

# Mayor's Office of Criminal Justice New York City Council Committee on Housing and Buildings June 26, 2018

Good morning, Chair Cornegy and members of the Committee on Housing and Buildings. My name is Christian Klossner and I am the Executive Director of the Office of Special Enforcement (OSE), which is overseen by the Mayor's Office of Criminal Justice. Thank you for the opportunity to testify today.

My office's mandate, originating from a Mayoral Executive Order in 2006, is to coordinate efforts across City agencies to problem-solve around emerging issues adversely affecting neighborhood cohesion, livability, and safety. At present, most of the complaints that OSE receives – predominantly through 311 – concern rentals for less than 30 days occurring in the city's permanent residential housing stock. Under existing State and City law, if a permanent resident is not present in the same residential unit—in either a multiple dwelling or a one-and-two-family-home—such short-term rentals are prohibited.

By working to stop the proliferation of these illegal short-term rentals, OSE's enforcement efforts advance key goals of this administration: to help preserve affordability and community livability; prevent harassment and displacement of permanent residents; and increase access to permanent housing. Our enforcement efforts protect residents and visitors to New York City from dangerous violations of the City's building and fire safety standards, while striving to ensure that New Yorkers are not disturbed by illegal commercial activity in their residential neighborhoods and buildings.

Our current enforcement process is as follows. A multi-agency team of inspectors responds to complaints or to data-analytic derived proactive assignments by conducting administrative inspections and issuing violations to building owners when they don't comply with the lawful occupancy of the building. The inspectors also issue violations where the relevant building and fire code provisions that relate to transient use, such as those specifying the necessary egresses, sprinkler systems and fire safety and alarm systems required for short-term accommodation, are not followed. In addition, wherever possible, OSE now issues violations to the operators who create illegal advertisements for transient use in multiple dwellings meant for permanent residents. The data we collect in the field and gather from all available sources is used to detect patterns, identify egregious offenders, and set enforcement priorities.

In 2017, OSE received a total of 1800 complaints through 311 reporting an illegal and problematic short term rental. During this period, OSE conducted 3800 inspections and issued approximately 3,050 violations, amounting to nearly \$7.2 million in fines imposed on those violations that have been adjudicated. OSE has a track record of effectively fielding complaints, conducting investigations, and taking appropriate enforcement actions.

At the same time, OSE continues to expand upon previous successes and has worked to develop a strategic approach to more proactive enforcement. Whenever complaint volume allows, we try to devote twenty percent of our field inspections to targets identified through data analytics where an operator has most likely removed one or more units of housing from the market or created dangerous or overcrowded conditions, which often coincide with illegal construction. We are also attentive to which neighborhoods face the greatest crisis of affordability.

The problem of illegal short-term rentals in New York City adds to the variety of long-standing affordability issues that this administration is committed to addressing. The illegal short-term rental problem is not homogenous, but rather looks different across neighborhoods. In one neighborhood, this can mean an entire rent-stabilized building is converted to an illegal hotel. In another, a two-family home might be converted to an illegal hostel with 21 rooms and 62 beds. Effective enforcement requires tactics calibrated for these citywide differences.

It also requires OSE to gather additional data to arm the City with a better understanding of the universe of violators so that the City can respond appropriately.

Regarding Intro. No. 981, OSE and the Administration support the Council's overarching goal of adding additional tools that allow us to discern citywide patterns and trends and to identify locations and individuals that are the most commercialized, or buildings that are saturated with individual operators or egregious safety hazards. Such tools will allow OSE to conduct even more effective enforcement and should deter the spread of these illegal practices. OSE will enforce whatever the law is, while acknowledging that the universe of violators is not the same and that the focus of the office's robust enforcement efforts is on those individuals or entities that 1) undermine housing affordability by illegally removing one or more units of housing from the market, 2) disrupt their communities and generate complaints about their activity, and 3) expose guests and permanent residents alike to dangerous conditions. We are committed to working with the Council to ensure this Intro best meets its intentions and to ensure that the City receive the additional data needed to allow us to best follow these strategic priorities.

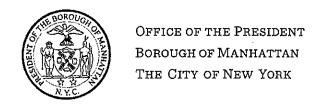
Regarding Intro. No. 554, OSE supports the overarching goal of reexamining the current civil penalty structure so that it effectively deters egregious violators of laws prohibiting illegal hotels. OSE is also in favor of maintaining a civil penalty structure that acknowledges that the universe of violators is not the same, and therefore the range of civil penalties for less egregious violators should reflect that reality.

Finally, the Preconsidered bill proposes to carve-out one-and two-family homes from the limitations on transient use in residential units in multiple dwellings. While the section of the law this bill proposes to amend is not the section of law that applies to one- and two-family homes, our overarching policy concern with the goal of the proposed legislation is it will result in an increase in transient occupancies citywide.

While the State's Multiple Dwelling Law does not apply to one and two family homes, the City's Housing Maintenance Code and Building Code apply virtually identical rules to one and two family homes, which are a vital and plentiful component of the City's residential housing stock. Because there remains confusion as to what the rule is, I want to state it in general terms: to rent for fewer than 30 days, no matter what kind of permanent residential building, you can have no more than two paying guests and you must maintain a common household with the guests, meaning you need to be staying in the individual dwelling unit that the guests are occupying and the guests must have full access to every means of egress and all of the basic facilities of the unit.

I look forward to continuing to refine these strategies through evaluation and input from the Council and other key partners. We are committed to working with the Council on addressing all forms of transient lodging as this issue remains important and complex. I am confident that the Office of Special Enforcement is playing an important role in addressing illegal transient rentals and the office will continue to work diligently to pursue its mandate.

Thank you for the opportunity to testify. I am available to answer any questions the Committee may have.



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Gale A. Brewer, Borough President

June 26, 2018

### Gale A. Brewer, Manhattan Borough President Testimony before the New York City Council, Committee on Housing and Buildings - On Intros 981 and 554

My name is Gale Brewer and I am the Manhattan Borough President. Thank you, Chairman Cornegie and members of the Committee for the opportunity to testify before you today.

I support both these bills and believe that they are essential in our efforts to protect the health and safety of tenants and our dwindling supply of affordable housing.

As a member of this Council from 2002 to 2013, I fought to stop, owners of residential Class A hotels from using them as transient hotels, holding off the market what would otherwise be permanent affordable housing in order to profit from the very lucrative tourist trade. In doing so they inflicted inconvenience, and serious harassment of the permanent residential hotel tenants. Those battles resulted in legislation clarifying state law, but the struggle to obtain real enforcement continued. Bad as the illegal transient use of residential hotels was, at that time we could not have anticipated the threat to our housing and safety that we have been see now from the "home sharing" industry.

Over the last few years there has been significant debate and research the impact of Airbnb and other apartment-sharing businesses on the supply of affordable housing in Manhattan. It is now well established by the data that an unregulated and unmonitored home-sharing industry hurts affordable housing and tenants in New York. The recent McGill University study estimates that between 7,000 and 13,000 apartments have likely been removed from the

<sup>&</sup>lt;sup>1</sup> Wachsmuth et al., The High Cost of Short-Term Rentals in New York City, McGill University, School of Urban Planning, Jan., 2018.

market due to transient rental. While we don't know exactly how many of those units are regulated and/or affordable, even a small portion would represent housing that we simply cannot afford to lose. That study also revealed that a substantial number of what we previously viewed as legal home sharing, that is a single room of an otherwise tenant-occupied apartment rather than the entire unit, may in fact be illegal "ghost hotels" where all the bedrooms of an apartment are rented out individually. While occasional tourists coming and going from a neighborhood apartment may create some inconvenience, it is easy to envision the potential disruption and even danger created in a building through the operation of "ghost hotels".

The ongoing major losses of affordable apartments every year through loopholes in the Rent Stabilization Law itself – New York City lost nearly 4,000 stabilized units to vacancy deregulation in 2017 alone – means that we cannot allow legal or illegal transient hotel operators to take affordable units from the rental marketplace.

My staff and I are also deeply concerned at the number of tenants who, believing they can earn extra income by renting out a room under a homesharing scheme, perhaps to afford their ever-rising rent, only to face eviction from their apartment for doing so. The last thing this city needs is another method by which tenants can be evicted and, under the current rent laws, a vacancy translates into the permanent loss of an affordable housing unit.

While I applaud the Mayor's efforts to create new affordable housing, it is essential that we use every means possible and create new methods, to preserve existing stabilized units. I believe that Intro 981, and the increased penalties contained in Intro 554, will be effective if enforcement is adequate.

We have made real progress through legislation in Albany, and here in the city our Office of Special Enforcement (OSE) has made tremendous strides, thanks in great part to the prodding and funding of members of the Council. But there are over two million class A rental apartments in New York City. As determined as the agency is in ferreting out illegal use of apartments as lucrative transient hotels, and as creative as they have become in investigations, the OSE cannot make the impact we want to see without laws like those under consideration today. The proposed legislation would facilitate real enforcement by requiring the sharing services to report their activities to the City on a monthly basis. This requirement will enable relevant agencies to concentrate on

<sup>&</sup>lt;sup>2</sup> Wachsmuth, p. 29

enforcing the law and protecting both our supply of housing and the health and safety of tenants.

I understand that over the years, there has been some controversy regarding the interplay of proposed laws regulating apartment-sharing services and Federal Codes protecting internet platforms. This legislation provides that the sharing of a renter's information by the service is with the permission of the person posting the rental. I also understand that the largest of these services has already agreed to a similar system of information sharing in other cities. I believe that the Council has crafted this legislation carefully, that it will in fact withstand judicial scrutiny, and it should be enacted without delay.



### TESTIMONY OF LUCY BLOCK BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON HOUSING AND BUILDINGS

June 26th, 2018

Good morning. Thank you to Chair Cornegy and to the members of the Committee on Housing and Buildings.

My name is Lucy Block and I am the Research and Policy Associate at the Association for Neighborhood and Housing Development (ANHD). ANHD builds community power to ensure the right to housing and thriving, equitable neighborhoods for all New Yorkers. As a coalition of community groups across New York City, we use organizing, advocacy, policy research, and capacity building to support our members in their work to build equity and justice in their neighborhoods and citywide.

ANHD supports the passage of Intro 981 to require online rental platforms such as Airbnb to provide data on listings to the NYC Office of Special Enforcement so that it may enforce state laws against illegal short-term hotels. This is important because New York City is still in the midst of an affordable housing crisis, where tenants are being displaced so that more profit can be made off of their home. In some cases, this means someone's former apartment is being used as a short-term hotel and not housing anyone permanently at all.

In the year leading up to August 2017, 12,200 whole homes were available for rent for at least four months. These are units that are being removed from New York City's scarce housing stock. This is part of an alarming trend of increasing vacancy in the city: the most recent 2017 Housing and Vacancy Survey found that since 2014, the number of units held for occasional or seasonal use or "other reasons" increased 58%.

Approximately 1,200 "ghost hotels" are listed on Airbnb; these are apartments that are deceptively listed separately as private rooms, yet make up an entire home.<sup>2</sup> Listing all the rooms of one apartment separately lets hosts avoid regulatory scrutiny. Intro 981 would ameliorate this problem by requiring short-term rental platforms to disclose exact apartment and unit numbers.

It's important for New York City to hold Airbnb accountable through data transparency the same way other cities have done; Airbnb has already agreed to share address data in San Francisco, Chicago, and New Orleans. ANHD is in favor of Intro 981 as an important step towards increasing the transparency of Airbnb operations in New York City and enabling OSE to enforce laws against short-term hotels that deplete our available housing stock.

<sup>2</sup> Ibid.

<sup>&</sup>lt;sup>1</sup> Wachsmuth, David et al., *The High Cost of Short-Term Rentals in New York City.* January 30, 2018. https://mcgill.ca/newsroom/files/newsroom/channels/attach/airbnb-report.pdf



Testimony of the New York Civil Liberties Union

Before

The New York City Council Committee on Housing and Buildings

regarding

A Local Law to Amend the Administrative Code of the City of New York in Relation to the Regulation of Short-Term Residential Rentals

NYC Council Bill - Int. No. 981-2018

June 26, 2018

The NYCLU, the New York State affiliate of the American Civil Liberties Union, is a not-for-profit, nonpartisan organization with eight offices across the state and over 190,000 members and supporters. The NYCLU defends and promotes the fundamental principles and values embodied in the Bill of Rights, the U.S. Constitution, and the New York Constitution through an integrated program of litigation, legislative advocacy, public education and community organizing. In the forefront of those efforts has been our work to protect free speech and privacy rights in the online world. The NYCLU represents the interests of technology users in both court cases and in broader policy debates surrounding the application of law in the digital age. The NYCLU actively encourages and challenges industry and government to support free expression, privacy, and openness in the information society.

The New York Civil Liberties Union has a number of concerns about Int. 981, a bill that would provide for the regulation of booking services for short-term residential rentals ("STR") in New York City. The NYCLU has identified three areas of concern arising from the proposed legislation. First, Int. 981 mandates reporting of personal information about New Yorkers into quasi-law enforcement databases without any apparent privacy protections. Second, the Council would better serve the needs of New Yorkers by collecting data relating to STR utilization to guard against tenant hardships and displacements and threats to affordable housing in New York City. Third, it would appear that Int. 981 violates section 230 of the Communications Decency Act.

Privacy Concerns: Int. 981 Mandates Reporting of Significant Personal Information about New Yorkers into NYC Quasi-Law Enforcement Databases without Any Apparent Privacy Protections

Int. 981 would mandate that Airbnb, VRBO and all other STR booking services, collect and provide significant amounts of information, on a monthly basis, regarding New Yorkers who use the Airbnb, VRBO or any other, STR platform to the New York City Office of Special Enforcement ("OSE"). Significantly, OSE has been reported to utilize sophisticated data-crunching software from Palantir Technologies, Inc. ("Palantir")<sup>2</sup> in connection with its enforcement efforts against Airbnb. Palantir's other known past clients include the CIA, ICE, DHS, the FBI, major banks, and the New York City Police Department.<sup>3</sup>

As has been publicly reported, New York City has enlisted Palantir's data analysis services in a variety of City agencies.<sup>4</sup> The Palantir initiatives embraced by the Bloomberg administration continued under the de Blasio administration. The de Blasio administration was reported to have acquired 24 "Gotham" server cores and licenses for the Department of Finance

Regardless of vendor, however, the privacy concerns the NYCLU has remain the same.

<sup>&</sup>lt;sup>1</sup> OSE was established by then-Mayor Michael R. Bloomberg in 2006 by Executive Order No. 96. Prior to the establishment of OSE, the Office of Midtown Enforcement focused its investigative and enforcement efforts primarily in midtown Manhattan.. OSE replaced that Office of Midtown Enforcement and expanded its activities to all five boroughs. OSE is responsible for coordinating enforcement efforts across City agencies to address quality of life issues related to adult entertainment locations, lawless clubs, trademark counterfeiting bazaars and illegal conversions of apartment buildings into hotels. OSE ensures that these enforcement efforts are leveraged across all five boroughs to address conditions at properties that require a coordinated, multi-agency response. OSE is located within the Mayor's Office of the Criminal Justice Coordinator and commands significant investigatory and enforcement mechanisms. OSE acts as the umbrella agency overseeing joint investigations, joint inspections and supervising measures to bring identified properties into compliance with the law. OSE coordinates the inspection and investigation resources of a number of City agencies, including the Police Department, Fire Department, Buildings Department, Department of Consumer Affairs, Department of Environmental Protection, Housing Preservation and Development, Finance Department and Department of Health and Mental Hygiene, among others. <a href="https://www1.nyc.gov/office-of-the-mayor/news/434-06/mayor-bloomberg-creates-office-special-enforcement-expand-enforcement-initiatives-across">https://www1.nyc.gov/office-of-the-mayor/news/434-06/mayor-bloomberg-creates-office-special-enforcement-expand-enforcement-initiatives-across</a>.

