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May 11, 2018

Presiding Justice Tricia A. Bigelow
Second District Court of Appeal, Division Eight
California Appellate Court
Ronald Regan State Building
300 South Spring Street
2nd Floor, North Tower
Los Angeles, California 90013

Re: The California Women’s Law Center *Amicus Curiae* Letter in Support of the People of the State of California’s Petition for Writ Review in *The People of the State of California v. Superior Court of the State of California*, Appeal Number B289705

Dear Presiding Justice Tricia A. Bigelow and Justices of the Court:

I. Introduction

The California Women’s Law Center (“CWLC”) has retained Venskus & Associates, A.P.C. to submit this *amicus curiae* letter in support of the People of the State of California’s (“People’s”) Petition for Writ Review (“Petition”) of the Superior Court’s Order Denying the People’s Motion for Summary Judgment and Granting Real Party in Interest Venice Suites, LLC and Carl Lambert’s Cross-Motion for Summary Judgment (“Superior Court’s Order” or “Order”) in Appellate Case Number B289705.

CWLC encourages the Court to grant the People’s Petition, as the Superior Court’s Order has widespread social consequences. (See *California Highway Patrol v. Superior Court* (2006) 135 Cal.App.4th 488, 496 [writ review appropriate where petition implicates issue “of widespread interest”].) If allowed to stand, the court’s Order will have a deleterious impact on available housing and will contribute to the loss of rent stabilized homes in Los Angeles. This will disproportionately affect members of vulnerable communities, including women and children.

II. The California Women’s Law Center Has an Interest in *The People of the State of California v. Superior Court of the State of California*, Because the Superior Court’s Order Undermines Affordable Housing, which Disproportionately Harms Women.

CWLC's mission is to break down barriers and advance the potential of women and girls through transformative litigation, policy advocacy, and education. CWLC works to ensure that opportunities for women and girls are free from unjust social, economic, and judicial constraints. It has been on the frontlines in the fight for policies to help secure women's economic empowerment in California, ultimately benefiting families and communities across the state. CWLC has advocated for stronger equal pay laws, adequate family leave to bond with a new child, and a stronger minimum wage.

CWLC has been actively involved in serving homeless women veterans in Los Angeles, including advocating on behalf of a female veteran who was sexually assaulted in her veteran housing facility, providing legal trainings for other attorneys, and producing a housing policy brief related to homeless women veterans and military sexual trauma. As a logical extension of our work on behalf of homeless veterans, and recognizing that women, and particularly women of color, are especially vulnerable to poverty and homelessness, in 2017 CWLC established a monthly housing clinic in the beach cities of Los Angeles. Together with our partner Venice Community Housing, we have assisted dozens of low-income tenants struggling to maintain housing and have identified the destruction of affordable housing as a large-scale issue in the beach cities of Los Angeles.

Lack of affordable housing is unquestionably a women's issue. Women live in poverty at higher rates than men. In 2013, fourteen and a half percent of adult women lived in poverty, compared to eleven percent of adult men. Almost sixty percent of poor children lived in households headed by women. (Entmacher, et al., *Insecure & Unequal: Poverty and Income Among Women and Families 2000-2013*, National Women's Law Center (2014) [*"Insecure & Unequal"*].) Housing discrimination is also a barrier to women, especially mothers with children. (Quets, et al., *A Gender Lens on Affordable Housing* (2016).) Approximately sixty-three percent of homeless women have experienced domestic violence at some point in their adult lives. (*Ibid.* at 8.) Domestic violence victims may lose their homes in an effort to escape injury or death or may be evicted for inability to pay rent in favor of other necessities such as putting food on the table or providing child care.

CWLC urges this Court to grant the Petition because, as detailed herein, the Superior Court's Order will have a devastating effect on affordable housing in Los Angeles and will disproportionately harm women and children.

III. The California Women's Law Center Urges this Court to Grant the Petition for Review, Because, if Left Undisturbed, the Superior Court's Order Will Reduce Affordable Housing and Significantly Undermine Rent Stabilization Protections.

