

ORDINANCE NO. _____

An ordinance amending Sections 12.03, 12.12.2, 12.13, 12.13.5, 12.22, 12.24, 19.01, and 21.7.2 of the Los Angeles Municipal Code to regulate the use of a primary residence for home sharing as an accessory use, and to establish related fees and fines; and adding Section 5.576 to the Los Angeles Administrative Code to establish the Short-Term Rental Enforcement Trust Fund.

WHEREAS, in recent years, technology and innovation have expanded the use of short-term rentals (stays of 30 consecutive days or less) as a form of temporary lodging to allow visitors to stay in and experience a local community;

WHEREAS, short-term rentals in property other than a primary residence create unfavorable consequences, including negative impacts on the residential character of surrounding neighborhoods and increased nuisance activity;

WHEREAS, the conversion of long-term housing units to short-term rentals reduces housing stock and contributes to increased rents and decreased availability of affordable housing. In some cases, large numbers of housing units within a building, or even entire buildings, have been effectively converted to short-term rentals;

WHEREAS, the extreme shortage of housing in the City of Los Angeles (the City) has been well documented, and measures are needed to prevent further conversion of long-term housing stock into short-term rentals;

WHEREAS, under the Los Angeles Municipal Code, a building may only be used as expressly permitted in the zone in which the building is located, and all uses that are not expressly permitted are prohibited;

WHEREAS, the City has prohibited short-term rentals in the City's most restrictive residential zones;

WHEREAS, this ordinance will protect the City's affordable housing stock by allowing only an authorized host to share his or her registered primary residence with transient users;

WHEREAS, this ordinance will protect the City's affordable housing stock by continuing to prohibit a property owner from converting a housing unit into a short term rental that is not zoned or authorized for transient use.

NOW, THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The definition of Accessory Use in Section 12.03 of the Los Angeles Municipal Code is amended to include a new final sentence to read as follows:

Home-Sharing shall be considered an accessory use to a residential use.

Sec. 2. The definition of Home-Sharing is added in alphabetical order to Section 12.03 of the Los Angeles Municipal Code to read as follows:

HOME-SHARING. An accessory use of a Host's Primary Residence for a maximum of 120 days in a calendar year for the purpose of providing Short-Term Rental in compliance with the registration and other requirements of Los Angeles Municipal Code Section 12.22 A 32. For purposes of this definition, the terms "Host," "Short-Term Rental" and "Primary Residence" shall have the same meaning as defined in Section 12.22 A.32 of this Code.

Sec. 3. Paragraph (d) of Subdivision 1 of Subsection A of Section 12.12.2 of the Los Angeles Municipal Code is amended to read as follows:

(d) Hotels (including motels), Apartment hotels or hostels when no portion of a structure proposed to be used as a hotel (including a motel), apartment hotel or hostel is located within 500 feet from any A or R zone.

Sec. 4. Subdivision 1.5 of Subsection A of Section 12.13 of the Los Angeles Municipal Code is hereby amended to read as follows:

1.5. Hotels (including motels), apartment hotels or hostels when no portion of a structure proposed to be used as a hotel (including a motel), apartment hotel or hostel is located within 500 feet from any A or R zone.

Sec. 5. Subdivision 11 of Subsection A of Section 12.13.5 of the Los Angeles Municipal Code is hereby amended to read:

11. Hotels (including motels), apartment hotels or hostels when no portion of a structure proposed to be used as a hotel (including a motel), apartment hotel or hostel is located within 500 feet from any A or R zone.

Sec. 6. A new Subdivision 32 is added to Section 12.22 A of the Los Angeles Municipal Code to read as follows:

32. **Home-Sharing.** In all zones wherein residential uses are permitted by right, the following shall apply:

(a) **Purpose.** The purpose of this subdivision is to allow for the efficient use and sharing of a residential structure which is a Host's Primary Residence, without detracting from the surrounding residential character or the City's available housing stock.

(b) **Definitions.** The following definitions shall apply to this subdivision:

(1) **ADMINISTRATIVE GUIDELINES.** The Department of City Planning or Office of Finance may promulgate regulations, which may include, but are not limited to, application requirements, interpretations, conditions, reporting requirements, enforcement procedures, and disclosure requirements, to implement the provisions, and consistent with the intent, of this subdivision.

(2) **BOOKING SERVICE.** Any reservation and/or payment service provided by a Person that facilitates a Short-Term Rental transaction between a Person and a prospective guest or Transient user, and for which the Person collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation and/or payment of services provided for the transaction.

