



# 2022

## The Los Angeles Home-Sharing Ordinance Enforcement Report and Recommendations

A report by  
Better Neighbors Los Angeles



Los Angeles River

## About Us

In 2014, a coalition of housing advocates, neighborhood groups, businesses, and workers formed around the concern that short-term rentals listed on online platforms, at that time almost exclusively Airbnb, were taking housing off the market at an alarming rate. They saw it in the wholesale conversion of apartment buildings into unregulated hotels in Venice, the appearance of 24/7 party houses in Hollywood, and the loss of affordable housing for tenants and workers across Los Angeles.

This unusual alliance of tenants, homeowners, businesses, workers, and others began advocating for the City of Los Angeles (“City”) to pass regulations to limit the spread of commercial short-term rentals and to protect the City’s affordable housing. After a long campaign, the Los Angeles City Council adopted the Home-Sharing Ordinance (“HSO” or the “Ordinance”), Ordinance No. 185931, in 2018. The Ordinance restricts short-term rentals to a host’s primary residence for a limited amount of time during a year and prohibits the use of rent-stabilized (rent-controlled) units as short-term rentals. Hosts must register with the City and post their registration number on any listing.

In 2020, Better Neighbors Los Angeles (“BNLA”) grew out of the coalition that fought for regulation of short-term rentals to ensure effective enforcement of the City’s Home-Sharing Ordinance. Our mission is to protect affordable housing, neighborhoods, tax revenue, and jobs by protecting the goals and intent of the HSO, and advocating for stronger, more effective enforcement against illegal short-term rentals in the City of Los Angeles and across Southern California.

To meet that goal, we provide regulators and City Councilmembers with the latest research, data analysis, and recommendations to improve enforcement. We also advocate for the creation of short-term rental ordinances in neighboring cities and provide information from our experience with illegal short-term rentals in Los Angeles to better inform the creation of policy. Furthermore, BNLA runs a hotline that residents can call to receive help with short-term rental issues in their neighborhood and advocates for residents impacted by illegal short-term rentals.

Some examples of our work over the past year include drafting and providing the City with six enforcement reports with recommendations for improving enforcement. In addition, we have provided testimony at Los Angeles City Council meetings and committees, Inglewood City Council meetings, and California Coastal Commission meetings. Through our hotline and public education campaign, we have assisted residents of Los Angeles with making 50 complaints of alleged illegal short-term rental (“STR”) activity to the Los Angeles Department of City Planning (“DCP”) and provided follow-up to ensure residents’ complaints were acted upon by DCP. By providing recommendations to support enforcement of the HSO and advocating for residents disturbed by illegal short-term rentals, BNLA serves as a resource for residents, elected officials, and the government agencies tasked with enforcement of the HSO.



Gaulley  
Terrace

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## Executive Summary

Home-sharing began with homeowners renting out a spare bedroom to supplement their income. The short-term rental industry has, however, transformed into a commercial operation benefitting a select few and harming many. Real estate investors, platforms like Airbnb, and hosts reap profits at the cost of affordable housing, jobs, and peace and quiet in the neighborhoods affected. The housing market, the hospitality industry, and communities across the City of Los Angeles have been fundamentally altered. Changes include housing units once designated for long-term residents have been converted into de facto hotels; job opportunities in the hospitality sector are decreasing in quantity and quality; and residential neighborhoods are facing disruptive tourists.

In 2018, the Los Angeles City Council passed the Home-Sharing Ordinance (“HSO” or the “Ordinance”) to allow residents to offer their primary residences for true home-sharing while protecting Los Angeles’ long-term housing stock from conversion into tourist accommodations offered by investors and commercial operators. The HSO regulates short-term rental (“STR”) activity by limiting which types of housing can be utilized as STRs, requiring registration by hosts and data reporting by platforms, and providing for enforcement measures.<sup>1</sup> The HSO tasks the Los Angeles Department of City Planning (“Planning” or “DCP”) with the primary responsibility for administration and enforcement of the HSO.<sup>2</sup> Enforcement of the Ordinance began in November of 2019.



Three years later, there remains an extraordinarily high rate of non-compliance by hosts and platforms. In the past year, an average of 4,272 STRs were advertised for rent each month, and, according to the City's own data, more than half (50.27%) failed to comply with the HSO. The City exerted little effort to enforce the Ordinance, issuing only 27 fines and collecting a mere \$9,827 for the entire year.

Based on BNLA's research and data analysis, the high level of illegal STR activity in LA is largely the result of the City's failure to fully utilize certain enforcement measures provided by the HSO and to take additional enforcement measures the HSO allows against both platforms and hosts.

This report provides an overview of the HSO enforcement in the past year and includes an analysis of common HSO violations and gaps in HSO enforcement. It concludes with BNLA's recommendations of immediate steps available to the City to ameliorate enforcement and ways the City can close gaps in the HSO.





## Recommendations

### Data Collection and Utilization

Despite the HSO's monthly data reporting requirements, few platforms submit data to the City, preventing the enforcement of entire provisions of the HSO. The City itself has admitted that access to platform data is essential to HSO enforcement. Thus, the City must hold platforms accountable for submitting monthly data as required by the HSO, while also properly utilizing the data to which they already have access.

### Investigation of Complaints

The Department of City Planning offers a 24/7 Complaint Line to receive complaints of illegal STR activity; yet, it has not conducted investigations of many of the complaints it has received. The City should ensure that all complaints received regarding violations of the HSO are investigated, and that appropriate enforcement measures are taken.

### Staffing for Enforcement

The Department of City Planning has a Home-Sharing Unit that, despite its name, does not exclusively administer and enforce the HSO. The Housing Department and Department of Building and Safety are also tasked with HSO enforcement, in collaboration with Planning. Our experience and analysis of enforcement of the HSO indicates that the interdepartmental coordination currently taking place to carry out HSO enforcement is inadequate. The Planning Department should ensure there is one unit director and staff team dedicated to HSO oversight and enforcement to prevent confusion over roles.

### Enforcement Through Fines

The HSO provides for the imposition of fines for violations of the Ordinance. The City's data show that it has issued very few fines despite tens of thousands of violations. The City should direct Planning to issue a fine every time it is warranted and implement a more robust structure for the administration and collection of fines.

### Make STR Information for Properties Publicly Available

The City should make available to members of the public basic information for each property registered under the HSO. This information would increase transparency and facilitate reports of unregistered or illegal STR operations.

### Enhancement of the Primary Residence Verification Process

Enforcement of the HSO's primary residence requirement is crucial to preventing illegal STR activity in Los Angeles. BNLA's data analysis indicates that hosts have been able to circumvent this regulation based on the current verification process used by Planning. The Planning Department should use a tax roll check and require submission of a state-issued ID with an address matching the location of the home-sharing property to prevent hosts from illegally listing non-primary residences.





## Proposed Ordinance Improvements:

### **Permit a Private Right of Action:**

The limited enforcement of the HSO by the City over the last three years indicates that, at a minimum, the City is either unable or unwilling to expend the resources necessary to adequately address the large number of violations. A private right of action that expressly permits private individuals to seek recourse and pursue legal action against both platforms and hosts would allow those adversely impacted by STRs get relief.

### **Require All Platforms to Submit Monthly Live Data:**

The failure of almost all platforms to submit the monthly data mandated by the HSO prevents effective enforcement. The Los Angeles STR market is made up of over 60 different short-term rental platforms. Yet, the only platform that regularly shares data with the City is Airbnb, which shares live data through the City's Application Programming Interface ("API") pursuant to a platform agreement. A compulsory API system would alleviate these problems.



## Increased Roles of City Officials:

### **City Attorney:**

The HSO authorizes the City Attorney to issue citations and impose fines on both hosts and platforms in violation of the Ordinance and to also pursue any other criminal, civil or legal remedy established by law to address violations. In the past year, the City Attorney initiated its first HSO lawsuit against Vrbo. This lawsuit represents the most significant HSO enforcement action since the City started enforcement in 2019. There are several other platforms that similarly violate the HSO, warranting legal action. The City Attorney can demand that platforms provide the information required by the HSO and identify instances of egregious and/or repeat violations and initiate legal action.

### **City Controller:**

The City Controller should conduct a performance audit on the Department of City Planning and all other City departments with roles in enforcement of the HSO to ensure that they are adequately fulfilling their duties.



## Introduction

The large-scale conversion of housing units to commercial STRs has resulted in a reduction in housing supply and an increase in rent across the world.<sup>3</sup> In a recent study, McGill University Professor David Wachsmuth examined the effect of STRs on housing affordability in Los Angeles and estimates that from 2015 to 2022, STRs were responsible for a 2.4% increase in the average monthly rent.<sup>4</sup> He found that the average renter household in Los Angeles pays an extra \$810 per year because of the impact of STRs on the housing market.<sup>5</sup> This impact may well intensify in the coming years as COVID-19 tenant protections that regulate rent increases and evictions sunset.

Moreover, STRs have an impact on the hotel industry and the quantity and quality of hotel jobs. Wachsmuth estimates that since 2017, short-term rentals could be expected to have reduced permanent employment in the hotel sector by more than 400 jobs. Wachsmuth also estimates the entry of STR platforms could similarly have reduced annual wages in the hotel sector by between \$400 and \$1,300 per worker.<sup>6</sup>

Residents around the world have also reported the negative impact short-term rentals have on their local communities, often raising safety concerns.<sup>7</sup> Residents often feel unsafe knowing that their neighbor's home has become a revolving door for strangers. In addition to safety concerns, residents of Los Angeles have had their lives disrupted by the nuisance and inconvenience that short-term rentals inflict on a community. According to City data, the City's 24/7 Complaint Line received 236 phone calls from neighbors reporting nuisance activity at STRs in the past year. The most commonly reported issues are illegal rentals, guests taking up parking, improper trash disposal, noise, and parties. These complaints reflect that, on a micro level, STRs are affecting the ways in which individuals interact in their communities. By extension, on a macro level, the large-scale conversion of housing to STRs will likely impact entire communities by reducing the number of children enrolled in schools and participation in community and other local organizations.

Finally, the dominance of commercial STR operators and evidence of digital discrimination raises concerns about the impact of STRs on low-income and minority households. A recent study found that most of STR profit goes to 10% of hosts who have multiple listings, and not individuals engaged in traditional home-sharing.<sup>8</sup> Furthermore, digital discrimination on short-term rental platforms causes racial minority hosts to earn significantly less than white hosts.<sup>9</sup> A recent study revealed Black or Latino/Hispanic Airbnb hosts have fewer reviews than hosts perceived to be white.<sup>10</sup> Since individuals that receive more reviews have higher booking rates, it can be inferred that minority hosts experience lower booking rates.<sup>11</sup> Thus, the STR industry is plagued with the same systemic issues that prevent low-income and minority individuals from making equal profits in other industries.