1. *The Superior Court's Order will incentivize landlords to convert existing housing into vacation rentals.*

The Superior Court’s Order not only incorrectly interprets the application of zoning regulations – it incentivizes landlords to evict tenants in rent stabilized homes and remove affordable housing from the already limited housing options available to tenants. If the Court’s Order is allowed to stand, property owners will be permitted to rent their properties as vacation rentals in areas where zoning requirements do not permit such use. (People’s Petition, 13-15.) When landlords offer their properties as vacation rentals, rather than as homes for long-term tenants, they can realize vastly increased profits. (See Samaan, *Airbnb, Rising Rent, and the Housing Crisis in Los Angeles* (May 2015), 16 [“*Airbnb, Rising Rent, and the Housing Crisis in Los Angeles* ”].) The profit gap between renting residential property on a stable, long-term basis versus as short-term vacation rentals is particularly extreme when residential properties are subject to the Los Angeles Rent Stabilization Ordinance (“the Rent Stabilization Ordinance”). (*Ibid.*; Los Angeles Municipal Code § 151.06 [providing incremental rent increases].) This creates particularly strong economic incentives for landlords to evict tenants in rent stabilized units in order to offer those units as short-term vacation rentals where any amount of money can be exacted from the vacationer. Simultaneously, there are inadequate mechanisms to prevent landlords from unlawfully evicting long-term tenants from rent stabilized units. The Los Angeles Housing and Community Investment Department, which is tasked with enforcing the Rent Stabilization Ordinance, simply does not have sufficient funding to prevent every landlord from unlawfully evicting tenants. Typically, enforcement only happens after an eviction, when tenants have already been displaced from their homes.

This is a major issue in Los Angeles. Conversion of rent stabilized homes and apartments into short-term vacation rentals has already resulted in the loss of rent stabilized units across the City. The loss of rent stabilized units, in turn, means the loss of stable communities. For example, the 417 Ocean Front Walk building, at issue in the People’s Petition, is simply a microcosm of the overarching problem – it provided thirty-one affordable, rent stabilized units before it was unlawfully converted into short-term vacation rentals. (See People’s Petition, 14.) The Los Angeles City Attorney’s Office also pursued actions against landlords who evicted tenants in rent stabilized apartments to rent these apartments as de-facto hotel suites. (See People’s Request for Judicial Notice Exhibits 6-7, 8, 10-12.) Likewise, a formerly rent-stabilized twenty-one-unit apartment building was advertised for sale as a lucrative investment if the apartments were converted into short-term rentals. (*Airbnb, Rising Rent, and the Housing Crisis in Los Angeles, supra*, 16-17.)

Zoning laws that prohibit the operation of short-term vacation rentals in apartment houses and residential areas deter landlords and real estate speculators from offering their properties as vacation rentals. However, if the court’s Order is permitted to stand, it will remove a barrier for landlords to offer their properties as short-term vacation rentals, thus resulting in the loss of already scarce affordable, long-term, stabilized housing options for Los Angeles residents.

2. *The court’s Order will exacerbate Los Angeles’ existing housing crisis, which disproportionately impacts women and families.*

California is in the midst of an affordable housing crisis. Rentals are increasingly unaffordable - “[o]f California’s almost 6 million renter households, more than 3 million households pay more than 30 percent of their income toward rent, and nearly 30 percent – more than 1.7 million households – pay more than 50 percent of their income toward rent.” (California Department of Housing and Community Development, *California’s Housing Future: Challenges and Opportunities* (Feb. 2018), 1, 2 [“*California’s Housing Future*”].)

The housing crisis is particularly pronounced in Los Angeles, which “has the highest percentage of renters of any city in the country.” (*Airbnb, Rising Rent, and the Housing Crisis in Los Angeles*, *supra*, 16.) Average wages have not increased in Los Angeles in the past three years, but average rental prices have skyrocketed. (*Ibid.*) Indigent residents, on average, spend seventy-seven percent of their income on rent. (*Ibid.*) As a result, one third of the State’s homeless population is in Los Angeles County. (See *California’s Housing Future*, *supra*, 10.)

This crisis is exacerbated for women and families. In 2013, fourteen and a half percent of women lived in poverty. (*Insecure & Unequal*, *supra*.) Statistically, women earn significantly less than their male counterparts – Latina women earn, on average, fifty-four cents for every man’s dollar, African-American women earn sixty-three cents, and Caucasian women earn seventy-seven cents. (See Hauser, *The Myth of the Nice Girl* (2018), 109; see The American Association of University Women, *The Simple Truth About the Gender Pay Gap* (Spring 2018), 10 [“*The Gender Pay Gap*”].) The amount women earn diminishes with age and for women with disabilities. (*Ibid.*) The preservation of affordable housing, especially rent-stabilized housing which enables stabilized home lives, is thus especially important for women and children.

