



OFFICE OF THE BROOKLYN BOROUGH PRESIDENT

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**New York City Council  
Committee on Housing and Buildings  
Testimony of Brooklyn Borough President Eric Adams on short-term rentals  
Tuesday, January 20, 2015**

Thank you, Chair Williams, and members of the New York City Council Committee on Housing and Buildings, for the opportunity to submit written testimony on the issue of short-term rentals.

This hearing is an important opportunity to discuss the myriad challenges and opportunities that exist within the short-term rental policy arena and we look forward to continuing the dialogue around these issues.

My office believes that it is important to separate the many issues that fall under the rubric of short-term rentals, many of which are being discussed today. I have listed the issues below:

Traditional Bed and Breakfasts (B&B's)

Traditional B&B's have long operated in Brooklyn, adding value to communities throughout the borough and providing safe accommodations for visitors near and far. Neighborhood B&B's serve as community ambassadors and help expand the economic impacts of tourism to different parts of Brooklyn and New York City. Visitors spend dollars at local businesses that they normally would never have encountered had they not stayed in a neighborhood B&B.

For the most part, these small businesses have worked to comply with legal guidelines set forth by New York State and in fact are recognized and taxed as "Small Facility Operators" by the New York City Department of Finance. Unfortunately, the New York City Department of Buildings (DOB) does not recognize these entities and in recent months these home-based businesses have come under increasing enforcement by the Mayor's Office of Special Enforcement.

My office has met with many of Brooklyn's B&B proprietors to learn more about their interactions with DOB and of the increasing numbers of fines and penalties they have received as a result of increased, and misguided, enforcement. As a result of these meetings, my office is partnering with Council member Robert Cornegy to introduce legislation to formally recognize traditional B&B's in New York City law, and provide greater legal security for businesses that add value economically and culturally to our neighborhoods, borough, and city.

## Apartment Sharing Businesses

I believe that AirBnB, and other apartment sharing businesses, will play a role in expanding the tourism footprint and economy of Brooklyn and New York City in the future. Bringing tourists and other visitors to non-traditional parts of Brooklyn and New York City will increase foot traffic for local businesses and expose a broader swath of New York City to people from across the country and world. In addition, these hosts can earn additional income to offset increased cost of living in an already expensive city.

But this emerging business model can only be incorporated into our community fabric if they are strongly and smartly regulated to mitigate affiliated negative externalities and ensure that they are paying their fair share in taxes and fees.

Ensuring that apartment sharing businesses do not affect the availability of affordable housing stock is of the utmost importance. There are several ways to achieve this including limiting the number of allowable days per year that tenants can rent out their apartments and considering whether or not rent-regulated apartments should be allowed to participate in this shared economy.

An equally important concern that must be addressed is the issue of protecting neighborhoods and residents from a deteriorating quality of life. When a hotel guest is disruptive, there are multiple ways that neighbors or other guests in the hotel can complain. In a business model that professes to self-regulate through reviews of both hosts and guests, there is a noticeable gap in the regulatory process for third parties. A regulatory framework that protects neighbors and neighborhoods from quality of life issues is imperative. Mandating that tenants be present when renting out space in their apartments is one way to achieve this, as is limiting the allowed usage of these types of businesses to buildings of a certain size. In addition, making hosts register with the Better Business Bureau and/or requiring that hosts inform landlords and neighbors that they are launching a small business in their unit are additional checks and balances available to combat quality of life issues.

Change is constant, especially in a city like New York. It is close to impossible to attempt to stop this change completely, which is why it is imperative to smartly regulate change to protect our neighborhoods and important community assets.