## The Economic Impacts of Short-Term Rentals in the City of Los Angeles (October 2022 Report)

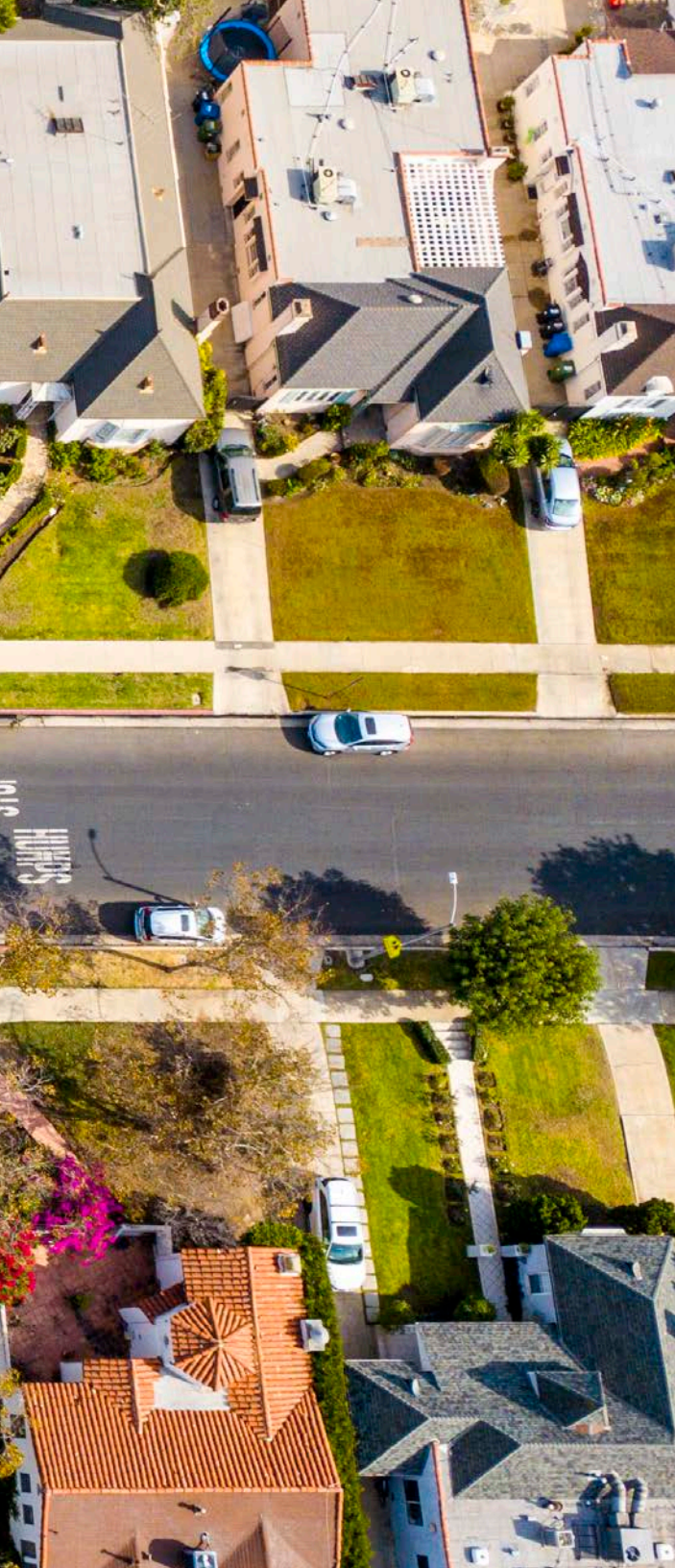
In October 2022, McGill University Professor David Wachsmuth released a report examining the economic impacts of short-term rentals in the City of Los Angeles. Wachsmuth has published several widely-cited studies on the adverse effects of short-term rentals. Professor Wachsmuth's key findings on the Los Angeles housing market include:

- Commercial STRs have removed 2,500 homes from the long-term rental market in Los Angeles.
- STRs have raised rent an average of \$810 per year for each rental unit in the City since 2015.
- STRs are responsible for more than 5,000 extra people experiencing homelessness each night in Los Angeles. It would cost \$1.3 billion to build enough supportive housing to accommodate them, and then \$163 million each year to operate the housing.
- Hosting short-term rentals enriches a small number of commercial operators with just 10% of hosts earning more than half (53.8%) of all STR host revenue.

Professor Wachsmuth found that given the extent of non-compliance in Los Angeles, there is a vast amount of potential revenue in fines that the City is failing to collect. Specifically, he found:

- The City has lost up to \$302.2 million in unassessed HSO fines in the last year.
- STR hosts may have failed to pay up to \$14.2 million in Transient Occupancy Tax to the City last year.
- STR hosts in Los Angeles may have failed to pay up to \$110.8 million in state and federal income taxes last year.

Wachsmuth also determined the likely impact of short-term rentals on hospitality jobs to be as significant as the loss of 400 jobs and the annual reduction of \$400 to \$1300 in wages for each worker.



## The Home-Sharing Ordinance Explained

In 2018, local policymakers in Los Angeles faced the challenge of considering the views of both STR critics and proponents and developing a policy that prioritized the welfare of the public. Ultimately, the City developed the Home-Sharing Ordinance, which attempts to balance the loss of affordable housing and increase of nuisance activity with the purported economic opportunity made available to individuals by the STR industry.

The Los Angeles City Council adopted the Home-Sharing Ordinance (“HSO” or the “Ordinance”), Ordinance No. 185931, in December 2018. The HSO regulates any housing unit “rented... for transient use of 30 consecutive days or less.”<sup>12</sup> The HSO defines short-term rentals, outlines requirements for registration, and enumerates property types prohibited from STR use. Additionally, the HSO outlines compliance guidelines for both hosts and platforms and authorizes enforcement actions to address noncompliance. Ultimately, these requirements of the Ordinance are intended to prevent the conversion of long-term housing into STRs and mitigate the negative impacts of STRs on communities.

The HSO includes four key components that regulate STRs:

- The host must register annually with the City Planning Department and pay an annual fee of \$183. If the unit and host meet all of the requirements, then Planning will issue a unique registration number for the host to rent the unit.
- The unit must be the host’s primary residence in which the host resides for more than six months of the calendar year. Because a host can only have one primary residence, a host can only rent out one housing unit on a short-term basis.
- The unit may not be rented for more than 120 days a calendar year without an Extended Home Sharing (EHS) permit. Hosts with an EHS permit must pay an additional fee of \$982 and may rent the unit out for up to 365 nights. The unit must still be the host’s primary residence. This requires the host to reside in the unit at least 183 days during the year.
- Platforms are prohibited from processing transactions for non-compliant STRs and are required to share basic information on bookings with Planning.

In addition, the HSO identifies several categories of units as categorically ineligible for rental on a short-term basis:

- Units subject to the Rent Stabilization Ordinance (“RSO” or “rent-controlled”);
- Units that have been removed from the long-term market under the Ellis Act;
- Units that fall under affordable housing covenants, and
- Accessory dwelling units (“ADUs”) built after 2016.

Excluded from HSO regulation are the following: city-approved hotels, motels, Transient Occupancy Residential Structures (“TORS”), and bed and breakfasts.

The HSO also regulates platforms, such as Airbnb and Vrbo. It defines a platform as “a Person that participates in Short-Term Rental business by collecting or receiving a fee, directly or indirectly through an agent or intermediary, for conducting a Booking Service transaction using any medium of facilitation.”<sup>13</sup> Platforms are subject to the following requirements:

- Every online listing or advertisement must “clearly list” the registration number; and
- Platforms are prohibited from processing transactions for non-compliant STRs.

The HSO requires platforms to submit monthly data reports to the City with the following information:

- The Home-Sharing registration number of each listing;
- The name of the person responsible for each listing;
- The street address of each listing; and
- Each booking on the platform that has occurred within the monthly reporting period.

Platforms have the option to enter into a platform agreement with the City, which involves the use of an Application Programming Interface (“API”) to connect the Department of City Planning’s computer system and the platform’s computer system. This process is facilitated by contractor Granicus.<sup>14</sup> Granicus compiles data directly reported by Airbnb, and scrapes data from the 60 + platforms that do not have a platform agreement. Each month, Granicus reports to Planning the total number of STR listings it has found, their compliance status, and the number of associated addresses.<sup>15</sup> The terms of a platform agreement, which require approval by the City Council, establish the way a platform will support the City’s enforcement. The platform is then exempt from complying with the platform responsibilities set forth in the HSO, such as submitting monthly data reports to the City and being liable for processing booking transactions for non-compliant listings. *Airbnb is the only platform that has entered into such an agreement.*

The HSO authorizes the following enforcement actions by City officials and departments:

- The issuance of administrative citations and imposition of fines on both hosts and platforms pursuant to the City’s Administrative Citation Enforcement (ACE) program, which the Department of City Planning, the City Attorney’s office, the Los Angeles Housing Department (“LAHD”), and the Los Angeles Department of Building and Safety (“LADBS”) may all use to enforce the HSO. The circumstances warranting fines include:<sup>16</sup>
  - Hosts advertising a short-term rental without a valid home-sharing registration number can be fined \$572 per day.
  - Hosts who exceed the 120-day limit with an Extended Registration can be fined \$2,290 for each night over the 120-day limit;
  - Platforms which process a booking service transaction for listings which do not have a valid registration or have exceeded the 120-day limit can be fined \$1,145 per day.
  - The HSO requires fine amounts to be updated annually from the effective date of the ordinance according to the Consumer Price Index.
- Planning may, at any time, require the modification, discontinuance, or revocation of any home-sharing registration.

## Short-Term Rental Activity Increased over the Past 12 Months

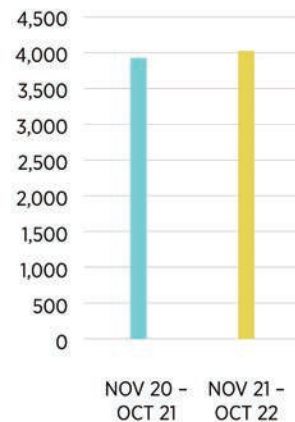
Several sources of data show that the STR market in Los Angeles experienced growth in the past year. The City's contractor, Granicus, scrapes data from numerous platforms, and found that number of STR listings increased 5% in past year, from 4,502 listings on average each month to 4,712 listings. AirDNA, a consulting firm, collects data through frequent web scrapes of Airbnb and Vrbo, similarly found that the number of listings increased by 4.2% in past year, from 5,284 listings on average in each quarter to 5,504 listings. While these data sources provide some insight into the size of the Los Angeles STR market, the market is comprised of dozens of STR platforms and therefore is difficult to accurately quantify in its entirety.

The data available for Airbnb is more reliable and robust compared to data available for other platforms. As a result, BNLA was able to utilize data from Airbnb to determine, the STR market in Los Angeles experienced growth in the past year, not only in the number of listings, but also in the number of nights occupied, and the amount of revenue generated.

