

Thank you for holding a second hearing on this matter. It gives me hope the City and OSE will reevaluate their position and come up with a more sensible option. I've done some research since the last meeting and learned many interesting things.

According to Inside Airbnb, there are about 40,000 airbnbs in NYC. Of those, only 11,300 are active and rent short term, meaning they've rented their space in the past year. So, when OSE estimates over 10,000 listings will be closed by Local Law 18 it means almost all airbnbs. Of those 11,300 only 7,000 are full time listings, meaning they are rented at least six months out of the year. 4,200 are entire homes and 2,800 are shared spaces. So, when OSE talks about adding housing to the City that would be the maximum gain, 4,200 units and 2,800 rooms. That's what this is about, 7,000 listings that are active and full time renting short term. That might sound like a big number until one realizes there are more than 3.6 million homes in NYC, called housing stock. Airbnbs represent less than 1% of housing stock, less than one quarter of 1%. A very, very small percent. Airbnbs are barely a drop in the bucket compared to the amount of housing stock in a City.

To think eliminating airbnbs will increase housing stock or create more affordable housing is a fool's mistake. There are major studies that show airbnbs are not responsible for higher rent prices. In fact, when comparing the amount of money brought into the City's economy compared to any small increase in rent prices, airbnb is a net gain for the City and its residents.

It is the City's policies that are responsible for higher rent prices. For over a 100 years the City has tried to limit how much rent could be increased. It is a failed policy, it hasn't worked, rents are still too high. New York City has the highest rent and is the most expensive place to live in the county. In fact, there are now more than 60,000 "affordable" housing units that are vacant. Landlords are refusing to rent them out under the City's policies. It's simple supply and demand, if you want to lower rents get those units back on the free market.

Additionally, since 2017 the City has added more than 175,000 new units to the housing stock. The fastest growth of housing stock in the City's history. All during a time when the City's population is declining. Last year New York ranked 47 out of 50 states in population decline and 12% of the City's millionaires moved out, severely affecting the amount of taxes collected. People have clearly had enough of the over regulation and are fleeing as fast as possible. We don't have a housing crisis in this City, we have a policy crisis. The City needs to get its knee off of our necks, allow the free market to work. You will get better results.

The airbnb model is far superior to the City's policies. Under the City's model, certain units are classified as hotels while others are affordable housing and others are free market rent. This creates a ton of waste. For example, hotels are built for maximum occupancy during peak travel season, the rest of the year they sit half empty. The airbnb model is flexible and maximizes occupancy to meet current demand. During the pandemic, when travel was restricted many hosts took in traveling nurses and people working remotely who stayed weeks or months at a time. After the pandemic when everyone wanted to travel, hosts shifted to accommodate the influx of travelers the hotels didn't have room for. Now, there is a travel recession and many hosts are transferring to longer term rentals. Of course with 60,000 of the City's nurses on strike we might see an influx of traveling nurses again. But, whatever it is, airbnb hosts are prepared. With the airbnb model, the problem fixes itself. If you want to maximize housing stock, expand airbnb, get as many of them as you can. The free market will work out the usage and prices for all will be reduced.

It's really just simple economics and I've worked in finance for more than 20 years, I'm certainly qualified to speak on the subject. If you really wanted to get rid of airbnbs you'd allow everyone to do it, you'd flood the market with airbnbs. If every apartment in NYC was an airbnb there wouldn't be enough guests to sustain it. The over saturation would cause prices to

drop and hosts wouldn't make enough money to be sustainable and would be discouraged from it. Obviously, the market can only allow for so many airbnb's and it's the policies trying to restrict it that are making it more profitable and desirable to hosts. Likewise, by eliminating airbnb, hotels will raise prices and it will discourage even more tourists from visiting our City. It's the same for the 60,000 affordable housing units that are off the market. Get rid of the affordable housing policy, get those units back on the market, it will reduce rents for everyone. If you think adding 7,000 units to the market will help bring down rents, imagine what 60,000 could do. If you get rid of these policies, rents will come down, tourism will increase, and the City and its residents will prosper.

From 2009 to 2019, because of Airbnb, tourism in NYC doubled. In 2019, tourism was responsible for adding approximately \$67.5 billion dollars to the NYC economy, when calculated directly and indirectly, making up over 10% of the City's economy. One third of which went to hospitality workers, stores and restaurants, and other personnel supporting the tourism industry which are mostly comprised of lower income minorities. If Local Law 18 is passed, that is gone instantly. We go back to 2009 and half our tourism dollars, \$34 billion dollars comes out of the City's economy. The shops, restaurants, and bodegas in the outer boroughs that wouldn't normally receive tourism dollars will all lose out and this directly affects lower income persons and minorities the most. The question is, why would the City want to eliminate all this tourism when Airbnb has such a miniscule impact on housing and is responsible for so much growth in the City. Why would they want to go back to 2009. Why would they want to reduce tourism and take \$34 billion dollars out of our economy.

