



December 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,

Better Neighbors LA is writing to highlight the continued increase in the number of corporate short-term rentals (“STRs”) that host more than one STR. Corporate hosts contravene the intent of the Home-Sharing Ordinance (“HSO”) to: “protect the City’s affordable housing stock by allowing only an authorized host to share his or her registered primary residence with transient users.”¹ While Angelenos struggle to pay rent, more and more housing is being removed from the long-term rental market by large-scale hosts and companies seeking to squeeze additional profits out of the housing market.

One might argue that corporate hosts do not necessarily own multiple properties but run STRs for others as “agents,” and thus are not in violation of the HSO. However, the HSO specifies that “no Person may apply for or obtain more than one Home-Sharing registration or otherwise operate more than one Home-Sharing Rental Unit at a time in the City of Los Angeles.”² The administrators of the HSO program, the Los Angeles Department of City Planning (“City Planning”) reiterate this in their enforcement guidelines, stating that a person “may not apply for more than one Home-Sharing Registration Number, and shall not otherwise List or operate more than one Home-Sharing Rental Unit at a time in the City of Los Angeles.”³ Further, outside of operating multiple STR listings, corporate hosts have an extraordinarily high rate of noncompliance. In November 2023, just 19% of corporate hosts’ STR listings included valid HSO registration numbers, with thousands of listings claiming false exemptions, operating as an STR while advertising as a long-term rental, missing an HSO number, or including an expired, duplicate, or fake HSO number to circumvent the requirements of the HSO.

¹ http://clkrep.lacity.org/onlinedocs/2014/14-1635-S2_ORD_185931_07-01-19.pdf

² https://clkrep.lacity.org/onlinedocs/2014/14-1635-S2_ORD_185931_07-01-19.pdf LAMC 12.22.A.32.C.2.II.D p5

³ https://planning.lacity.org/odocument/bf5980e9-2505-4046-9d7f-855899a99612/HSO_Admin_Guidelines.pdf p9

In this report, Better Neighbors LA (“BNLA”) analyzes recent data to address the scope of the problem created by corporate hosts and the role the City must play to enforce against these violators of the HSO.

The Increase of Corporate Hosts in Los Angeles: Over the past year, the number of homes listed by a typical host in Los Angeles has increased 60%, from 6.3 homes per profile in November 2022 to 10.6 homes in November 2023.

Monthly Average Host Breakdown on Airbnb, December 2022 - November 2023			
Listings per profile	Number of hosts	Percent of total listings	Total number of listings across profiles ⁴
1 listing	4691	30%	4691
2 to 5	1406	24%	3734
6 to 10	206	10%	1543
11 to 20	101	9%	1453
21 to 30	36	6%	889
31 to 40	18	4%	646
40+	42	18%	2828
Corporate host total	1808	70%	11092

The chart above displays the average number of listings operated by hosts, categorized by the number of listings hosts operate. Those in red are listings operated by corporate hosts (profiles with more than one listing) in violation of the HSO’s restriction to a single listing.

Hosts operating a single residence make up only 30% of the total STR market. For 2023, the number of operators with 40+ listings has increased 112%, while hosts with just one listing has only grown 7%. Corporate hosts are outpacing and outspending small, law-abiding operators without facing the consequences for violating the HSO. Indeed, City Planning’s citation list for the last year does not include a single citation against an operator for having multiple listings.

Corporate hosts violate the HSO and take up valuable housing stock that could be available to long-term residents. While Angelenos were served over 66,000 eviction notices from February to October of this year, with 96% due to the inability to pay rent,⁵ we cannot allow corporate hosts to operate multiple STRs run like de facto hotels.

November 2023 Inspection of Corporate Hosts in Los Angeles: Looking at the most recent data available gives a clear snapshot of the current STR market. Of the 854 hosts with 2 or more listings in November, 122 use business names. Although these businesses represent only 14% of hosts in this category, they represent 30% of all STR listings. The rate of non-compliance by hosts using business names is extraordinarily high. For example, over three quarters of the

⁴ The number of listings is calculated based on how many listings a host operates within LA, Unincorporated LA, and other cities within LA County. See the [Inside Airbnb data dictionary](#) for “calculated_host_listings_count”

⁵ <https://controller.lacity.gov/landings/evictions>

listings listed attributable by businesses do not provide valid registration numbers, significantly higher than the overall rate of noncompliant STRs among all hosts.