<sup>&</sup>lt;sup>2</sup> Palantir, incorporated in Delaware as Palantir Technologies, Inc., is a private technology corporation based in Palo Alto, California that develops software designed to analyze information. *See* Company Overview of Palantir Technologies, Inc., BLOOMBERG,

http://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=43580005 (last accessed June 23, 2018).

<sup>&</sup>lt;sup>3</sup> See, e.g., Ilya Martinez, Inspectors' Gadgets Find Illegal Airbnbs, WNYC NEWS (Jan. 20, 2015), <a href="https://www.wnyc.org/story/inspectors-gadgets-find-illegal-airbnbs/">https://www.wnyc.org/story/inspectors-gadgets-find-illegal-airbnbs/</a>. NYPD appears to have terminated its relationship with Palantir last summer in favor of an IBM platform. See William Alden, There's A Fight Brewing Between the NYPD And Silicon Valley's Palantir, Buzzfeed June 28, 2017 3:23p.m., available at <a href="https://www.buzzfeed.com/williamalden/theres-a-fight-brewing-between-the-nypd-and-silicon-valley?utm\_term=.kjVdlajB6g#.vjD9Kx1dZE">https://www.buzzfeed.com/williamalden/theres-a-fight-brewing-between-the-nypd-and-silicon-valley?utm\_term=.kjVdlajB6g#.vjD9Kx1dZE</a>.

<sup>&</sup>lt;sup>4</sup> In December, 2011, the Bloomberg administration granted Palantir the first of at least five contracts, establishing Palantir's "Gotham" software as a centerpiece of New York's mission, utilized by NYPD and OES alike, to improve safety and security and to enhance "community livability and property values"—that is to say, quality of life – in New York City. See Brendan O'Connor, How Palantir Is Taking Over New York City, GIZMODO (9/22/2016 9:30am), <a href="https://gizmodo.com/how-palantir-is-taking-over-new-york-city-1786738085">https://gizmodo.com/how-palantir-is-taking-over-new-york-city-1786738085</a>.

in 2014. <sup>5</sup> The City also reportedly acquired licenses to provide OSE inspectors with Palantir's mobile technology, connecting them to everything the city knows about every place within it. This technology has reportedly already been used to crack down on illegal Airbnb rentals. <sup>6</sup>

With respect to the specific provisions of Int. 981 which mandates the collection and uploading of all STR hosts' data to OSE, there is simply no consideration afforded to the potential for customer privacy violations. There is also no consideration given to the need for

Gotham is not strictly a single "database," in that it is not solely designed as a repository for information. Instead, it indexes a variety of data sources, processes and conforms that information, and stores it in another database that can then be used for searches and analysis, while tracking any changes to the underlying source material and the index through additional database sources. Thus, Gotham includes, maintains, or links to multiple databases containing personal information, some of which may be directly held on Palantir servers.

Palantir claims that it does not directly hold or store data provided to it by clients, but that assertion inherently conflicts with the design of the software. Palantir Gotham includes what the company calls a "revisioning database" that tracks access to data points and all changes that are made to a given piece of data. See Palantir Gotham Technologies, PALANTIR, available at https://www.palantir.com/palantir-gotham/technologies/ (last accessed June 23, 2018). Such a feature can be a positive for privacy and security purposes, as it produces an "audit trail" that can be used to ensure that data is not accessed or edited by unauthorized actors. However, this tracking feature goes beyond a standard "audit trail" because it retains any information that has been deleted from underlying data sources. See Testimony of Dr. Alexander Karp, Co-Founder and CEO, to Senate Committee on Homeland Security and Governmental Affairs Subcommittee on Federal Financial Management, Government Information, Federal Services and International Security (Aug. 3, 2010), available at <a href="http://www.hsgac.senate.gov/download/8310-karp">http://www.hsgac.senate.gov/download/8310-karp</a> (last accessed June 23, 2018) ("The Revisioning Database....tracks and attributes all manipulations of objects and their underlying data sources, providing a tamper-free audit trail of analyst activity.").

Thus, no records can be completely deleted once input into the system; for example, if a record in a database feeding into Gotham is deleted, Gotham would recognize the deletion, but the deleted record would still technically be available to Gotham users depending on the security and access control settings in place. See, e.g., The Palantir Platform: The Platform for Information Analysis, PALANTIR available at https://wikileaks.org/hbgary-emails/fileid/4771/1679 (last accessed Mar. 13, 2017); see also Email from Matthew Steckman to Aaron Barr (Dec. 22, 2009), available at <a href="https://www.wikileaks.org/hbgary-emails/emailid/4771#searchresult">https://www.wikileaks.org/hbgary-emails/emailid/4771#searchresult</a>.

Palantir's "Gotham Mobile" technology also allows Android and iOS smartphones to access much of Gotham's functionality remotely, including the ability to both review data already in the system and input new material into the database. Gotham Mobile also permits what Palantir terms "blue force tracking," allowing users of Gotham Mobile to be physically tracked at all times. The ability to provide mobile access to almost any smartphone also means that, if ICE or NYC so chose, virtually any law enforcement officer could be provided with access to Gotham anywhere and at any time. See, e.g., The Palantir Platform: Applications, PALANTIR available at <a href="https://www.palantir.com/palantir.com/palantir.com/solutions/defense/">https://www.palantir.com/palantir.com/palantir.com/palantir.com/solutions/defense/</a> (last accessed June 23, 2018). In this regard, it is important to note there has been reporting that Palantir technologies may be powering the Trump administration aggressive ICE and DHS enforcement actions. See Spencer Woodman, Documents suggest Palantir could help power Trump's 'extreme vetting' of immigrants, THE VERGE (Dec. 21, 2016), <a href="http://www.theverge.com/2016/12/21/14012534/palantir-peter-thiel-trump-immigrant-extreme-vetting">http://www.theverge.com/2016/12/21/14012534/palantir-peter-thiel-trump-immigrant-extreme-vetting</a>.

6 See O'Connor, How Palantir Is Taking Over New York City, supra at fn 4.

<sup>&</sup>lt;sup>5</sup> Palantir "Gotham" is an analysis platform that takes information from various sources and in various formats, processes that information into a common format, categorizes that data into various "objects," automatically identifies potential connections between different objects, and then allows analysts to perform actions on that data to make it usable, from conducting searches to making visualizations. Sam Biddle, *How Peter Thiel's Palantir Helped The NSA Spy On The Whole World*, THE INTERCEPT (Feb. 22, 2017), <a href="https://theintercept.com/2017/02/22/how-peter-thiels-palantir-helped-the-nsa-spy-on-the-whole-world/">https://theintercept.com/2017/02/22/how-peter-thiels-palantir-helped-the-nsa-spy-on-the-whole-world/</a>

accountability and oversight regarding data collection and retention by either OSE or Palantir. This legislation fails to provide adequate oversight and privacy protections for STR "hosts." For example, there is no data retention policy. This creates a likelihood of security breaches regarding information about STR "hosts." The best practice, which we urge you to incorporate into this proposed legislation, would be to minimize the collection and retention of this private information by STR platforms, and OSE, to what is operationally necessary and to set a fixed retention period that is tied to operational needs.

The bill also fails to address the potential use, or abuse, of both STR booking services' and OSE's technologies to engage in unwarranted surveillance of individuals who participate on any STR platform. This proposed legislation fails to provide any assurance to STR "hosts" that they will be notified of any government requests for information. Notice is crucial for providing users with the opportunity to argue against the reasonableness of such requests and for ensuring that courts are ultimately deciding the validity of government information requests, especially overbroad requests that infringe on Fourth Amendment rights. The proposed legislation should at minimum assure STR "hosts" that if there is a government request for information they will be provided notice through the email address that they provided during registration or through any other personally identifiable information in an STR's or OSE's possession, unless there is a lawful judicial order barring the STR booking service or OSE from doing so and, if there is such an order, the notice should be given as soon as the order is lifted.

Other than what can be gleaned through publicly available documents, the various data crunching technologies offered by Palantir, IBM and other vendors as fully utilized in New York City by City agencies is entirely shrouded in secrecy. Before the Council takes any action to mandate the turnover of personally identifying information of any New York City resident who participates on the STR services platform offered by Airbnb, VRBO or any other "booking service" to OSE's data crunching platform, the Council might better engage in intensive fact-finding and oversight to better understand the City's complex relationships with Palantir and other data crunching technology vendors operating under contract with New York City agencies so as to best ensure the privacy rights of all New Yorkers.

<sup>&</sup>lt;sup>7</sup> Section 26-2102(2) mandates that the STR booking service "[o]btain lawful consent from the person offering such unit for short-term rental to provide the information described in paragraph 1 to [OSE]." This mandate does nothing to protect the informational privacy of the STR "host." Living in a highly digitized society entails a tradeoff between informational privacy and the benefits of information processing. Even assuming a person reads the typical "notice and choice" consent provisions utilized by internet providers, a person who wants to avail themselves of the STR booking service's platform is forced into a Hobson's choice – they can either consent to the waiver of their privacy rights worked by the STR booking service uploading their information to OSE or they can "choose" to waive consent and not be able to avail themselves of the STR booking service's platform. As Tess Wilkinson-Ryan postulates, "[c]onsent to standard terms occupies an uneasy place in the existing research on the moral psychology of contracts. The relevant moral and social norms that bear on contracts of adhesion evince a deep cultural ambivalence. Contracts are understood to be serious moral obligations, and yet everyday commercial activity requires that consumers sign agreements that contain terms they have not read. Most people see consent to boilerplate as less meaningful than consent to negotiated terms, but nonetheless would hold consumers strictly liable for both." Tess Wilkinson-Ryan, *A Psychological Account of Consent to Fine Print*, 99 Iowa L. Rev. 1725 (2014).

## Data Collection relating to STR Utilization to Guard against Tenant Hardships and Displacements

As an alternative to the data collection proposed by Intro. 981, the NYCLU suggests that certain targeted, and anonymized, data sharing from Airbnb, VRBO and other STR booking services' platforms, could be useful to the Council, as well as to other City policymakers and economic justice advocates, including tenants' rights groups and fair and affordable housing advocates.

The NYCLU would support the mandated collection, and analysis, of anonymized data, with STR platform utilization stripped of personally identifying information and address resolution decreased to census tracts or street blocks. This data collection and analysis would ensure the accurate assessment of, and informed response by the City to, research indicating that STRs are disrupting communities, threatening affordable housing and facilitating rapid gentrification and displacement of long-time residents from many neighborhoods.<sup>8</sup>

For example, a recently issued report from McGill University Urban Planning professor David Wachsmuth provides a thought-provoking analysis of Airbnb activity in New York City and the surrounding region in the past three years. Wachsmuth and his team performed a spatial analysis on three years of Airbnb activity in New York City in order to measure how new capital flows into the short- term rental market, to identify neighborhoods whose housing markets have already been significantly impacted by short-term rentals, to identify neighborhoods which are increasingly under threat of Airbnb-induced gentrification and, finally, to measure the amount of rental housing lost to Airbnb. The authors present both a useful framework for analyzing the relationship between short-term rentals and gentrification by way of an exploratory case study of New York City as well as an agenda for future research on gentrification and the sharing economy. As a matter of economic justice, the Council should formulate responses to the affordable housing disruptions documented in the McGill study and in other recent studies, including the 2016 study commissioned by MFY Legal Services Inc. 10

<sup>&</sup>lt;sup>8</sup> See BJH Advisors LLP For Housing Conservation Coordinators Inc. and MFY Legal Services Inc., Short Changing New York City: The impact of Airbnb on New York City's housing market, June 2016, available at <a href="http://www.sharebetter.org/wp-content/uploads/2016/06/NYCHousingReport\_Final.pdf">http://www.sharebetter.org/wp-content/uploads/2016/06/NYCHousingReport\_Final.pdf</a> (last accessed June 23, 2018).

<sup>&</sup>lt;sup>9</sup> David Wachsmuth and Alexander Weisler, Airbnb and the Rent Gap: Gentrification through the Sharing Economy, available at

https://www.researchgate.net/publication/318281320\_Airbnb\_ and\_the\_Rent\_Gap\_Gentrification\_Through\_the\_Sha\_ring\_Economy [last accessed June 23 2018]. David Wachsmuth, whose Ph.D. is from New York University, is the Canada Research Chair in Urban Governance at McGill University, an Assistant Professor in the School of Urban Planning and an Associate Member in the Department of Geography. He is an urban political economist whose research interests include city and regional governance, urban sustainability, housing policy, social theory, and the politics of urban public space. See <a href="https://www.mcgill.ca/urbanplanning/people-0/wachsmuth">https://www.mcgill.ca/urbanplanning/people-0/wachsmuth</a>.

<sup>&</sup>lt;sup>10</sup> This same committee is considering Int. 601-2018, 607-2018 and 722-2018, all of which relate to various affordable housing reporting initiatives. There is no reason not to collect and analyze STR utilization data in connection with these other affordable housing data initiatives pursued by the Council.

#### First Amendment Considerations: Violation of Section 230 of the Communications Decency Act

We note that Int. 981 sweeps quite broadly in obligating any "booking service" to upload transaction reports to OSE on a monthly basis relating to, among other things, listings or advertisements relating to STRs offered by individuals utilizing the STR platform. Int. 981 defines "booking service" in such a way as to capture within its purview not only STR services offered by Airbnb and VRBO, but also any entity that "provides to another person an online, computer or application-based, platform through which such other person may offer the rental of a dwelling unit or part thereof or of housing accommodations within a dwelling unit for occupancy of fewer than 30 consecutive days." It is difficult to discern whether this is a drafting error or is intended intentionally to bring all on-line classified ad purveyors such as the newspapers that serve the very diverse populations of New York City<sup>12</sup> into the monthly OSE reporting regimen set forth in Int. 981.

However broad its scope, Int. 981 imposes civil penalties on the "booking service" for any violations that may be committed by the STR platform users in connection with their "listings or advertisements." This provision of Int. 981 appears to violate section 230 of the Communications Decency Act of 1996 (the "CDA"), 47 U.S.C. § 230. Section 230(c)(1) provides what has been referred to as "intermediary immunity" from liability for providers and users of any "interactive computer service" who publish information provided by third-party users. <sup>14</sup> Section 230 immunity empowers intermediaries to resist being enlisted as extensions of

 $<sup>^{11}</sup>$  See proposed § 26-2102(1)(d). "Such report shall include the following information for each dwelling unit where a fee was accepted to facilitate a short-term rental ...

<sup>(</sup>c) The individualized name or number of each such advertisement or listing connected to such unit and the uniform resource locator (URL) for each such listing or advertisement, where applicable;

<sup>(</sup>d) A statement as to whether such booking services will be provided in connection with (i) short-term rental of the entirety of such unit, (ii) short-term rental of part of such unit, but not the entirety of such unit, and/or (iii) short-term rental of the entirety of such unit, or part thereof, in which a non-short-term occupant will continue to occupy such unit for the duration of such short-term rental..."

<sup>&</sup>lt;sup>12</sup> Int. 981's definition of "booking service" captures a broad swath of New York City newspaper services that run relatively robust online classified rental ad platforms where the platform accepts fees for ad placements. Those entities would appear to include the New York Times, the Amsterdam News, El Diario, the Jewish Press, Caribbean Life, the Russian Bazaar, the Staten Island Advance and the New York Daily News. Moreover, a "booking service" could also include paid content on platforms such as Facebook.

<sup>&</sup>lt;sup>13</sup> See proposed § 26-2104. "Penalties. A booking service that violates section 26-2102 with respect to a dwelling unit shall be liable for a civil penalty of no less than \$5,000 and no greater than \$25,000 for each such unit. The civil penalties established by this section may be recovered in a proceeding before the environmental control board or a court of competent jurisdiction."

