more restrictive ordinance was designed to be more strict than this initiative, limiting short-term rentals to 60 days per year for any given unit. The more lenient of the bills was set up to allow up to 120 days per year. Proponents of this citizen initiative said they

would be satisfied by the more strict set of regulations, but would continue with this initiative petition effort if the city supervisors did nothing or chose to enact the less restrictive ordinance. The board of supervisors proved divided over the proposals in a meeting on June 9, 2015. They postponed a decision until a later meeting. On July 14, 2015, the board of supervisors approved an amended version of the more lenient of the two ordinances, which was opposed by Share Better SF. The ordinance continued to allow unlimited hosted short-term rentals and the use of in-law units for short term rentals.<sup>[5][6]</sup>

Housing has solidified as one of the most important issues in the city's 2015 election. Gabriel Metcalf, president and CEO of public policy research company SPUR, said, "It's the No. 1 issue in every poll." Five propositions on the ballot deal with housing and development, either directly or indirectly, and proposed solutions for the housing availability issues facing the city are essential to candidate platforms. Voters will decide housing-related propositions that address affordable housing bonds, **restrictions on short-term rentals**, a moratorium on market rate construction in the city's Mission District, housing developments on surplus public lands and a specific development proposal on the waterfront.<sup>[7]</sup>

## Provisions and changes

## Maximum days of rental

This initiative would limit both hosted and un-hosted short-term rentals to a maximum of 75 days per year. A hosted rental is a unit that is rented out while a permanent resident also resides at the unit during the rental period. A un-hosted rental is the rental of a unit at which no permanent residents reside during the rental period. Current city law allows 90 days of un-hosted short-term rentals for any given unit and permits unlimited hosted short-term rentals.<sup>[8]</sup>

## Interested parties with legal standing

This initiative would establish anyone who lives within 100 feet of a unit used for short-term rentals as an "interested party" with legal standing to sue violators of the initiative. Current city law dictates that an "interested party" was any person who lived in the same building as a short-term unit. Proposition F would also give legal standing to any housing-related nonprofit.<sup>[8]</sup>

## **Online hosting platforms**

This initiative would make it illegal for any hosting website, such as Airbnb, to list a short-term rental unit if the unit was not eligible for rent according to city law. Thus, Airbnb would be required to remove the listing for any unit that had been rented out for more than 75 days in any given year. Moreover, this initiative would allow any "interested party" to sue the hosting platform or their neighbor for any listing in violation of the law. Current city law does not require hosting platforms to remove listings in accordance to city law and does not give legal standing to interested parties to sue online hosting platforms or their neighbors.<sup>[8]</sup>

## In-law units

The city's laws as of the beginning of 2015 allowed in-law units to be rented as un-hosted short-term rentals, subject to the 90 day annual cap. Proposition F was designed to prohibit the use of in-law units for short-term rentals entirely.<sup>[8]</sup>

## Text of measure

## **Ballot question**

The following question for this measure will appear on the ballot:<sup>[8]</sup>

<sup>66</sup> Shall the City limit short-term rentals of a housing unit to 75 days per year regardless of whether the rental is hosted or unhosted; require owners to provide proof that they authorize the unit as a short-term rental; require residents who offer short-term rentals to submit quarterly reports on the number of days they live in the unit and the number of days the unit is rented; prohibit short-term rentals of in-law units; allow interested parties to sue hosting platforms; and make it a misdemeanor for a hosting platform to unlawfully list a unit as a short-term rental?<sup>[9]</sup>

## **Ballot summary**

The following summary of this initiative will appear on the ballot:<sup>[8]</sup>

- San Francisco limits short-term rentals of residential units. A rental is "short-term" if the term is less than 30 days. The purpose of these limits is to prohibit converting rental units from residential use to tourist use, and help preserve the availability of housing in San Francisco. These limits, set forth in San Francisco's short-term residential rental law, include requirements in effect as of May 21, 2015 that:
  - Only "permanent residents" may offer a residential unit for short-term rent. A "permanent resident" is someone who has occupied the unit for at least 60 consecutive days. Before offering a unit for short-term rental, permanent residents must register the unit with the City's Planning Department.
  - A permanent resident may not rent a residential unit on a short-term basis for more than 90 days per year if the resident does not live there during the rental period ( "unhosted rentals" ). There is no limit on the number of days per year for short-term rentals if the resident lives in the unit during the rental period ( "hosted rentals" ).
  - "Hosting platforms," which are individuals or businesses that provide a means for a person to advertise their residential unit for short-term rental, must notify users of the City' s regulations on short-term rentals.

The City's law allows "interested parties" to sue violators. "Interested parties" include residents of the building where the residential unit is located, the owner of the unit, and any housing nonprofit organization. But interested parties cannot sue hosting platforms for violating the City's law. The City may sue any violator.

Under the City's law, it is a misdemeanor for an owner or tenant to unlawfully rent a unit as a short-term rental.

The San Francisco Board of Supervisors is considering various amendments to the City' s law to change these requirements and enforcement provisions.

This measure would limit allowed short-term rentals of a unit to 75 days per year, regardless of whether the rental is hosted or unhosted. Hosting platforms would have to stop listing a unit for short-term rental once that unit has been rented on a short-term basis for more than 75 days in a calendar year.

This measure would require that Planning Department applications for inclusion in the shortterm rental registry contain proof that the unit's owner authorizes using the unit as a short-term rental. After including a unit on the registry, the Planning Department would be required to post a notice on the site of the unit stating that it has been approved for use as a

99

short-term rental.

The Department would also be required to mail that notice to the owners and neighbors of the unit.

This measure would prohibit short-term rental of in-law units.

This measure would expand the definition of "interested parties" who can sue to enforce the City's law to include people living within 100 feet of the unit. It would also allow interested parties to sue hosting platforms for violations.

This measure would make it a misdemeanor for a housing platform to unlawfully list a unit as a short-term rental.<sup>191</sup>

# Full text

The full text of the proposed initiative is available here.

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	- And	
Share Better SF campaign logo		

# Support

## Supporters

The coalition behind this measure is called Share Better SF.<sup>[10]</sup>

Supervisor David Campos introduced an ordinance that would have been even more restrictive than this initiative. *Share Better SF* announced that, unless Campos' bill was approved, it would move forward with the initiative petition effort. Ultimately, a weaker ordinance restricting short-term rentals to 90 days per year was approved by the city council.<sup>[5]</sup>

The Share Better SF website listed the following endorsements of a "yes" vote on Proposition F:[11]

#### Individuals:

- U.S. Senator Dianne Feinstein (D)
- Former Mayor Art Agnos
- State Senator Mark Leno (D-11)
- Former Assemblyman Tom Ammiano
- Judge Quentin Kopp (Retired)
- Former Mayor Art Agnos
- Supervisor John Avalos

- Supervisor David Campos
- Supervisor Jane Kim
- Supervisor Eric Mar
- Supervisor Norman Yee
- Board of Education member Sandra Fewer
- Community College Board Trustee Rafael Mandelman
- Community College Board Trustee John Rizzo
- Kathrin Moore, Planning Commissioner
- Dennis Richards, Planning Commissioner
- Cindy Wu, Planning Commissioner
- Former City Attorney Louise Renne
- Former Supervisor Aaron Peskin
- Former Supervisor Matt Gonzalez
- Former Supervisor Jake McGoldrick
- Former Planning Commissioner Dennis Antenore
- Former Planning Commissioner Doug Engmann
- Former Planning Commissioner Esther Marks
- Former Planning Commissioner Bill Sugaya
- Former Planning Commissioner Wayne Hu
- Democratic County Central Committee member Meghan Levitan

#### Labor organizations and unions:

- The American Federation of Teachers 2121
- Jobs with Justice SF
- San Francisco Building and Trades Council
- San Francisco Labor Council<sup>[12]</sup>
- SEIU 1021
- UNITE HERE, Local 2<sup>[2]</sup>
- United Educators of San Francisco

#### Organizations:

- Affordable Housing Alliance
- AIDS Housing Alliance
- Anti-Eviction Mapping Project
- Bernal Heights Democratic Club
- Causa Justa Just Cause
- Chinatown Community Development Center

- Eviction Free SF
- FDR Democratic Club
- Gray Panthers
- Haight Ashbury Neighborhood Council
- Harvey Milk LGBT Democratic Club
- Hayes Valley Neighborhood Association' s

- San Francisco /
- San Francisco I
- San Francisco I
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- San Francisco

- Chinatown Tenants Association
- Coalition for San Francisco Neighborhoods
- Coleman Action Fund for Children
- Council of Community Housing Organizations
- District 3 Democratic Club
- D5 Action
- District 8 Democratic Club
- District 11 Democratic Club

## Arguments in favor

Transportation and Planning Committee

- Housing Rights Committee of San Francisco
- Keep Neighborhoods First
- Latino Democratic Club
- New Avenues Democratic Club
- Potrero Boosters

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- Potrero Hill Democratic Club
- Richmond District Democratic Club

#### San Francisco 7

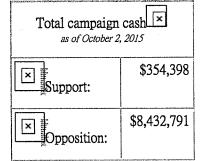
- San Francisco 7
- San Francisco V
- Senior & Disab
- Sierra Club
- South Beach Di
- West of Twin F
- Yerba Buena C