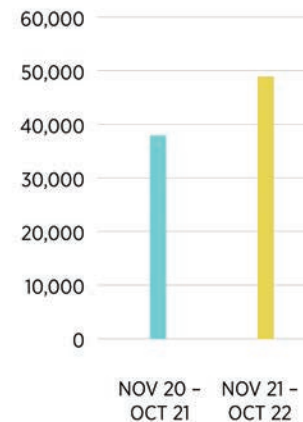
### Monthly Averages: Airbnb listings, Occupancy, and Revenue

	Nov. 2020-Oct. 2021	Nov. 2021-Oct. 2022	Percent Change
<b>Listings</b>	3,892 listings	4,013 listings	3% increase
<b>Nights Occupied</b>	38,496 nights	49,504 nights	28.5% increase
<b>Revenue</b>	\$8,954,782	\$13,847,897	54.5% increase

#### LISTINGS



#### OCCUPANCY



#### REVENUE



## A High Rate of Non-Compliance is Found Across Each of the Data Sets

BNLA then turned to evaluate the rate of compliance of STRs listed on Airbnb as well as the other platforms. To do so, we looked at the Airbnb data from Inside Airbnb, an activist project that makes Airbnb data available for researchers, as well as the data from all platforms gathered by Granicus on behalf of the City. The data shows that the growth in the STR market in Los Angeles has been accompanied by an increase in non-compliance with the HSO.

The City's contractor, Granicus, scraped listings from dozens of platforms, including Airbnb, and found the average monthly number of non-compliant listings to have increased from 1,932 to 2,219 non-compliant listings, a 14% increase over the prior year. The rate of non-compliance is certainly higher as many hosts utilize tactics that prevent Granicus from identifying their listings, such as misrepresenting the location of their STR or disguising their short-term rental as a long-term rental.

By comparing data from Airbnb and registration data received by Planning, BNLA determined that in an average month 34% (1,369 of 4,013) of the Airbnb listings failed to comply with the HSO. (See full methodology in Appendix I.) To determine if a short-term listing was compliant with the HSO, we examined several factors. Listings that displayed valid registration numbers, and listings that validly claimed the hotel-motel exemption or transient occupancy residential structure exemption were coded as "valid." 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."

Those numbers are set forth in the table below:

**Los Angeles Airbnb Short-Term Rental Activity,  
Nov. 1, 2021 – Oct. 31, 2022**  
(Sorted by Compliance)

<b>Category</b>	<b>Avg. Month Count</b>		<b>Avg. Month - Nights Occupied</b>		<b>Avg. Month - Revenue</b>	
<b>Compliant</b>	2,644	65.89%	38,263	77.29%	\$11,152,300.04	80.53%
<b>Non-compliant</b>	1,369	34.11%	11,241	22.71%	\$2,695,597.17	19.47%
<b>Total</b>	<b>4,013</b>	<b>100%</b>	<b>49,504</b>	<b>100%</b>	<b>\$13,847,897.21</b>	<b>100%</b>



Because there are many HSO violations to be found outside of Airbnb’s short-term listings, we then looked at the long-term listings on Airbnb. These listings reflect a similar violation rate. We identified a monthly average of 14,689 listings with a nightly minimum of 31 nights, otherwise known as long-term rentals (“LTR”) listings. We found 28% (4,093 of 14,689) of the Airbnb long-term rental listings exhibited evidence of short-term rental activity. Hosts commonly disguise short-term rentals as long-term rental listings to evade the HSO. Therefore, BNLA coded these listings as likely non-compliant.

**Los Angeles Airbnb Average Monthly Short-Term Rental Activity,  
Nov. 1, 2021 – Oct. 31, 2022**

<b>Compliance</b>	<b>Category</b>	<b>Listings</b>		<b>Occupancy</b>		<b>Revenue</b>	
<b>Compliant</b>	<b>STR - Valid registration</b>	2,625	32.38%	38,138	63.21%	\$11,115,577.92	69%
	<b>STR - Exempt (hot-mot)</b>	2	0.02%	19	0.03%	\$3,455.50	0.02%
	<b>STR - Exempt (TORS)</b>	17	0.22%	106	0.175%	\$33,266.63	0.21%
<b>Non-compliant</b>	<b>STR - Exempt (TORS)</b>	17	0.22%	106	0.175%	\$33,266.62	.20%
	<b>STR - Exempt (B&amp;B)</b>	19	0.23%	75	0.12%	\$12,209.00	0.08%
	<b>STR - Duplicate registration</b>	501	6.18%	3,118	5.17%	\$848,373.42	5.27%
	<b>STR - No Registration</b>	733	9.04%	6,753	11.11%	\$1,413,747.83	8.77%
	<b>STR - Expired registration</b>	77	0.95%	1,044	1.73%	\$355,046.42	2.20%
	<b>STR - Fake registration</b>	22	0.27%	145	0.24%	\$32,953.88	0.20%
<b>Likely Non-compliant</b>	<b>LTR - Possible STR Intent</b>	4,093	50.49%	10,884	18.04%	\$2,264,012.67	14.05%
	<b>Total</b>	<b>8,106</b>	<b>100%</b>	<b>60,388</b>	<b>100%</b>	<b>\$16,111,909.89</b>	<b>100%</b>

In the table below we combine the number of non-compliant short-term rentals and the number of long-term rentals that are likely posing as short-term rentals in order to avoid detection by the City.

**Los Angeles Airbnb Short-Term Rental and Suspect Long-Term Rental Activity,  
Nov. 1, 2021 – Oct. 31, 2022  
(Sorted by Compliance)**

<b>Category</b>	<b>Avg. Month - Count</b>		<b>Avg. Month - Nights Occupied</b>		<b>Avg. Month - Revenue</b>	
<b>Compliant</b>	2,644	32.62%	38,263	63.36%	\$11,152,300.04	69.22%
<b>Non-compliant</b>	1,369	16.89%	11,241	18.61%	\$2,695,597.17	16.73%
<b>Likely Non-compliant**</b>	4,093	50.49%	10,884	18.02%	\$2,264,012.67	14.05%
<b>Total</b>	<b>8,106</b>	<b>100%</b>	<b>60,388</b>	<b>100%</b>	<b>\$16,111,909.89</b>	<b>100%</b>

\*\*Long-term rental disguised as STR

This extraordinary level of non-compliant listings demonstrates the need for the City to finally take strong enforcement measures to deter hosts, landlords, and speculators from exploiting LA's limited housing stock for their own financial gain.

## The City Has Refused to Take Steps to Enforce the Ordinance

The City's currently available enforcement tools include the issuance of warning letters and fines through the City's ACE Citation Program. For each non-compliant listing, the City may impose a daily fine on a host of \$572 or two times the nightly rate charged, whichever is greater. Where a host exceeds the 120-day cap, the City may impose a daily fine of \$2,290 or two times the nightly rate, whichever is greater. The City may also impose a daily fine against a platform of \$1,145 for each transaction of a non-compliant listing.<sup>17</sup>

The City issued 2,256 new HSO registrations in the past year, a 14% increase from the previous year. Of these 2,256 registrations, 88% were regular registrations and 12% were extended registrations.

While the City increased its issuance of home-sharing registrations in the past year, the department drastically decreased its issuance of warning letters and citations compared to the previous year. This decline is especially concerning when considering that the City's enforcement in the previous year was already inadequate. Granicus identified over 25,000 non-compliant listings in the past year. Each of these listings could represent several HSO violations. All available data leads to one conclusion: the City is only enforcing a very small proportion of HSO violations.

### The City's Enforcement Activity (Nov.2020-Oct.2021 vs. Nov.2021-Oct.2022)<sup>18</sup>

	<b>Nov 1, 2020 - October 31, 2021</b>	<b>November 1, 2021 - October 21, 2022</b>	<b>Percent change</b>
<b>Warning Letter</b>	1,653	748	54% decrease
<b>Fine</b>	184	27	85% decrease
<b>Non-compliant listings identified by Granicus</b>	21,264 (1,772 monthly average)	26,633 (2,219 monthly average)	25% increase

The mismatch between the increase in non-compliance and the decrease in the City's enforcement indicates that enforcement needs to be improved to better meet the HSO's goals. In the following sections, we identify the most common HSO violations that the City has consistently failed to enforce.



## Common Ways Hosts and Platforms Violate the Ordinance

Data gathered by BNLA reflect many of the tactics used by hosts to circumvent home-sharing regulations. These tactics include: the failure to obtain a registration number, the use of fake registration numbers, hosts disguising STRs as LTRs, hosts falsely claiming their STR is their primary residence, and hosts falsely advertising a STR's location as outside of Los Angeles to avoid regulation.

### Hundreds of Listings Do Not Include a Valid Registration Number

The HSO requires that all STR postings or advertisements display a current registration number. This rule was intended to allow easy identification of non-compliant properties for enforcement purposes. Since its enactment, however, the City has unilaterally failed to enforce this basic requirement. Indeed, BNLA has found hundreds of listings across many platforms that do not display a valid registration number. Our review of Airbnb data between November 1, 2021- October 31, 2022, found a monthly average of 733 active short-term rental listings in the City of Los Angeles that failed to include a registration number. Other platforms that do not have a platform agreement with the City, show an even higher amount of listings without registration numbers.

### Use of Expired or Fake Registration Numbers

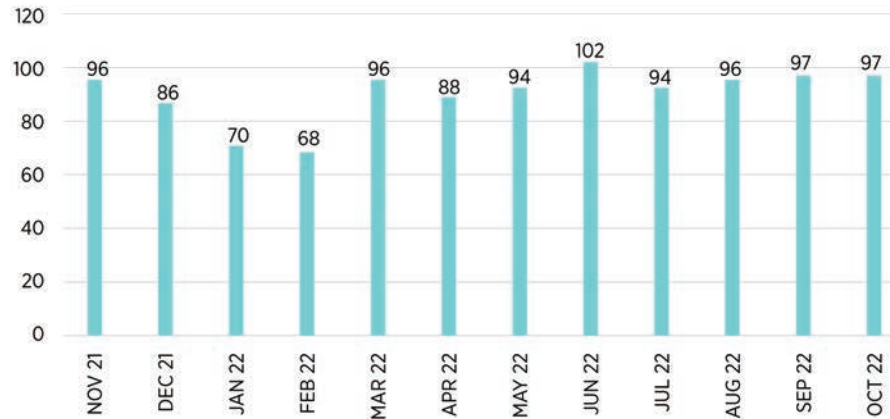
The HSO requires hosts to renew their registration each year by paying a \$183 renewal fee. Additionally, hosts are only permitted to use their registration at the property designated in their application. Despite these regulations, most, if not all, platforms tolerate the use of expired registration numbers or the use of one registration number for multiple properties. In some cases, the registration number is entirely fabricated and was never issued by Planning. Of STR listings that displayed registration numbers on Airbnb, approximately 600 listings, or 15%, were fake, duplicate, or expired on average each month in the past year. Other platforms tolerate expired or fake registration numbers at similar or even higher rates.