<sup>&</sup>lt;sup>14</sup> Section 230(c)(1) provides as follows: "No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content." 47 U.S.C. § 230(f)(2) defines "interactive computer service" as "any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet and such systems operated or services offered by libraries or educational institutions." "Congress did not sound an uncertain trumpet when it enacted the CDA, and it chose to grant broad protections to internet publishers. Showing that a website operates through a meretricious business model is not enough to strip away those protections. If the evils that the appellants have identified are deemed to outweigh the First Amendment values that drive the CDA, the remedy is through legislation, not through litigation." *Doe v. Backpage.com*, 817 F.3d 12, 29 (1st Cir. 2016).

# TESTIMONY OF HOUSING CONSERVATION COORDINATORS BEFORE THE HOUSING AND BUILDINGS COMMITTEE OF THE NEW YORK CITY COUNCIL

June 26th, 2016

Good morning--Thank you to the Members of the Council for the opportunity to testify today.

My name is Jonathan Furlong and I am the Director of Organizing at Housing Conservation Coordinators (HCC). I am here this morning to give testimony as a member of the Coalition Against Illegal Hotels.

The Coalition is comprised of organizations spanning New York City, whose work lies in the neighborhoods most negatively impacted by apartments rented commercial use: UHAB/Crown Heights Tenant Union (CHTU) in Crown Heights, Brooklyn; The Goddard Riverside Law Project on Manhattan's West Side above 14<sup>th</sup> Street; Housing Conservation Coordinators, (HCC and the West Side Neighborhood Alliance) based in Hell's Kitchen serving the west side; The Cooper Square Committee in Manhattan's Lower East Side; St. Nick's Alliance in Greenpoint-Williamsburg and data activist project Inside Airbnb. It should also be noted that 40 other neighborhood based organizations have endorsed the work and efforts of the coalition.

Since 2004, HCC and the West Side Neighborhood Alliance have been organizing and fighting against illegal hotels in Hells Kitchen, Chelsea and the Upper West Side. What began as a 'Quality of Life' or 'Nuisance' issue roughly 14 years ago, has become a serious threat to the stock of rent stabilized housing in the city and has been an accelerant to the gentrification of our neighborhoods and communities. Any debate on the legislation being considered today should include a serious conversation about how it would affect tenants who have fought for years to stay in their homes.

Simply put, New York City is in a housing crisis. Every night more than 62,498 people (including 15,176 families) sleep in homeless shelters, and currently 147,512 of rent stabilized units have been lost to vacancy decontrol through processes and policies that have been well documented by organizers and tenants alike. The residential rental vacancy rate in New York City currently sits at 3.6 percent and has remained below 5 percent for decades. The New York City Rent Guidelines Board has determined that rental vacancy rates below 5 percent are likely to generate market distortions that result in tenant hardships and displacement.

Moreover, the New York City Legislature has determined that a residential rental vacancy rate below 5 percent constitutes a housing emergency.

The short-term rental of apartments in multi-family buildings as hotel units have created an overall loss of between 7,000 and 13,500 units of housing from New York City's long-term rental market, adding to an already extensive list of causes that includes buyouts, vacancy bonuses, major capital improvements, individual apartment improvements, and preferential rents among others.

Tenant leaders and members of the coalition have worked tirelessly with the Mayor's Office of Special Enforcement to identify buildings where multiple units are being listed as illegal hotels, but without knowing the address of where these buildings are, OSE must always rely on someone filing a complaint. This bill would allow the city to proactively identify some of the worst violators that have been operating with impunity for years. In other cities such as San Francisco, which has an equally acute housing crisis, roughly 50% of listings were removed in the 6 months following new requirements for registration and address disclosure.

In examining the issue of illegal short term rentals as they contribute to the loss of the affordable housing stock in New York City, HCC believes in a common sense approach towards the regulation of online platforms that have made millions listing apartments that should otherwise be used as long-term housing options for tenants and community residents. Towards this end HCC supports the passage of Intro 982. Thank you.

Respectfully Submitted,

Jon Furlong
Director of Organizing
Housing Conservation Coordinators



# THE ASSEMBLY STATE OF NEW YORK ALBANY

CHAIR Alcoholism & Drug Abuse

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Testimony of Assemblymember Linda B. Rosenthal before the New York City Council Committee on Housing and Buildings in Support of Int. No. 981, Regulation of Short-Terms Residential Rentals

June 26, 2018

Good morning and thank you for the opportunity to testify in support of Int. No. 981, which would require internet-based short-term rental booking websites to provide the appropriate city enforcement agency with address and other relevant data to ensure that the rental complies with the Multiple Dwelling Law, the state law prohibiting illegal hotels.

I am the sponsor of state-level legislation to require address and related data disclosure from online booking services and the author of the 2016 law that cracked down on illegal hotels by prohibiting online advertisement. I commend the bill's sponsor and her colleagues for this effort to protect New York's communities from the spread of illegal hotels, which drive up the cost of housing for all New Yorkers, making New York affordable to only the wealthiest among us.

This legislation will provide the City of New York with a powerful tool to crack down on illegal hotel operators who use Airbnb and similar internet—based platforms to skirt the laws designed to protect our housing stock and hardworking families. New York City continues to struggle through an affordable housing crisis, which has been exacerbated by the growth of the illegal hotel industry. Airbnb, and similar websites, has professionalized and legitimatized the illegal hotel industry, which has had devastating consequences for New Yorkers, their communities and the housing stock.

According to a recent McGill University report on Airbnb's impact on New York City's housing stock, Airbnb is directly responsible for the loss of 13,500 units of housing. An audit conducted by New York City Comptroller Scott M. Stringer concluded that as a result of the Airbnb-caused housing scarcity, hardworking New Yorkers paid \$616 million more in rent between 2009 and 2016.

Despite all this, and the fact that Airbnb discloses address and other data to regulators in many other cities around across the country, such as San Francisco, Chicago and New Orleans, Airbnb refuses to provide the City with information that would help it protect our affordable housing stock and the New Yorkers who rely on it to be able to afford to live in the City. Airbnb's refusal to provide New York with information that it freely provides to officials in other cities is motivated by profit, and profit alone: of nearly 40,000 active Airbnb listings in New York, nearly 50% are illegal listings. Airbnb generated \$435 million in revenue from illegal listings in 2017 alone.

In addition to the impact that Airbnb has had had on our housing stock, fire and building safety codes differ based on the type of occupancy, and rental units do not provide short-term tourists with the same level of protection that hotels do. Airbnb also invites strangers into buildings and communities. My constituents who live in buildings with regular Airbnb activity complain that the transient guests often traipse around at all hours of the day and night, leave trash strewn about, leading to an increase in vermin, and endangering the safety of all community and building residents. When illegal listings are secretly made available, permanent residents have no idea who has access to their building's keys and common areas, leading to the perception and reality that the building is insecure and unsafe for tenants. Spaces that were once dedicated for communal use amongst all building tenants, like laundry rooms and storage, are often converted into lounge areas for transient tenants.

Airbnb has a long history of bullying any person or institution that attempts to shine sunlight on its illegal operations. When the state legislature passed my bill to ban advertising of illegal listings, Airbnb threatened the Governor and then sued the State and City of New York when it didn't get its way. Airbnb goes to great lengths to silence its critics and spends heavily to prevent any efforts at compelling transparency. It's not hard to understand what Airbnb has to hide given that its bottom line is predicated on its ability to hide the illegal activity transacted on its site.

Given Airbnb's brazen and continued refusal to comply with the state laws that protect our affordable housing and tenants and the public safety risks it creates for tenants and communities, Int. No. 981 is necessary so that the City can stop illegal hotel activity that Airbnb's website helps promote. Passage of Int. No. 981 is a first step that will help protect New York City residents, and I look forward to passing my bill to provide protection to all New Yorkers statewide when the 2019 Legislative session begins in January.

#### LIZ KRUEGER SENATOR, 28<sup>TH</sup> DISTRICT

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# Testimony of State Senator Liz Krueger Before the New York City Council Committee on Housing and Buildings Regarding Intro 981 to Require Short-term Rental Booking Services to Share Transaction Data with the Mayor's Office of Special Enforcement June 26, 2018

My name is Liz Krueger and I represent the 28th Senate District, which includes the East Side and Midtown areas of Manhattan. I want to thank Chairman Robert Cornegy and the members of the City Council Housing and Buildings Committee for providing me with the opportunity to testify today in support of Intro 981, sponsored by Councilmember Carlina Rivera, Speaker Corey Johnson, and 38 other members of the Council. I believe this legislation is critically important to the city's efforts to crack down on illegal hotel activity and to preserve our limited housing stock for New Yorkers.

I have been working for a more than a decade to understand and address the exponential growth of residential apartments illegally converted into short-term transient units for visitors, commonly referred to as illegal hotels. After years of collaboration with a working group of elected officials, neighborhood organizations, housing advocates, and city agencies, Assemblymember Dick Gottfried and I passed legislation in 2010 clarifying ambiguities in city and state laws that made it difficult for enforcement agencies to take any action against illegal hotel operators. Following the enactment of the state law, I worked closely with the working group to support the subsequent passage in 2012 of Local Law 45, sponsored by then-Councilmember Gale Brewer, which classified illegal hotel violations as "immediately hazardous" and increased the fines the city can impose. In 2016, I co-sponsored legislation, enacted as Chapter 396 of the Laws of 2016, which prohibits the advertising of illegal hotel units and empowers the issuance of violations based on advertisements.

While the laws enacted since 2010 have removed many of the obstacles to enforcement action against illegal hotels, the continued growth of these illegal operations makes it clear that the Mayor's Office of Special Enforcement (OSE) needs additional tools to proactively enforce the law. I want to share a few of key lessons I have learned while wrestling with illegal hotel issues over the years, and explain why I believe Intro 981 is so vital to the OSE's ability to effectively enforce the law and work to return desperately needed apartments to New York City's housing market.

The proliferation of illegal hotel activity has removed thousands of desperately needed housing units from our city's housing market. A January 2018 analysis conducted by the Urban

Politics and Governance research group at McGill University's School of Urban Planning estimated that Airbnb alone has removed 13,500 units of housing from New York City's long-term rental market. This includes 12,200 frequently listed entire home listings that were available for rent 120 days or more and 5,600 entire home listings available for at least 240 days. Although Airbnb is the largest of the online booking services, there are many others conducting similar transactions. As a result, the total number of residential units unavailable to everyday New Yorkers because of these online marketplaces is much higher.

Given New York City's extraordinarily low 3.6% vacancy rate and the prevalence of illegal hotel activity in particular neighborhoods, the loss of thousands of units available to everyday New Yorkers has already had a significant impact on the availability and cost of housing in many communities. A 2016 report conducted by BJH Advisors for Housing Conservation Coordinators and MFY Legal Services found that the number of vacant rental apartments citywide would increase by 10% if Airbnb "impact listings" (entire homes booked multiple times per-month and listed for at least three months out of the year) were returned to the rental market as available units. The study found that impact listings reduce housing supply by an average of 17% in the neighborhoods where Airbnb listings are most prevalent. A recent analysis by City Comptroller Scott Stringer concluded that New York City renters paid an additional \$616 million in rent in 2016 because short-term rentals facilitated by Airbnb reduced the number of units available to rent on a long-term basis and drove up rental prices.

Most disturbingly, a substantial percentage of illegal hotel activity takes place in buildings that are regulated under our rent stabilization laws and/or tax abatement programs intended to preserve affordable residential units. In many cases, our constituents are forced to face harassment and even eviction proceedings by unscrupulous building owners and managers who want to free up more residential units for this illegal – but lucrative – alternate use. Warehousing units as illegal hotel rooms to remove them from the rent regulation rolls for a year or more has even become a backdoor deregulation tactic used by some building owners. So taxpayers are unknowingly and unintentionally subsidizing this business model even as it shrinks the universe of available homes.

Many of the booking companies that facilitate illegal hotel activity are attempting to create a false distinction between "bad" illegal hotel operators and "hosts" who participate in the "new sharing economy". Since the enactment of the state legislation in 2010, the majority of the activity has shifted from being organized by a relatively small number of local operators, frequently unscrupulous building owners or managers, to large online booking services such as Airbnb, Homeaway, and Flipkey that act as both marketplace and middleman for millions of short-term apartment rentals around the world. These online businesses have become hugely profitable by ignoring state and local laws and the damage their business model does to communities. When confronted with the illegal activity facilitated by their websites, the booking services claim they are simply online platforms that have no control over third-party content available through their services. Regardless of how illegal activity is facilitated, the deleterious impacts it has on housing, public safety, and communities remain the same.

Airbnb, currently the largest of these online platforms with a valuation estimated last over of more than \$31 million, likes to portray itself as a pioneer of the "sharing economy" movement fighting for everyday New Yorkers struggling to pay high housing costs. The company has

repeatedly claimed that it is more than happy to help get rid of the big illegal hotel operators on their site, and only wants the business of everyday New Yorkers renting out their primary residences occasionally to tourists.

The facts do not match their words. The reality is a substantial portion of Airbnb's revenue in New York City is generated by a small percentage of hosts who control multiple listings and/or rent entire apartments for many months of the year. The 2016 Housing Conservation Coordinators/MFY Legal Services report determined that the average Airbnb unit is rented 132 days a year, the equivalent of nearly 4.5 months a year. The report found that 30% of all Airbnb listings were by commercial hosts who generated more than \$317 million in revenue for the company in 2015. More recently, the 2018 McGill University report determined that the top 10% of New York City Airbnb hosts generated 48% of the company's revenue from the city last year; the bottom 80% of hosts generated just 32% of revenue. The McGill report estimated that Airbnb earned \$435 million—more than two-thirds of the company's total New York City revenue—last year from entire apartment listings that are illegal under state law.

Airbnb has repeatedly rejected multiple requests in recent years by elected officials and the OSE to voluntarily share comprehensive data on its listings and bookings in New York City. The company provided a one-time limited snapshot of its operations in December 2015 to select media and city officials. However, according to a February 2016 report from independent data analysts Tom Slee and Murray Cox, Airbnb actually conducted a one-time purge of over 1,000 listings controlled by commercial operators from its website in the month before the snapshot was shared in order to present a more flattering picture of its New York City activity. Many of the listings soon reappeared on the site in the following months.

The reality is that Airbnb is spending millions of dollars in lobbying and advertising to try to protect the hundreds of millions of dollars in revenue it earns from illegal listings in New York City, its largest market in the United States. The company is actively lobbying for changes in state law that would create loopholes that commercial illegal hotel operators could drive trucks through. Moreover, the legislation would do nothing for the "everyday New Yorkers" who would be at increased risk of eviction if the bill passes, let alone all of the New Yorkers who will have to continue to suffer from illegal hotel activity in their buildings.

To be crystal clear: for the so-called "regular" Airbnb hosts the company claims it wants to protect, the primary "threat" is not city and state enforcement. For these hosts, the primary threat facing them it is the reality that Airbnb has enticed them into behaviors that violate their lease agreements and serve as an easy pretext for eviction proceedings.

Virtually all residential leases, and cooperative and condominium governing documents, prohibit renters, cooperative shareholders, and condominium owners from renting their homes on a transient basis. Even if state and city laws were changed tomorrow to permit whole-apartment short-term rentals in multifamily buildings, anyone who engaged in this activity would continue to violate their leases or contractual ownership agreements and open themselves up to serious repercussions. This is a bedrock reality at the foundation of the real estate market in New York City and it will not change.

Numerous articles have appeared in the press in recent years about eviction cases initiated against both renters and cooperative shareholders who listed their homes on Airbnb and similar sites for violating the terms of their leases and/or corporate bylaws. My office has also received reports from tenant attorneys that more and more landlords have started eviction cases against rent regulated tenants who rented out rooms for less than 30 days, claiming that the tenants turned their apartments into commercial operations and/or were engaging in profiteering. As a lifelong tenant advocate, I find it offensive that booking companies are actively recruiting tenants to list their apartments on their websites even though they are well aware they are putting residents at risk of eviction.