(3) **CITATION.** Includes any enforcement citation, order, ticket or similar notice of violation, relating to the condition of or activities at a Person's Primary Residence or property, issued by the Los Angeles Department of Building and Safety, Los Angeles Housing and Community Investment Department, Los Angeles Police Department or Los Angeles Fire Department, including an Administrative Citation issued pursuant to Article 1.2 of the Los Angeles Municipal Code, including, but not limited to, violations.

(4) **EXTENDED HOME-SHARING.** Home-Sharing that is permitted for an unlimited number of days in a calendar year.

(5) **HOSTING PLATFORM.** A Person that participates in Short-Term Rental business by collecting or receiving a fee, directly or indirectly through an agent or intermediary, for conducting a Booking Service transaction using any medium of facilitation.

(6) **HOST.** An individual who is registered for Home-Sharing as the term is defined in Section 12.03 of this Code.

(7) **PERSON.** Shall have the same meaning as that term is defined in Section 21.7.2 of this Code.

(8) **PLATFORM AGREEMENT.** A signed agreement between a Home-Sharing Hosting Platform (Platform) and the City, which, among other things, provides that the Platform will collect and submit the Transient Occupancy Tax to the City on behalf of Hosts and Persons listed for Short Term Rentals, and includes details on how the Administrative Guidelines promulgated by the Director of Planning.

(9) **PRIMARY RESIDENCE.** The sole residence from which the Host conducts Home-Sharing and in which the Host resides for more than 6 months of the calendar year.

(10) **RENTAL UNIT.** A Dwelling Unit, Guest Room, Accessory Living Quarters, other residential structure, or portion thereof.

(11) **SHORT-TERM RENTAL.** A Rental Unit, rented in whole or in part, to any Person(s) for transient use of 30 consecutive days or less. Rental Units within City-approved Hotels, motels, Transient Occupancy Residential Structures and Bed and Breakfasts shall not be considered a Short-Term Rental.

(12) **TRANSIENT.** Shall have the same meaning as that term is defined in Section 21.7.2 of this Code.

(c) **Home-Sharing Registration.**

(1) **Application.** To register for Home-Sharing, an applicant shall file an application with the Department of City Planning in a manner provided by the Department, and shall include: information needed to verify the Host's identification and Primary Residence; identification of a local responsible contact person; a list of all Hosting Platforms to be used; whether Home-Sharing is for an entire Rental Unit or a portion thereof; and any other information required by the instructions on the application and/or by the guidelines promulgated by the Director of Planning. Payment of any filing fee required under Section 19.01 E. shall be included with the application. If the required information for registration, including any filing fee, is not received within 45 days of submittal of the application, the Home-Sharing registration will be considered withdrawn.

(2) **Eligibility Requirements.** The following requirements must be met at the time of submitting an application for Home-Sharing registration:

(i) The applicant has obtained a Transient Occupancy Registration Certificate from the Office of Finance pursuant to Section 21.7.6 of this Code, unless the applicant exclusively lists his or her Primary Residence on Hosting Platforms that have a Platform Agreement with the City of Los Angeles.

(ii) The proposed Home-Sharing is consistent with the provisions of this subdivision and is limited to the Host's Primary Residence.

a. A renter or lessee shall not engage in Home-Sharing without prior written approval of the landlord. A renter or lessee shall provide copies of the landlord's written approval to the City at the time of filing the application for registration. If a Host's Primary Residence is subject to a lease, homeowner or condominium association bylaws, or any other legal contract, a Home-Sharing registration must not conflict with the provisions of those documents. A landlord may proactively prohibit Home-Sharing by tenants at any or all of the owner's properties by submitting a notification in writing to the Department of City Planning.

b. A Primary Residence that is subject to affordable housing covenants, and/or Chapter 15 of the Los Angeles Municipal Code ("Rent Stabilization Ordinance"), and/or are income-restricted under City, state or federal law, is not eligible for Home-Sharing.

c. No Primary Residence which is the subject of any pending Citation may be registered for Home-Sharing.

d. No Person may apply for or obtain more than one Home-Sharing registration or otherwise operate more than one Home-Sharing Rental Unit at a time in the City of Los Angeles.