## Hosts often Disguise Short-Term Rentals as Long-Term Rentals

Rentals with a duration of at least 31 days are not subject to the Home-Sharing Ordinance and do not require home-sharing registration. Many short-term rental platforms advertise both short-term rentals as well as unregulated long-term rentals for stays of 31 days or longer. To evade the HSO, many unscrupulous hosts advertise their listings as long-term rentals, and simply convert their listings to short-term rentals at the request of a prospective guest. Hosts may do this by briefly toggling minimum night settings (for the few minutes required to book a reservation), directing guests to a platform without an API agreement, or by making “off-platform” reservations directly with a guest.

Evidence of disguised short-term rentals can be found in the Airbnb’s guest review data. An Airbnb stay can result in, at most, one review, and not all stays yield a review. In any given month, a short-term rental listing could have as many as 31 reviews, depending on the number of stays and the length of stays. By definition, however, a long-term rental listing is for at least a month; therefore, in any given 31-day period, a long-term rental could receive, at most, one review. As shown in the graph below, there are dozens of listings for long-term rentals on Airbnb that received more than one review within 31 days.

**LTR LISTINGS WITH 2+ REVIEWS WITHIN 30 DAYS**



Evidence can also be found in complaints to BNLA's short-term rental hotline. Numerous neighbors have reported short-term rental guests frequently coming and going from properties in their neighborhoods. Yet, when BNLA investigated the complaints, we could only locate long-term rental listings associated with the properties in question.

BNLA looked into this tactic by messaging a host that advertised a long-term rental on Airbnb that received reviews that indicated the rental could be rented for less than thirty days. Below is correspondence between a BNLA researcher and the host.

Oct 21, 2021



Your inquiry for 1 guest on Nov 24-Dec 24 has been sent. [Show listing](#)



**Allison** 5:04 PM

Hi Madison! I'm planning a trip to LA and love your place, is there any chance that you would take a rental for less than 30 days?

Oct 22, 2021



**Madison** 5:04 PM

Hello and thank you for your inquiry. Unfortunately, AirBnb has restricted many accounts to 30 day minimum reservations because of new regulations passed by the city of Los Angeles.

However, you can find my listing on:

V  
R  
B  
O

As the correspondence indicates, the host directs guests to Vrbo, a platform that does not have an agreement with the City, in order to illegally book their unit as a STR. Because of the scale of the problem, and because of the egregious nature of this behavior, the City must put in place a mechanism to address the problem of disguised short-term rentals.

## Hosts Falsely Claim the Unit is Their Primary Residence

The HSO only permits home-sharing of a host's "primary residence," to prevent the wholesale conversion of long-term residential properties into short-term rentals. In order to register a property other than their home, hosts often falsely claim in their application that a rental unit is their primary residence. This problem is well known to the City, as they have received several tips on their 24/7 Complaint Line about primary residence violations.

To gain insight into the prevalence of this issue amongst HSO registrants, BNLA examined the Los Angeles County Tax Roll. In California, individuals who own a property and use it as their primary place of residence are eligible to receive a homeowner's tax exemption of \$7000, which reduces the annual property tax. Individuals are only eligible to receive this exemption for their principal residence. Because tax fraud has larger consequences than falsifying an application for a home-sharing registration, whether the short-term rental property has been designated as the host's primary property on the tax roll serves as a reliable indicator to determine whether a property is the host's primary residence.<sup>19</sup>

Out of the 3,045 hosts with current HSO registrations in June 2022, only 1504 registrants (49.4%) claimed the homeowner's exemption, while 1541 registrants (50.6%) did not.<sup>20</sup> Out of the hosts that did not claim the homeowner's exemption at their property, BNLA identified 68 hosts who owned a separate property in Los Angeles at which **they did claim the homeowner's exemption**. Therefore, these 68 hosts either falsified their taxes or their home-sharing applications.

It is also likely that many of the remaining 1541 registrants who did not obtain a homeowner's exemption misrepresented their primary residence to obtain their registration. The homeowner's exemption benefits any homeowner who can lawfully claim the home as their primary residence and is simple to claim. Accordingly, it is highly unlikely that over 50% of the short-term rental hosts in Los Angeles are qualified to claim the exemption and yet have failed to do so. The more likely explanation is that many of these 1541 hosts are not entitled to the exemption because their rental listing is not their primary residence. As set forth below in the recommendations, this is a simple loophole that can be fixed by requiring a review of the tax rolls as part of the primary residence verification process to ensure that the exemption has been claimed before issuing a registration number and insisting on the presentation of a valid state issued ID which lists the property address.



Advertised location of property in West Hollywood

True location of property in the city of Los Angeles

## Hosts Misrepresent the Rental Unit's Location

The Department of City Planning only monitors short-term rental listings within the City of Los Angeles. To avoid oversight, many hosts falsely advertise that their properties are in municipalities that *neighbor* the city of Los Angeles, such as West Hollywood, Glendale, and Marina Del Rey. Once a guest reserves the property, the host sends the guest the true address of the listing.

Below is correspondence between a BNLA researcher and a host reflecting this tactic. The host advertised his STR's location as being in West Hollywood. After booking the listing, the host disclosed the listing's true location in the City of Los Angeles.

Aug 12, 2022

To protect your payment, always communicate and pay through the Airbnb website or app.

**Nancy** 11:14 AM  
Travelling for leisure; hope to check in by mid-day

Your reservation is confirmed for 2 guests on Sep 4-8. [Show reservation](#)

**James** 11:14 AM  
Welcome Nancy!

ADDRESS: Please do not arrive to the address in Airbnb email or app. It only shows general area. Exact address for your listing is 400 Hauser Blvd, Los Angeles CA 90036.

BNLA became privy to this tactic after receiving several hotline complaints from residents reporting hosts engaging in this scheme. To gauge how widespread the tactic was amongst hosts, Better Neighbors Los Angeles conducted an analysis of short-term rental listings in the border regions of West Hollywood. After manually inspecting 133 short-term rental listings, BNLA determined that **52%** of the listings utilized this tactic. BNLA also determined through this analysis that hosts often use this tactic to advertise rent-stabilized properties that are categorically prohibited from being rented out as short-term rentals.

The map on this page shows the location of an Airbnb that was advertised as being in West Hollywood when its true location was at the Park La Brea complex, a rent-stabilized building, in the City of Los Angeles. Under the HSO, rent-stabilized units are categorically prohibited from being rented out as STRs.

BNLA reserved the unit featured in the map to gain insight into the inner workings of this tactic. KNBC covered BNLA's stay at the unit to expose the tactic and inform individuals how to identify listings engaged in this practice. Since the piece was aired, BNLA has reported several other listings using this tactic to the City that have not been de-listed.



## **Additional Gaps in HSO Enforcement**

### **The City Fails to Gather the Data Necessary for Enforcement**

To ensure compliance, the HSO requires platforms to provide the following data to the City each month:

- Registration number of each listing;
- Name of the person responsible for each listing;
- Street address of each listing; and
- All bookings that occurred within the reporting period.<sup>21</sup>

The City has admitted that few platforms submit this data and, as a result, it is unable to enforce entire provisions of the HSO. The only platform that regularly shares data is Airbnb. As a part of its platform agreement with the City, Airbnb shares live data directly to the City's computer system through the API. The City has failed to take any measures to ensure compliance by other platforms with the reporting requirements; as a result, platforms flaunt their obligations without penalty.

### **The City Fails to Utilize Data Obtained by its Contractor Granicus**

Despite platforms' blatant refusal to comply with the HSO's data reporting requirements, the City is able to obtain some information about compliance of these platforms' listings from its contractor, Granicus. Granicus monitors listings across 60 different platforms. Each month, Granicus sends the City a report that includes:

- Each listing the software identified;
- The compliance breakdown amongst the non-compliant listings;
- The number of addresses identified associated with the listings; and
- URL links to non-compliant listings.

Over the past year, Granicus found a monthly average of 2,228 non-compliant listings. Yet, the City has only initiated, on average, 64 enforcement actions (fines and warning letters) against hosts per month. As a result of the City's underutilization of its data, non-compliant hosts continue to operate with impunity.

## The City Fails to Enforce Against Platforms

In addition to failing to enforce the HSO against hosts, the City has failed to enforce against platforms. The City's contractor, Granicus, regularly flags non-compliant listings for platforms, but even after being put on notice, platforms rarely remove the offending listings.

The data bears this out:

In July 2022, Granicus found 3,041 non-compliant listings with 263 of these advertised on Mister B&B, Homestay, Luxury Home Rental, Bud and Breakfast, Hip Camp, Home Escape, Kind and Coe, Rent Like a Champ, Go Elite Travels, Guesty, and Tripz. More than 100 days later, 225 of those listings (85%) were still active and 184 (70%) were still non-compliant. The data makes clear that the platforms cannot be trusted to address the non-compliance and that the City must do so instead. Despite the abundance of data that shows platforms operating in violation of the HSO, the City has rarely held platforms accountable. To date, only one platform, Vrbo, has agreed to pay a fine for its repeated violations of the Ordinance.

The following chart shows the total amount of fines that the City could have levied against non-compliant platforms for processing *just one* booking for each non-compliant listing that Granicus identified in July 2022. This data does not capture all the non-compliant listings on each platform, as Granicus does not identify all HSO violations. For instance, Vrbo advertises over 6,000 listings in Los Angeles. BNLA's manual inspection of listings on Vrbo suggests that there are far more than 194 non-compliant listings. Despite Granicus' undercounting of non-compliant listings, the City could use this data to start enforcing the HSO against platforms while also working with Granicus to improve data collection. If platforms faced large fines, they would make a better effort to comply with the HSO. As it stands, however, Planning's failure to enforce against platforms signals to platforms that they can continue to profit off of non-compliant listings without consequence.

## Fines that the City Could Have Assessed Against Platforms in July 2022:

Platforms	Number of non-compliant listings	Potential fines assessed for processing one booking
Hipcamp.com	1	\$1,145.14
Budandbreakfast.com	4	\$4,580.56
Kidandcoe.com	10	\$11,451.40
Homeescape.com	11	\$12,596.54
Goelitetravels.com	11	\$12,596.54
Tripz.com	14	\$16,031.96
Guestybookings.com	14	\$16,031.96
Homestay.com	58	\$66,418.12
LuxuryHomeRental.com	82	\$93,901.48
Misterbandb.com	104	\$119,094.56
Vrbo.com	194	\$222,157.16
Plumguide.com	211	\$241,624.54
Flipkey.com	386	\$442,024.04
Booking.com	420	\$480,958.80
AirBnb.com	1,521	\$1,741,757.94
<b>Total</b>	<b>3,041</b>	<b>\$3,482,370.74</b>

### The City Does Not Enforce the 120-Day Cap

The 120-day limit is a foundational part of the HSO intended to prevent the large-scale conversion of housing into STRs by prohibiting year-round listings. Lack of platform participation, however, eviscerates the City's ability to enforce the 120-day limit. The City concedes that few platforms submit booking reports and, as a consequence, the department does not issue citations for this violation.<sup>22</sup> Consequently, hundreds of hosts are able to violate this portion of the HSO without penalty.