The OSE needs the tools provided by Intro 981 to stem the tide of illegal hotel activity. Throughout all the years I worked on illegal hotel issues, I have been exceedingly impressed by the expertise and dedication of the OSE staff. The OSE staff were instrumental in the drafting of the city and state illegal hotel laws, and have repeatedly brought groundbreaking litigation against some of the worst violators. On a day-to-day basis, the OSE is responsible for investigating complaints of suspected illegal hotel activity from residents, visitors, community groups, and elected officials in every corner of the city. In recent years, the Mayor and City Council have recognized the critically important work being done by the OSE and significantly increased its budget. However, despite the funding increases and commitment of its staff, the OSE has continued to face serious hurdles in its enforcement efforts.

One of the most difficult obstacles faced by staff of the OSE is a lack of data. OSE staff regularly struggle to determine the exact locations where suspected illegal hotel activity is taking place, the identities of "hosts" responsible for illegal listings, and the addresses where violations and other legal notices can be served once evidence of illegal activity has been collected. Online booking services do not publish the addresses of listings, the names of those responsible for listings, or any contact information for hosts on their websites. The booking services also do little to prevent hosts from establishing multiple online profiles to obscure the number of listings they control. While Airbnb has agreed to share address and host information for completed transactions on a monthly basis with city enforcement agencies around the world, it has consistently refused to do so in New York. Without access to this transaction data, the OSE's ability to efficiently address complaints and conduct proactive enforcement is significantly limited.

Intro 981 would substantially improve the OSE's ability to respond to complaints and proactively conduct enforcement action against commercial illegal hotel operators. Online booking services would be required to disclose address and host information to the OSE each month for all completed short-term rental transactions. Those companies that do not comply would be liable for \$5,000 to \$25,000 in civil penalties for each unit where a transaction was not disclosed. San Francisco, Chicago, and New Orleans have passed similar legislation in recent years requiring booking services to share data with their enforcement agencies. For the first time, the OSE would have access to the data it needs in order to quickly determine the exact locations of illegal hotel complaints, serve violations on those responsible, and initiate broader legal action against the small percentage of hosts who are responsible for removing thousands of units from the housing market.

It is also highly likely that the passage of Intro 981 would lead to a dramatic reduction in the number of illegal listings on booking platforms. The number of Airbnb listings in San Francisco dropped by almost 50% in the months after the city's registration and data disclosure requirements

went into effect earlier this year. San Francisco's experience makes clear that simply knowing that name and address details for transactions is shared with local enforcement agencies serves as a strong deterrent for many potential illegal hotel operators.

I am also pleased to see that Intro 981 has been carefully drafted to ensure it does not violate federal law governing online activity. The federal Communications Decency Act (CDA) shields "interactive computer services," such as booking platforms, from liability for *content* they do not control that is posted by third parties. However, courts across the country have repeatedly found that the CDA does not provide immunity to online platforms for their business *conduct* as service providers. Intro 981 explicitly only requires the booking services to provide data related to completed business transactions. It does not treat the booking services as the publishers of content provided by third parties, or create any liability for this content. Federal courts in California have determined that the CDA does not shield booking service providers from San Francisco's and Santa Monica's recently implemented short-term rental ordinances because the laws only hold the platforms accountable for the business transactions conducted on their sites. The legislation also mandates booking service providers to obtain lawful consent from hosts to provide information to the OSE. This language is critical to make certain that the new data sharing requirements do not violate the Section 2702(c) of the federal Stored Communications Act which limits the ability of governments to obtain records from online companies about customers without consent.

I strongly urge the Council to enact Intro 981 as quickly as possible. The OSE needs the tools provided by the legislation to effectively crack down on illegal hotel operations that are endangering public safety, taking desperately needed apartments away from New Yorkers, and exacerbating our city's affording housing crisis.

Thank you again for the opportunity to testify today. I look forward to working with the members of this committee to curb illegal hotel activity as well as on other critically important affordable housing issues.



### FOR THE RECORD

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## TESTIMONY BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON HOUSING AND BUILDING

June 26, 2018

Thank you Chairperson Cornegy, and members of the Committee on Housing and Buildings, for the opportunity to provide testimony today.

This testimony is submitted on behalf of The Legal Aid Society. The Society is the oldest and largest program in the nation providing direct legal services to low-income families and individuals. The mission of the Society's Civil Practice is to improve the lives of low-income New Yorkers by providing legal representation to vulnerable families and individuals to assist them in obtaining and maintaining the basic necessities of life — housing, health care, food and subsistence-level income or self-sufficiency. The Society's legal assistance focuses on enhancing individual, family and community stability by resolving a full range of legal problems in the areas of housing and public benefits, foreclosure prevention, immigration, domestic violence and family law, employment, elder law, tax law, community economic development, health law and consumer law.

#### Introduction

New York City's vacancy rate for rental apartments is 3.63 percent according the United State Census' New York City 2017 Housing and Vacancy Survey. Short term rentals take apartments off of the residential market decreasing New York's vacancy rate, creating incentives for landlords harass tenants out and become hotel owners and increasing rents for New Yorkers who make New York City their home. Indeed one striking finding from the 2017 Housing and Vacancy Survey was the increase of vacant units not available

for sale or rent. That number increased by 34 percent from 183,000 (the highest number since the first HVS in 1965) to 245,000 in 2017. It seems likely that short term rentals have driven this increase. An independent report found that Airbnb alone was responsible for removing between 7,000 and 13,500 units of housing from New York City's long-term housing market.<sup>1</sup>

We supported the illegal hotel law passed in 2010. It is our observation as a law firm that represents tenants in all five boroughs, that short term rentals have a significant destabilizing effect on our neighborhoods. We believe the law needs better enforcement and flagrant violators of the law should face consequences of their actions. Thus we support the Introduction 554 and 931. Thank you to Council members Rosenthal and Rivera for this important legislation. Thank you Chair Cornegy for holding this necessary hearing.

#### **Declining Availability of Housing**

Unfortunately for New York renters, declining affordability is coupled with declining availability. The net vacancy rate of rent-stabilized units was 2.06 percent in 2017 compared to a City-wide vacancy rate of 3.63 percent, significantly below the 5.0 percent threshold that legally defines a housing emergency.<sup>2</sup> The number of vacant units affordable to low-income New Yorkers is even more meager. In 2017, the vacancy rate for all units with rents less than \$800 was only 1.15 percent.<sup>3</sup> The 2017 vacancy rate for units under \$1000 was only 2.09 percent.<sup>4</sup>

The decrease in availability of affordable vacant units is exacerbated by the loss of at least 151,222 rent-stabilized housing units in the last 22 years, primarily due to high-rent vacancy deregulation.<sup>5</sup> Units that remain available are increasingly out of the range of low-income New Yorkers. Between 2000 and 2012, the number of units in New York City

<sup>&</sup>lt;sup>1</sup> Wachsmuth, D., Chaney, D., Kerrigan, D, Shillolo, A, & Basalaev-Binder, R, The High Cost of Short-Term Rentals in New York City: A Report from the Urban Politics and Governance research group, School of Urban Planning, McGill University, January 30, 2018

<sup>&</sup>lt;sup>2</sup>. Gaumer, E. Selected Initial Findings of the 2017 New York City Housing and Vacancy Survey. New York, NY: New York City Department of Housing Preservation and Development;, available at <a href="http://www1.nyc.gov/assets/hpd/downloads/pdf/about/2017-hvs-initial-findings.pdf">http://www1.nyc.gov/assets/hpd/downloads/pdf/about/2017-hvs-initial-findings.pdf</a> Accessed March 15, 2018.

<sup>&</sup>lt;sup>3</sup> Id.

<sup>&</sup>lt;sup>4</sup> Id.

<sup>&</sup>lt;sup>5</sup> NYC Rent Guidelines Board, *Changes to the Rent Stabilized Housing Stock in New York City in 2015*, 9, 13. (As noted in the report, these numbers are a floor or a minimum count of units loss as registration of deregulated units with DHCR is voluntary).

renting for less than \$1000 declined by over 400,000.<sup>6</sup> According to the recently released HVS, between 2014 and 2017, the number of units renting at under \$1500 decreased by 166,000 or 12.4 percent.<sup>7</sup> During the same time period, the number of units renting at over \$1500 increased by 149,000 or 21 percent.<sup>8</sup> And in the last three years, apartments renting for over \$2000 increased by 99,594 units.<sup>9</sup>

A recent report from the Coalition for the Homeless analyzed the historical context of the mismatch between low-income New Yorkers need for affordable housing and the numbers of affordable units. The findings are extremely concerning. In 1999, there were 1,178,994 low income households needing affordable apartments renting for under \$800.<sup>10</sup> At the time, there were 1,351,367 apartments renting for under \$800<sup>11</sup>. Today, there are 867,811 households needing apartments renting under \$800 in order to access affordable rents<sup>12</sup>. According to the recently released HVS, there are now 349,862 apartments available to these low income New Yorkers<sup>13</sup>. Nearly one-third of New York City renters are severely rent burdened, paying more than 50 percent of their income toward their rent.

The scarcity of available rent-stabilized housing is a part of an overall decline in the availability of affordable housing. There remain only 77,000 units covered by either the Mitchell-Lama program or the federally subsidized Project Based Section 8 program. This is a loss of 35 percent since 1990.<sup>14</sup>

<sup>&</sup>lt;sup>6</sup> Scott M. Stringer, New York City Comptroller, *The Growing Gap: New York City's Housing Affordability Challenge*, 2014, 6.

<sup>&</sup>lt;sup>7</sup> Gaumer, E. Selected Initial Findings of the 2017 New York City Housing and Vacancy Survey. New York, NY: New York City Department of Housing Preservation and Development;, available at <a href="http://www1.nyc.gov/assets/hpd/downloads/pdf/about/2017-hvs-initial-findings.pdf">http://www1.nyc.gov/assets/hpd/downloads/pdf/about/2017-hvs-initial-findings.pdf</a> Accessed March 15, 2018.

<sup>8</sup> Id.

<sup>9</sup> Id

<sup>&</sup>lt;sup>10</sup> Giselle Routhier, State of the Homeless 2018: Fate of a Generation, Coalition for the Homeless, March 2018

<sup>11</sup> Id.

<sup>12</sup> Id.

<sup>&</sup>lt;sup>13</sup> Id.

<sup>&</sup>lt;sup>14</sup> Oksana Miranova, *Closing the Door: Subsidized Housing at a Time of Federal Instability*, Community Service Society, March 2018.

http://lghttp.58547.nexcesscdn.net/803F44A/images/nycss/images/uploads/pubs/Closing the Door FINAL WEB.pdf

Applicants for public housing face similar shortages: 257,143 families are on the waitlist for NYCHA public housing, with 146,808 applicants on the waiting list for Section 8 housing vouchers in New York City.<sup>15</sup>

This combination of market forces and governmental decisions has worked together to have a devastating effect on low and moderate income New Yorkers. The declining number of vacant units available for rent, the fact that housing expansion has not kept pace with population growth, and the ongoing public housing crisis have all contributed to the scarcity of available affordable housing.

#### Effects of Short Term Rentals on New York City's Neighborhoods.

Airbnb flourishes in areas where affordable housing is scarce and rents are increasing by double digits. These types of short term rentals lead to housing units being removed from the rental market and the deregulation of rent stabilized and rent controlled units. Tenants who rent their apartments in violation of their lease and the rent laws risk eviction. We have seen an explosion of eviction cases where the underlying charges are the illegal rental through Airbnb and other similar web based services. Additionally, short term rental incentivize landlords removing residential units from the market. It has been our observation that the quickest and most economically efficient way to remove tenants is through harassment.

Additionally, residential apartment building were not meant to be hotels. Turning apartments into hotel rooms creates safety and security risks for both New Yorkers and tourists alike. Fire and safety code violations and hazards are rampant. Residential buildings are not required to comply with the stringent fire code regulations that commercial hotels are. Permanent tenants living in building that owners and other tenants have turned into hotels must deal with strangers gain access to buildings resulting in burglary, assault, and other public safety issues.

While Airbnb would have you believe that this is an issue of small business owners being overregulated by out dated government regulations, in fact, commercial users are a disproportionate share of these rentals. The Attorney General, in his report issued October 2014 found that 6% of hosts supply 36% of units and earn 37% of the revenue.

<sup>&</sup>lt;sup>15</sup> New York City Housing Authority, "Facts about NYCHA," available at https://www1.nyc.gov/assets/nycha/downloads/pdf/factsheet.pdf. Data accessed May 9, 2017.

Additionally, a recent report on Airbnb in New York City found that nearly two-thirds of Airbnb's revenue comes from likely illegal listings<sup>16</sup>. When asked about this at a City Council hearing, an Airbnb executive in 2014 testified that Airbnb does not research illegal listings or users operating in an illegal manner on their website.

Despite Airbnb's claims that the nearly 90 percent of their listings are from regular New Yorkers renting out spare rooms to make ends meet, independent data shows that nearly one-third of Airbnb listings come from hosts with multiple units, such as commercial landlords. That same independent study showed that 23,870 or 50.2% of Airbnb listings are entire homes or apartments for rent, and that they are available for rent an average of 110 days a year, and were actually rented out 105 nights per year, largely removing these units from the NYC housing supply.<sup>17</sup> In addition, the McGill study found that some of the private room listing on Airbnb were actually commercial operators renting apartments as ghost hotels. So thousands of listings of private rooms on Airbnb are in reality apartments that have been converted into hotels. In the last two years, these ghost hotels have increased by 79 percent.<sup>18</sup>

To put that in perspective, those 23,870 Airbnb listings that are *not* available for everyday New Yorkers would be the equivalent of a loss of approximately one full year of Mayor de Blasio's ten-year plan to build and preserve 200,000 affordable housing units, negating nearly all of the affordable apartments the administration has financed in the past year.

The recent McGill report looked at how Airbnb revenue is distributed throughout New York City hosts. At previous hearings, Airbnb has brought forth hosts to testify that as teachers and artists and cancer survivors, they occasionally use Airbnb to supplement their income to make ends meet. However, the McGill report found that the 50,500 income-earning hosts earned nearly \$660 million last year. However, just 10 percent of

<sup>&</sup>lt;sup>16</sup> Wachsmuth, D., Chaney, D., Kerrigan, D, Shillolo, A, & Basalaev-Binder, R, The High Cost of Short-Term Rentals in New York City: A Report from the Urban Politics and Governance research group, School of Urban Planning, McGill University, January 30, 2018

<sup>&</sup>lt;sup>17</sup> Inside Airbnb: Adding data to the debate. http://insideairbnb.com/new-york-city/index.html?neighbourhood=&filterEntireHomes=false&filterHighlyAvailable=false&filterRecentReview s=false&filterMultiListings=false (last accessed June 20, 2018)

<sup>&</sup>lt;sup>18</sup> Wachsmuth, D., Chaney, D., Kerrigan, D, Shillolo, A, & Basalaev-Binder, R, The High Cost of Short-Term Rentals in New York City: A Report from the Urban Politics and Governance research group, School of Urban Planning, McGill University, January 30, 2018

those hosts earned nearly half of that revenue and the top 20 percent earned 68 percent of the revenue. Many of the top earners are clearly commercial operators.<sup>19</sup>

There have been numerous studies that show that people of color face persistent discrimination on Airbnb. Airbnb's response to these studies seems to have been to hire people of color to act as spokespersons and to tout the supposed economic benefits that Airbnb brings to Black neighborhoods. However, as the McGill study makes clear, it is not Black residents in these communities that see the economic benefits of Airbnb, instead it is white residents in these neighborhoods that are accruing wealth<sup>20</sup>. One study found that 74 percent of Airbnb listings are operated by white hosts in neighborhoods where white residents make up 13.9 percent of the population in these neighborhoods. Unfortunately, the impact on Black residents in these neighborhoods is displacement from gentrification.<sup>21</sup>

Illegal hotels exacerbate New York City's acute housing crisis. Unfortunately, because of lack of resources for the enforcement that is needed, currently there is flagrant abuse of the illegal hotels law. We support Introductions 554 and 931 because more regulation is needed here and those flagrantly violated New York's laws should face more stringent fines.