Supporters of the initiative argue that the city needs enforceable restrictions on the industry. They also argue that the unregistered, short-term rentals operating in the city result in illegal competition with the hotel and vacation rental industry by avoiding taxes and important city codes. Moreover, *Share Better SF* said, "San Francisco is facing its worst housing crisis in more than a century, with skyrocketing rents and home prices." The group claims this initiative would help alleviate the city's housing problems by putting condos, apartments and houses back in the long-term rental market, instead of being reserved by owners for visitors and tourists in order to make a bigger profit.<sup>[2][10]</sup>

Initiative proponents also claim the status of the private, short-term rental industry allows unfair and damaging practices such as renters sub-leasing without the approval of owners, leading to damaged buildings without reparation or accountability and uninsured houses.<sup>[2]</sup>

Dale Carlson, a public relations professional working with the *Share Better SF* campaign, stated, "The wholesale conversion of residential units to short-term tourist accommodations takes a significant chunk out of available and affordable housing. ... We need laws and regulations governing short-term rentals to tourists that are enforceable. That means the hosting platforms have to have some skin in the game." <sup>[1][2]</sup>

Malcolm Yeung, the deputy director of the Chinatown Community Development Center, blamed Airbnb and shortterm rentals for the eviction and displacement of Chinatown residents. He recounted an instance that occurred in 2014 in which residents of Chinatown came to the center and complained about their landlord pressuring them to leave. Finally, after bending to the pressure and accepting a buyout, the tenants left, after which the units were posted on Airbnb for a much higher price.<sup>[13]</sup>



**Private action lawsuits** 

Responding to critics that said Proposition F would spur many lawsuits between neighbors, many of which would be frivolous or motivated by personal gain. Carlson said, "We firmly believe that if we give the city the tools it says it needs, that enforcement actions will pick up; the city will start doing its job and the private right of action will not be needed." He went on to defend provisions in Proposition F allowing for private lawsuits, saying, "If the city sits on your complaint and does nothing, you should have the ability to protect your right to privacy and quiet enjoyment of your home. If a neighbor has to go to all the trouble of doing all the work the city should otherwise be doing, why shouldn't they be entitled to the same compensation as the city?"<sup>[14]</sup>

Joe Tobener, an attorney with experience in tenant rights and in cases surrounding short-term rental complaints, said, "Lawyers won't bring claims that are invalid. The only people who will be pursued are bad actors who are violating the statute. It's expensive to file these claims; you have to hire an investigator and have proof. If you ask an attorney to take a risk on a contingency case, there has to be enough value for them to do that."<sup>[14]</sup>

## Campaign finance

The following campaign contribution totals were current October 2, 2015. The campaign expenditures were current as of September 19, 2015.<sup>[4]</sup>

Committee	Amount raised	Amount spent
Share Better SF	\$354,398	\$189,502
Total	\$354,398	\$189,502

# Opposition

# Opponents

opponents	
San Franciscans Against Prop F image	
	X
SF for Everyone logo	

Airbnb, an online platform for private, short-term rental posts, opposes this initiative and was largely responsible for the funding to launch an organized anti-Proposition F campaign called San Francisco for Everyone, No on F.<sup>[1][15]</sup>

San Franciscans Against Prop F, which is not affiliated with Airbnb or any company or political party, also opposes Proposition F.<sup>[16]</sup>

The San Francisco branch of Airbnb set up a network of 11 short-term renter advocates, one for each city district, to support the industry and oppose restrictions such as this initiative.<sup>[17]</sup>

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Home Sharers of San Francisco logo		

Home Sharers of San Francisco, a local coalition of STR hosts, local businesses that benefit from local home sharing guests and other community members supportive of home sharing in San Francisco, opposes Proposition F.<sup>[18]</sup>

Home Sharers of San Francisco Democratic Club, a club chartered by the San Francisco Democratic Committee to advocate on behalf of home sharers, is also working toward defeated Proposition F.<sup>[19]</sup>

The Democratic County Central Committee (DCCC) voted to endorse a "no" vote on Proposition F.<sup>[20]</sup>

Some members of the board of supervisors disapprove of this initiative and the similar ordinance proposed by Supervisor David Campos, arguing that the regulations are to strict and unreasonable. In general, this set of critics of strict restrictions on short-term rentals favors an alternative, more lenient ordinance introduced by Supervisor Mark Farrell. Although Airbnb is opposed to both restrictive ordinances as well as this initiative, the position of Farrell's supporters and short-term rental advocates coincide in so far as both groups oppose this initiative and Campos' ordinance.<sup>[5]</sup>

The No on Prop F website listed the following endorsements of a "no" vote on the measure:[21]

- San Francisco Democratic Party
- Lt Governor Gavin Newsom
- Mayor Ed Lee
- Assemblymember David Chiu
- Board of Supervisors President London Breed
- Supervisor Malia Cohen
- Supervisor Julie Christensen
- Supervisor Mark Farrell
- Supervisor Scott Wiener
- Board of Equalization Member Fiona Ma
- San Francisco Planning Commissioner Michael

- San Francisco Republican Party
  - Log Cabin Republicans of San Francisco
- Alliance for Jobs and Sustainable Growth
- SF Chamber of Commerce
- Bay Area Council
- Hispanic Chambers of Commerce of San Francisco
- San Francisco Firefighters Local 798
- Consumer Watchdog
- Alice B. Toklas LGBT Democratic Club
- SF Young Democrats

- Raoul Wallenberg Jewis
- Black Young Democrats
- Willie B. Kennedy Dem
- SF Moderates
- San Francisco Technoloj
- The Internet Association
- The Parent PAC
- Greater Geary Boulevare
- San Francisco Police Of
- Dani Sheehan-Mayer C
   Valley)

Antonini

- . San Francisco Board of Education President Emily Murase
- San Francisco School Board Member Hydra Mendoza
- San Francisco Community College Trustee Alex Randolph
- San Francisco Community College Trustee Brigitte Davila

## Arguments against

- Asian Pacific Democratic Club
- Chinese American Democratic Club
  - Latinos Unidos Democratic Club
- . Noe Valley Democratic Club
- District 5 Democrats

- . The Mission Democratic Club
- Progress Democratic Club of San Francisco

- Ike Shehadeh Owner,
- Jesse Woodward Own
- Nelson Zhao Chopstic
- Araceli Espinoza Thal
- JP Leddy, Vice Presider
- Scott Hague, CAL and

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Airbnb logo			

Opponents of this initiative argue that private, short-term rentals allow additional tourism in the city for people who could not otherwise afford it and in areas that would otherwise be off of the tourism grid. They also argue that the industry provides revenue for the city and a method for residents to make money through renting their property. Moreover, advocates of private rental practices claim that putting up more red tape and restrictions would encourage more rental hosts to avoid registration, while lightening restrictions and mandatory reports would increase the number of voluntary registrants, as well as the hotel tax revenue for the city.<sup>[1]</sup>

San Franciscans Against Prop F posted the following argument against the initiative:

66 If it were to pass, it would unleash serious, negative consequences that would be essentially irreversible.

Proponents have sold Prop F as the solution to regulating short-term rentals, but the City just passed and amended sensible regulations of short-term rentals in July 2015. We need to give the current law time to work.

While the City builds out its enforcement resources for the law currently in place, Prop F would complicate that work by creating new laws that would:

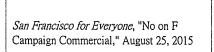
- Privatize enforcement by creating a financial incentive to spy on and sue neighbors who might be hosting guests
- Arbitrarily ban homesharing for anyone who lives in an in-law unit
- Require the 50+ homesharing platforms operating in SF (such as Airbnb, VRBO, and HomeAway) to mass-collect and report private data to the government<sup>191</sup>

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-San Franciscans Against Prop F<sup>[16]</sup>

Opponents also argue that, since the board of supervisors cannot amend citizen initiatives, provisions of Proposition F would be practically irreversible and any problems with Proposition F would have to be fixed through a lengthy process involving another ballot measure.<sup>[16]</sup>

Airbnb representatives said, "This ballot proposal is nothing more than a Trojan Horse that would effectively ban home sharing, cost the city revenue, and make San Francisco unaffordable for thousands of families."<sup>[1]</sup>



The Airbnb San Francisco website featured the following arguments in favor of allowing Airbnb and other homesharing website hosts to operate freely in the city:

<sup>66</sup> Home sharing and Airbnb are helping to fight economic inequality by giving every resident the opportunity to turn their apartment or home into an economic asset:

- More than 80% of Airbnb hosts share only the home in which they live and nearly three-quarters of Airbnb hosts use the income they earn to pay the bills and stay in their homes
- In San Francisco, nearly half of hosts are low or middle income

Airbnb guests spend more time and money in San Francisco and explore diverse neighborhoods and small businesses that haven' t benefited from tourism in the past:

- Airbnb generated \$469 million in economic activity and supported 3600 jobs between April 2014 and March 2015 72% of Airbnb listings are outside the main hotel districts
- A typical Airbnb guest spends 5.0 nights in San Francisco compared to 3.5 nights for a typical hotel guest; and the typical Airbnb guest spends almost \$300 more per trip than the typical hotel guest<sup>(9)</sup>

—Airbnb San Francisco<sup>[17]</sup>

Critics of the initiative also opposed it on the basis of privacy, saying the initiative would violate the rights of property owners in an unacceptable way. John M. Simpson, the director of *Consumer Watchdog's* Privacy Project, wrote an article critiquing this initiative. He wrote:

66 Clearly local governments have the right to regulate home sharing and should collect taxes.

[...]