Based on data from Inside Airbnb for September 2022, a BNLA analysis identified 483 listings (an increase of 41 listings as compared to September 2021) that appeared to have violated the 120-day cap in the previous 12 months (and that lacked the EHS permit).<sup>23</sup>

## Planning's 24/7 Complaint Line Goes Unanswered

The Home-Sharing Administrative Guidelines explain that “members of the public may call the Los Angeles Home-Sharing Hotline... to file any complaints about short-term rental activity.” Planning, however, addresses hotline calls complaining exclusively of nuisance activity, such as overcrowding or loud parties. Furthermore, the City only addresses such claims of nuisances occurring at registered STRs.

Planning's Home-Sharing Ordinance webpage describes the hotline operation as follows:

“...calls are attached to the property's rental record. If the address can be matched with a Home-Sharing registration, the complaint will be reported to the Host's emergency contact so they can address the problem with their guests. If the property is not registered, there is no emergency contact connected with the property to notify.”

In the last year, The City's hotline received 236 phone calls concerning 120 unique properties. Out of the 120 properties, only 46 (38%) were registered with the City. Given its policy of only following up on complaints that report nuisance at registered properties, 74 of the 120 properties reported (62%) were ignored by the City. This lack of investigation and follow-up on complaints unrelated to nuisance behavior not only constitutes a failure by the City to fulfill its duties under the HSO, but also represents a failure by public servants to respond to legitimate complaints from the public.

Furthermore, by failing to follow up on anything other than nuisance complaints at registered properties, the City is missing the opportunity to utilize a pre-existing department infrastructure to better enforce the HSO. For example, the HSO categorically prohibits rent-stabilized properties and properties removed from the rental market under the Ellis Act from being rented out on a short-term basis. Yet, fifteen of the reported properties were either covered by the Los Angeles Rent Stabilization Ordinance or were Ellis Act properties. These violations of the HSO are easy to identify as they only require a review of public information available online.

If the City properly investigated hotline complaints, fewer hosts would be able to illegally remove affordable housing from the rental market. In addition, the City could generate additional self-funding revenue for further enforcement through fines. Home Sharing Ordinance enforcement, if done properly and thoroughly, would pay for itself in both fines and fees.

## The City Rarely Issues and Seldomly Collects Fines for HSO Violations

The HSO provides ample enforcement tools, namely giving LADBS, LAHD, and the City Attorney's office authority to levy fines through the City's Administrative Citation Enforcement (ACE) Program. In cases of extreme or repeat violations, the Director of Planning can suspend or revoke registrations. The City reports issuing the following fines for the time periods from October 2020 to November 2021 and October 2021 to November 2022:<sup>24</sup>

### Over the Past Year, the Issuance of Fines Has Decreased Significantly:

<b>Fine Amount</b>	<b>Fines issued between Oct 2020-Nov 2021</b>	<b>Fines issued between Oct 2021-Nov 2022</b>
<b>\$500</b>	184	12
<b>\$527.28</b>	0	8
<b>\$5,000</b>	0	2
<b>\$5,272.80</b>	0	3
<b>\$10,545.60</b>	0	2
	184 properties, \$92,000	27 properties, \$57,127.84

As reflected here, the City reduced its issuance of fines by 85%; from 184 fines last year to only 27 fines issued this year. According to data from Granicus, the level of non-compliant listings, however, has increased by 21% this year; this data indicates that this drastic decrease in enforcement cannot be explained by an increase in STR compliance.

Despite the reduction in the issuance of fines and warning letters, the City still clearly favors the issuance of warning letters over fines. Warning letters comprised nearly 96% of the enforcement actions taken by the City this year, while fines made up about 4%. Given that monetary fines are a stronger deterrent than warnings, the issuance of multiple warning letters instead of citations draws out the process, makes enforcement less efficient, and wastes precious resources that could be targeted elsewhere.

Furthermore, City data indicates that in the past year, though it issued \$57,127.84 in fines to hosts, only \$9,827.36 has been paid. Five hundred dollars (\$500) in fines have been dismissed, and \$46,800.48 are outstanding. Altogether, the City's reluctance to issue and compel hosts to pay their fines signals to non-compliant hosts that they can operate without consequence. In the meantime, the City loses out on money that could be used to fund stronger enforcement of the HSO.

## The City Underutilizes Daily Fines

One modest improvement in enforcement in the past year is the utilization of daily fines, which the HSO allows enforcement agencies to issue. For example, a host advertising a non-compliant listing for six months could be fined \$104,104 ( $\$572/\text{day} \times 182 \text{ days}$ ). Prior to the summer of 2022, Planning had only ever issued a one-day fine ( $\$500-\$572$ ). In July 2022, the City utilized daily fines for the first time, issuing a fine of \$10,545.60 to a host who advertised two neighboring rent-stabilized duplexes (four units) located on Venezia Street in Venice (“the Venezia properties”) on Airbnb without a registration number.

While the fine issued in July 2022 is a step forward in the City’s utilization of daily fines, the amount issued was still far less than the amount authorized by the HSO. BNLA reported the Venezia properties on May 25, 2022. The City issued the fine on July 7, 2022, which indicates the four units were advertised on Airbnb for at least 45 days, though they had likely been operating for some amount of time prior to BNLA’s report. Therefore, the City should have issued a fine of at least \$102,960 ( $4 \text{ units} * 45 \text{ days} * \$572 = \$102,960$ ). Furthermore, the fine issued in July is still outstanding, and the host still has active listings for the properties that do not display registration numbers and, therefore, the listings should be accruing additional daily fines until they are removed or display a valid registration number. Overall, the City still has progress to make regarding the issuance and collection of daily fines.

## The City Has Failed to Fine Platforms

BNLA analyzed STR activity for April 2022 to estimate the enforcement revenue potentially available to the City. Granicus identified 2,030 non-compliant STR listings in April 2022. If each non-compliant listing was booked only for one night during the month, the City could have assessed \$2,030,000 in fines against the listings’ associated platforms. If each of these non-compliant listings were booked for the full month, the City could have assessed \$32,094,300 in fines. Thus, if the City utilized data in its possession, it could have assessed between \$2,030,000 to \$32,094,300 in fines—millions of dollars in revenue that could be used to fund HSO enforcement or be reallocated to programs to mitigate the housing and homelessness crisis.



## An HSO Evasion Case Study, Park La Brea:

Park La Brea (“PLB”) is a historic apartment complex located in Miracle Mile of Los Angeles. The complex is recognized as a model for affordable housing, as it is comprised of high-density, rent-stabilized units. Due to Park La Brea’s ideal location, proximity to The Grove and Los Angeles County Modern Art Museum, several leaseholders at the property recognized the potential to profit off the apartment complex by renting its units out as short-term rentals. This profit venture, however, is prohibited by the HSO as PLB’s rent-stabilized status precludes the complex’s units from being rented out as STRs. In addition, all PLB leases prohibit short-term rentals.

Despite the complex’s home-sharing ineligibility, hosts have engaged in a variety of evasion tactics to continue renting out these precious rent-stabilized units as STRs. BNLA has been working to mitigate the STR issue at Park La Brea for over a year. The variety of tactics utilized by hosts and the City’s lack of response to the issue is exemplary of the status of HSO enforcement at large.



### September 2021

BNLA receives hotline complaint from PLB resident.

### October 2021

After investigating the complaint and identifying both STRs and LTRs at PLB, BNLA compiled a report and sent it to the department of City Planning and the City Attorney.



*BNLA never received a response from Planning or City Attorney. No enforcement actions initiated against hosts associated with the listings.*

### March 2022

BNLA identifies a STR at PLB disguised as a LTR listing. BNLA books unit to gain definitive proof of illegal STR activity at PLB.



### April 2022

BNLA contacts management at PLB to inform them about STR booking ability to book a STR at complex. BNLA sends another letter to Planning on behalf of management at PLB, reporting the STR issue with updated inventory of STR listings at PLB.



### August 2022

BNLA starts to receive complaints about STR hosts misrepresenting the location of their properties as outside of Los Angeles city limits to evade the HSO. After minimal research, BNLA identified several STR listings at PLB that utilized this tactic.



### September 2022

BNLA booked a STR at PLB that was falsely advertised to be in West Hollywood in order to gain insight about the misrepresentation tactic. BNLA’s booking prompted KNBC to cover this issue.



## Recommendations

### Improved Data Collection and Utilization

The City must remove existing hurdles to its capacity to collect, analyze, and respond to data from platforms, including:

- **Hold Platforms Accountable for Failing to Report Monthly Data:** Since 2019, platforms have had the obligation to report monthly data, including listing and rental information. Despite this requirement, nearly every platform has refused to comply, and the City has failed to take any measures to respond. The City should identify each platform that has failed to provide data and impose a \$1,145 fine for each day of non-compliance. If the City were to do so publicly, it would serve as a significant deterrence to all non-compliant platforms.
- **Analyze and Respond to API information:** While the City does not receive the mandated data from most platforms, the City does receive data from Airbnb through the API system as part of their platform agreement. Listings on Airbnb represent 85% of LA's short-term rental market and include hundreds of non-compliant listings. The City should analyze this data and ensure that the proper taxes are collected, the annual rental limits are respected, and fines are imposed against non-compliant hosts swiftly and consistently and in meaningful amounts for each and every violation. The City should start by fining all hosts with listings that do not display a valid home-sharing license number.
- **Utilize City Contractor Granicus' Monthly Reports:** In addition to the data provided by Airbnb, on behalf of the City, Granicus collects data on thousands of unlawful STR listings. The City should immediately prioritize these listings for enforcement by issuing meaningful fines against both hosts and platforms.
- **Make STR Information Publicly Available:** The City's ZIMAS website allows online public access to information about properties throughout the City, including details on permitting and zoning applicable to each property, assessor information, administrative cases, and which housing laws are applicable. The City should make basic STR information publicly available for each registered property, including:
  - Whether the property is ineligible to be used as an STR;
  - Dates of registration;
  - Registration number; and
  - Information about any administrative cases or citations related to its operation as an STR.

Said information would be consistent with the property information which is already publicly available on the ZIMAS website. This information would also increase transparency for community members and facilitate reports of unregistered STR operations. Notably, members of the public and City Councilmembers have already made this recommendation to the City. In addition, the Mayor's Office should incorporate HSO registration and enforcement data into the Mayor's Open Data Portal.



### **Investigate All Public Complaints:**

Surrounding neighbors are often the most familiar with the operations of illegal STRs and can provide invaluable information to facilitate enforcement. Rather than solely targeting nuisance behavior at registered STR properties, this new infrastructure should investigate complaints of all subject matters at all properties, regardless of registration status. In addition to taking complaints via phone calls, the City should take complaints via email so that complainants can attach any evidence pertaining to their complaints. If the City can substantiate a complaint, they should issue a citation to the reported property. The City should collect data from public complaints to supplement the limited data provided by platforms.

