

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

reports as follows:

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to an administrative fee for the processing of appeals of Residential Unit Status Determinations for Los Angeles Municipal Code (LAMC) Section 47.76 of the Residential Hotel Unit Conversion and Demolition Ordinance.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. REQUEST the City Attorney, with the assistance of the Los Angeles Housing Department (LAHD), to prepare and present for adoption an Ordinance to amend LAMC Section 47.76 to establish an administrative fee of \$988 to recover the cost of processing and investigating an appeal filed by a residential hotel owner over the LAHD's determination on the number of residential units in a residential hotel.
2. AUTHORIZE the General Manager, LAHD, or designee, to prepare Controller instructions and any necessary technical adjustments that are consistent with the Mayor and Council actions on this matter, subject to the approval of the City Administrative Officer (CAO), and Request the Controller to implement those instructions.

Fiscal Impact Statement: The CAO reports that there is no impact on the General Fund. The recommendations above are in compliance with City Financial Policies in that the proposed administrative fee would provide full cost recovery for the program activities reflected in the CAO report dated May 26, 2009.

Community Impact Statement: None submitted.

Summary:

In its report dated May 26, 2009, the CAO recommends that Council approve the recommendations listed above relative to establishing an administrative fee of \$988 to recover the cost of processing and investigating an appeal filed by a residential hotel owner over the LAHD's determination on the number of residential units in a residential hotel. The CAO reports that in August 2008, the City adopted an Ordinance amending the Residential Hotel Unit Conversion and Demolition Ordinance, Article 7.1 of Chapter IV of the LAMC, to clarify procedures regarding the determination of residential hotels and the classification of rooms in residential hotels as either tourist or residential.

As outlined in Section 47.75 of the Ordinance, the LAHD will determine whether a building is a residential hotel. A residential hotel is defined as "any building containing six or more guest rooms or efficiency units, intended or designed to be used, or which are used, rented, or hired out, to be occupied, or which are occupied, for sleeping purposes by guests, and which is also the primary residence of those guests. The term Residential Hotel excludes any building containing six or more guest rooms or efficiency units, which is primarily used by transient guests who do not occupy units in that building as their primary residence."

The CAO further reports that, at the time the Ordinance was established, the LAHD identified 318 residential hotels in the City for a combined total of 16,454 units. Further, the LAHD anticipates that approximately 60 percent (165) of the 275 residential hotels will appeal the residential/tourist unit status determination.

The CAO notes that if a residential hotel owner disagrees with the LAHD's appeal determination; he/she can petition the decision to a Department Hearing Officer, which would require payment of an additional administrative fee of \$205. The LAHD estimates that review and determination of all appeals will be completed within 12 months after fee implementation.

At its regular meeting held May 27, 2009, the Housing, Community, and Economic Development Committee considered this matter and recommended that Council approve the recommendations of the CAO, as submitted in its report dated May 26, 2009.

Respectfully submitted,

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
WESSON	YES
REYES	YES
GARCETTI	YES
CARDENAS	ABSENT
PERRY	YES

-Not Official Until Council Acts-