What government must not do is unnecessarily violate people's privacy on a wholesale basis and turn businesses into an enforcement arm of government.<sup>[9]</sup>

99

Simpson went on to claim that this unnecessary violation is exactly the means proposed by the short-term housing rental initiative, as well as a similar ordinance proposed by supervisors David Campos, John Avalos and Eric Mar.

He concluded:

<sup>66</sup> The Campos ordinance and the ballot initiative would require home-sharing sites to routinely turn over to San Francisco individuals' private financial information about the number of nights they rented their homes and amount paid for the rental of their property through the site. It is an unprecedented data dump.

Traditionally, search warrants and subpoenas are needed to get a corporation to turn over an individual' s personal financial data. Campos and the Engmann group would turn this upside down.

Instead, officials should investigate specific alleged violations when there is a clear justification and limited necessary records could be subpoenaed. Individual audits could be required when there was a good reason to believe someone was not paying their occupancy tax.<sup>[9]</sup>

-John M. Simpson<sup>[22]</sup>

# **Private action lawsuits**

Opponents of Proposition F also argue that Proposition F would allow frivolous and unnecessary lawsuits between neighbors, with many lawsuits motivated by personal gain. Specifically, critics point to provisions that allow for private lawsuits against those suspected of violating Proposition F and other provisions that do not require damages or legal fees to be paid by the plaintiffs if the allegations are found to be false. Chris Lehane, head of Airbnb's global policy and public affairs, said, "This will lead to lawsuit vigilantism. People will be able to fire off lawsuits left and right, as opposed to government playing its role as the umpire. When the umpire calls you out, you're out. That's why we have objective third parties to make decisions. This is an effort to do an end run around city government." Defenders of Proposition F responded by saying that Proposition F was designed to give tools to the city to enforce short-term rental rules, rather than encouraging private lawsuits. To this argument, critics responded by questioning why the proposition allows private lawsuits between neighbors at all. David Jacoby, who appeared with his wife Kim in an ad run by Airbnb against Proposition F, said, "There are financial incentives to encourage neighbors to try to make money on one another; that's not the neighborhood I want to live in. Accused (hosts) would have to pay to defend themselves, even if they haven't done anything illegal. If the defendant (host) wins, the complainant doesn't have to pay their legal fees, even if it was a frivolous lawsuit."<sup>[14]</sup>

## **Campaign finance**

The following campaign contribution totals were current October 2, 2015. The campaign expenditures were current as of September 19, 2015.<sup>[4]</sup>

Committee	Amount raised	Amount spent
San Francisco for Everyone, No on F	\$8,432,791	\$3,601,423

\$3,601,423

Airbnb donated \$8,148,721 of the opposition's war chest, amounting to 96.6 percent of the total campaign contributions.<sup>[4]</sup>

# Background

Prior to February 2015, the city banned private, short-term rentals, but did not dedicate sufficient resources to fully enforce the law. In February 2015, the city legalized the practice and included a registration and taxation system.<sup>[2]</sup>

As of the beginning of 2015, Airbnb and other similar sites featured thousands of posts for short-term rentals and home-sharing in San Francisco. Only several hundred owners or leasers, however, had registered as hosts, paying the city-mandated transient occupancy tax (hotel tax). Supporters of this initiative to crack down on current restrictions and impose additional ones, say that the violation of city law by hosts using these sites is a huge problem. Opponents of the initiative argue that, despite those who do not register, the industry still provides a lot of revenue to the city.<sup>[1][2]</sup>

In 2014, Share Better SF collected signatures for a nearly identical initiative, but withdrew it before the deadline, saying it would look to a solution from the board of supervisors first.<sup>[1][2]</sup>

As of May 2015, Airbnb, the San Francisco branch of which is one of the chief opponents of this initiative, had raised \$795 million in financial backing and was worth about \$20 billion, after having started up six and a half years earlier.<sup>[2]</sup>

## **City ordinances**

Two ordinances to restrict short-term housing rentals in the city were introduced to the city board of supervisors in 2015. The stricter of the two ordinances, sponsored by Supervisor David Campos, would have allowed 60 days per year of short-term rental business for any given housing unit. The other ordinance, introduced by Supervisor Mark Farrell, was designed to restrict short-term rentals to 120 days per year or leave the restriction at the city's prior 90day limit. Supervisors considered both sets of regulations on June 9, 2015. They decided, however, to postpone a decision after the board showed strong division over the two measures. The group Share Better SF pledged to put its own initiative on the ballot unless Campos' ordinance was approved, saying it would not be satisfied by the current law or Farrell's more lenient restrictions.<sup>[5][6]</sup>

On July 14, 2015, the board of supervisors approved the more lenient of the two ordinances, keeping the 90-day limit on un-hosted short-term rentals and continuing to allow unlimited hosted short-term rentals. The ordinance also dictated the formation of the Office of Short-Term Rental Administration and Enforcement to oversee the industry.<sup>[23]</sup>

Proponents of Campos' legislation and this initiative were unsatisfied by the city's bill. Dale Carlson, co-founder of Share Better SF, said, "The Lee-Farrell legislation is an empty shell. Pray tell, how is the city to determine when a host is sleeping in her own bed each night?"[23]

# **Reports and analyses**

Two reports on the effect of short-term rentals on the availability of permanent housing in the city were released in mid-May 2015, one by San Francisco Chief Economist Ted Egan and one by the city's budget and legislative analyst. The reports did not agree on the conclusiveness of the available data. The chief conclusions of each report are summarized below.<sup>[5]</sup>

## City's budget and legislative analysis

San Francisco Legislative and Budget Analyst released a report that found that between 925 and 1,960 units could have been removed from the city's housing stock as a result of Airbnb listings.<sup>[24]</sup>

The large range of estimated effects on the housing market given by the report, which featured a top figure that was more than 100 percent larger than the bottom figure, led some to question its results and methodology.<sup>[24]</sup>

# **Chief Economist Ted Egan**

Egan, however, refused to draw specific conclusions about the actual impact of short-term rentals on the housing market, saying the data he had was inconclusive. He did say that if long-term housing was diverted to full-time short-term use it would have a negative impact on the city's economy. He also said that home owners would have to rent out their units for between 123 and 241 days a year in order to bring in profit equal to that of a permanent rental. He concluded that restricting short-term rentals to any where under 123 days per year would motivate owners to find permanent renters for their property if they were able to do so. Egan said that this means the restrictions in Campos' proposal—60 days per year—Farrell's proposal—90 to 120 days per year—and the citizen initiative—75 days per year—would all be effective in protecting the permanent housing market. Egan endorsed Farrell's ordinance over Campos', arguing that allowing 120 days per year for short-term rentals would have "a more positive economic impact."<sup>[6][25]</sup>

# **Ballot simplification digest**

The following summary of the measure was provided by the San Francisco Ballot Simplification Committee:

<sup>66</sup> The Way It Is Now: In an effort to prevent converting residential units to tourist use, San Francisco limits short-term rentals of residential units. A short-term rental lasts less than 30 days.

These limits, set forth in San Francisco' s short-term residential rental law, require that:

- Only permanent residents may offer a residential unit for short-term rental. A permanent resident is someone who has
  occupied the unit for at least 60 consecutive days. Before offering a unit for short-term rental, permanent residents
  must register the unit with the City' s Office of Short-Term Residential Rental Administration and Enforcement.
- A permanent resident may not rent a residential unit on a short-term basis for more than 90 days per year if the resident does not live there during the rental period (unhosted rentals). There is no limit on the number of days per year for short-term rentals if the resident lives in the unit during the rental period (hosted rentals).
- Hosting platforms, which provide a means for a person to advertise a residential unit for short-term rental, must notify users of the City' s regulations on short-term rentals.

Short-term rentals are subject to the City's hotel tax.

It is a misdemeanor for an owner or tenant to unlawfully rent a unit as a short-term rental. In addition, interested parties may sue violators. Interested parties are defined as residents of the building where the residential unit is located, the owner of the unit, people who live within 100 feet of the unit, and certain housing nonprofit organizations. The City may sue any violator at any time, but only the City may sue hosting platforms for violating the shortterm rental law.

The Proposal: Proposition F would limit short-term rentals of a unit to 75 days per year, regardless of whether the rental is hosted or unhosted. Hosting platforms would have to stop listing a unit for short-term rental once that unit has been rented on a short-term basis for more than 75 days in a calendar year. Proposition F would require proof that the unit' s owner authorizes using the unit as a short-term rental. After including a unit on its short-term rental registry, the City would be required to post a notice on the building stating that a unit has been approved for use as a short-term rental.

The City would also be required to mail a notice to the owners, neighbors of the unit and interested neighborhood organizations. Proposition F would require residents who offer short-term rentals to submit quarterly reports on the number of days they live in the unit and the number of days the unit is rented. Proposition F also would:

- prohibit short-term rental of an in-law unit even by a permanent resident of that unit.
- allow interested parties to sue permanent residents and hosting platforms.
- make it a misdemeanor for a hosting platform to unlawfully list a unit as a short-term rental.