#### Conclusion

Thank you for the opportunity to testify before this committee on this important issue. We strongly believe that short term rentals destroy neighborhoods, lead to tenant harassment and eviction and result in rents rising and apartments becoming increasingly unaffordable to our clients who live in New York City. We strongly support Introductions 554 and 931 which seek to hold those who turn residential units into illegal hotels responsible for violating the law. We look forward to working on these issues with you and your committee.

Respectfully submitted,

<sup>&</sup>lt;sup>19</sup> Wachsmuth, D., Chaney, D., Kerrigan, D, Shillolo, A, & Basalaev-Binder, R, The High Cost of Short-Term Rentals in New York City: A Report from the Urban Politics and Governance research group, School of Urban Planning, McGill University, January 30, 2018

<sup>&</sup>lt;sup>20</sup> Id.

<sup>&</sup>lt;sup>21</sup> Id.



# Testimony Before the New York City Council Committee on Housing and Buildings June 26, 2018

Tech:NYC is a nonprofit trade group with the mission of supporting the technology industry in New York through increased engagement between our more than 600 members, New York government, and the community at large. We exist because New York's unique business ecosystem as a global center for so many industries including finance, media, fashion, art, and real estate serves to strengthen the technology businesses that call New York home; and in turn, technology further strengthens those incumbent industries and our communities.

New Yorkers and tourists alike clearly want access to homesharing. For many responsible New Yorkers, it provides a meaningful way to supplement their income. And for tourists, it opens up neighborhoods that were previously inaccessible and creates more affordable options. Small shops and restaurants in those neighborhoods reap benefits in turn. In 2016, for instance, guests from Airbnb alone spent a total of \$1.8 billion in New York City, and one of every three dollars spent went to the local neighborhood where the guests stayed. With 89 percent of Airbnb listings located outside Manhattan's hotel district or Midtown, this money is flowing to neighborhoods that otherwise would not have seen the benefit.

Unfortunately, the proposal currently before you for regulating short-term rentals would undermine the economic engine of homesharing across the five boroughs and send a signal that New York is hostile toward new business models and the tech sector. It does this by moving us further from a common sense compromise that would benefit all New Yorkers, without protecting affordable housing in the short term.

The message we send to the next generation of tech entrepreneurs is important because New York tech companies create opportunity that ripples through our economy. The tech economy is already responsible for more than 326,000 jobs in NYC. That number stands poised to grow, but that growth is not a given. According to the Center for an Urban Future, New York City is one of the leading hubs for the emerging travel tech industry. More than two dozen venture-backed travel tech

startups are based in the city, 16 of which were founded in the last five years. We want those companies to hire New Yorkers to build their products here, but it is those startups who will hear most clearly the message that companies like theirs are not welcome here if they don't see a path to work with local government.

Growing tech companies—whether in travel or other spheres—need to know that NYC is ready to work with them. This doesn't mean that government should write a blank check to Airbnb and other homesharing platforms, but it does mean we need to have a more reasoned conversation about how to support responsible homesharing that New Yorkers want access to and how to take advantage of the millions of dollars of tax revenue currently left sitting on the table.

Finding a path forward for reasonable homesharing in New York will require working with legislators in Albany, which Airbnb is currently doing. In fact, Airbnb has publicly supported a piece of legislation that would broadly legalize homesharing with reasonable and widespread regulation, including mandatory registration, limiting hosts to one listing in the City, collecting fees to pay for enforcement, and allowing the platform to collect and remit taxes on behalf of hosts—something that would generate \$100 million annually for New York.

By failing to differentiate between those using homesharing platforms legally and responsibly, on the one hand, and illegal hotel operators, on the other, we confuse the many New Yorkers who rely on homesharing to supplement their income as with bad actors. Instead of playing politics with innocent New Yorkers caught in the middle, we should all be working together to find a compromise that protects affordable housing while allowing for reasonable homesharing. The proposal before you unfortunately does nothing to move us toward that result.

Internationally, hundreds of cities have worked with homesharing companies, like Airbnb, to structure reasonable regulations that include host registration and data sharing, protections for hosts, protections for affordable housing, and collection and remission of tax dollars. New York should join their ranks.

We need common sense laws that provide necessary protections for affordable housing while also encouraging the economic growth that comes with this new technology. For these reasons, we oppose Int. No. 981.

### Testimony 1 – Jeffry Marte

Good morning. My name is Jeffry Marte. Thank you, Chair Cornegy and Council Members, for the opportunity to present my testimony to the Committee today.

I was born in the Dominican Republic and moved to Washington Heights when I was just 8 years old. I grew up in this city and have come to call it home. Just the past year, I moved to Bushwick, in Brooklyn. Every year, I feel that the city has become more expensive and less affordable. It has become an extra hurdle in my path towards achieving the American dream.

I was surprised when I first heard about landlords renting out units as hotel rooms through Airbnb, when I know that people like me are struggling just to stay in the neighborhood. I was even more surprised when I saw it happening in my own apartment building.

I've heard stories from members of my community about being harassed by landlords **who** are eager to use the apartments as illegal hotels instead of as housing for actual New Yorkers. For regular people who live in the community, that makes for a very unpleasant living arrangement.

It is also not safe to have strangers coming in and out of our buildings at all hours of the night. I honestly worry about who has access and keys to my building. Sometimes, I feel like my neighborhood isn't my own anymore.

I read what's going on. I see that this issue isn't unique to my community. It's happening all over, and I understand why. Landlords are only thinking about the money they can make by breaking the law and turning housing into hotels. I have friends and coworkers who live all over the city who are seeing it in their neighborhoods, too.

I am here today before the New York City Council because I want to protect my home and the homes of my neighbors. I want to protect my neighborhood and the neighborhoods of my friends, family, and coworkers. Airbnb—a \$31 billion company—has operated under the cover of darkness in our city for far too long. We cannot let one more day go by where Airbnb rakes in millions, off the backs of New York City's renters.

I support Intro 981, which will require companies like Airbnb to turn over their host data so that the city can hold accountable the landlords and companies that have made millions off of our housing. I want to see an end to these illegal hotels that are popping up all over our neighborhoods and in our buildings.

Our buildings are homes, not hotels. I encourage you to pass this legislation. Thank you.

RENT STABILIZATION ASSOCIATION • 123 William Street • New York, NY 10038

# MEMORANDUM IN OPPOSITION INTRO.554

The Rent Stabilization Association of New York (RSA) represents over 25,000 owners and managers of multiple dwellings in New York City. Collectively the buildings they own and manage contain over 1 million units of housing. RSA is opposed to Intro. 554 in its current form because the fines it seeks to increase are currently directed toward the wrong party in most cases. If the Council would amend the law so that the City enforcement agencies would direct enforcement against the actual violators of the law we would support the bill.

Currently the section of the law this bill seeks to amend is the section used by the Department of Buildings (DOB) to enforce the law against renting class A apartments for less than 30 days. In most of these cases it is residents living within the building that have entered into a short term rental agreements, usually with a tourist. DOB rarely directs their enforcement toward the actual person violating the law and frequently brings the action against the owner of the building. There are numerous instances and examples of owners that have become aware of residents illegal behavior, taken documented action against the resident, sometimes in the form of an eviction action, and are still fined \$1000 per day by DOB. The money spent on legal fees to defend as well as the money from the fines is money that is not put back into building to benefit the residents.

DOB along with Mayors Office of Enforcement should adjust the procedures employed to target enforcement against the person violating the law. Alternatively we suggest the Council amend the law so there is no discretion on the part of the city and require them to enforce the law against the violator.





#### Delsenia Glover, Director, Education and Organizing

#### New York State Tenants & Neighbors

Testimony as Prepared

June 26, 2018

New York City Council Committee on Housing and Buildings

## Re: Oversight: Short Term Rentals - Stimulating the Economy or Destabilizing Neighborhoods?

Good morning. Thank you to Chair Cornegy, and to the Housing and Buildings Committee members for the opportunity to testify today to support the Introduction of 554 and 931. Thank you to Council Members Rosenthal and Rivera for this important legislation.

My name is Delsenia Glover and I am the Director of Education and Organizing for New York State Tenants & Neighbors Information Service and New York State Tenants & Neighbors Coalition, two affiliate organizations that share a common mission: to build a powerful and unified statewide organization that empowers and educates tenants; preserves affordable housing, livable neighborhoods, and diverse communities; and strengthen tenant protections. The Information Service organizes tenants in at-risk rent regulated and subsidized buildings, and helps them preserve their homes as affordable, and organizes administrative reform campaigns. The Coalition is a 501c4 membership organization that does legislative organizing to address the underlying causes of loss of affordability. Our membership organization has over 3,000 dues-paying members.

Tenants & Neighbors organizes in rent-regulated, Mitchell-Lama, and project-based Section 8 developments citywide. In the buildings where we organize, the story is the same. Low and moderate income tenants in New York City are regularly experiencing the pressures of displacement. Rents are climbing and tenants are concerned that they will not be able to afford to stay in their homes and communities. Although short-term rentals are promoted as supporting low and moderate income tenants to help to pay increasingly unaffordable rents, this practices plays out with vast detrimental effects. Many of the operators of short-term rentals are in fact landlords who are warehousing affordable rent-regulated apartments and exacerbating an already significant affordable housing crisis.

This year in particular is significant for the affordable housing movement because we are exactly one-year out from the rent laws sunset in June 2019, and we are acutely aware of the fragility of affordable housing and rent stabilized units in particular with the gutted rent laws. While Tenants & Neighbors and our allies in the tenant movement are lobbying to change laws in Albany to repeal vacancy deregulation and close loopholes that create the affordability crisis, we are here to stand against the practice of warehousing apartments, of operating apartments as

illegal hotels, and of breaking the terms of the law that was won in 2010 with advocacy from the tenant movement to restrict illegal hotels. Rent-regulation is the largest source of affordable housing for low- and moderate-income tenants, and is largely concentrated in historic communities of color that are now rapidly gentrifying. The city has lost hundreds of thousands of affordable rent-regulated units, and tenants living in rent-regulated units are increasingly unable to afford to pay the rent. The decrease in availability of affordable vacant units is exacerbated by the loss of at least 151, 222 rent-stabilized housing units in the last 22 years, primarily due to high-rent vacancy deregulation.

Between 2000 and 2012 for example, the number of units in New York City renting for less than \$1,000 declined by over 400,000. Overall, from 2002 to 2011, there has been a 39% loss in rental apartments that low-income households can afford. Airbnb creates an incentive to take units off the market. In the first five months of 2014, Airbnb postings increased from 2,652 to 16,483 units. Commercial renters are the landlords of a disproportionate set of the apartments with 6% of the hosts supplying 36% of the units and earning 37% of the revenue. The city cannot afford to lose one more affordable apartment.

Illegal hotel legislation was an important step forward in the struggle to preserve affordable housing; Airbnb practices take us backwards and intensifies the crisis. The Attorney General found that nearly three quarters of all Airbnb listings were illegal, and the practice of warehousing affordable apartments was rampant. All organizations and Councilmembers whose constituents are low and moderate income know the crisis well; it is very challenging to find affordable housing, both due to the low vacancy rate, and due to the loopholes in the rent laws.

As the tenant movement is pushing a series of reforms to strengthen the rent laws, and broadening our base throughout the state, it is imperative that tenants not lose ground for hardwon protections. We look forward to continuing our work with the New York City Council and its Speaker to find real solutions to the affordable housing crisis and with increased oversight to restrict those actors who are contributing to the crisis.

###

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#### Law Project

51 West 109th Street, New York, New York 10025 212.799.9638 Fax 212.721-1514

### **TESTIMONY**

ON

Intro 981

### PRESENTED BEFORE:

## THE NEW YORK CITY COUNCIL'S COMMITTEE ON HOUSING AND BUILDINGS

### PRESENTED BY:

Dan Evans

Staff Attorney

Goddard Riverside Law Project







#### Testimony of Dan Evans - Goddard Riverside Law Project

My name is Dan Evans, and I am a Staff Attorney at The Goddard Riverside Law Project. Our office provides legal assistance, tenant advocacy and organizing support to tenants on Manhattan's West Side, with a special focus on working with SRO Hotel tenants. Our office has been involved with the Coalition Against Illegal Hotels since approximately 2004, and has joined over 40 other neighborhood based organizations, including Housing Conservation Coordinators, The West Side Neighborhood Alliance, Cooper Square Committee, and Saint Nick's Alliance in the fight against illegal hotels.

Illegal Hotels, and on-line operators that facilitate such services, such as AirBnB, are an epidemic in New York City. Websites like AirBnb allow tenants to rent out their apartments, not only in violation of local law, but also in violation of their lease. They also allow owners of residential buildings to engage in a much more lucrative business model than renting to permanent tenants.

Our office consistently receives complaints from tenants that their neighbors are utilizing online operators to rent out individual, unoccupied units on a transient basis. Tenants complaints range from overcrowding of rooms, and shared bathrooms, to late night harassment from transient tenants in neighboring units, an increase in rodents and vermin due to overuse of refuse facilities, to palming of the front-door buzzer at all hours of the night, and even threats of physical violence for asking the nightly visitors to "keep it down."

Our office, in working with numerous tenants, has also seen how profitable running an illegal hotel can be. Owners of SRO buildings can obtain much more on a per night basis renting to transient tenants, than they can in renting to permanent, rent stabilized tenants. For instance, at The Imperial Court, located at 307 West 79<sup>th</sup> Street, one rent stabilized tenant pays a monthly legal regulated rent of \$624.07. However, the Imperial Court website offers rooms at up to \$350.00 per night, or \$10,500.00 per month. This incredibly profitable business model has resulted in increased harassment of tenants by owners, in an effort to drive rent stabilized tenants out of their homes. Building owners who rent commercially are aiming to vacate and convert whole buildings from permanent rent-regulated housing into full blown commercial hotels.

However, complaints we hear directly from tenants who seek out our services only does so much. The City is forced to rely on a complaint driven system, through 311, to enforce the Multiple Dwelling Law.

Intro 981 will help the City enforce the Multiple Dwelling Law. It will hold online platforms, such as Airbnb, accountable for the bad-acting landlords that utilize their services to deprive New York City of affordable housing. This is not a bill that legalizes Airbnb's business model, and certainly does not chip away at the Multiple Dwelling Law. It's a bill that merely demands Airbnb open their books, and supply information to the Mayor's Office of Special Enforcement, so that the City can ensure that landlords who warehouse their buildings and run commercial hotels, rather than rent to rent-regulated tenants, face consequences for their illegal business practices.

I have only one concern about Intro 981. Specifically, unintended consequences against tenants who merely use Airbnb a few days a year to supplement their income or tenants who simply rent out a spare bedroom to guests while the host remains in the apartment.

You'll hear testimony today from tenants who will explain that they rent out their unit occasionally to make ends meet, or that they rent their second bedroom out while they are still home. Tenants that rent their apartment out occasionally should not be the ones to face consequences under this legislation — it should be targeted at large scale, bad acting landlords who deprive this city of affordable housing in order to make a profit.

Tenants that rent out a spare room in their apartment should not be affected by this legislation, as their use of Airbnb is not unlawful under the Multiple Dwelling Law. Any argument by Airbnb or similar platforms, or the tenants that engage in this lawful practice, to suggest that the City will target this legal activity should be disregarded.

Intro 981 is simple – the City is only asking that Airbnb share their data with an enforcement agency on a monthly basis, so the Mayor's Office of Special Enforcement can target bad-acting landlords and return affordable housing stock to New Yorkers that need it most.

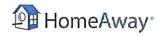
New York City must remain strong, and pass legislation that strengthens our laws to protect rent regulated tenants and rent regulated housing stock, and not allow Airbnb to continue to refuse to disclose information on bad-acting landlords which would cut into the platforms bottom line.

