

**December 5, 2022** 

Christian Klossner
Executive Director
The Mayor's Office of Special Enforcement
22 Reade Street, 4th Floor
New York, NY 10007

**Re:** Oppose LL18 Rules Governing Short-Term Rental Hosts (Sent via email to <u>oserules@citvhall.nvc.gov</u>)

Dear Director Klossner,

On behalf of Chamber of Progress, a tech industry association working to ensure all Americans benefit from technological leaps, I write to express concerns regarding New York City's proposed regulations under Local Law 18.

Although well-intentioned, this rule would place infeasible restrictions on New York City hosts, limiting their ability to benefit from home-sharing.

Short-term rentals offer benefits for hosts and communities, such as increased access to affordable lodging and supplemental income for hosts.

New York residents who rent a unit or room can generate additional income to stabilize income as the costs of goods and services steadily increase. Many families have been hit hard and are still struggling to recover from major financial losses during the pandemic. Since several federal assistance programs expired in September 2021, supplemental income is needed now more than ever.<sup>1</sup>

For New York City, inflation has caused the costs of rent, meals, and other essential items to continue to skyrocket. Despite the rate of inflation overall slowing, the rate of inflation for housing is steadily increasing.

To elaborate, inflation in New York City is having a sharply negative impact on lower-income households, typically located in the city's outer boroughs, compared to households at the high end of the income distribution that are mostly concentrated in Manhattan.

<sup>1</sup> https://dol.nv.gov/fedexp

A recent analysis by the CBO found that "since 2019, the share of such income that households would use to purchase a 2019 consumption bundle has increased for households in the lowest income quintile because prices have grown faster than their income, on average; that share decreased for all other households, whose income gains outpaced price increases." For low-income marginalized households, short-term rentals could help combat inflation by creating an additional income stream.

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Sources: U.S. Census, American Community Survey, NYU Furman Center  $\label{eq:community}$ 

A majority of hosts in New York City are not traditionally property investors or conglomerates; they are primary residence dwellers who are aiming to generate additional sources of income to make ends meet.<sup>3</sup>

In addition, short-term rentals offer affordable and convenient lodging options for large families and workers who are on temporary assignments. Guests who opt for short-term rentals are able to contribute to local economies not only directly to hosts but also by patronizing nearby shops and restaurants.

As an organization, we support New York City's goal to implement an effective regulatory framework that will ensure the safe and sustainable operation of short-term rentals and rein in illegal hotel operators. However, we are concerned that the proposed rule as written will stifle the presence of STRs and their benefits.

<sup>&</sup>lt;sup>2</sup> https://www.cbo.gov/publication/58503# idTextAnchor000

<sup>&</sup>lt;sup>3</sup> https://blog.atairbnb.com/economic-impact-airbnb/

The proposed rule to implement Chapters 31 and 32 of Title 26 of the Administrative Code of the City of New York in accordance with Local Law 18 rule introduces a complex host registration process. Specifically, the proposed requirement prohibits rentee's from exclusive access to the listing and limiting host stays to two paying guests at a time.

We encourage the City to consider and establish safe and reasonable regulatory models that have served to be effective in other markets. For example, the Atlanta City Council adopted the "City of Atlanta Short-Term Rental Ordinance" which requires property owners who offer short-term rentals to get a permit from the city - allowing the city to monitor and enforce nuisance and other local regulations.<sup>4</sup>

For these reasons, we respectfully request the Office of Special Enforcement to delay rulemaking in order to formulate a law that balances hosts' property rights with local communities' freedom to impose taxes, set balanced usage limitations, and enforce noise ordinances for rentals.

Sincerely,

Jamie Pascal

**Director of Civic Innovation Policy** 

**Chamber of Progress** 

cc: Mayor Eric Adams, New York City, NY

<sup>4</sup>https://www.atlantaga.gov/government/departments/city-planning/ordinances-regulations/short-term-rental