A "YES" Vote Means: If you vote "yes," you want to:

- limit short-term rentals of a unit to 75 days per year regardless of whether the rental is hosted or unhosted;
- require owners to provide proof that they authorize the unit as a short-term rental;
- require residents who offer short-term rentals to submit quarterly reports on the number of days they live in the unit and the number of days the unit is rented;
- prohibit short-term rentals of in-law units;
- allow interested parties to sue hosting platforms; and
- make it a misdemeanor for a hosting platform to unlawfully list a unit as a short-term rental.

A "NO" Vote Means: If you vote "no," you do not want to make these changes to City law.<sup>191</sup>

-San Francisco Ballot Simplification Committee<sup>[26]</sup>

## **Controller analysis**

The following estimate of the fiscal impact of this measure on the city's budget was prepared by the city controller and will appear on the ballot:

Should the proposed ordinance be approved by the voters, in my opinion, the cost to government would increase by \$20,000 to \$200,000 annually for the cost of required notifications to residents informing them that nearby units have been registered as short-term residential rentals. Registration fees paid by hosts to the City can be adjusted to recover this cost. In 39 addition, the City may lose some future hotel tax revenue, though the exact amount cannot be estimated with the data

available.

Current City regulations regarding short-term residential rentals include a cap of 90 days that entire units ("non-hosted" rentals) may be rented in a calendar year. The proposed ordinance would lower this cap to 75 days, and also apply it to shared rooms within a unit ("hosted" rentals). The ordinance would further specify that "in-law" units may not be used for short-term rentals. The ordinance would require posting and notification to neighbors by the City when a unit is registered for short-term rental use. The ordinance also includes new requirements for internet platforms to stop listing units after they reach the 75 day cap and to report quarterly on the rentals advertised on their sites.

As of July 2015 the City budget includes a new Office of Short-Term Rental within the Planning Department, with staff to administer local law in this area. Provided that the requirements of the proposed ordinance could be administered by this office, no new staff costs are estimated. The new registration and notification requirements are estimated to incur mailing costs ranging from \$20,000 to \$200,000 annually, which can be recovered through user fees.

San Francisco's 14% hotel tax must be paid and collected for short-term residential rentals. Existing data does not allow an exact analysis of the amount of hotel tax the City may lose if the measure is enacted. The City currently budgets for receipt of between \$10 million and \$15 million annually in hotel taxes paid for short-term rental residential rentals. The city can expect that this amount could be reduced or shifted with a lower cap of allowed rental days and a reduction in the number of housing units eligible for short-term rentals. If at least some rentals are currently used more than 75 days a year, or take place in "in-law" units, the ordinance would reduce those hosts' short-term rental activity and their hotel tax payments to the City. Hotel tax revenues could be further affected if the ordinance generally discourages future use of units for short-term rentals.

Note that this statement does not analyze or estimate the impact of the measure on the private economy.

-San Francisco Controller<sup>[27]</sup>

# Polls

David Binder Research conducted two polls concerning Proposition F in July 2015 and September 2015, respectively. Those taking the survey were read the Proposition F ballot question and asked if they would vote "yes" or "no." The September poll showed a 15.5 percent increase in opposition to Proposition F, with "no" votes outweighing "yes" votes by 16 points. In July 2015, "yes" votes had a two-point edge on "no" votes. Moreover, after the pro and con arguments that were submitted for inclusion on the ballot were read to respondents, support dropped by five percentage points and opposition increased by two percentage points, leaving "no" votes up by 23 points. The results of the polls are below.<sup>[28]</sup>

## September 2015

	[hide]Sa	n Franci	sco, Proposition	Fpoll		
Poll	Yes	No	Undecided	Margin of Error	Sample Size	
David Binder Research, ballot quesiton September 11-19, 2015	36%	52%	12%	+/-3.5	805	
David Binder Research, ballot quesiton	31%	54%	15%	+/-3.5	805	

September 11-19, 2015						
AVERAGES	33.5%	53%	13.5%	+/-3.5	805	

Note: The polls above may not reflect all polls that have been conducted in this race. Those displayed are a random sampling chosen by Ballotpedia staff. If you would like to nominate another poll for inclusion in the table, send an email toeditor@ballotpedia.org.

## July 2015

	[hide]	San Fran	cisco, Propositio	n F poll	
Poll	Yes	No	Undecided	Margin of Error	Sample Size
David Binder Research, ballot quesiton July 15-19, 2015	47%	45%	8%	+/-4	600

Note: The polls above may not reflect all polls that have been conducted in this race. Those displayed are a random sampling chosen by Ballotpedia staff. If you would like to nominate another poll for inclusion in the table, send an email toeditor@ballotpedia.org.

# Path to the ballot

#### See also: Laws governing local ballot measures in California

On May 6, 2015, *Share Better SF* submitted this initiative to the San Francisco elections office, requesting an official title and summary for inclusion on signature petition sheets. On May 18, 2015, the election office provided proponents with the title, summary and petition form. The group needed to collect and submit at least 9,700 valid signatures by early July 2015 in order to qualify its initiative for the election on November 3, 2015. On July 6, 2015, proponents submitted 15,934 signatures to the city elections office. On July 13, 2015, elections officials verified the petition as sufficient and certified the initiative for the ballot.<sup>[2][29][30]</sup>

# Other elections

- San Francisco mayoral election
- San Francisco board of supervisors election

## Related measures

- 1. City of San Francisco Housing Bond Issue, Proposition A (November 2015)
- 2. City of San Francisco Housing Development on Surplus Public Lands, Proposition K (November 2015)
- 3. City of San Francisco Mission District Housing Moratorium Initiative, Proposition I (November 2015)
- 4. City of San Francisco Mission Rock Development Initiative, Proposition D (November 2015)

## Recent news

This section displays the most recent stories in a Google news search for the

terms San Francisco Airbnd initiative Proposition F.

Some of the stories below may not be relevant to this page due to the nature of Google's news search engine.

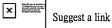
# City of San Francisco Initiative to Restrict Short-Term Rentals, Proposition F (November 2015) - Google News Feed

- Airbnb has spent more than \$8 million fighting a proposed law in San Francisco Business Insider (9/28/2015)
- Airbnb Is Outspending Its Opponents in November's Election By a Factor of 44 San Francisco magazine (10/9/2015)
- SF Voters to Decide on Airbnb Rentals, Mission Moratorium and Other Housing ... KQED (9/30/2015)
- Prop F: Airbnb Debate, Sanctuary City KQED (10/5/2015)
- At Code for America Summit, Brian Chesky Says the Haters Are Still Wrong About ... -Re/code (10/1/2015)
- Housing-related measures dominate November ballot San Francisco Examiner (10/8/2015)
- Airbnb spending more than \$8 million to fight new rental rules SFGate (9/25/2015)
- Airbnb Pumps Another \$4.6 Million into SF Campaign The Recorder (9/28/2015)
- Airbnb Digs Deep to Block SF Ballot Bill The Recorder (9/25/2015)
- Low Turnout Threatens SF Progressives Beyond Chron (10/8/2015)

#### See also

- Local rent control on the ballot
- Local housing on the ballot
- Hotel taxes in California
- San Francisco City and County, California ballot measures
- November 3, 2015 ballot measures in California
- San Francisco, California municipal elections, 2015

## External links



San Francisco Elections Office website

#### Support

• Share Better SF website and Facebook page

## Opposition

- Airbnb public policy blog website
- San Francisco for Everyone, No on F website and Facebook page
- San Franciscans Against Prop F website, Facebook page and Twitter
- Airbnb San Francisco website
- Home Sharers of San Francisco website
- Home Sharers of San Francisco Democratic Club website

# Additional reading

- Tech Crunch, "Airbnb And The Problem Of Data," June 11, 2015
- Star Tribune, "San Francisco revisits regulating home-shares as critics say rentals hurt tight housing market," June 10, 2015
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Categories:

- California 2015 local ballot measures
- Local rent control, California, 2015
- Local ballots, 2015
- Notable local measure, California, 2015
- Local housing, California, 2015

## City and County of San Francisco Ordinatice Amending the Administrative Code with respect to Short-Term Residential Rentals 2015 FAT -6 PM 1:03

NTARTITERY OF ELECTION:

#### Preamble:

At a time when San Francisco faces a severe affordable housing crisis, an increasing number of existing apartments, condominiums and houses, are being illegally offered and advertised as short-term rentals on websites, such as AirBNB and VRBO. Laws meant to regulate this practice are being ignored. These hotel uses contribute to the disappearance of affordable housing in San Francisco, hurt everyday San Franciscans and transform our neighborhoods for the worse. To date, not a single online travel agency that advertises short-term residential rentals has been required to meet our local laws. This ordinance is intended to stop the proliferation of shortterm rentals through online travel agencies by requiring the registration prior to listing with an online travel agency; the verification of registration by the agencies prior to accepting listings; and allowing citizens to enforce the requirements of this ordinance through a complaint process.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The Administrative Code is hereby amended by revising Sections

41A.4 and 41A.5 to read as follows:

#### SEC. 41.A.4. DEFINITIONS.

Whenever used in this Chapter 41A, the following words and phrases shall have the definitions provided in this Section:

#### Accessory Dwelling Unit or ADU. A separate dwelling unit within a single-family

<u>dwelling</u> or a separate structure associated with a single-family dwelling which is incidental and subordinate to the primary residential use of the property. Accessory dwelling units are further defined as follows:

(a) Detached. Those accessory dwelling units that are lawfully constructed within existing outbuildings, or stand alone, where the ADU does not share a common wall with the primary residential dwelling unit. ADUs that are connected to a primary residential structure only by a covered breezeway or similar appurtenant structure shall be considered detached. (b) FAttached. Those accessory dwelling units that share a common wall or <u>floor/ceiling with the primary dwelling unit and do not meet the definition of detached accessory</u> ULEFAR FILENT OF ELECTION. <u>dwelling unit.</u>

**Business Entity.** A corporation, partnership, or other legal entity that is not a natural person that owns or leases one or more residential units <u>Residential Units</u>.