### **Increased Staffing for Enforcement:**

The first step toward meaningful enforcement is increased staffing in the department responsible for enforcement, currently the Planning Department, though such dedicated resources in other departments (including Building and Safety, Housing, the City Attorney's office, and the Police Department) authorized to enforce the HSO, could also help.

Based on our experience interacting with Planning personnel, its Home-Sharing Unit does not exclusively administer and enforce the HSO. As part of its commitment to enforcement, the department should have a director and staff dedicated solely to HSO enforcement and staff of these various departments should adopt a coordinated and consistent response to all HSO violations.

### **The City Should Impose Maximum Fines on Non-Compliant Hosts and Platforms:**

The City should impose fines to encourage hosts and platforms to comply with the requirements of the Ordinance. It can do so in the following ways:

- **The City should impose a fine for each violation:** The City should cease to issue warning letters, instead citing on the first offense, then increasing fines for every day of non-compliance. During the appeal process, Planning should continue to levy fines to deter hosts from using the appeal process to operate illegally without consequences during that time.
- **The City should impose fines in meaningful amounts:** Fines must be high enough to create a real deterrent for illegal activity. Under the HSO, hosts can be fined \$572 or twice the listing's daily rate for each day of violation, though they are often only fined \$500-572 once for months or years of lawbreaking. Hosts should be fined to the full extent of the HSO to disincentivize future violations.

## Improve the Home-Sharing Registration Application:

Many of the HSO's guardrails to protect housing rely on ensuring that only hosts who are eligible to receive home-sharing registration are granted one. We recommend the adoption of the following protocols to strengthen the home-sharing registration application process:

- **Primary Residence Requirement:** The HSO's primary resident requirement is essential to preventing the wholesale conversion of housing into STRs. Though Planning enforces the primary residence requirement through a document verification process, BNLA's data analysis and public complaints suggest this process can be improved:
  - **For homeowners:** Rather than allowing registrants to pick which verification documents to submit, Planning should use the tax roll to verify that the registrant claimed the homeowner's tax exemption at the STR property, in addition to requiring the owner to submit a state-issued ID with an address that matches the location of the home-sharing property. This practice is similar to the City of Philadelphia's primary residence verification process.
  - **For tenants:** Planning should limit the documents used to verify primary residence to a tenant's state-issued ID with an address that matches the location of the home-sharing unit and an affidavit signed under penalty of perjury from the landlord verifying that the property is the tenant's primary residence with the landlord's contact information and signature. These documents would more accurately reflect an applicant's true primary residence than the other documents currently accepted by Planning to verify primary residences, such as insurance bills or paystubs issued in the last six months.
- **Private Right of Action:** The HSO is subject to enforcement by the Los Angeles City Attorney as well as the Planning Department, Department of Building and Safety, and Housing Department. LAMC 12.22 A 32(g)(2)-(4). The Planning Department, however, avers that it lacks the staff or technical capacity to monitor compliance fully. At the same time, surrounding neighbors struggle with the daily nuisance, crowding, and safety concerns posed by illegal STRs. Other laws are successfully enforced by via a private right of action that expressly authorizes neighbors suffering these impacts to pursue legal action against both platforms and hosts would help ameliorate STR's impact on communities. For example, neighboring properties could seek an injunction against the ongoing operation of illegal STRs and those causing nuisance.
- **Mandated API Participation:** The HSO requires platforms to provide the City with monthly reports of information to allow the City to monitor HSO compliance. See LAMC 12.22 A 32(f)(4). However, Airbnb is the only platform that shares live data through the City's Application Programming Interface ("API") to facilitate oversight. Dozens of other platforms evade regulation by refusing to share information about their operations, leaving the City without the information necessary to monitor compliance. As a result, the City is unable to detect violations across platforms. When all platforms are required to compile data into one system, the City will be better able to systemically monitor and enforce the number of nights a year an STR is rented and whether it is rented out for less than 31 days. A compulsory API system would allow the City to collect adequate data to enforce all violations across all platforms.

## Finally, the following are steps that other authorized departments may take to improve enforcement.

**Litigation to Compel Compliance:** The HSO provides for a range of enforcement options and remedies for the City's Attorney office. It is important that the City Attorney participates in HSO enforcement to create a threat of legal action against egregious violations, such as the prominent bait-and-switch tactic that affects guests and residents alike.

- The HSO authorizes the City Attorney to issue citations and impose fines to both hosts and platforms in violation of the Ordinance.<sup>25</sup>
- The HSO also expressly grants the City Attorney's office the authority to pursue "any criminal, civil or other legal remedy established by law...to address violations."<sup>26</sup> For example, an appropriate means of enforcement would be to seek injunctive relief for violations of the HSO under the Unfair Competition Law ("UCL"), Business and Professions Code section 17200 et seq. The office could also bring a civil action to abate a public nuisance against HSO violators, including platforms, who engage in conduct that rises to that level as it has previously done for other housing-related violations of the Los Angeles Municipal Code.
  - These are just some examples of enforcement measures the City Attorney's Office can take to address violations of the Ordinance. Based on our research, the following are areas where enforcement is greatly needed and would be most effective: platforms' failure to provide mandatory disclosures and list required registration numbers (LAMC 12.22 A.32(f)(1), (f)(4)); the prohibition of the use of and advertising a rent-controlled property as a short-term rental (LAMC 12.22.A 32(c)(2)(ii)(b), 32(d)(1)); the prohibition of sound amplifying equipment after 10 p.m. and outdoor congregations of more than eight people (LAMC 12.22.A 32(d)(12)); and the limitation of home sharing to the host's single primary residence (LAMC 12.22.A 32(c)(2)(ii); 12.22.A 32(b)(9).

**The City Controller Should Conduct a Performance Audit:** The City Controller's Office can conduct a performance audit of enforcement efforts by Planning's Home-Sharing Unit. This audit could include an analysis of Planning's enforcement data, Planning's collection of nightly fees, the Department of Finance's collection of transient occupancy taxes, and a review of Planning's 24/7 Complaint Line follow-up procedures.



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## Appendix I Methodology

The data that BNLA uses to analyze the state of home-sharing and HSO enforcement in Los Angeles is taken from two sources: Inside Airbnb (an activist project that makes Airbnb data available for researchers), and data from the City of Los Angeles. The two sources in tandem inform our understanding of LA's STR market, and how the City is monitoring and regulating it in accordance with the Home-Sharing Ordinance.

### **Inside Airbnb:**

Inside Airbnb regularly “scrapes” public-facing data from the Airbnb website, cleans them, catalogs them by market, and makes them available for researchers. Because scrapes are backward-looking (see Occupancy calculation below), we refer to the scrape dated January 2, 2021, as containing December 2020's data. (DCP contractor Granicus follows a similar convention.) Each listing on the platform is associated with a range of data points, which include the listing URL, hostname and ID number, amenities, neighborhood, price, minimum night stay, and the number of reviews; there are 74 distinct fields. For more information, see [insideairbnb.com](https://insideairbnb.com). BNLA has financially compensated Inside Airbnb for the collection and use of their LA Data.

### **City of L.A. Data:**

BNLA has been submitting regular requests under the California Public Records Act since late 2019. Standard requests to DCP include data on HSO registration applications (granted and denied); data on HSO occupancy; data on enforcement activity under the HSO; and data on complaints under the HSO. DCP also provides monthly reports and other communications from its contractor Granicus. Additional information was provided by the Los Angeles County Assessor, the Department of Building and Safety, and the City Attorney.

## Listing Categories:

BNLA classifies each listing based on (a) whether it is advertised as an STR or as an LTR; (b) its licensing status under the HSO; and (c) whether a valid registration number is unique or duplicated.

- The Inside Airbnb `minimum_nights` field displays the listing's current minimum night requirement. Any listing with a value from 1-29 nights is coded as an STR; 30+ is coded as LTR.

- BNLA creates the category of LTR with Possible STR Intent to flag listings that are on their face compliant, but where there are indications of STR intent.
- As LTRs are exempt from regulation, we take the presence of any value in the registration field of an LTR (any registration number — real or fake — or any exemption claim) to indicate possible intent.
- We also compare the `minimum_nights` field to the `minimum _ minimum_nights` field, the latter of which captures all minimum nights for the next 365 days and presents the lowest. We code `[(minimum_nights = 30+) + (minimum _ minimum_nights < 14)]` as LTR with Possible STR Intent.
- The Inside Airbnb registration field displays a listing's DCP-issued HSO registration number, or possibly a claim of exemption, along with the reason for the exemption. The field may also be left blank. BNLA compares the value in the registration field to a contemporaneous list of registration numbers provided by DCP through CPRA requests. (BNLA first cleans the non-standardized registration data in the Inside Airbnb scrape, e.g., HSR-19001234 is corrected to HSR19-001234.)
  - If the listing's registration number appears in the DCP list, the listing is coded as either regular ("reg") or EHS (for extended home share registration), as appropriate; both are ultimately classified as a valid registration.
  - If the registration number does not appear in the DCP list, we look for it in a master list of all (previous) DCP registrations over time, coding hits as expired.
  - Any remaining registration numbers are coded as fake.
  - Any STR with no value in the registration field is coded as No registration.
- The registration field may also display an exemption claim, along with the reason for exemption: hotel-motel, transient occupancy residential structure (TORS), or bed and breakfast (B&B). BNLA manually inspected all listing that claimed exemptions in three different months, to determine the frequency in which listings validly claimed exemptions.
- In the case of potential duplication — multiple Airbnb listings using the same registration number — we code the first listing that displays the registration number as either valid, fake, or expired (see above), and code the remaining listings that use the same registration numbers as duplicate, which is ultimately coded as non-compliant.
- In the case of non-compliant listings with multiple violations, the most egregious or salient aspect of the listing is highlighted. For instance, if a fake registration number is used on two entire property listings, the STRs — technically both fake and duplicate — are coded as fake.