There are 125,000 hotel rooms in New York City. They might see 7,000 airbnb units as a threat, it's 5% of their business. As a result, the Hotel Industry has donated millions of dollars to the Mayor's campaign. OSE works under direction of the Mayor, using taxpayer dollars for the benefit of the hotel industry and detriment of the citizens and residents of New York City. OSE is attempting to use Local Law 18 to shut down legally operating Airbnb's to benefit the Hotel Industry.

OSE seems to be taking the position that all entire unit Airbnb's are illegal. This is not true, it's not what the law says. OSE seems to be taking the position that all shared listings must have the host present at all times and cannot have interior door locks. This is not true, it is not what the law says. OSE has been waging a war of misinformation to accomplish their goal of eliminating all airbnb's. OSE is attempting to pass Local Law 18 to circumnavigate the law. There are no assurances OSE will issue a license number to legally operating Airbnb's so they can advertise their units. You could be operating legally under the law, you could even win in court, but Local Law 18 leaves OSE the power to decide if you are granted a number to operate.

The purpose of Local Law 18 is for OSE to become the ultimate authority on what is a legal short term rental. They want full and unfettered power beyond the law and beyond the courts to decide what is legal and what is not, and who can advertise and conduct business and who can not. If LL 18 is passed, it will allow OSE to operate outside of the law, it will eliminate checks and balances, and make them the ultimate authority.

For example, under OSE misguided interpretation of the law, a unit is not shared unless each person has access to all areas of the unit. They conclude that having interior door locks might preclude one person from accessing an area in the unit and thereby making it not shared. The definition in the dictionary of "share" is having a portion of something with another or others. It is possible for a common household to have interior door locks. The law does not require each person to have access to the whole. The example the dictionary gives is sharing a pie. I consume a piece and you consume a separate piece of a whole. OSE's interpretation defies the laws of physics. We can't both consume all the pieces. We could share a bed, I take one

side and you take the other. A door lock doesn't stop us from sharing a bathroom, I go first and you go next. Under OSE's interpretation we would both have to sit on the toilet at the same time.

The safety issue doesn't come from hosting guests. Airbnb was founded on trust. I trust a guest in my home and they trust the unit is as advertised when the rent. But what if an intruder comes in. Most people would run into a bedroom or bathroom, lock the door and call 911. The extra moments gained by the locked door could be the difference between life and death. Likewise, if I want an intimate moment in the bedroom and kids live in the house I might lock the door. It doesn't mean I don't share my bedroom with my kids or we don't live in a common household, I just don't want them walking in at an inappropriate time. But OSE doesn't care, in reality I could just provide someone a key to interior locks, these are merely deterrents for them to accomplish a larger goal, to eliminate competition to benefit the hotel industry.

In truth there is no reason for registration, OSE already receives all the information they need directly from Airbnb. If Local Law 18 is passed, it will have an outsized and disappropriate effect on lower income persons, minorities, the elderly, LGBT persons, and persons of domestic violence. We've already heard from so many hosts who rent on Airbnb just so they can afford to stay in their homes, many who are minorities or elderly. Airbnb's are generally priced lower than hotels and afford lower income persons the opportunity to travel to our City that otherwise wouldn't. Housekeepers and others in the tourist industry, mostly those who are lower income and minorities will suffer. Additionally, Local Law 18 requires hosts to list the full names of all persons living in their household. Those in the LGBT community who may be living with a partner would be forced to out themselves. There are laws to protect persons of domestic violence that are being ignored and listing full names and addresses could reveal their location. There are basic safety measures Local Law 18 does not address such as making maps of people's homes public. Should I give you the combination to my safe deposit box too, or is that not allowed because it's locked and the guest doesn't have access to it. What about a licensed firearm, I don't have one but should those not be locked either.

Additionally, a consequence of Local Law 18 will be higher crime in the City. Local Law 18 will significantly reduce tourism and income to the City's residence. The net effect will hurt our economy. We all know when the economy suffers, crime increases. I'm old enough to have lived in the City in the late 70's and early 80's with the crime and drug use and graffiti. I remember the City being hours away from bankruptcy only to be bailed out at the 11th hour. We've come such a long way <https://www.osc.state.ny.us/reports/osdc/tourism-industry-new-york-city> since then but the policies the City is trying to enact are going to take us back there again. Your intentions might be good, but they are misguided. In short, enacting Local Law 18 hurts our City in so many ways, and it's all being done so hotels can charge an extra couple of bucks and increase their profits.

Airbnb states come from [Insideairbnb.com](https://www.airbnb.com). There are filters you can click on for different configurations. Tourism stats came from [NYC.gov](https://www.nyc.gov) somewhere on their site. Studies showing airbnb does not increase rent prices are very detailed. One is from a teacher at UPenn I think that did the study for Harvard, the other was one airbnb sponsored.

Sources and studies

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