**Complaint.** A complaint submitted to the Department <u>and/or the City Attorney</u> alleging a violation of this Chapter 41A and that includes the Residential Unit's address, including unit number, date(s) and nature of alleged violation(s), and any available contact information for the Owner and/or resident of the Residential Unit at issue.

**Conversion or Convert.** A change of use from Residential Use to Tourist or Transient Use, including, but not limited to, renting a Residential Unit as a Tourist or Transient Use.

Department. The Planning Department.

Director. The Director of the Planning Department.

Hosting Platform. A person or entity that provides a means through which an Owner may offer a Residential Unit for Tourist or Transient Use. This service is usually, though not necessarily, provided through an online platform and generally allows an Owner to advertise the Residential Unit through a website provided by the Hosting Platform and provides a means for potential tourist or transient users to arrange Tourist or Transient Use and payment, whether the tourist or transient pays rent directly to the Owner or to the Hosting Platform.

Interested Party. A Permanent Resident of the building in which the Tourist or Transient Use is alleged to occur, <u>a Permanent Resident living within 100 feet of the building</u> in which the Tourist or Transient Use is proposed to occur, any homeowner association associated with the Residential Unit in which the Tourist or Fransient Use is alleged to occur, the Owner of the Residential Unit in which the Tourist or Transient Use is alleged to occur, the City and County of San Francisco, or any non-profit organization exempt from taxation pursuant to Title 26, Section 501 of the United States Code, which has the preservation or improvement of housing as a stated purpose in its articles of incorporation or bylaws.

*Owner.* Owner includes any person who is the owner of record of the real property. As used in this Chapter 41A, the term "Owner" includes a lessee where the lessee is offering a Residential Unit for Tourist or Transient use.

**Permanent Resident.** A person who occupies a Residential Unit for at least 60 consecutive days with intent to establish that unit as his or her primary residence. A Permanent Resident may be an owner or a lessee.

*Primary Residence.* The Permanent Resident's usual place of return for housing as documented by at least two of the following: motor vehicle registration; driver's license; voter registration; tax documents showing the Residential Unit as the Permanent Resident's residence for the purposes of a home owner's tax exemption; or a utility bill. A person may have only one Primary Residence.

**Registration Number.** An identifying number issued by the Department for each Short-Term Residential Rental unit.

**Residential Unit.** Room or rooms, including a condominium or a room or dwelling unit that forms part of a tenancy-in-common arrangement, in any building, or

portion thereof, which is designed, built, rented, leased, let or hired out to be occupied for Residential Use as defined in the San Francisco Housing Code.

**Residential Use.** Any use for occupancy of a Residential Unit by a Permanent Resident.

**Term Residential Rental.** A Tourist or Transient Use where all or under the Residential Unit is offered for Tourist or Transient Use by the residential Unit is offered for Tourist or Transi Short-Term Residential Rental. A Tourist or Transient Use where all of the 5 following conditions are met: PH I:

(a) Permanent Resident of the Residential Unit;

(b) the Permanent Resident is a natural person;

(c) the Permanent Resident has registered the Residential Unit and maintains good standing on the Department's Short-Term Residential Rental Registry; and

(d) the Residential Unit: is not subject to the Inclusionary Affordable Housing Program set forth in Planning Code Section 415 et seq.; is not a residential hotel unit subject to the provisions of Chapter 41, unless such unit has been issued a Permit to Convert under Section 41.12; is not otherwise a designated as a below market rate or income-restricted Residential Unit under City, state, or federal law; and no other requirement of federal or state law, this Municipal Code, or any other applicable law or regulation prohibits the permanent resident from subleasing, renting, or otherwise allowing Short-Term Residential Rental of the Residential Unit.

Short-Term Residential Rental Registry or Registry. A database of information maintained by the Department that includes a unique Registration Number for each Short-Term Residential Rental, and information regarding Permanent Residents who are permitted to offer Residential Units for Short-Term Residential Rental. Only one

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Permanent Resident per Residential Unit may be included on the Registry at any given 2015 MAY - 6 PM 1:05 time. The Registry shall be available for public review to the extent required by law, SEP ARTHENT OF ELECTION except that, to the extent permitted by law, the Department shall redact any Permanent Resident names from the records available for public review.

*Tourist or Transient Use.* Any use of a Residential Unit for occupancy for less than a 30-day term of tenancy, or occupancy for less than 30 days of a Residential Unit leased or owned by a Business Entity, whether on a short-term or long-term basis, including any occupancy by employees or guests of a Business Entity for less than 30 days where payment for the Residential Unit is contracted for or paid by the Business Entity.

#### SEC. 41A.5 UNLAWFUL CONVERSION; REMEDIES.

(a) **Unlawful Actions.** Except as set forth in subsection 41A.5(g/), it shall be unlawful for

(1) any <u>Permanent Resident, person or entity</u> to offer, <u>or to assist anyone to</u> <u>offer, a Residential Unit for rent for Tourist or Transient Use;</u>

(2) any <u>Permanent Resident</u>, <del>Owner</del>, person or entity to offer, <u>or to assist</u> <u>anyone to offer</u>, a Residential Unit for rent to a Business Entity that will allow the use of a Residential Unit for Tourist or Transient Use. <del>; or</del>

(3) any Business Entity to allow the use of a Residential Unit for Tourist or Transient Use.

(b) **Records Required.** The Owner and Business Entity, if any, shall retain and make available to the Department records to demonstrate compliance with this Chapter 41A upon written request as provided herein. Any Permanent Resident offering

his or her Primary Residence as a Short Term Residential Rental shall (1) retain and make available to the Department records to demonstrate compliance with this Chapter 41A, including but not limited to records demonstrating Primary Residency, <u>and (2)</u> submit quarterly reports to the Department setting forth the number of days per calendar year he or she has occupied the Residential Unit, and the number of days per such *quarter* calendar year, with dates and duration of each stay, the Residential Unit has been rented for Short-Term Residential Rental Use.

(c) Determination of Violation. Upon the filing of a written Complaint that an Owner or Business Entity has engaged in an alleged unlawful Conversion or that a Hosting Platform is not complying with the requirements of subsection (g)(4)(A), the Director shall take reasonable steps necessary to determine the validity of the Complaint. The Director may independently determine whether an Owner or Business Entity may be renting a Residential Unit for Tourist or Transient Use in violation of this Chapter 41A or whether a Hosting Platform has failed to comply with the requirements of subsection (g)(4)(A). To determine if there is a violation of this Chapter 41A, the Director may initiate an investigation of the subject property or Hosting Platform's allegedly unlawful activities. This investigation may include, but is not limited to, an inspection of the subject property and/or a request for any pertinent information from the Owner, Business Entity, or Hosting Platform, such as leases, business records, or other documents. The Director shall have discretion to determine whether there is a potential violation of this Chapter 41A and whether to conduct an administrative review hearing as set forth below. Notwithstanding any other provision of this Chapter 41A, any alleged violation related to failure to comply with the requirements of the Business and Tax

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Regulations Code shall be enforced by the Treasurer/Tax Collector Under the provisions 2015 MAY -6 PM 1:05

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(d) **Civil Action.** Following the filing of a Complaint and the determination of a violation by the Director through an administrative review hearing as set forth in this Chapter 41A, the City may institute civil proceedings for injunctive and monetary relief against a Hosting Platform for violation of subsection (g)(4)(A) or the City or any other Interested Party may institute civil proceedings for injunctive and monetary relief against an Owner or Business Entity. In addition, an Owner or Business Entity in violation of this Chapter or a Hosting Platform in violation of subsection (g)(4)(A) may be liable for civil penalties of not more than \$1,000 per day for the period of the unlawful activity. If the City or the Interested Party is the prevailing party, the City or the Interested Party shall be entitled to the costs of enforcing this Chapter 41A, including reasonable attorneys! fees pursuant to an order of the Court. Any monetary award obtained by the City and County of San Francisco in such a civil action shall be deposited in the Department to be used for enforcement of Chapter 41A. The Department, through the use of these funds, shall reimburse City departments and agencies, including the City Attorney's Office, for all costs and fees incurred in the enforcement of this Chapter 41A.

(c) Civil Action.

(1) Any person or entity that believes a violation of this Chapter has occurred may file a complaint with the Department within one year after the occurrence of the violation. The one year period may be extended by the Director for good cause. The complaint shall be investigated by the Department in accordance with this Chapter. SAN FRANCISCI Notwithstanding anything to the contrary in this Chapter, the City Attorney may institute 2015 MAT-6 PM 1:05 suit against an Owner, Permanent Resident, Business Entity and/or Housing Platform for SERATMENT OF ELECTIONS injunctive and monetary relief without regard to whether a complaint has been filed or the Director has made a determination of a violation as set forth herein.