Corporate hosts, whose priority is maximizing profits appear significantly more willing to ignore the law listing non-registered rental units, many of which are rent stabilized and prohibited from the STR market. Even where the units are registered, corporate hosts ignore the law, including 133 listings exceeding the annual 120-day occupancy limit.

Corporate Hosts Operate Illegally Without Consequence: One of the largest operators of STRs in the City is Colorado-based Evolve.⁶ In November 2023, Evolve had 98 Los Angeles listings on their Airbnb profile, with 869 listings in total on their profile. While Evolve includes HSO registration numbers on their listings, in a deliberate effort to avoid detection, over two-thirds of these listings included duplicate HSO numbers. They do so knowing that there will be very little – and more likely no – consequence from the City. Indeed, it appears from City Planning’s data that Evolve has not received a single citation.⁷ To these large operators, any citation they do receive, usually totaling \$560, is simply the cost of doing business as opposed to a true deterrent for bad behavior.

While some corporate hosts use business names to market themselves, many use first names and provide host pictures on their profiles to appear to be individual operators. Many of these corporate hosts, however, are running lucrative businesses by maintaining dozens of STRs illegally taking up our City’s affordable housing stock. One host, for instance, “Elliot” has 115 listings in the Los Angeles area, with over 130 listings on his profile.⁸ Not a single one of Elliot’s listings in November’s data includes an HSO registration number.

Another host, “Natalie,” runs 80 STRs in Los Angeles.⁹ In just the November data, BNLA found that all properties run by Sophia except one in Los Angeles were noncompliant. Sophia’s listings failed to include HSO registration numbers, included duplicate HSO numbers, and false hotel/motel exemptions. Corporate hosts take many forms, but Angelenos are forced to bear the consequences.

Recommendations: Hosts operating within the rules are outnumbered by corporate hosts who skirt the rules to make a profit. Strict enforcement of the HSO as it currently stands is integral to protecting both the City’s housing stock and the City’s honest hosts. To address the proliferation of corporate hosts, BNLA recommends the following:

Schedule and pass the Blumenfield motion currently sitting in the PLUM committee of City Council to amend the HSO to include Mandatory Application Programming Interface (“API”) Agreements with all platforms operating in Los Angeles (Council File 14-1635-S12). The HSO requires platforms to provide the City with monthly reports of information to

⁶ <https://www.airbnb.com/users/show/126644161>

⁷ [City Planning’s HSO Public Records Report Generator \(govplatform.com\)](https://www.cityofla.org/planning/hso-public-records-report-generator)

⁸ <https://www.airbnb.com/users/show/187543153>

⁹ <https://www.airbnb.com/users/show/510090550>

allow the City to monitor compliance.¹⁰ However, Airbnb is the only platform that shares live data through the City's 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. A compulsory API system would allow the City to collect adequate data to enforce upon all violations across all platforms.

Direct the City's enforcement agencies to properly enforce against hosts who illegally operate multiple STRs by imposing maximum fines for each violation. This can be done immediately by analyzing and responding to API information received from Airbnb. 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 81% of LA's short-term rental market and include hundreds of non-compliant listings.¹¹ The data available to the City through this API agreement must be used to identify violators of the 120-day cap, seek out bait-and-switch listings, verify exemption claims, limit the number of STRs operated by hosts, and find STRs with missing, fake, or expired home-sharing license numbers. The City should start by fining all hosts with listings that fall under these categories of noncompliance. Fines must be imposed against non-compliant hosts swiftly and consistently to the maximum amount for each and every violation.

Direct the City to strengthen the documents necessary to prove primary residency during the HSO application process. 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.¹²

¹⁰ See LAMC 12.22 A 32(f)(4).

¹¹ AirDNA

¹² <https://www.phila.gov/services/property-lots-housing/property-taxes/get-real-estate-tax-relief/get-the-homestead-exemption/>

- 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. The affidavits should include 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.

Thank you for your time and consideration. Should you have any questions, please contact lbata@betterneighborsla.org.

Sincerely,

/s/ Randy Renick