Respectfully Submitted,

Staff Attorney

Goddard Riverside Law Project





June 26, 2018

Testimony of Joseph Montano, Expedia Group, Government Affairs Manager on Int. 0981-2018, Proposed Regulations for Short-term Rentals

Good morning Chairman Cornegy and members of the New York City Committee on Housing and Buildings. My name is Joseph Montano and I am the New York Government Affairs Manager for Expedia Group. Thank you for the opportunity to testify before you today on Int. 0981-2018 - the proposed regulations for short-term rentals.

On behalf of Expedia Group and its family of travel brands, including vacation rental leaders HomeAway and Vacation Rentals By Owner (VRBO), I'd like to express our concerns with the proposed short-term rental regulations.

Across North America, Expedia Group is supporting legislative efforts toward fair, commonsense, and evidence-based regulation of the short-term rental industry and is committed to fostering an affordable, accessible, and responsible short-term rental marketplace in compliance with local regulations. We understand that City Council shares similar goals. However, for the reasons discussed below, certain aspects of the proposed regulations will not advance these goals and will, in fact, create harmful unintended consequences.

We are particularly concerned that the proposed regulations would require online platforms to submit monthly reports to the City that reveal individual users' private, personal information. That proposal is unworkable, legally flawed, and raises serious privacy concerns.

By way of background, HomeAway and VRBO are websites that allow property owners to advertise their properties for rent to travelers. HomeAway does not itself own, manage, or control the rental properties. It is not a representative of owners or travelers, nor is it a party to transactions entered between owners and travelers. Property owners supply the content of their listings and decide when their property is available for rent and at what price. The Terms and Conditions to which all website users must agree say that property owners who list their properties with HomeAway are responsible for and agree to abide by all laws related to their rental property.

For nearly three decades, HomeAway and our local homeowners have been focused on serving traveling families. In fact, our average customer booking travel on our platform is a 50 year old female traveling with a family of four. That focus on responsible travel translates to our collaborative approach to fair and effective policies.

The proposed law would require platforms to provide the following information about its listing to the City each month: the address of the property; the name of the person offering the property; the address of that person; the URL of the listing for that property; a statement as to whether the property is offered in its entirety, or just a portion; and any other information that the City may require. That proposal raises serious privacy and legal concerns.

For starters, it does not appear that this information would be shielded from public records requests. That is alarming. There have been multiple reports of the hotel industry hiring private detectives to investigate short-term rental operators. At the very least, we ask the Council to make clear that any personal information provided to the City will remain confidential.

Second, Section 26-102(1)(e), would give the City agency total carte blanche to demand from the platforms any other information it wants. That introduces a high degree of uncertainty, and the ambiguity leaves room for arbitrary action by unelected officials. That provision should be removed.

Third, under a federal law, the Stored Communications Act (SCA), a subpoena is required for a governmental entity to obtain basic subscriber information, which includes information like the owner's name and address. 18 U.S.C. §2703(c)(2). The City's proposed law violates the SCA by requiring that information—and more—to be supplied without a subpoena. HomeAway litigated that issue in Portland, Oregon, and a federal court agreed that a subpoena was necessary. Portland could not get that information by passing a law saying that platforms had to provide it. New York's law suffers from the same flaw.

Notably, the SCA provides a private cause of action to individuals whose information is provided to a governmental entity in violation of the statute's dictates, including the recovery of attorneys' fees. 18 U.S.C. § 2707. Thus, the City's proposed monthly report requirements would expose platforms to civil liability.

Forcing the platforms to get consent from operators does not fix the SCA issues. Under the SCA, a person's consent to provide information is valid only if the government itself gets consent from that person. Even apart from that, it should go without saying that forcing someone to consent is not actually consent.

Under another federal law, the Communications Decency Act, 42 U.S.C. §230(c), the City could not directly require the platforms to remove content provided by third-parties, which is what the property listings are. But that's what the effect of this law is. If a host does not consent, the platforms will be required to remove their listings from the platform—or be subject to significant monetary penalties imposed by the City.

Finally, HomeAway appreciates the City's attempt to carve out from the reporting requirements the properties that are on the City's "approved" list. But logistically that adds a significant burden. Every month, HomeAway would need to run a report with the required information and then manually review and compare it to the City's "approved" list to remove the properties on the list. That is not workable.

That being said, unlike other platforms who have taken an aggressive stance not conducive for fair and successful solutions, we stand ready to help craft data-sharing regulations like those that exist in other cities without running afoul of the SCA. We suggest that something similar would be appropriate here. For example, the following cities have adopted these data-sharing requirements for aggregated and/or anonymized data:

In New Orleans, monthly reports of

- number of listings
- number of nights each listing was booked the previous month
- number of nights each listing is reserved for the remainder of the calendar year

In Chicago, reports every two months of

- total number of short-term rentals listed on the platform during reporting period
- total number of nights that each short-term rental was rented to guests during the applicable reporting period
- number of nights that each short-term rental is booked for rental during the remainder of the calendar year

In Las Vegas, quarterly reports of

- number of bookings, listings, and operators
- average number of bookings per listing
- current year-to-date booking value
- current year-to-date revenue collected from all short-term residential rentals through the hosting platform, disaggregated by operator
- average length of a short-term residential rental

In St. Paul, quarterly reports of:

- number of listings by zip code
- number of nights listings within a zip code were rented over the past quarter

In Seattle, quarterly reports of:

- total number of short-term rental listings on platform during the last quarter
- total number of nights all short-term rentals on platform were rented during the last quarter

Thank you for considering these concerns. We look forward to continuing to work with the New York City Council toward a regulatory framework that works for New York City, its residents, and the traveling families who wish to visit.

Sincerely,

Joseph Montano Expedia Group Government Affairs Manager, New York From: Stephen Belida <stephenbelida@gmail.com>

**Date:** Sunday, June 24, 2018 at 10:04 AM

To: Tom Cayler < tacayler@verizon.net>

Subject: Re: Council Hearing

Dear Council Members,

As Chair of HK5051 Block Association, our community applauds Carlina Rivera's bill to require short term stay platforms to "share" their data with the City. For too long organizations involved in short term rentals have purposely avoided giving the City necessary information to protect our rental laws. Sincerely,

Steve Belida Chair HK5051 Block Association To the Honorable City Council members:

I am writing in support of Robert E. Cornegy, Jr.'s bill <u>T2018-2304</u>, allowing owners of one-and two family residences an exemption from Int 0981-2018, wherein persons accepting fees for short-term housing would be subject to civil penalties.

Many owners of such property are hard pressed to meet the city's growing expenses. Many are seniors who have lived and worked in the city for decades or lifetimes, struggled to be able to purchase these properties decades ago, and who now find themselves needing an additional assist to get the bills paid and food on the table.

I am speaking of INDIVIDUAL OWNERS, mom and pop type owners, not real estate investment groups masquerading as "individuals". The city has seen an explosion of units that were built as permanent housing being taken offline to be turned into condo-style apartments that are being rented out.

Neither bill appears to provide nuanced protections for those individuals who by virtue of age, income loss, economic downturns in their lives who resort to using such listing services.

Anthony Jannetti NYC Resident since 1965

FOR THE RECORD



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June 26, 2018

#### Testimony RE: Intro. 981 of 2018

Thank you for the opportunity to comment on this bill. CHIP is a trade association comprised of approximately 4,000 multifamily property owners and managers in New York City. Many of our members have had issues with transient occupancies in their buildings.

We appreciate the Council's interest in this issue, and we support any credible efforts to address illegal short term occupancies in permanent residency buildings. Intro. 981 of 2018 is a good first step, but it fails to address the concerns of CHIP members and other law-abiding owners. These concerns center around the imposition of fines against owners when the illegal short-term rentals are being leased by a tenant and the unwillingness of the enforcement agencies to cooperate with owners who identify illegal short-term rentals in their buildings.

The City should partner with building owners in an effort to stop illegal short term rental activity. Too often, building owners are thought of as the sole cause for this activity. While there are undoubtedly a small handful of bad actors, the large majority of building owners do not want illegal short term rentals in their buildings. They are not safe for the individuals renting the unit and they are not safe for the other residents in the building. And while studies show that there are a small handful of so-called "commercial" operators who list multiple units, the large majority of short term rentals are listed by "non-commercial" operators, i.e., a tenant who rents out a single apartment repeatedly over time.

To be clear, we are not talking about legal apartment sharing behavior. Tenants have a right to share their apartment within the confines of the law. However, CHIP members report numerous instances of abuse, not only of short-term rentals occurring in apartments where the primary tenant is not in co-occupancy, but occurring in rent-stabilized units at rates far in excess of the legal rent for such unit. Not only is the short-term rental illegal as an improper (and unsafe) use of the apartment, but those tenants are profiteering by charging short-term occupants rates that are exponentially higher than the monthly regulated rent for the apartment.

But this behavior is difficult to detect, and if detected by an owner it is almost impossible to know the scope of their activity: how often do the rentals occur, how long has the activity been happening, what are the rates being charged, etc. Without this information, and without any evidence of profiteering or other egregious behavior, there is no practical way for an owner to prevent or address this behavior. But the owner can be issued tens of thousands of dollars in penalties for this behavior, nonetheless. Legal action against tenants on the basis of illegal short term sublets is brought at a far less rate than the activity actually occurs, and rarely results in eviction except in the most egregious cases. The proposed bill leaves out an important piece of the puzzle by not making the listing information available to the building ownership and management. Not because the owner will be able to evict these tenants, but because they will be able to put these tenants on notice that their activity is illegal so as to prevent it from occurring in the future, and keep other tenants safe.

Nor, as a practical matter, can the owner contact the enforcement agencies to report the existence of an illegal short-term rental. As an owner, reporting such activity is ineffective and likely to cause self-inflicted injury through fines and penalties because they are always issued against the building owner, not the individual tenant. Intro. 981 will only result in more unwarranted fines and penalties against innocent owners who are on the front lines of the battle against transient occupancy, unless there is a provision allowing fines to be issued directly against an individual tenant who engages in the activity or absolving the innocent owner of any economic liability.

### 1. Include an electronic notification to the building owner/managing agent when such activity is reported to the City.

CHIP's first recommendation is to include a provision requiring electronic notification to the owner and/or managing agent of the building where illegal short term rentals occur. This would help in several ways. First, it would provide owners notice of illegal activity in their building BEFORE they receive a violation for it. Currently, if a tenant engages in an illegal short term rental and one of the enforcement agencies discover the activity, all violations are issued to the property owner; \$5,000 in penalties right off the bat, with the potential for more at \$1,000 per day if the owner cannot remove the short-term occupant or guarantee the tenant will not do it again. Given the typical holdover case is a months long process, owners are subject to essentially \$50,000 in penalties for the illegal acts of their tenants. Owners do not consent to these sublets, are not informed of these sublets, and the parties involved often go to great lengths to hide this activity from the owner, with instructions given to the short term occupants on what to say to building staff so as not to raise concern. Imposing a penalty on an owner for their tenant's activity raises significant due process concerns. Prior notice in this manner could help ease these concerns.

Second, it would provide the necessary information to the owners and managers of these buildings to begin to address the activity. As mentioned above, illegal transient occupancy violations are issued against the property even where the tenant is listing and renting the apartment for short-term occupancy. But because information such as the address of listings isn't readily available, owners have almost no way of monitoring this type of activity in their buildings. Right now, because tenants can operate essentially undetected and owners receive the penalties when such activity is found, there is little deterrent effect to individuals engaging in this activity.

Third, electronic notification in this manner should be easy to implement, as HPD already has the email address for a building's managing agent on file because it is submitted as part of the annual building registration information.

#### 2. Provide immunity to innocent owners who are not complicit in the illegal transient activity.

CHIP's second recommendation is to include some type of immunity from monetary penalties where an owner reports illegal transient activity to the City and/or is not complicit in the activity. Under the current system, owners who discover tenants conducting this activity are left to the court system for a remedy. This involves predicate notices, opportunities to cure, etc. It is virtually impossible to prevent illegal short-term rentals in this way, because there is essentially no consequence for tenants who do this. Evictions happen in only the most egregious cases, and the far more common result is that nothing happens – the tenant stops for the near future and engages in the activity again shortly thereafter because the necessary information is not available to the owner to monitor this activity.

This is a safety issue for building owners and their residents. It is time for the City to work with owners on this issue.

### Inside Airbnb Testimony for New York City Council Housing and Buildings Committee on Tuesday June 26, 2018

Inside Airbnb
Adding data to the debate

INDEPENDENT, NON-COMMERCIAL, OPEN SOURCE DATA TOOL

How is Airbnb really being used in and affecting your neighborhood?

on the regulation and enforcement of short-term rentals

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Thank you Chairman Robert E. Cornegy, Jr. and the members of the City Council Housing and Buildings Committee for the opportunity to provide written testimony to be included in the hearing on Tuesday June 26, 2018 to consider bills related to the regulation and enforcement of short-term rentals.

My name is **Murray Cox** and I represent the project **Inside Airbnb**, a data activist project which provides: data to help understand the impact of Airbnb on cities around the world; and advocacy for the effective regulation of short-term rental platforms. I am also a member of the Coalition Against Illegal Hotels in New York City.

In my testimony, I will be providing

- **Support** for **Int. No. 0981-2018** A Local Law to amend the administrative code of the city of New York, in relation to the regulation of short-term residential rentals
- Support for Int. No. 0554-2018 in relation to civil penalties for illegal conversions of dwelling units from permanent residences
- Opposition to Preconsidered Int. No. T2018-2304 in relation to creating an exception to a violation for the illegal conversion of a dwelling unit from permanent residence

#### **Background**

As a New York City resident and community activist, I founded the project Inside Airbnb in 2015 after concerns about gentrification and the contribution of the conversion of residential housing (rooms and entire apartments) into hotels in New York City neighborhoods. Highlights of the project and my advocacy include:

- As at June 2018, my web site <u>insideairbnb.com</u> has received more than a million page views and almost 200,000 downloads of public, free data about Airbnb listings in more than 50 global cities.
- Inside Airbnb data has been used by activists, advocates, cities planners and has been cited in more than 150 academic publications.
- Worked with city officials around the world to provide data and advice, including New York City, the City of San Francisco, the City of Minneapolis, the City of Seattle, the City of Amsterdam and many more.
- Participated in town halls, lectures, keynotes and panels at events on short-term rentals and data in New York City, Paris, Venice, Munich, Berkeley, Sydney and Hobart.

 Was an international guest of the City of Paris in June 2018 at a round-table announcing the cooperation of the cities of Amsterdam Barcelona, Berlin, Lisbon, Madrid, Paris, and Vienna in confronting illegal short-term rentals and defending the right to housing.

In New York City, apart from providing data to the public, activists, elected officials and the city administration. I have been:

- A Member of the Coalition Against Illegal Hotels, a grass roots group made up of more than 30 affordable housing advocates, tenant rights activists and neighbourhoods groups.
- The co-author of the report "How Airbnb's Data hid the Facts in New York City"¹ which discovered that Airbnb manipulated data which they released, in order to hide commercial operators.
- The author of research "The Face Of Airbnb, New York City: Airbnb as a Racial Gentrification Tool"<sup>2</sup> which shows that Airbnb is being used by a majority of white hosts in New York City's Black neighbourhoods, proving that not only is Airbnb bad for neighborhoods of color, it is being used as an extractive wealth tool, and overwhelmingly as a tool of property speculators and gentrifiers.