(2) The Director shall establish procedures for the investigation of complaints. A summary of the procedures shall be provided to each complainant and respondent at the time of initial contact. The Director shall inform complainants charging a violation of this Chapter, at the time of initial contact, of his or her right to file a separate, concurrent complaint with the City Attorney.

(d) **Process**. Each complaint shall be assigned to a complaint investigator who shall prepare no later than sixty (60) days following receipt of the complaint and submit a report to the Department and the City Attorney based on an investigation of the complaint. The investigation shall include, where appropriate, interviews with the complainant, respondent, and any witnesses who may have information concerning the alleged violation, and a review of any documents that may be relevant to the disposition of the complaint. The identity of a witness shall remain confidential unless the identification of the witness becomes necessary to proceed with the investigation or to prosecute an action to enforce a determination. The investigation report submitted to the Department shall include the statements and documents obtained in the investigation, and the findings of the investigator concerning whether a violation occurred. The Director may hold an investigative hearing whenever s/he determines, after review of the investigation report, that a hearing is necessary to fully establish the facts. In the hearing the investigation report shall be made a part of the record and the complainant and respondent shall have the opportunity to present further evidence. The Director shall issue, serve, and enforce any necessary subpoenas.

(e) Determination; Private Right of Action. If the Director determines a violation has occurred, s/he shall, after consultation with the City Attorney, notify the complainant and respondent and direct the respondent to cease and desist from the violation and take any action deemed necessary to remedy the violation, including, where appropriate, payment of all costs and reasonable attorney's fees associated with any hearing held by the Director in investigating the complaint. If the respondent does not comply with the order within 10 calendar days following notification of the Director's determination, the City Attorney shall have 30 calendar days after issuance of the Department's report to bring an action in an appropriate court against the respondent and shall be entitled to actual damages, payment of reasonable attorney fees, and special damages of not less than \$250 and not more than \$1,000 per violation per day.

If the City Attorney does not bring an action in court within 30 calendar days after issuance of the Department's report, the Interested Party that filed the complaint with the Department, regardless of the Department's determination, may bring an action in court against the respondent or any person or any entity that assisted the respondent. If the Interested Party prevails in his or her action, the court shall award the complainant court costs, reasonable attorney's fees, actual damages, and special damages of not less than \$250 and not more than \$1,000 per violation per day.

(f) If the Director determines no violation has occurred, the Director shall, after consultation with the City Attorney, notify the complainant/Interested Party and respondent and shall dismiss the complaint. The complainant/Interested Party may, after notification of the Director's determination to dismiss a complaint, bring a civil action in an appropriate court against the respondent or any person or any entity that assisted the respondent. A prevailing complainant/Interested Party shall be entited to an Eward of abbual damages, attorneys fees and costs and special damages of not less than \$250 and not more than \$1,000 per violation per day. Additionally, the court shall have the authority to restrain the violation and order any other relief that will remedy the violation including, but not limited to, equitable relief as is appropriate under the circumstances of the case.

When dismissing a complaint, the Director shall advise the complainant of his or her right to bring a civil action against the respondent in an appropriate court if he or she disagrees with the determination of the Director.

(g) The Director shall notify in writing the City Attorney, complainant and respondent of his or her determination not later than 90 days after the filing of the complaint.

(h) The rights and remedies provided by this Chapter shall be cumulative and shall not preclude a complainant from pursuing any other rights and remedies under any other law.

(i) In the enforcement of this section, there is no requirement that an individual exhaust administrative remedies or procedures.

(*j*) **Criminal Penalties.** Any Owner or Business Entity who rents a Residential Unit for Tourist or Transient Use <u>and/or any Hosting Platform that lists a</u> <u>Residential Unit for Tourist or Transient Use</u> in violation of this Chapter 41A without correcting or remedying the violation as provided for in subsection 41A.6(b)(7) shall be guilty of a misdemeanor. Any person convicted of a misdemeanor hereunder shall be punishable by a fine of not more than \$1,000 or by imprisonment in the County Jail for a period of not more than six months, or by both. Each Residential Unit rented for Tourist or Transient Use shall constitute a separate offense.

(fk) Method of Enforcement, Director. The Director shall have the authority to enforce this Oltapter against violations thereof by any or all of the means provided for in this Chapter 41A.

#### (g1) Exception for Short-Term Residential Rental.

Notwithstanding the restrictions set forth in this Section 41A.5, a
 Permanent Resident may offer his or her Primary Residence as a Short-Term
 Residential Rental *for no more than 75 days per calendar year* if:

(A) The Permanent Resident occupies the Residential Unit for no less than 275 days out of the calendar year in which the Residential Unit is rented as a Short-Term Residential Rental or, if the Permanent Resident has not rented or owned the Residential Unit for the full preceding calendar year, for no less than 75% of the days he or she has owned or rented the Residential Unit;

(B) The Permanent Resident maintains records for two years demonstrating compliance with this Chapter, including but not limited to information demonstrating Primary Residency, the number of days per calendar year he or she has occupied the Residential Unit, the number of days per calendar year the Residential Unit has been rented as a Short-Term Residential Rental, and compliance with the insurance requirement in Subsection (D). These records shall be made available to the Department upon request;

(C) The Permanent Resident complies with any and all applicable provisions of state and federal law and the San Francisco Municipal Code, including but not limited to the requirements of the Business and Tax Regulations Code

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by, among any other applicable requirements? collecting and remitting all required transient occupancy taxes, and the occupancy requirements of the Housing Code; Difference (D) The Permanent Resident maintains liability insurance

appropriate to cover the Short-Term Residential Rental Use in the aggregate of not less than \$500,000 or conducts each Short-Term Residential Rental transaction through a Hosting Platform that provides equal or greater coverage. Such coverage shall defend and indemnify the Owner(s), as named additional insured, and any tenant(s) in the building for their bodily injury and property damage arising from the Short-Term Residential Use;

(E) The Residential Unit is registered on the Short-Term Residential Rental Registry;

(F) The Permanent Resident includes the Department-issued registration number<u>Registration Number</u> on any Hosting Platform listing or other listing offering the Residential Unit for use as a Short-Term Residential Rental;

(G) For units subject to the rent control provisions of Section 37.3, the Permanent Resident complies with the initial rent limitation for subtenants and charges no more rent than the rent the Permanent Resident is paying to any landlord per month: provided, however, that any housing that restricts occupancy to persons of very-low, -low or -moderate income and is developed, acquired or rehabilitated with financial assistance by the City and County of San Francisco or by an entity controlled by the City and County of San Francisco, or is an Accessory Dwelling Unit, or is a secondary unit may not be listed or rented as a Short-Term Residential Rental;

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(H) The Permanent Resident can demonstrate to the satisfaction 2015 MAY -6 PM 1:06 of the Department that the Residential Unit and the property on which it is located is not subject to any outstanding Building, Electrical, Plumbing, Mechanical, Fire, Health, Housing, Police, or Planning Code enforcement, including any notices of violation, notices to cure, orders of abatement, cease and desist orders, or correction notices. The Department shall not include a property that is subject to any such outstanding violations in the Registry. If such a violation occurs once a Residential Unit has been included in the Registry, the Department shall suspend the Residential Unit's registration and registration number until the violation has been cured; *and* 

(1) Any Permanent Resident that desires to rent a Residential Unit as a Short-Term Rental for more than 75 days shall first obtain a Conditional Use authorization from the Department to operate as a bed and breakfast establishment.

(2) Additional Requirements.

(A) Offering a Residential Unit for Short-Term Residential Rental, including but not limited to advertising the Residential Unit's availability, while not maintaining good standing on the Registry shall constitute an unlawful conversion in violation of this Chapter 41A and shall subject the person or entity offering the unit in such a manner to the administrative penalties and enforcement procedures, including civil penalties, of this Chapter.

(B) Only one Permanent Resident may be associated with a Residential Unit on the Registry, and it shall be unlawful for any other person, even if that person meets the qualifications of a "Permanent Resident," to offer a Residential Unit for Short-Term Residential Rental.

SAM FRANCIST (C) A Permanent Resident offering a Residential Unit for Short-2015 MAY -6 BM talkental shall maintain a valid business registration certificate. CEPAR I HENT OF ELECTION.

(D) A Permanent Resident offering a Residential Unit for Short-Term Residential Rental shall post a clearly printed sign inside his or her Residential Unit on the inside of the front door that provides information regarding the location of all fire extinguishers in the unit and building, gas shut off valves, fire exits, and pull fire alarms.

(3) Short-Term Residential Rental Registry Applications, Fee, and Reporting Requirement.

(A) Application. Registration shall be for a two-year term, which may be renewed by the Permanent Resident by filing a completed renewal application. Initial and renewal applications shall be in a form prescribed by the Department. The Department shall determine, in its sole discretion, the completeness of an application. Upon receipt of a complete initial application, the Department shall send mailed notice to the owner of record of the Residential Unit, informing the owner that an application to the Registry for the unit has been received *and shall issue a Registration Number for said Residential Unit. Said Registration Number shall be used on all correspondence by the Department*. If the Residential Unit is in a RH-1(D) zoning district, the Department shall also send mailed notice.

The Permanent Resident shall also submit with the initial application (and any renewal application) proof, satisfactory to the Department, that the owner of the residence has authorized the use of his or her unit as a Short-Term Residential Rental.