Below is the table that breaks down the distribution of STRs on Airbnb into each category:

**Los Angeles Airbnb Activity, Monthly Average, Nov. 1, 2021 – Oct. 31, 2022**

Category	Avg. Month - Count		Nights Occupied		Revenue	
	Count	Percentage	Count	Percentage	Revenue	Percentage
<b>STR - Valid registration</b>	2,625	14.04%	38138	47.03%	\$11,115,577.92	58.85%
<b>STR - Duplicate registration</b>	501	2.68%	3118	3.85%	\$848,373.42	4.49%
<b>STR - No registration</b>	733	3.92%	6753	8.33%	\$1,413,747.83	7.48%
<b>STR - Expired Registration</b>	77	0.40%	1044	1.29%	\$355,046.42	1.88%
<b>STR - Fake registration</b>	22	0.12%	145	0.18%	\$32,953.88	0.17%
<b>STR - Exempt (hot-mot)</b>	2	0.01%	19	0.02%	\$3,455.50	0.02%
<b>STR - Exempt (B&amp;B)</b>	19	0.10%	75	0.09%	\$12,209.00	0.06%
<b>STR - Exempt (TORS)</b>	34	0.18%	212	0.26%	\$66,533.25	0.35%
<b>LTR - Possible STR Intent</b>	4,093	21.89%	10,884	13.42%	\$2,264,012.67	12%
<b>LTR</b>	10,596	56.66%	20,698	25.53%	\$2,776,331.58	14.70%
<b>Total</b>	<b>18,702</b>	<b>100%</b>	<b>81,086</b>	<b>100%</b>	<b>\$18,888,241.47</b>	<b>100%</b>

### **HSO Compliance Categories:**

Compliant listings are all of those coded as valid reg, all listings coded as exempt hotels or motels, and half of those coded as exempt TORs. (See manual inspections below.)

Non-compliant listings include all STRs with fake, expired registration numbers, or missing registration numbers and all exempt B&Bs. Also included are half of the STRs with duplicate numbers and half of the exempt TORs.

Suspect listings include LTRs with Possible STR Intent, all duplicate (maybe)s, and half of the duplicates.

### **Occupancy and Revenue Calculations:**

We define occupancy as the number of stays multiplied by the typical length of stay. As a proxy for the number of stays, we use the number of reviews left in the previous 31 days. Not all stays yield reviews, so we adjust the number of reviews by a factor of two. We assume each stay is the regional average of four days; however, we use the minimum `_nights` if its value is more than four. Regardless of the length of stay or the number of reviews, no listing can have more than 31 nights occupied in a month. Revenue is the product of the nights occupied and the posted nightly price.



### **Limitations of the Analysis:**

- This methodology is more likely to err by miscoding a given registration as valid rather than invalid.
- We simply assume that all registrations issued by DCP were properly issued. In reality, we believe (and DCP seems to agree) that hosts have been issued registration numbers improperly — perhaps because the property is not the host’s primary residence, or because the property is categorically ineligible.
- We further assume that a registration number displayed in a listing in fact belongs to that listing. This is not always the case: hosts have been surprised to find their (legitimate) registration number attached to an unrelated host’s listing.
- For the period in question (November 2021 through October 2022), DCP provided six registration lists (11/10/21, 02/03/22, 03/25/22, 07/14/22, 9/18/22, 11/09/2022). The date of the list generation was typically within a few weeks of the date of an Inside Airbnb scrape. In the six cases where three or more weeks separated an Inside Airbnb scrape date from a registration list date, BNLA instead used two registration lists, an earlier one and a later one. (For instance, the Inside Airbnb scrape from June 6, 2022, accepts any registration number as valid if it appears on either the 3/25/2022 or the 7/14/2022 registration list.) This overly conservative approach risks overstating compliance.

### **Guardrails designed to reduce variance could be undercounting non-compliant activity:**

- By definition, we do not allow any listing to have more than 31 nights booked in a month. Yet we have seen listings garner dozens of reviews in a given month. Discarding this data could disproportionately reduce non-compliant occupancy and revenue.
- To limit variance and to avoid potentially compounding problems with the largest occupancy and revenue numbers, we make an adjustment to the calculations for the highest-end listings, those with a nightly price over \$1,000. For these listings, we adjust the number of reviews by a factor of 1.5 (rather than 2), and we strictly use the minimum \_nights as the length of stay. Location information is imprecise.
- Airbnb’s semi-anonymization of listing locations is particularly relevant for STRs without a registration number. A manual inspection of these locations shows they are disproportionately (though not exclusively) located near the city line, suggesting this methodology may overstate the noncompliance of STRs with no registration.

### November 2021

Category		Count of Listings		Nights Occupied		Revenue	
STR	Valid registration	2,177	11.95%	33244	46.84%	\$8,652,160.00	57.99%
	Duplicate registration	398	2.19%	1869	2.63%	\$474,186.50	3.18%
	No registration	568	3.12%	4899	6.90%	\$877,808.00	5.88%
	Expired registration	143	0.79%	2326	3.28%	\$555,554.50	3.72%
	Fake registration	119	0.65%	671	0.94%	\$145,225.50	0.97%
	Exempt (hot-mot)	10	0.05%	103	0.15%	\$20,206.00	0.14%
	Exempt (B&B)	12	0.07%	48	0.07%	\$4,728.00	0.03%
	Exempt (TORs)	34	0.19%	95	0.13%	\$22,551.00	0.15%
LTR	LTR	10,690	58.70%	16926	23.85%	\$2,135,590.00	14.31%
	Possible STR intent	4,059	22.29%	10788	15.20%	\$2,032,732.00	13.62%
<b>Total</b>		<b>18,210</b>	<b>100%</b>	<b>70969</b>	<b>100%</b>	<b>\$14,920,741.50</b>	<b>100%</b>

### December 2021

Category		Count of Listings		Nights Occupied		Revenue	
STR	Valid registration	2,387	12.95%	32640	43.73%	\$8,639,763.00	56.06%
	Duplicate registration	412	2.24%	1745	2.34%	\$430,715.00	2.79%
	No registration	632	3.43%	5945	7.97%	\$1,016,947.00	6.60%
	Expired registration	43	0.23%	500	0.67%	\$103,561.00	0.67%
	Fake registration	42	0.23%	176	0.24%	\$26,824.00	0.17%
	Exempt (hot-mot)	6	0.03%	56	0.08%	\$6,656.00	0.04%
	Exempt (B&B)	28	0.15%	224	0.30%	\$30,872.00	0.20%
	Exempt (TORs)	72	0.39%	270	0.36%	\$48,606.00	0.32%
LTR	LTR	10741	58.27%	21452	28.74%	\$2,755,590.00	17.88%
	Possible STR intent	4070	22.08%	11625	15.58%	\$2,352,621.00	15.26%
<b>Total</b>		<b>18,433</b>	<b>100%</b>	<b>74633</b>	<b>100%</b>	<b>\$15,412,155.00</b>	<b>100%</b>

### January 2022

Category		Count of Listings		Nights Occupied		Revenue	
STR	Valid registration	2,385	13.50%	28120	43.19%	\$7,908,409.00	54.60%
	Duplicate registration	425	2.41%	3363	5.16%	\$790,264.50	5.46%
	No registration	505	2.86%	4590	7.05%	\$1,026,909.00	7.09%
	Expired registration	62	0.35%	759	1.16%	\$211,610.00	1.46%
	Fake registration	21	0.12%	161	0.25%	\$44,370.00	0.31%
	Exempt (hot-mot)	3	0.02%	16	0.02%	\$2,176.00	0.02%
	Exempt (B&B)	10	0.06%	55	0.08%	\$7,380.00	0.05%
	Exempt (TORs)	20	0.10%	87	0.13%	\$28,229.00	0.19%
LTR	LTR	10206	57.78%	19344	29.70%	\$2,706,858.00	18.69%
	Possible STR intent	4027	22.80%	8618	13.24%	\$1,757,235.00	12.13%
<b>Total</b>		<b>17,664</b>	<b>100%</b>	<b>65113</b>	<b>100%</b>	<b>\$14,483,440.50</b>	<b>100%</b>

### February 2022

Category		Count of Listings		Nights Occupied		Revenue	
STR	Valid registration	2,440	13.63%	36337	45.94%	\$10,564,592.50	58.54%
	Duplicate registration	434	2.42%	3288	4.16%	\$963,584.00	5.34%
	No registration	571	3.19%	5596	7.07%	\$1,091,062.00	6.05%
	Expired registration	116	0.65%	1585	2.00%	\$446,188.00	2.47%
	Fake registration	18	0.10%	149	0.19%	\$32,378.00	0.18%
	Exempt (hot-mot)	3	0.02%	39	0.05%	\$7,964.00	0.04%
	Exempt (B&B)	7	0.04%	88	0.11%	\$14,432.00	0.08%
	Exempt (TORs)	46	0.26%	120	0.15%	\$33,832.00	0.19%
LTR	LTR	10,260	57.32%	20770	26.26%	\$2,674,680.00	14.82%
	Possible STR intent	4,003	22.37%	11129	14.07%	\$2,217,492.00	12.29%
<b>Total</b>		<b>17,898</b>	<b>100%</b>	<b>79,101</b>	<b>100%</b>	<b>\$18,046,204.50</b>	<b>100%</b>

### March 2022

Category		Count of Listings		Nights Occupied		Revenue	
STR	Valid registration	2612	14.36%	39810	48.98%	\$11,445,422.00	61.05%
	Duplicate registration	541	2.97%	3161	3.89%	\$914,307.00	4.88%
	No registration	607	3.34%	6458	7.94%	\$1,306,372.00	6.97%
	Expired registration	26	0.14%	421	0.52%	\$108,694.00	0.58%
	Fake registration	6	0.03%	22	0.03%	\$3,446.00	0.02%
	Exempt (hot-mot)	1	0.01%	16	0.02%	\$4,464.00	0.02%
	Exempt (B&B)	23	0.13%	8	0.01%	\$1,232.00	0.01%
	Exempt (TORs)	23	0.13%	16	0.02%	\$5,320.00	0.03%
LTR	LTR	10389	57.12%	20925	25.74%	\$2,887,030.00	15.40%
	Possible STR intent	3960	21.77%	10447	12.85%	\$2,070,831.00	11.05%
<b>Total</b>		<b>18,188</b>	<b>100%</b>	<b>81284</b>	<b>100%</b>	<b>\$18,747,118.00</b>	<b>100%</b>

### April 2022

Category		Count of Listings		Nights Occupied		Revenue	
STR	Valid registration	2,650	14.57%	40763	49.95%	\$11,597,263.50	60.98%
	Duplicate registration	527	2.90%	3000	3.68%	\$769,121.50	4.04%
	No registration	663	3.64%	6538	8.01%	\$1,388,015.00	7.30%
	Expired registration	29	0.16%	308	0.38%	\$63,521.00	0.33%
	Fake registration	8	0.05%	63	0.08%	\$11,306.00	0.06%
	Exempt (hot-mot)	0	0.00%	0	0.00%	\$0.00	0.00%
	Exempt (B&B)	30	0.16%	120	0.15%	\$18,784.00	0.10%
	Exempt (TORs)	28	0.15%	275	0.34%	\$83,448.00	0.44%
LTR	LTR	10344	56.85%	19282	23.63%	\$2,586,919.00	13.60%
	Possible STR intent	3915	21.52%	11253	13.79%	\$2,499,499.00	13.15%
<b>Total</b>		<b>18,194</b>	<b>100%</b>	<b>81602</b>	<b>100%</b>	<b>\$19,017,877.00</b>	<b>100%</b>