#### Support for Int. No. 0981-2018

A Local Law to amend the administrative code of the city of New York, in relation to the regulation of short-term residential rentals

The negative impact of short-term rentals on New York City's housing supply has been successfully proven by a number of independent researchers and should be entered as fact in considering need for the regulation of short-term rentals. These findings have included:

- The loss of more than 13,500 units of housing from New York City's housing market by operators with one or more listings, of both entire home listings and rooms, in both apartment buildings and 1- and 2-family homes
- All New Yorkers paid approximately \$616million in additional rent in one year as a result of the presence of Airbnb in their neighborhoods

It is for this reason that New York City has some of the most strict laws in the world, which regulate short-term rental activity. However the question of the city's ability to effectively enforce these laws remain, as the impacts listed above occurred while these tough laws existed, and make clear that the city does not currently have the tools to effectively enforce its short-term rental laws.

The major barrier to enforcement is the ability to identify illegal short-term rental activity, while online platforms protect this illegal activity, primarily by hiding data, in the following ways:

<sup>&</sup>lt;sup>2</sup> http://insideairbnb.com/face-of-airbnb-nyc/



<sup>1</sup> http://insideairbnb.com/how-airbnb-hid-the-facts-in-nyc/

- anonymising locations of listings on their maps (by up to 300 feet)
- hiding the street number and street name (in fact, the street name existed for many years, until it
  was found to be used for enforcement, whereon it was removed by the major platforms)
- removal of the number of (other) listings a host has on their site (this feature existed, again for many years, until it was used by advocates, the press, and enforcement against illegal commercial operators)
- limiting search results to a small number (currently 300 on Airbnb) to hide the vast number of listings available at any time

As an expert of data and regulatory approaches around the world, I have been witness to the clear trend of cities which have been impacted by short-term rentals, who have responded with thoughtful regulatory approaches which have evolved (sometimes over many years and various attempts, including by unsuccessful legal challenges) to include:

- Limits on short-term rental activity including bans, permits, primary residency requirements, caps on the number of guests, caps on the number of nights per year rented, fire and safety inspections and insurance.
- Data transparency requiring hosts and/or platforms to disclose data pertaining to short-term rental activity.
- Platform accountability responsibility for the platforms to enforce limits, provide data, or both.
- Enforceability to ensure that illegal activity is easily, efficiently and uniformly applied

An example of a city that has enacted all of these principles is the City of San Francisco, which after their latest round of regulations went into effect, saw the number of short-term rental listings drop by more than 50% and observations of housing returning the long-term rental market.

Other cities with some elements of the above principles include Chicago and New Orleans, which have shown some signs of reduced impacts due to short-term rentals.

It is important to note that it was good legislation, not cooperation or self-regulation of the platforms that created the above successful regulatory frameworks.

New York City, as mentioned previously, includes reasonable limits on short-term rental activity, but does not currently have the tools of data transparency or platform accountability to effectively and efficiently find hosts which are flaunting New York City and State laws that protect residential housing.

The proposed Bill, Int. No. 0981-2018, by way of a requirement for platforms to report all booking activity, adds the required data transparency and accountability essential to the enforcement of New York City and State Laws and therefore I fully support this Bill.



#### Concerns with Bill, Int. No. 0981-2018

Bill, Int. No. 0981-2018 is not perfect, and I would ask the Committee and the Bill's sponsors to consider the following points:

- That the data requested from the platforms include the following information to allow: assessment
  of legality of activity; measurement of frequency and impact; and the consideration of appropriate
  and proportionate enforcement
  - o the number of guests hosted for each booking.
  - the date and duration of stay for each booking.
- Some critics of the bill have expressed the concern over the use of data for profiling; and therefore it would be appropriate to consider some level of guidance on the usage of data and oversight.
- Clear storage, retention and privacy policies for the data obtained and they be appropriate to the content
- That enforcement based on the data not just focus on quality of life issues, as this can be abused in neighborhoods that are undergoing social and demographic changes.

#### Support for Int. No. 0554-2018

in relation to civil penalties for illegal conversions of dwelling units from permanent residences

Consistent with cities around the world, effective regulations include clear increased fines for violators of short-term rental laws, and the proposed Bill Int. No. 0554-2018 provides this for repeat offenders who are not deterred by the law or have factored fines into their "cost of doing business". I wholeheartedly support this bill.

#### Opposition to Preconsidered Int. No. T2018-2304

in relation to creating an exception to a violation for the illegal conversion of a dwelling unit from permanent residence

Bill Int. No. T2018-2304 specifies that it would:

create an exception to allow one- and two-family owner-occupied dwellings to use part of the dwelling for transient occupancy.

with the following exception:



Exception: A one- or two-family dwelling in which the owner or owner's relative is a permanent occupant of such dwelling. For the purposes of this exception, the term "relative" means the spouse, domestic partner, child, stepchild, brother, sister, parent, grandparent or stepparent, or any person claimed as a dependent for federal tax purposes.

Also considered in this testimony, is that during the hearing, Committee Members called on a Moratorium on the enforcement of short-term rental laws in 1- and 2-family homes.

Erroneously, much of the focus of the legality and enforcement of short-term rentals in New York City, has been on the state's Multiple Dwelling Law which is restricted to Class A Multiple Dwellings, or more plainly, apartments in a building that has three or more apartments.

This is despite clear city and state laws which limit the conversion of residential housing to non-residential activities; limits to the number of roomers, boarders and lodgers; and fire and safety laws - all of which apply to all of New York City's residentially zoned housing, including 1- and 2-family homes.

While the city's rent regulation laws rarely cover 1- and 2-family homes, they are an important part of the city's affordable housing supply, and frequently utilized by renters and lower income New York residents, including non-family households.

In gentrifying neighborhoods such as Brownstone Brooklyn, 1- and 2-family homes provide important housing stock to many of the Borough's long-term renters.

Taking a look at New York City building data, we see that 1-and 2-family homes make up one-quarter of New York's housing stock, and more than 800,000 units of housing.

Number of Residential Units by the Number of Residential Units in each Building/Home, by Borough

	Number of Residential Units in Building	
Borough	1-2 Units in Building/Home	3+ Units in Building/Home
Brooklyn	276,700	732,890
The Bronx	83,733	488,790
Manhattan	8,192	921,405
Queens	353,911	478,464
Staten Island	137,952	36,775
TOTAL	860,488	2,658,324

Source: NYC PLUTO Database, September 2016.



That the Bill or Moratorium would certainly see continued and increased short-term rental activity in some form across more than 800,000 units of residential housing, I respectfully oppose Int. No. T2018-2304 and oppose the call for a moratorium of enforcement on 1- and 2-family homes.

Council Members that support this bill have used the term "Bed and Breakfasts", in past hearings of this Committee, and provided examples of long-established businesses that were trying to exist despite the onset of competition from online platforms like Airbnb, and being snared in the enforcement of regulations that have been strengthened to address the rise of these platforms.

That no city and state laws currently recognize what we all know and understand as a traditional "Bed and Breakfast" should be acknowledged, however in past hearings, the number of traditional "Bed and Breakfasts" could only be estimated at no more than 15 or 25 across the whole city; while the proposed bill and call for moratorium provide exceptions for more than 800,000 units of precious housing.

I respectfully call for the sponsor of this Bill to consider legislation which more precisely defines the housing and activity of traditional Bed and Breakfasts and allow for appropriate limits which might include licensing, fire and safety inspections or equipment, insurance, notification of neighbors and/or zoning exemptions.

I believe a ULURP process involving accountable and transparent community consultation would be an appropriate and available activity to legitimize traditional Bed and Breakfasts in New York City.

Thank You.





#### MEMORANDUM IN SUPPORT

INTRO NO: 981

SUBJECT: A Local Law to amend the administrative code of the city of New York, in relation to

the regulation of short-term residential rentals

SPONSORS: Rivera, Cumbo, Rosenthal, Johnson, Adams, Ampry-Samuel, Ayala, Brannan, Chin,

Cohen, Constantinides, Deutsch, Diaz, Sr., Dromm, Espinal, Jr., Eugene, Gjonaj, Grodenchik, Kallos, King, Koslowitz, Lancman, Lander, Levine, Maisel, Menchaca, Moya, Powers, Reynoso, Richards, Rodriguez, Rose, Salamanca, Jr., Torres, Treyger,

Williams, Cabrera, Van Bramer, Holden, Koo

DATE: June 26, 2018

The Real Estate Board of New York (REBNY), the City's leading real estate trade association, representing commercial, residential, and institutional property owners, builders, managers and brokers is pleased to submit comments on the proposed legislation.

This bill requires that any listing platform accepting fees in relation to booking services allowing for the rental of a housing accommodation to report on the address of the unit and the name of the person renting the unit to the City on a monthly basis or be subject to fines ranging from \$5,000-\$25,000.

REBNY commends the Council's efforts to address the growing problem of illegal short-term rentals by regulating listing platforms. Recently, the City's Comptroller's office published a report confirming the practice contributes to our City's growing housing affordability crisis by driving up neighborhood rents and by removing housing units from the market. These are important statistics that could allow the City to continue to study the effects of short-term rental activity upon our housing market.

As you know, short-term rental activity (rentals for less than 30 days) in Class A multiple dwellings (buildings with three or more units) without the host present for the duration of the stay was banned in New York State in 2010. REBNY's members have diligently tried to stymie this growing practice by combing through listing platforms in order to identify their buildings and to enforce the law, but have been hindered from doing so because rental platforms are not required to disclose the addresses of units being rented. Illegal short-term rentals create a number of safety and fire code issues due to the transient nature the practice promotes within residential buildings. In fact, our members have received costly fines for building and fire code violations resulting from illegal short-term rental activity often occurring without their knowledge, after they have taken proactive measures to prohibit the illegal activity within their buildings, or, after expeditious attempts to correct these violations after being notified of such activities.

While this legislation is a great first step, REBNY recommends this bill be amended to allow owners to be notified when their building is posted on a listing platform to allow for greater transparency. Doing so will ensure this legislation does not disempower owners from enforcing the law within their own buildings while allowing the City greater efficiencies in identifying those (whether owners or residents) who are breaking the law. Additionally, the City should provide regular notification to owners and should grant owners adequate time to address the problem before receiving fines.

<sup>&</sup>lt;sup>1</sup> "The Impact of Airbnb on NYC Rents." Office of the New York City Comptroller. May 3, 2018. <a href="https://comptroller.nyc.gov/reports/the-impact-of-airbnb-on-nyc-rents/">https://comptroller.nyc.gov/reports/the-impact-of-airbnb-on-nyc-rents/</a>>. Accessed June 25, 2018.



There are several other ways the bill could be improved to ensure its success, which are listed below:

- Rebuttable presumption. REBNY recommends the City allow for the creation of a rebuttable presumption allowing violations incurred by the owner to be waived provided s/he demonstrates meeting certain good faith efforts to curb or prohibit illegal short-term rentals. These efforts could be defined as including lease terms or riders prohibiting illegal short-term rentals, providing notice to the residents of the law and their intent to enforce the law, and/or seeking injunctive relief from housing court. Providing such a mechanism allows owners who are aware of these activities to report violations to the City without fear of incurring fines themselves for illegal short-term rental violations by residents. Furthermore, the City should seek to penalize the party responsible for any violations associated with illegal short-term rental activity by passing on those fines. If a tenant is found to be the offending party, s/he should not only be subject to all penalties, but s/he should also be precluded from the rebuttable presumption of landlord harassment for a period of time.
- Opt-out provision. REBNY recommends the City require listing platforms to allow building
  owners to "opt out" of their services and prohibit residents from listing units in those buildings.
  Listing platforms with this information should be required to remove any units provided by these
  self-reported buildings and should face penalties for noncompliance.

REBNY is happy the Council has taken such an important step in protecting our affordable housing stock and we look forward to working with the Council to further strengthen this legislation.

For the abovementioned reasons, REBNY SUPPORTS INTRO No. 981.



# Testimony of Josh Meltzer, Head of Northeast Public Policy, Airbnb Committee on Housing and Buildings New York City Council In Opposition to Int. 0981-2018 and Int. 0554-2018 Tuesday, June 26, 2018

Good morning. My name is Josh Meltzer and I am the Head of Northeast Public Policy for Airbnb. I thank Chairman Cornegy and the Housing Committee for the opportunity to submit testimony concerning Intros 981 and 554, two deeply flawed bills that place the interests of the hotel industry above the interests of New Yorkers who rely on opening their own home to stay in their home.

The Council should reject these ill-conceived proposals that will threaten New Yorkers with eviction and foreclosure and undermine core privacy protections online, all to protect the record profits of multinational hotel corporations.

Before turning to our specific comments to the draft regulations, I want to provide an overview of the Airbnb community in New York City and some of the tools we've used to establish trust and security on our platform.

#### Airbnb: An Overview of Our Community in New York City & Around the World

Airbnb was launched in 2008 with a single listing in a single apartment in San Francisco. Our founders, including New York's own Brian Chesky, were struggling to afford an increasingly expensive housing market and decided to open up their own home to host other artists who were in town for a design conference.

A decade later, that single home share has turned into a platform that has brought over 400 million guests in 4.5 million listings in 81,000 cities in nearly every country across the globe.

Of course, while Airbnb has used the power of the internet to bring together millions of hosts and guests, New Yorkers are well aware that home sharing didn't start with Airbnb. Rather, it is a historic tradition-- in this state and others.

Airbnb is proud to be part of this tradition. In 2017, nearly 58,000 hosts across New York State welcomed 2.6 million guests. In addition, over 3 million outbound guests from New York used Airbnb to travel domestically and abroad, highlighting how more and more residents are viewing home sharing as a new option for unique, affordable accommodations.

The vast majority of Empire State hosts are middle class residents who share their homes occasionally to pay for their mortgage, medicine, and student loans, or save money for

retirement or a rainy day. In fact, last year, the typical New York host shared their home for about four nights a month, bringing in \$6,700 to help make ends meet.

Furthermore, 97 percent of revenue generated from hosting through Airbnb goes directly to our hosts, who plow it back into the local economy.

With Airbnb, visiting families can access an alternative way to travel — one that delivers economic benefits not only through the income earned by hosts, but also via the money guests spend at local businesses near their listings.

New York City is one of Airbnb's largest global markets. In 2017:

- There were over 43,000 Active Hosts in New York City. Thanks in part to Airbnb's voluntary "One Host, One Home" (OHOH) product, which limits multi-listing operators in New York City, 95 percent of hosts who share an "entire home" have a single entire home listing within the five boroughs. Airbnb is the only short-term rental platform to have a system like OHOH, highlighting our commitment to being a cooperative actor in protecting affordable housing while protecting New Yorkers' right to share their home. Under OHOH, over 5,000 listings have been removed in New York City since Nov. 2016.
- The typical New York City host earned about \$6,400 in the year ending May 1, 2018 by sharing their listing for about five nights a month, reinforcing the fact that most hosts are not full-time "commercial" operators, but are everyday New Yorkers who turn to sharing their home part-time to make ends meet.
  - These hosts should not be lumped together with full-time, commercial operators any more than someone who runs a stoop sale in Brooklyn should be seen on the same plane as the Fulton Mall. Rather, the City should recognize--as most New Yorkers do--that there is a clear difference between the majority of hosts who share their own home and the handful of bad actors who try to take advantage of the system.
- Our annual survey of hosts found that 73 percent of renter-hosts are rent burdened (pay more than 30 percent of their income in rent) and 33 percent are severely rent burdened (pay more than 50 percent of their income in rent). As a result, 77 percent of New York City Airbnb hosts say that they used the money they earn from home sharing to stay in their home, with 28 percent of hosts reporting that home sharing has helped them avoid eviction and 18 percent saying they avoided foreclosure.

¹ New York City is one of only three places in the world where One Host, One Home is in effect (the others are Portland, Ore., and the neighborhood of Ciutat Vella in Barcelona, Spain). While Airbnb is proud to be the only STR platform that has a OHOH system, the lack of a uniform policy across the industry opens the door for unscrupulous hosts to go to great lengths to evade detection by Airbnb or move their business to another platform entirely. As a result, Airbnb supports state legislation (A7520/S7182) that would require short-term rental hosts in New York City to register and enshrine the principle of OHOH in the Multiple Dwelling Law to ensure that all platforms live up to this high standard.