Both the initial application and any renewal application shall contain information sufficient to show that the Residential Unit is the Primary Residence of the applicant, that the applicant is the unit's Permanent Resident, and that the applicant has the required insurance coverage and business registration certificate. In addition to the information set forth here, the Department may require any other additional information necessary to show the Permanent Resident's compliance with this Chapter 41A. Primary Residency shall be established by showing the Residential Unit is listed as the applicant's residence on at least two of the following: motor vehicle registration; driver's license; voter registration; tax documents showing the Residential Unit as the Permanent Resident's Primary Residence for home owner's tax exemption purposes; of utility bill. A renewal application shall contain sufficient information to show that the applicant is the Permanent Resident and has occupied the unit for at least 275 days of each of the two preceding calendar years. Upon the Department's determination that application is complete, the unit shall be entered into the Short-Term Residential Rental Registry and assigned an individual registration number.

(B) Fee. The fee for the initial application and for each renewal shall be \$50, payable to the Director. The application fee shall be due at the time of application. Beginning with fiscal year 2014-2015, fees set forth in this Section may be adjusted each year, without further action by the Board of Supervisors, as set forth in this Section. Within six months of the operative date of this ordinance and after holding a duly noticed informational hearing at the Planning Commission, the Director shall report to the Controller the revenues generated by the fees for the prior fiscal year and the prior fiscal year's costs of establishing and maintaining the registry and enforcing the

requirements of this Chapter 41A, as well as any other information that the Controller 2015 MAY - 6 determines appropriate to the performance of the duties set forth in this Chapter. After 2015 MAY - 6 determines appropriate to the performance of the duties set forth in this Chapter. After 2015 the Planning Commission, but not later than August 1, 2015, the Controller shall determine whether the current fees have produced or are projected to produce revenues sufficient to support the costs of establishing and maintaining the registry, enforcing the requirements of this Chapter 41A and any other services set forth in this Chapter and that the fees will not produce revenue that is significantly more than the costs of providing such services. The Controller shall, if necessary, adjust the fees upward or downward for the upcoming fiscal year as appropriate to ensure that the program recovers the costs of operation without producing revenue that is significantly more than such costs. The adjusted rates shall become operative on July 1.

(C) Reporting Requirement. To maintain good standing on the Registry, the Permanent Resident shall submit a report to the Department on January 1 of each year regarding the number of days the Residential Unit or any portion thereof has been rented as a Short-Term Residential Rental since either initial registration or the last report, whichever is more recent, and any additional information the Department may require to demonstrate compliance with this Chapter 41A.

(D) Notice by Department. No later than 5 days after issuance of each Registration Number, the Department shall cause a notice to be posted on the site of the Short-Term Residential Rental for 30 days and shall cause a written notice to be sent in the manner described below. This notice shall have a format and content determined by the Director and shall state that a Short-Term Residential Rental has been approved by the Department. The notice shall describe the complaint process and shall set forth the mailing date of the notice. SAN FRANCISC Written notice shall be mailed to the applicant tenants, Permanent Residents and homeowner's association (if any)in the same building of the Short-Term Residential Rental, DEFARTMENT OF ELECTIONS relevant neighborhood organizations as described in clause (3) below, all individuals having made a written request for notification for a specific parcel or parcels pursuant to Planning Code Section 351, all owners and, to the extent practical, occupants, of properties in the notification area.

(1) The notification area shall be all properties within 100 feet

of the Short-Term Residential Rental in the same assessor's block and on the block face across from the Short-Term Residential Rental. When the Short-Term Residential Rental is located on a corner lot, the notification area shall further include all property on both block faces across from the Short-Term Residential Rental, and the corner property diagonally across the street.

(2) The latest City-wide Assessor's roll for names and

addresses of owners shall be used for said notice.

(3) The Department shall maintain a list, available for public review, of neighborhood organizations which have indicated an interest in specific properties or areas. The organizations having indicated an interest in the Short-Term Residential Rental or its area shall be included in the notification group for the proposed project.

(4) Requirements for Hosting Platforms.

(A) Notice to Users of Hosting Platform. All Hosting Platforms shall provide the following information in a notice to any user listing a Residential Unit located within the City and County of San Francisco through the Hosting Platform's service. The notice shall be provided prior to the user listing the Residential Unit and shall include the following information: that Administrative Code Chapters 37 and 41A

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regulate Short-Term Rental of Residential Units; the requirements for Permanent 2015 MAT -6 PM 1:06 Residency and registration of the unit with the Department; and the transient occupancy OBPAREMENT OF ELLOTIONS tax obligations to the City.

(B) AEvery Hosting Platform *that lists a Residential Unit located within the City and County of San Francisco as a Short-Term Residential Rental; (1) must include the Registration Number in each listing; (2) must immediately cease listing in any calendar year any Residential Unit after said unit has been rented as a Short-Term Residential Rental for 75 days during such calendar year; and (3)* shall comply with the requirements of the Business and Tax Regulations Code by, among any other applicable requirements, collecting and remitting all required Transient Occupancy Taxes, and this provision shall not relieve a Hosting Platform of liability related to an occupant's, resident's, Business Entity's, or Owner's failure to comply with the requirements of the Business and Tax Regulations Code. A Hosting Platform shall maintain a record demonstrating that the taxes have been remitted to the Tax Collector and shall make this record available to the Tax Collector upon request. <u>A Hosting Platform shall also submit a quarterly report to</u> *the Department setting forth by Registration Number the number of nights each listed* <u>Residential Unit is rented for said period.</u>

(C) Any violation of a Hosting Platform's responsibilities under subsection (g)(5)(A)1<u>, *including failure to include the Registration Number in any listing*, shall subject the Hosting Platform to the administrative penalties and enforcement provisions of this Chapter, including but not limited to payment of civil penalties of up to \$1,000 per day for the period of the failure to comply, with the exception that any</u>

violation related to failure to comply with the requirements of the Business and Tax Regulations Code shall be light to comply with the Treasurer/Tax Collector under that Code.

(5) The exception set forth in this subsection (g) provides an exception only to the requirements of this Chapter 41A. It does not confer a right to lease, sublease, or otherwise offer a residential unit for Short-Term Residential Use where such use is not otherwise allowed by law, a homeowners association agreement or requirements, any applicable covenant, condition, and restriction, a rental agreement, or any other restriction, requirement, or enforceable agreement. All Owners and residents are required to comply with the requirements of Administrative Code Chapter 37, the Residential Rent Stabilization and Arbitration Ordinance, including but not limited to the requirements of Section 37.3(c).

(6) Department Contact Person. <u>The Department shall maintain</u> <u>administrative and operative implementation of this Chapter</u>. The Department shall designate a contact person for members of the public who wish to file Complaints under this Chapter or who otherwise seek information regarding this Chapter or Short-Term Residential Rentals. This contact person shall also provide information to the public upon request regarding quality of life issues, including for example noise violations, vandalism, or illegal dumping, and shall direct the member of the public and/or forward any such Complaints to the appropriate City department.

(7) Notwithstanding any other provision of this Chapter, nothing in this Chapter shall relieve an individual, Business Entity, or Hosting Platform of the obligations imposed by any and all applicable provisions of state law and the San Francisco Municipal Code including but not limited to those obligations imposed by the

Business and Tax Regulations Code. Further, nothing in this Chapter shall be construed to limit any remedies available under any and all applicable provisions of state law and the San Francisco Municipal Code including but not limited to the Business and Tax Regulations Code.

(8) Annual Department Reporting Requirement. Within one year of the effective date of this ordinance and annually thereafter, the Department shall provide a report to the Board of Supervisors regarding the Department's administration and enforcement of the Short-Term Residential Rental program. The study shall make recommendations regarding proposed amendments to this Chapter 41A necessary to reduce any adverse effects of the Short-Term Residential Rental Program.

Section 2. Other Uncodified Provisions.

(a) Operative Date. This ordinance shall become operative on January 1,2016.

(b) No Conflict with State or Federal Law. Nothing in this ordinance shall be interpreted or applied so as to create any requirement, power, or duty in conflict with any State or federal law.

(c) Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the ordinance.

#### Nicholas J. Kindel

From:	CPCinfo
Sent:	Thursday, October 15, 2015 9:42 AM
То:	Nicholas J. Kindel
Subject:	FW: Short Term Rental Position - Conventions using Air BnB

From: Becker, Marc [mailto:Marc.Becker@neworleanshotelcollection.com]
Sent: Wednesday, October 14, 2015 12:19 PM
To: The Stockade Bed and Breakfast; Mayor Mitchell J. Landrieu; Stacy S. Head
Cc: CPCinfo; Nicholas J. Kindel; Jason R. Williams; Susan G. Guidry; LaToya Cantrell; DistrictC; Jared C. Brossett; James
A. Gray; Grand Victorian (info@gvbb.com); Jill Kidder; Marion Fox (marionfox@jeffdavis.org)
Subject: RE: Short Term Rental Position - Conventions using Air BnB

Here attached is a link to the Meetings and Conventions Magazine report I spoke to you about on how *Air BnB* is now working with convention housing companies to offer convention attendees access to their network, and how 10% of their travel is already business related! Amazing growth. Big repercussions in the convention industry.

## http://www.meetings-conventions.com/News/Features/The-Evolution-of-Airbnb/?p=2

Gefebrate your right to a cocktail : REPEAL DAY - Sat. Dec. 5 at the 21 Amendment at La Louisiane! 8pm until.

