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When making inquiries relative
to this matter, please refer to the
Council File No. **14-1635-S2**



BRIAN WALTERS
DIVISION MANAGER

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ERIC GARCETTI
MAYOR

November 1, 2017

Honorable Mike Feuer
City Attorney
Attention: Terry Kaufmann-Macias
Adrienne Khorasanee

Vince Bertoni
Director of Planning
Attention: Kevin J. Keller
Ken Bernstein

Richard H. Llewellyn Jr.
Interim City Administrative Officer
Attention: Aurora Abracia
Claudia Aguilar

REQUEST FOR REPORT BACK

On October 24, 2017, the Planning and Land Use Management (PLUM) Committee considered a report from the Los Angeles City Planning Commission relative to a proposed ordinance, referred to as the proposed Home Sharing Ordinance, as amended by the Housing Committee on December 7, 2016, amending the Los Angeles Municipal Code and the Los Angeles Administrative Code for the purpose of imposing regulations to permit sharing of primary residences, except units regulated by the Rent Stabilization Ordinance, and directing Transient Occupancy Taxes derived from Home-Sharing to the Affordable Housing Trust Fund (AHTF) and a new Short-Term Rental Enforcement Trust Fund, and reports from the Department of City Planning (DCP) relative to additional policy considerations, feasibility of registration and enforcement processes, and potential revenue impacts for the proposed Home Sharing Ordinance.

During the discussion, the PLUM Committee continued the matter and instructed DCP, in consultation with the Office of the City Attorney and the City Administrative Officer, to report back on the following additional policy considerations:

1. options for establishing a Standardized Platform Agreement for those who provide the service of connecting guests with hosts including:
 - a. a mechanism to memorialize the agreement with platforms;
 - b. the legal authority; and,
 - c. allowing for recovery for administrative and enforcement costs through fees;
2. establishing an opt-out provision for landlords to exclude their properties from participating in home-sharing;

3. options or mechanisms to allow short-term rentals in properties beyond the proposed cap in either the current ordinance; or, a companion ordinance which may deal with vacation rentals and/or corporate housing;
4. the maximum legally justified fines for non-compliance or violations of a short-term rental ordinance by platforms or hosts;
5. options for splitting the revenues from Transient Occupancy Tax collected for short-term rentals to be deposited in the General Fund and/or the AHTF;
6. options for a cap on the number of days that short-term rentals are allowed based on the break-even point for when short-term rentals are more lucrative than long-term rentals, including analysis of best practices from other jurisdictions;
7. options for a companion ordinance that will allow for vacation rentals and/or corporate housing, when the home in question is not a primary residence, including recommendations on how these would be tailored to address these issues;
8. the implications of removing the proposed annual cap on home sharing activity in a primary residence;
9. the possibility of requiring applicants to self-certify primary residency under penalty of perjury, with consideration of:
 - a. easing the burden of upfront administration staffing and costs;
 - b. for investigation or verification, if the City could require that supporting documentation be furnished upon demand at any time;
 - c. attaching large and escalating penalties and fines;
10. a possible structure for home sharing activity in non-primary residences, with any required environmental analysis and consideration of:
 - a. a limit on how many residences an individual owner can list;
 - b. a higher registration fee;
 - c. a citywide cap; and,
11. to conduct or carry out a Fee Study for a \$4 per day surcharge (pass-through to guests) for listings on all platforms, with the intent of reducing the per square foot amount of the proposed Linkage Fee.

In addition, the PLUM Committee requested for the Office of the City Attorney, in collaboration with DCP, to report back on recent legal cases (including those pending) regarding the regulation of short-term rentals by municipalities in California and nationwide, including what implications those court decisions or settlements may have on the short-term rental policy discussion.

Please prepare a written response as requested by the PLUM Committee. In your response, please reference Council file No. 14-1635-S2. When this matter is scheduled for Committee consideration, your attendance, or that of your designee, is respectfully requested. If you have questions, please contact me at (213) 978-1074 or zina.cheng@lacity.org.

Thank you,

Zina Cheng
Deputy City Clerk
Planning and Land Use Management Committee