- The New York City host community reflects our extraordinary diversity:
  - Home sharing generated nearly \$60 million for hosts in predominantly-Hispanic neighborhoods in 2016.
  - Hosts in predominantly-Black neighborhoods earned over \$70 million in 2017 up by 63 percent from 2016.
  - In New York City's <u>predominantly Chinese-American neighborhoods</u>, nearly
     1,600 hosts generated \$20 million in supplemental income by welcoming 67,000 inbound guests in 2017.
  - Senior citizen hosts are the fastest growing community in New York City, rising 60 percent in the year ending September 1, 2016. Supplemental income from STR is particularly important to this population, which often struggles to "age in place" on fixed incomes. This Council clearly recognizes the urgency to support older residents. In fact, the FY 2019 budget the includes \$1.5 million to match 500 seniors with screened roommates as well as hundreds of millions of dollars to build new housing for seniors on public land. The Council should similarly support efforts by seniors to welcome travelers to their homes and maintain their independence as they age.
  - Millennials represent the largest segment of New York City's host community, with many of them turning to home sharing to pay record student debt, secure additional training for the modern workforce, and afford their share of the rent.
- New York City hosts welcomed 1.8 million guests in 2017. Unlike hotels, which are
  heavily concentrated in the tourist hotspot of Midtown Manhattan, Airbnb guests are
  welcomed by hosts throughout the five boroughs. In fact, 88 percent of Airbnb listings in
  New York City are located outside this district, with the fastest growth occurring in
  Queens and The Bronx.
- Given the long history of hotel price gouging in New York--including during emergency situations like <a href="Hurricane Sandy">Hurricane Sandy</a> and the <a href="2016 blizzard">2016 blizzard</a>-- it is no surprise that 37 percent of these 1.8 million guests reported that they either could not have stayed as long in New York or would not have been able to come at all were it not for the option of home sharing.<sup>2</sup>

This infusion of travelers-- particularly in communities historically left behind by the tourism economy-- creates enormous opportunity for local small businesses, with Airbnb guests spending one-third of their daytime spending in the neighborhood surrounding their listing. Resident hosts take pride in connecting guests with their favorite shops and restaurants, providing an authentic, affordable experience for millions. In fact, according

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<sup>&</sup>lt;sup>2</sup> In contrast to hotel price gouging during Sandy, over 400 Airbnb hosts opened their doors *for free* to individuals affected by Sandy, providing a warm, safe place to sleep and a deep sense of community at a time of loss and uncertainty. *See*: <a href="https://www.airbnb.com/community-stories/new-york/sandys-impact">https://www.airbnb.com/community-stories/new-york/sandys-impact</a>.

to HR&A, Airbnb generated \$2.8 billion in economic activity in New York City and supported 30,000 jobs in 2016 alone.

#### **Trust and Security on Airbnb**

In addition to creating economic opportunity for hosts and local businesses alike, we believe that keeping our global community safe, both online and offline, is very important. Indeed, one of the reasons for Airbnb's success has been our investment in a comprehensive approach to building trust with--- our hosts, guests, and neighbors:

- Background Checks and Watch Lists: While no background check system is
  infallible, we screen all hosts and guests globally against regulatory, terrorist, and
  sanctions watch lists. For United States residents, we also run background checks
  looking for prior felony convictions, sex offender registrations, and significant
  misdemeanors. We are working with additional governments around the world to
  identify where we can do more background checks.
- **Risk Scoring:** In an effort to prevent bad actors from ever accessing our platform in the first place, each and every Airbnb reservation is scored ahead of time for risk. We have a real-time detection system that uses machine learning and predictive analytics to instantly evaluate hundreds of signals to flag and then stop suspicious activity. When we detect potentially concerning behavior, our team takes a range of actions, including removing a user from the platform entirely.
- **Secure Messaging:** Through the Airbnb platform, we also have a safe and easy way for guests and hosts to get to know each other directly before requesting or approving a reservation. Our secure on-platform messaging tool is there for both sides to ask each other questions before requesting or accepting a reservation and to set clear expectations something we highly recommend doing. Additionally, our messaging tool helps hosts and guests stay in touch as needed throughout the trip to ensure everything goes well.
- **Reviews:** Our review system enables you to see what other community members have said about a potential guest, host, or home. Guests and hosts publicly review each other and can only do so after the reservation is complete, so you know the feedback is based on actual experiences.
- **Home Safety:** We run home safety workshops with hosts and local fire services to equip our community with the latest advice from leading experts, and we also give out <u>free smoke and carbon monoxide detectors</u> to hosts.
- **Account Security:** Our secure platform ensures your money and personal information are protected. We take a number of measures to safeguard your Airbnb account,

including using multi-factor authentication whenever a login is attempted from a new device.

- **Preventing Scams:** Fake or misrepresented users and listings have no place in our community, and we deploy a multilayer defense strategy to help ensure that these kind of scams are rare. All you need to do to protect yourself is to stay on our secure Airbnb platform throughout the entire process -- from communication, to booking, to payment.
- 24/7 Global Response & Assistance: In the rare event that an issue should arise, Airbnb's global Customer Service and Trust and Safety teams are on call 24 hours a day, 7 days a week, in 11 different languages to help make things right with rebooking assistance, as well as refunds, reimbursements, and our insurance program. If, for instance, you arrive at a listing and it's not as advertised, all you need to do is reach out to our team and we are here to help.
- **Neighbor Tool:** We want to do everything we can to help our community members be good neighbors in the places they too call home, which is why we launched our Neighbor Tool. Anyone can go to airbnb.com/neighbors to share specific concerns they might have about a listing in their community. Hosting is a big responsibility and those who fail to meet our standards and expectations may be subject to suspension or removal.
- **Host Guarantee:** Hosts can rest assured that they are protected by our <u>Million Dollar Host Guarantee</u>, which covers listings for up to \$1,000,000 USD in damage -- and it's free for all hosts and every single booking.
  - In 2017, there were more than 49 million trips at Airbnb listings worldwide. Significant property damage (claims that were reimbursed under our Host Guarantee program for over \$1,000) was reported to us only 0.004 percent of the time. At that rate, you could host a new reservation every single day for over 63 years without expecting to file a significant property damage claim under our Host Guarantee.
- **Insurance:** Our <u>Host Protection Insurance</u> provides hosts with additional protection against third party claims of property damage or bodily injury up to \$1,000,000 USD.

#### Airbnb's Commitment to Collecting Taxes and Supporting Public Services

Airbnb believes that short term rentals should support core public services. That's why, in addition to developing critical public safety tools, we are committed to working with states to efficiently and effectively collect and remit lodging taxes on behalf of our hosts and guests.

Since 2014, the company has signed voluntary collection agreements (VCA) with over 400 jurisdictions around the world, including the neighboring states of Connecticut, Vermont, and Pennsylvania, nearby cities like Jersey City and Philadelphia, and as 21 counties in New York State. These VCAs have enabled us to collect over \$500 million to support everything from services for individuals and families without homes (Chicago, Los Angeles) to affordable housing funds (Portland, Ore., New Orleans).

Unfortunately, with the exception of county bed taxes, New York law prevents Airbnb from automatically collecting and remitting local and state sales and lodging taxes. That's why we supported legislation in Albany (A-7520/S-7182) that would extend all applicable taxes to short-term rentals and allow platforms like Airbnb to remit taxes to the City and the State, streamlining collection and ensuring compliance.

We estimate that Airbnb would generate over \$100 million in taxes in the first year alone.

#### Airbnb's Comments on Int. 981-2018

Airbnb believes that all New Yorkers have the right to share their own space and that short-term rentals are an important element of a growing tourist economy that democratizes the benefits of the travel economy to small businesses in the community, not just multinational hotel and restaurant chains.

We are also aware of the unique challenges faced by cities like New York, which have struggled with housing affordability long before Airbnb came into existence.<sup>3</sup> What is best for New York City won't be the same as what's best for traditional vacation rental markets on Long Island or the Hudson Valley or emerging tourist economies like the Adirondacks or the Southern Tier.

Rather, policy needs to be carefully crafted to protect affordable housing, preserve quality of life, and-- most importantly--to target enforcement resources to individuals who abuse home sharing by kicking tenants out of buildings to run 24/7 illegal hotels.

Intro 981 does none of these things. Rather, it doubles down on a failed approach to short-term rental regulation that has led a City law enforcement agency-- the Office of Special Enforcement--to become little more than a tool of the hotel industry, spending tens of millions of dollars of taxpayer money to harass and fine New Yorkers who share their own home.<sup>4</sup>

<sup>&</sup>lt;sup>3</sup> As the NYU Furman Center for Real Estate and Urban Policy has found, home prices in New York City were soaring long before Airbnb was even founded, increasing by 250 percent from 1974 to 2006, and 124 percent from 1996 to 2006 alone. *See*: <a href="http://furmancenter.org/research/sonychan/2008-report">http://furmancenter.org/research/sonychan/2008-report</a>.

<sup>&</sup>lt;sup>4</sup> OSE reported that it spends 95 percent of its time on "illegal hotels" despite the fact that the City's own data shows that other concerns were of greater concern to the public. In the fiscal year ending June 30, 2018, there have been fewer than 1,400 complaints citywide categorized as "space used as a hotel, vacation rental, or short stay," compared to about 200,000 noise complaints, 46,600 complaints about "dangerous locations or situations," 81,000 complaints about lack of heat or hot water in an entire residential building, and even 2,900 notifications about stray kittens (Data through May 2018; Noise complaints combine multiple categories, such as "noise from neighbor" and "noise from street or sidewalk");

Worse yet, Intro 981 undermines data privacy for New Yorkers, forcing residents to consent to the disclosure of their personal information to a law enforcement agency that has worked hand in glove with industry to intimidate home sharers.

In 2017, the hotel industry pledged to spend more than \$1 million to spy on New Yorkers who are sharing their home on Airbnb<sup>5</sup>, hiring special investigators and even conducting sting operations. From these spy operations, the hotel lobby has submitted "dossiers" to the Office of Special Enforcement, "wrapped in a bow," with the understanding the agency will pursue enforcement action against the hotel industry's target hosts.

Moreover, the fact that Intro 981's definition of "booking service" is limited to online platforms not only conflicts with the spirit of federal law concerning e-commerce, but also speaks to the ultimate motivation of this bill, which is about targeting Airbnb, not actually addressing issues related to the short-term rental industry writ large-- an industry that has been part of the New York City economy for generations.

As evidenced by Airbnb's voluntary One Host, One Home policy, countless meetings between our hosts and members of this Council, and our years-long efforts to enact comprehensive regulatory reform at the state level, we firmly believe that the Council can and should address issues related to short-term rentals.

In fact, even as many of our competitors have done little to promote responsible home sharing, Airbnb has worked with cities and states across the country-- from Philadelphia to Chicago, to Seattle and San Jose-- to help legislators embrace the clear economic benefits of home sharing, while minimizing the potential for home sharing to be abused by bad actors or to impose externalities on communities.

#### Airbnb's Comments on Int. 554-2018

Intro 554 would double down on an unfair system, imposing draconian fines on individual New Yorkers who share their homes. The proposed penalties-- up to \$50,000 *plus* \$2,000/day--dwarf any penalties currently assessed by the Department of Buildings for code violations.<sup>7</sup>

For example, even when gas is supplied to a building without inspection and certification by DOB-- an immediately hazardous Class 1 violation-- the standard fine is only \$1,000.8

https://www.bloomberg.com/news/articles/2017-07-12/hotel-money-is-funding-anti-airbnb-sting-operations; http://www.nyc.gov/html/ops/ll47/html/ll47\_reports/ll47\_reports shtm

<sup>&</sup>lt;sup>5</sup> https://www.bloomberg.com/news/articles/2017-07-12/hotel-money-is-funding-anti-airbnb-sting-operations.

<sup>&</sup>lt;sup>6</sup> https://www.bloomberg.com/news/articles/2017-07-12/hotel-money-is-funding-anti-airbnb-sting-operations.

<sup>&</sup>lt;sup>7</sup> http://www.nyc.gov/html/ecb/downloads/pdf/BuildingsPenaltySchedule.pdf.

<sup>&</sup>lt;sup>8</sup> 27-904 & FGC 406.6.2 B156; Class 1 violations are defined as "immediate hazardous" under 1 RCNY §102-01(b)(1).

Moreover, as with Intro 981, there is nothing in the bill that would distinguish the vast majority of responsible home sharers in New York from the minority of truly bad actors who post a threat to public safety.

#### A Better Path Forward

We believe the Council should reject Intros 981 and 554 and instead work collaboratively with Airbnb hosts on a comprehensive plan that could include the following elements:

- Ensure New Yorkers can Share their Own Home, While Targeting Bad Actors: Any Council effort should clearly recognize the right of New Yorkers to share their own home, while targeting the minority of truly bad actors who threaten tenants and run full-time hotels.
- Enact Data Sharing Requirements that Target Bad Actors: The Council should work with platforms to craft data sharing provisions that respect laws designed to protect the personal data of users, while giving regulators visibility into the community in order to target and root out bad actors.
- **Require Registration**: The Council should enact a registration system for short-term rentals in New York City that safely and securely provides regulators with information across online and offline platforms. Fees from registration could support enforcement against bad actors and/or other Council priorities.
- Extend City Taxes to Home Sharing and Allow Platform Collection. While the Council does not have the authority to authorize all STR-related tax collection (the state controls/collects the City sales tax and the State hotel unit fee), it can extend the city-collected hotel tax to STR and allow platforms like Airbnb to collect and remit that tax on behalf of our host community. This would have allowed Airbnb alone to collect and remit nearly \$31 million to the City in the year ending October 31, 2017.
- **Protect Affordable Housing**: The Council should follow the lead of comprehensive reform proposed in Albany that would bar STR in NYCHA, rent-controlled housing, and housing paid for with vouchers, and limit home sharing in rent stabilized housing to prevent profiteering.
- **Protect Hosts, Guests, and Neighbors**: While the vast majority of short-term rentals are positive experiences, the Council can prepare for the small fraction of negative cases by imposing an insurance requirement on STR and creating a "three strikes" policy.

Thank you again for your time.

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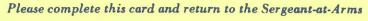
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Name: Victoria C	(PLEASE PRINT)		
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Name: Chris O'A	(PLEASE PRINT)		
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Appearance Card
I intend to appear and speak on Int. No. 981/55/ Res. No.
in favor in opposition
Date: 6/36
Name: Delroy Webb (PLEASE PRINT)
Name: Delroy Webb
Address:
I represent:
Address:
THE COUNCIL
THE CITY OF NEW YORK
Appearance Card
I intend to appear and speak on Int. No. 98/554 Res. No.
in favor in opposition
Date: 6/26
Name: Junielle Lieira
Name: Janielle Dieira
Address:
I represent:
Address:
THE COUNCIL
THE CITY OF NEW YORK
Appearance Card
I intend to appear and speak on Int. No. 981/554 Res. No.
in favor in opposition
Date: 6/26
(PLEASE PRINT)
Name: Eny Delgado (PLEASE PRINT)
Address:
I represent:
Address:

I intend to appear and speak on Int. No. QRI Res. No.  in favor in opposition  Date: 6/26  Name: Anela Raphite
Address:
I represent:
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Please complete this card and return to the Sergeant-at-Arms
THE COUNCIL THE CITY OF NEW YORK
Appearance Card
I intend to appear and speak on Int. No. 98 1/55 Res. No  in favor in opposition  Date:
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Appearance Card
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Date: (0/26
Name: She de Cide (PLEASE PRINT)
Name: Shed Cide  Address:
I represent:
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Please complete this card and return to the Sergeant-at-Arms
THE COUNCIL THE CITY OF NEW YORK
Appearance Card
I intend to appear and speak on Int. No. 98/55-4 Res. No.
in favor in opposition
Date: 6/26
Name: Cote Schaller
Address:
I represent:
Address:
Please complete this card and return to the Sergeant-at-Arms