Marc Becker New Orleans Hotel Collection-Splendidly Authentic, Independent and Locally Owned Hotels in America's Most European City! 504 527 0407 Direct Hotels 855-798-6642. www.neworleanshotelcollection.com

Save the dates! Fun Events to look forward to:

November – the hotels of the New Orleans Hotel Collection are the "OFFICIAL" hotels of the Faux/Real arts festival in New Orleans. See <a href="http://fauxrealnola.com/">http://fauxrealnola.com/</a> for more.

Friday December 5- Its REPEAL DAY at 21 Amendment at La Louisiane. The day we took back the right to drink! Music, prizes and great drinks!

Thursday Jan 7 – The annual Pakenham Final Supper – a costumed dinner with the General who lost the War of 1812! Food, wine and good cheer! <u>www.neworleanshotelcollection.com/1812</u>

**From:** The Stockade Bed and Breakfast [mailto:stay@thestockade.com] **Sent:** Monday, September 28, 2015 7:16 PM **To:** mayor@nola.gov; shead@nola.gov **Cc:** CPCINFO@nola.gov; njkindel@nola.gov; jasonwilliams@nola.gov; sgguidry@nola.gov; lcantrell@nola.gov; districtc@nola.gov; jcbrossett@nola.gov; jagray@nola.gov **Subject:** Short Term Rental Position

Good Evening Mr. Mayor, Ms. Head and esteemed members of the city council and planning commission of New Orleans:

Attached is the Position Statement of the Professional Association of Innkeepers International (PAII) of which I am the current Co-Chair. I am also the president of the Louisiana Bed and Breakfast Association (LBBA) which regulates our member properties according to the same guidelines that PAII espouses. Please consider our position in your decision to regulate the short term rentals (STR's) in New Orleans, the city in which I was raised. I now live in Baton Rouge, but as a representative of innkeepers nation-wide, it is my duty to speak up for fairness in the marketplace. We are assisting our members with similar municipal struggles across the United States.

As a quick summary of PAII's position as stated in our attached Position Paper:

Short Term Rentals should be treated the same as established lodging properties which must be **licensed** and **collect sales and/or hotel tax** according to the city and state tax code. They must comply with current standards of **zoning**, follow established **safety** regulations, and be adequately **insured** to protect visiting guests. These regulations must be **enforced** in order to protect the visiting guests as well as the industry comprised of law-abiding properties. All internet booking platforms which act on behalf of their member properties must be held to the same legal standards that exist in the community in which it is doing business.

Both PAII and LBBA are happy to assist any STR within the state of Louisiana comply with the current B&B ordinances for the municipal/rural area in which the STR is located, including the city of New Orleans. We stand united with Professional Innkeepers Association of New Orleans (PIANO), Greater New Orleans Hotel & Lodging Association (GNOHLA), New Orleans Convention & Visitors Bureau (NOCVB), American Hotel & Lodging Association (AHLA) and Louisiana Travel Promotion Association (LTPA) for enforcement of current New Orleans laws. What affects New Orleans, Louisiana's flagship city, affects our entire tourism family and economy in Louisiana.

Thank you for your consideration of leveling the playing field for New Orleans' tourism accommodations.

Yours in hospitality, Janice DeLerno LOUISIANA BED AND BREAKFAST ASSOCIATION, PRESIDENT PROFESSIONAL ASSOCIATION OF INNKEEPERS INTERNATIONAL, CO- CHAIR

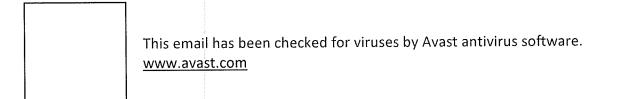
# Janice DeLerno

Innkeeper/Owner



The Stockade Bed & Breakfast 8860 Highland Road Baton Rouge, LA 70808 Telephone: (225) 769-7358 Toll Free: 1 (888) 900-5430 www.thestockade.com





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#### Nicholas J. Kindel

From: Sent: To: Subject: CPCinfo Thursday, October 15, 2015 9:42 AM Nicholas J. Kindel FW: Short-term Rental - 'Affordable vs Affordability of Housing'

From: Calvin A Lopes [mailto:clopesea@gmail.com] Sent: Wednesday, October 14, 2015 8:28 PM To: CPCinfo Subject: Short-term Rental - 'Affordable vs Affordability of Housing'

Communication is key to any discussion; the process breaks down when we hear something we don't like, don't understand, or otherwise strikes a nerve. This is generally true when we hear a mention of "Affordable Housing"; it is identified in the CZO (Comprehensive Zoning Ordinance) in Article 26, <u>http://CZO.NOLA.gov/Article-26#26-6</u>

The term "Affordable Housing" generally relates to a person's ability to pay and may be eligible for financial assistance in meeting payments. A better term when discussing short-term rentals may be "Affordability of Housing". This applies to everyone regardless of wealth.

The number of short-term rentals has increased at a rapid rate in every geographic locale worldwide. Mobile electronic devices, and the internet in general, makes advertising easy for both mom-and-pop owners and the entrepreneur alike.

Those seeking to operate a business of renting to transients have been empowered by the number of vacant and abandoned properties in New Orleans. Often these properties can be purchased at bargain basement prices, but this is not always the case. A check of real estate sales invariably shows a purchase price well above the appraised value. A savvy and committed businessperson would be willing to pay almost anything for a property that can return a fast buck. These are likely the same individuals driving property values skyward.

Photos of properties advertised for rent to transients often show architectural amenities not found in most homes. The assessor when valuing properties uses many tools in the review; this may be the purchase price, the insured value, a "comp" (real estate vicinity comparison), but routinely includes a visit to the site. A property remodeled strictly for profit could be assessed well above adjacent properties. Nearby properties may see a rise in their taxes as a result. Some may be encouraged to sell and move. Thus the cost to reside in a given area no longer is "affordable" for purchase or for long-term rent. This may lead to "gentrification": "the buying and renovation of houses and stores in deteriorated urban neighborhoods by upper- or middle-income families or individuals, thus improving property values but often displacing low-income families and small businesses."

Please consider these factors when discussing "affordability of housing", be specific in statements you may make, and clearly define the terms you may use.

Calvin A. Lopes east New Orleans Council District-E Planning District 9

#### Nicholas J. Kindel

From:CPCinfoSent:Thursday, October 15, 2015 9:43 AMTo:Nicholas J. KindelSubject:FW: status of the working relationship between PIANO and ANP on the STR issue

From: info@gvbb.com [mailto:info@gvbb.com] On Behalf Of Bonnie Rabe
Sent: Wednesday, October 14, 2015 11:37 PM
To: Stacy S. Head
Cc: Nicholas J. Kindel; Jason R. Williams; Susan G. Guidry; LaToya Cantrell; DistrictC; Jared C. Brossett; James A. Gray; Mayor Mitchell J. Landrieu; CPCinfo; Jonathan T. Harris
Subject: status of the working relationship between PIANO and ANP on the STR issue

Councilman Head,

I am writing to you today on behalf of PIANO to go on the record about our attempts to work with ANP on the STR issue facing our city.

At the January roundtable discussion, you encouraged all parties to "work this out" among ourselves after a proposed ordinance was withdrawn. For several months, PIANO members attended meetings with ANP and the STR Committee to try to identify common ground until ANP withdrew from the meetings at the beginning of September.

Since then, ANP has drafted their own ordinance in hopes of having PIANO in agreement to present to you. The PIANO Board of Directors spent a great deal of time reviewing every line of their ordinance and suggesting compromises that would best serve the interests of our members. Mr Uschold's reply back was that PIANO's position "will not prevail, and that PIANO would gain more by joining ANP than it will by opposing" them. He went on to say that "If PIANO wishes to reconsider its position, it should do so promptly" and that because of our difference in opinion, none of our comments would be entertained.

Please understand that PIANO does not want to eliminate short-term rentals. In fact, we see a need for them and would welcome their legal entrance into the short term rental community. However, our 2 biggest disagreement points remain <u>owner/operator-occupied</u> and <u>density limits</u>. (We even suggested expanding the current density allowance somewhat, but the word "occupied" was apparently non-negotiable.)

As small business owners who spent a great deal of effort and time to comply with zoning and regulations, we strongly believe that these 2 main points are why we unassumingly fit into our surroundings so well in every neighborhood around town. Our innkeepers are accepted neighbors because we do live on the premises and can quickly shut down unruly behavior should it occur before a complaint could arise. We are one building on a block face and are not the predominant activity of our areas.

PIANO thinks it is important for you to know that we are NOT aligned with ANP and even though we have tried several times to work towards an amicable compromise with them to no avail.

We trust that whatever the Council decides, it will include an enforceable level the playing field for all the parties that it will affect. We are confident in the city's ability to accommodate new opportunities for its citizens while at the same time honoring its commitment to its small business owners like ourselves who have played by the rules all along.

Thank you. Please contact me should you have any questions or need additional information.

Bonnie Rabe Innkeeper & President of PIANO and the PIANO Board of Directors

<u>Grand Victorian Bed & Breakfast</u> <u>info@gvbb.com</u> tel: <u>504-895-1104</u>; toll free: <u>1-800-977-0008</u> 2727 St. Charles Avenue New Orleans, LA 70130