



HOTEL ASSOCIATION OF NEW YORK CITY, INC.

320 PARK AVENUE, NEW YORK, NY 10022-6838

(212) 754-6700 FAX (212) 754-0243

DATE: October 30, 2015

TO: Hotel Association of New York City, Inc.:
Labor Relations Members
General Managers,
Human Resources Directors and Controllers

FROM: Joseph E. Spinnato, Esq. *JES*
Vijay Dandapani, Chairman *VD*

RE: "ShareBetter" Campaign against Airbnb

As you might know, the Hotel Association of New York City (HANYC) is currently, and has been for some time, engaged in an extended lobbying campaign to respond to Airbnb's legislative and associated publicity campaigns to legitimize its extensive operations in New York City. HANYC's response to Airbnb's campaign was undertaken by the direction of HANYC's Board of Directors.

Airbnb's New York City operations depend upon Airbnb knowingly facilitating a massive number of continuing violations of the laws governing and in most cases preventing the transient use of residential units in New York City. Such use of residential units is illegal for good reason. It runs counter to well-thought-out and decades-old zoning regulations designed to protect the unique character of City neighborhoods and to protect the City's supply of affordable housing. Even more importantly, transient use of residential units jeopardizes other residents of residential buildings by causing transient traffic to pour through such buildings without the customary background checks to which residential tenants are customarily subject. Transient use of residential buildings also jeopardizes the "guests" being housed through Airbnb's operations. Those guests are not protected by the stringent fire and safety rules that govern the transient market in New York City and which create additional layers of protection for the transient guest. Such large scale transient use of residential units also evades the occupancy and real estate taxes to which those who legitimately operate in the transient market in New York City are subject.

In sum, Airbnb is currently operating on a very unequal playing field on a platform it has built and which is based upon violations of New York law. As might be expected, there is mounting evidence that the legitimate transient housing market is being damaged. For example, in the 12 months ending this past August, it appears that Airbnb's platform captured over 2.9 million room nights in New York City.

HANYC has spoken out repeatedly on this most serious issue. It has actively participated in federal government hearings on the issues raised by Airbnb's operations. It has consistently urged State and City leaders to enforce the laws already on the books to deal with this obvious safety and quality of life threat. Most recently, in conjunction with the New York Hotel and Motel Trades Council, the Association has lobbied the New York City Council to increase the fines for violations by buildings and hosts doing business on the Airbnb platform to \$50,000 per violation. We continue to press for aggressive enforcement of the law. In addition, we joined with other concerned parties such as community, housing and tenant groups, to form a lobbying coalition – ShareBetter-to assist with lobbying efforts and to inform the public about the serious threat that Airbnb poses to the welfare of New York City. You can find details of ShareBetter here. <http://www.sharebetter.org/>

To date, the lobbying effort and associated media campaign has been funded by a minor increase in Association dues and voluntary contributions ranging from \$10K to \$250K from interested parties. This revenue is insufficient to properly fund the ongoing lobbying efforts, particularly in the wake of a massive surge of Airbnb's already substantial lobbying and media campaign.

The Union has made a \$100,000 contribution to ShareBetter and has instructed its Business Agents to request contributions from the hotels. We also urge you to contribute. The efforts of the Association and Union and other concerned parties have put into place the weapons to fight back effectively. But funding is very much needed to continue to fight the battle.