



July 28, 2023

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

Dear Members of Los Angeles City Council,

In April 2019, a few months before enforcement of the Los Angeles Home Sharing Ordinance (“HSO” or “the Ordinance”) began, the City of Los Angeles contracted with Granicus to assist with enforcement of the Ordinance. Granicus advertises itself to be the leading provider of short-term rental (“STR”) compliance monitoring and enforcement solutions to local governments. The City relies on Granicus to provide data about the general compliance of Los Angeles’ STR market and to identify non-compliant listings so that the City can engage in proactive enforcement. Each month, Granicus provides the City with lists of URLs associated with non-compliant listings along with their address if detected. The size of each monthly list ranges from a few hundred non-compliant URLs to a few thousand. Yet, last year the City only engaged in 775 enforcement actions, which suggests the data provided by Granicus to the City is being vastly underutilized. In this report, BNLA revisits a list of URLs generated by Granicus on June 09, 2023, to assess the current compliance of the listings and how well the City utilizes this data to enforce the HSO.

Analysis of Non-compliant STR Listings: Better Neighbors Los Angeles (“BNLA”) regularly obtains lists of non-compliant listings generated by Granicus through CA Public Records requests. On July 19, 2023, BNLA analyzed the list of URLs generated by Granicus on June 9, 2023. That list consisted of 273 URLs associated with non-complaint listings detected on various STR platforms including, Airbnb, Vrbo, Booking.com, and Flipkey. Granicus was able to determine the address associated with 38 of the listings.

The table below shows how many non-compliant listings URLs were detected on each platform:

| Platforms | # of non-compliant listing URLs |
|--------------------|---------------------------------|
| Airbnb | 162 |
| Booking.com | 40 |
| FlipKey | 13 |
| Guesty | 1 |
| Hip Camp | 1 |
| MisterBandB | 7 |
| PlumGuide | 2 |
| Vrbo | 46 |
| Grand Total | 272 |

To determine the listings' current HSO compliance status, we examined several factors. Listings that displayed valid registration numbers were coded as compliant. Listings that had a minimum night requirement over 31 nights and therefore are considered long-term rentals were also coded as compliant. Listings that did not display any registration number, displayed an expired or fake registration number, or falsely claimed the transient occupancy residential structure exemption or bed and breakfast exemption were coded as "non-compliant."

Out of the 272 listings, only one listing displayed a valid registration, and four listings were classified as long-term rentals due to a 31-night minimum stay requirement. Additionally, 47 URLs (17.3%) were no longer active, indicating potential removal by hosts or platforms. Surprisingly, 222 (81%) of the 273 non-compliant listings remained active, even after forty days since detection by Granicus. Notably, Granicus identified addresses for 30 of these non-compliant listings. Despite having compelling evidence to enforce the HSO, the City does not appear to have issued a single citation to any of these properties or platforms. As a result of the City's failure to enforce its regulations, the City continues to be inundated with non-compliant properties. Consequently, valuable housing for residents is removed from the rental market while Platforms and hosts reap profits.

Recommendations: In late June, the Greater Los Angeles Homeless Count results were released reflecting an increase of 10% of the number of unhoused individuals in the City. While addressing the homelessness crisis will require a multi-faceted approach, proper enforcement of the HSO to prevent STR induced eviction is one significant step the City can take to remedy the crisis. To improve the City's enforcement of the HSO, BNLA makes the following recommendations:

- Direct the Department of City Planning to fully utilize the non-compliant listing data provided by Granicus and issue citations to each non-compliant listing identified.
- In cases where Granicus detects non-compliant listings, the Department of City Planning should issue citations to the platforms facilitating transactions for these listings. Platforms should be subject to the maximum fine, and non-compliant listings should be promptly removed from their websites.
- The City Attorney should explore the possibility of filing lawsuits against platforms with a high number of non-compliant listings being advertised, based on Granicus data.

Thank you for your time and consideration.

Sincerely,
/s/ Randy Renick