- a. *The court’s Order will incentivize landlords to circumvent the Los Angeles Rent Stabilization Ordinance, which ameliorates the impacts of the affordable housing crisis.*

The Rent Stabilization Ordinance helps address some of the challenges of the affordable housing crisis. The Ordinance was implemented to address the housing shortage and tenants’ inability “to find decent, safe and sanitary housing at affordable rent levels.” (Los Angeles Municipal Code § 151.01.) It limits increases in rent, thus enabling tenants to rely upon and budget for annual housing cost increases while still giving property owners a fair return on their property investment. (*Id.* § 151.06.) Key to the Rent Stabilization Ordinance is the limit on when and why a landlord can evict a tenant -- known as “just cause eviction” provisions. (See *id.* § 151.09 [providing for 14 reasons a landlord can lawfully recover a housing unit from a tenant – none of which include that a landlord wishes to increase the rent above the maximum allowable three to five percent per year].) The Rent Stabilization Ordinance thus provides tenants stability in their homes because tenants know they cannot be evicted for an arbitrary reason. Stability in the home promotes community stability - if a tenant complies with all laws and pays rent on time, they can reside in their home on a long-term basis. Thus, for example, families can rely upon keeping their children in the same school over time, and senior citizens can rest assured that they can maintain close connections with their long-standing support network –

neighborhood doctors, markets, churches, and friends. The Rent Stabilization Ordinance thus “prevent[s] the displacement of working class tenants, seniors, immigrants, and communities of color from hot urban real estate markets.” (Preston and Singh, *Rent Control Works* (March 2018).) Within these populations, women are especially vulnerable, and thus, the Ordinance’s rent stabilization protections are important to the economic survival of women.

When rent stabilized units are converted into short-term vacation rentals, which the court’s Order enables, it reduces the amount of housing in Los Angeles that includes these important tenant protections. Due to the Costa Hawkins Rental Housing Act, the Rent Stabilization Ordinance only applies to buildings constructed before October 1, 1978, (see Cal. Civ. Code § 1954.50 *et seq.*), so only a finite number of housing units are subject to the Rent Stabilization Ordinance in Los Angeles. Conversion of rent stabilized units into short-term vacation rentals is particularly detrimental because it reduces the amount of stable, affordable housing available to Angelenos, thus contributing to housing insecurity in an already dire time.

b. The conversion of housing to short-term vacation rentals will remove existing housing stock and increase the price of rentals in housing that is not subject to the Rent Stabilization Ordinance.

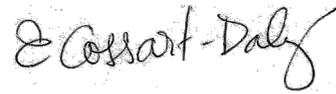
Short-term rentals that are not true home shares – wherein a home owner offers some portion of their house as a vacation rental – remove housing from already scarce options available to renters. (See Samaan, *Los Angeles Alliance for a New Economy Policy Brief: Short-Term Rentals and Los Angeles’ Lost Housing* (2015), 3.) In 2015, this increased housing costs by \$464 million for Los Angeles renters and removed eleven units *each day* from the housing market. (*Ibid.*) The court’s Order will increase the conversion of affordable housing stock into vacation rentals, which in turn, will accelerate the removal of available housing from the rental market and increase existing rents. This will amplify the impacts of the housing crisis and make it all the more difficult for vulnerable populations to find safe, stable, and affordable housing.

IV. Conclusion

The Superior Court’s Order unnecessarily and incorrectly creates instability and uncertainty for women and working families. If the court’s Order is allowed to stand, it will incentivize landlords to circumvent the Los Angeles Rent Stabilization Ordinance, remove affordable housing from the rental market, and contribute to the existing shortage of affordable housing in Los Angeles. These losses will make it all the more difficult for women to survive in Los Angeles, and, given prevalent wage disparities, will be especially hard on working class women, women of color, and women with disabilities. In order to avoid such detrimental consequences, the California Women’s Law Center urges the Court to grant the People’s Petition for Writ Review and rule in the People’s favor.

Thank you for your careful consideration of this matter.

Sincerely,

A handwritten signature in black ink that reads "Elise Cossart-Daly". The signature is written in a cursive style with a large, stylized initial "E".

Elise Cossart-Daly
Venskus & Associates, A.P.C.