### May 2022

Category		Count of Listings		Nights Occupied		Revenue	
STR	Valid registration	2709	14.74%	42582	48.76%	\$12,459,072.50	60.22%
	Duplicate registration	550	2.99%	3401	3.9%	\$889,959.50	4.30%
	No registration	716	3.90%	7257	8.31%	\$1,600,186.50	7.74%
	Expired registration	29	0.16%	405	0.46%	\$87,887.00	0.42%
	Fake registration	6	0.03%	43	0.05%	\$12,762.00	0.06%
	Exempt (hot-mot)	0	0.00%	0	0.00%	\$0.00	0.00%
	Exempt (B&B)	30	0.16%	112	0.13%	\$19,784.00	0.10%
	Exempt (TORs)	30	0.16%	263	0.30%	\$87,091.00	0.42%
LTR	LTR	10435	56.77%	21514	24.64%	\$2,859,130.00	13.82%
	Possible STR intent	3877	21.09%	11749	13.45%	\$2,673,502.00	12.92%
<b>Total</b>		<b>18,382</b>	<b>100%</b>	<b>87326</b>	<b>100%</b>	<b>\$20,689,374.50</b>	<b>100%</b>

### June 2022

Category		Count of Listings		Nights Occupied		Revenue	
STR	Valid registration	2,734	14.61%	41563	48.30%	\$12,850,597.00	59.45%
	Duplicate registration	550	2.94%	3789	4.40%	\$1,073,965.00	4.97%
	No registration	790	4.22%	7888	9.17%	\$1,786,832.50	8.27%
	Expired registration	105	0.56%	1354	1.57%	\$411,331.50	1.90%
	Fake registration	7	0.04%	57	0.07%	\$27,969.00	0.13%
	Exempt (hot-mot)	0	0.00%	0	0.00%	\$0.00	0.00%
	Exempt (B&B)	27	0.15%	56	0.07%	\$14,048.00	0.06%
	Exempt (TORs)	30	0.16%	226	0.26%	\$76,829.00	0.36%
LTR	LTR	10603	56.66%	20491	23.80%	\$3,002,970.00	13.89%
	Possible STR intent	3867	20.66%	10633	12.36%	\$2,370,508.00	10.97%
<b>Total</b>		<b>18,713</b>	<b>100%</b>	<b>86057</b>	<b>100%</b>	<b>\$21,615,050.00</b>	<b>100%</b>

### July 2022

Category		Count of Listings		Nights Occupied		Revenue	
STR	Valid registration	2,824	14.87%	43653	50.36%	\$14,746,837.00	62.49%
	Duplicate registration	576	3.04%	3583	4.13%	\$1,149,762.00	4.87%
	No registration	827	4.35%	7771	8.97%	\$1,901,349.00	8.06%
	Expired registration	51	0.27%	670	0.77%	\$186,797.00	0.79%
	Fake registration	2	0.01%	8	0.01%	\$640.00	0.00%
	Exempt (hot-mot)	0	0.00%	0	0.00%	\$0.00	0.00%
	Exempt (B&B)	23	0.12%	64	0.08%	\$11,952.00	0.05%
	Exempt (TORs)	33	0.17%	303	0.35%	\$115,046.00	0.50%
LTR	LTR	10741	56.54%	19592	22.60%	\$2,808,600.00	11.90%
	Possible STR intent	3920	20.63%	11036	12.73%	\$2,676,137.00	11.34%
<b>Total</b>		<b>18,997</b>	<b>100%</b>	<b>86680</b>	<b>100%</b>	<b>\$23,597,120.00</b>	<b>100%</b>

### August 2022

Category		Count of Listings		Nights Occupied		Revenue	
STR	Valid registration	2,896	14.85%	41740	43.50%	\$12,460,134.50	57.11%
	Duplicate registration	527	2.70%	3703	3.86%	\$992,397.00	4.55%
	No registration	956	4.90%	8382	8.74%	\$1,822,810.00	8.36%
	Expired registration	30	0.15%	307	0.32%	\$74,529.00	0.34%
	Fake registration	15	0.08%	181	0.19%	\$47,509.00	0.22%
	Exempt (hot-mot)	0	0.00%	0	0.00%	\$0.00	0.00%
	Exempt (B&B)	21	0.11%	16	0.02%	\$4,016.00	0.02%
	Exempt (TORs)	33	0.18%	287	0.30%	\$105,136.00	0.48%
LTR	LTR	10778	55.28%	28861	30.08%	\$3,890,314.00	17.83%
	Possible STR intent	4240	21.75%	12462	12.99%	\$2,420,077.00	11.09%
<b>Total</b>		<b>19,496</b>	<b>100%</b>	<b>95939</b>	<b>100%</b>	<b>\$21,816,922.50</b>	<b>100%</b>

### September 2022

Category		Count of Listings		Nights Occupied		Revenue	
STR	Valid registration	2882	14.54%	40235	48.29%	\$11,624,637.50	60.89%
	Duplicate registration	514	2.59%	3235	3.88%	\$854,781.00	4.48%
	No registration	1,006	5.08%	8273	9.93%	\$1,631,746.00	8.55%
	Expired registration	63	0.32%	727	0.87%	\$195,943.00	1.03%
	Fake registration	9	0.05%	95	0.11%	\$24,945.00	0.13%
	Exempt (hot-mot)	0	0.00%	0	0.00%	\$0.00	0.00%
	Exempt (B&B)	18	0.09%	72	0.09%	\$13,608.00	0.07%
	Exempt (TORs)	30	0.15%	311	0.37%	\$105,479.00	0.55%
LTR	LTR	10,862	54.80%	19,995	24.00%	\$2,552,323.00	13.36%
	Possible STR intent	4,437	22.38%	10,385	12.46%	\$2,088,005.00	10.94%
<b>Total</b>		<b>19,821</b>	<b>100%</b>	<b>83,328</b>	<b>100%</b>	<b>\$19,091,467.50</b>	<b>100%</b>

### October 2022

Category		Count of Listings		Nights Occupied		Revenue	
STR	Valid registration	2,801	13.73%	36972	45.64%	\$10,438,046.50	54.30%
	Duplicate registration	552	2.70%	3285	4.06%	\$877,438.00	4.56%
	No registration	959	4.70%	7449	9.20%	\$1,514,937.00	7.9%
	Expired registration	232	1.13%	3169	3.91%	\$1,814,941.00	9.44%
	Fake registration	7	0.03%	110	0.14%	\$18,072.00	0.09%
	Exempt (hot-mot)	2	0.01%	0	0.00%	\$0.00	0.00%
	Exempt (B&B)	4	0.02%	32	0.04%	\$5,672.00	0.03%
	Exempt (TORs)	30	0.14%	286	0.35%	\$86,832.00	0.45%
LTR	LTR	11,086	54.32%	19,220	23.73%	\$2,455,975.00	12.78%
	Possible STR intent	4,738	23.22%	10,478	12.94%	\$2,009,513.00	10.45%
<b>Total</b>		<b>20,407</b>	<b>100.00%</b>	<b>81,001</b>	<b>100.00%</b>	<b>\$19,221,426.50</b>	<b>100.00%</b>





# End Notes

- 1 City of Los Angeles Home Sharing Ordinance; Ordinance No. 185931
- 2 City of Los Angeles Home Sharing Ordinance; Ordinance No. 185931
- 3 Shabrina, Z., Arcaute, E., & Batty, M. (2022). Airbnb and its potential impact on the London housing market. *Urban Studies*, 59(1), 197-221.  
Duso, T., Michelsen, C., Schäfer, M., & Tran, K. D. (2020). Airbnb and rents: Evidence from Berlin.
- 4 Wachsmuth, D. (2022). The Economic Impacts of Short-Term Rentals in Los Angeles. Report commissioned by Better Neighbors Los Angeles
- 5 Wachsmuth, D. (2022). The Economic Impacts of Short-Term Rentals in Los Angeles. Report commissioned by Better Neighbors Los Angeles.
- 6 Wachsmuth, D. (2022). The Economic Impacts of Short-Term Rentals in Los Angeles. Report commissioned by Better Neighbors Los Angeles.
- 7 <https://www.airbnbhell.com/airbnb-neighbor-stories/>
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- 12 The HSO regulates only STRs, though the industry refers to any unit rented for 31 days or more as a long-term rental ("LTR") City of Los Angeles Home Sharing Ordinance; Ordinance No. 185931
- 13 City of Los Angeles Home Sharing Ordinance; Ordinance No. 185931
- 14 The City utilizes Host Compliance gov service by Granicus to monitor and deter short-term rental listings. Link to Host Compliance web page: [https://granicus.com/solution/govservice/host-compliance/?gclid=CjwKCAiAzKqdBhAnEiwAePEjksU7JSFG2Yh5yluBmBptiybGVmKD--kM\\_YJDKJbJln05GR6ioTIRoBoCnOsQAvD\\_BwE](https://granicus.com/solution/govservice/host-compliance/?gclid=CjwKCAiAzKqdBhAnEiwAePEjksU7JSFG2Yh5yluBmBptiybGVmKD--kM_YJDKJbJln05GR6ioTIRoBoCnOsQAvD_BwE)
- 15 The City contracts Granicus' service, Host Compliance LLC.
- 16 The HSO requires fine amounts to be updated annually from the effective date of the ordinance according to the Consumer Price Index. Prior to July 1, 2022, fines against individual hosts ranged from \$527 per day to \$2,109 per day for non-compliant listings, and fines currently range from \$572- \$2,290 per day for non-compliant listings. Fines for platforms increased from \$1,054.46 to \$1,145.14.  
**Fine Schedule:** <https://planning.lacity.org/odocument/248614b0-6512-4005-871e-814855b7ccdf/SCitron25021512180.pdf>
- 17 Fine Schedule: <https://planning.lacity.org/odocument/248614b0-6512-4005-871e-814855b7ccdf/SCitron25021512180.pdf>  
LAMC Section 12.22 A.32(g)(4)
- 18 Data derives from CPRA requests made to the Department of City Planning.
- 19 If a Homeowner's Tax Exemption was incorrectly allowed because erroneous information was knowingly provided by the claimant, the claimant must repay the value of the assessment plus an additional penalty (California Revenue and Taxation Code Sections 504 and 531.1).
- 20 This figure excludes tenants registered for home-sharing. The HSO authorizes tenants to operate STRs if permitted to do so by their landlord, tenant operated STRs must be accounted for. CPRA data from Planning indicates that about 560 of the active home-sharing registrations in June 2022 were issued to tenants, who are, by law, not eligible to receive a homeowners' tax exemption for the property. For the sake of simplicity, we assumed all tenant operated STRs are the host's primary residence and, therefore, in compliance with the HSO.
- 21 See LAMC 12.22 A 32(f)(4).
- 22 DCP's 2019 Progress Report
- 23 Using the number of reviews left in the past 12 months; see appendix for complete methodology.
- 24 BNLA has been submitting regular requests under the California Public Records Act since late 2019.
- 25 LAMC, Section 12.22 A 32(g)(3) & (g)(4).
- 26 LAMC, Section 12.22 A.32(g); Administrative Guidelines, Section VIII



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