(3) **Expiration and Renewal.** A Home-Sharing registration is valid for one year from the date of issuance. It may

not be transferred or assigned and is valid only at the Host's Primary Residence. A Home-Sharing registration may be renewed annually if the Host: (1) pays the renewal fee; (2) has complied with the provisions of this subdivision for the past year; (3) provides information concerning any changes to the previous application for, or renewal of, the Home-Sharing registration; and 4) submits Home-Sharing records described in Subparagraph (e)(2) for the last year to demonstrate compliance with this subdivision, unless the Host lists exclusively on a Hosting Platform with a Platform Agreement that includes a provision for pass-through registration for applicants for a Home-Sharing registration. The records described in Subparagraph (e)(2) shall be made public to the extent required by law.

(4) **Suspensions and Revocations.** Notwithstanding any other provision of this Code to the contrary, the Director may require the suspension, modification, discontinuance or revocation of any Home-Sharing registration if it is found that the Host has violated this subdivision or any other city, state, or federal regulation, ordinance or statute.

(i) **Suspension.** If a Host receives a Citation, the Host's Home-Sharing registration shall be suspended for 30 days or as long as the Citation is open. The suspension shall become effective 15 days after the mailing of a Notice of Intent to Suspend the Host. If a Host initiates an appeal, the suspension will take effect only if the appeal is not resolved entirely in the Host's favor.

a. A Host may challenge a Citation by submitting an appeal to the City department that issued the Citation and providing notice to the Department of Planning as described in the Administrative Guidelines.

b. Where no process is described in the Citation, a Host may challenge a Citation by submitting an appeal to the Director of Planning in accordance with the process in Section 12.24 Z of this Code, with no further appeal to a Commission or City Council.

(ii) **Revocation.** If two Citations have been issued to the Host and have been sustained (after exhaustion of any related remedies, including appeals) within a registration year, the Host's Home-Sharing registration shall be revoked.

The revocation of a Host's Home-Sharing registration shall become effective 15 days after the mailing of a Notice of Intent to Revoke to the Host.

a. A Host may challenge a Notice of Intent to Revoke by submitting an appeal to the Director of Planning in accordance with the process in Section 12.24 Z of this Code, with no further appeal to a Commission or City Council.

b. Pursuant to the revocation, the Host shall be prohibited from participating in Home-Sharing for one year from the effective date of the Notice of Intent to Revoke.

(iii) **Modification.** The Director may modify, discontinue or revoke any Home-Sharing registration based upon an order to show cause, pursuant to Section 12.27.1 B of this Code, why any proposed modifications, discontinuances or revocations of any Home-Sharing registration should not be issued. The Director shall provide notice to the Host and/or recorded owner and lessee(s) of the Host's Primary Residence to appear at a public hearing at a time and place fixed by the Director to respond to the Director's order to show cause.

(d) **Prohibitions.**

(1) No Person shall offer, advertise, book, facilitate or engage in Home Sharing or Short-Term Rental activity in a manner that does not comply with this subdivision.

(2) A Host may not participate in Home-Sharing unless all advertisements clearly list the City-issued Home Sharing registration number or pending registration status number.

(3) No Host shall engage in Home-Sharing for more than 120 days in any calendar year unless the City has issued the Host an Extended Home-Sharing registration pursuant to Paragraph (h).

(4) Accessory Dwelling Units for which a complete building permit application was submitted on or after January 1, 2017, to the Department of Building and Safety pursuant to Section 12.26 A.3 may not be used for Home-Sharing, unless an applicant demonstrates the Accessory Dwelling Unit is the applicant's Primary Residence.

(5) No Host shall offer, advertise, or engage in Home-Sharing in a non-Residential Building, including but not limited to, a vehicle parked on the property, a storage shed, trailer or any temporary structure, including, but not limited to, a tent.

(6) If a Host lists a Primary Residence or on multiple listings on multiple Hosting Platforms, only one listing may be booked at any given time.

(7) A Host may not rent all or a portion of his Primary Residence for the purposes of Home-Sharing to more than one group of guests or under more than one booking, at any given time.

(8) Home Sharing is not permitted in buildings that have been converted from units subject to Chapter 15 of the Los Angeles Municipal Code ("Rent Stabilization Ordinance") to single family homes until five years after the date of conversion.

(9) Except for allowable Home Occupations, non-residential uses including, but not limited to, sales or exchange of products, events that charge a fee, or the promotion, display or servicing of any product shall not be permitted during Home-Sharing activity.

(10) A Host shall only advertise on a Hosting Platform that was listed on the Host's Home-Sharing application form, unless the Host has submitted a written request and received written approval from the Department of City Planning to use another Hosting Platform.

(11) No more than 2 overnight guests (not including children) are allowed per habitable room, not including kitchens, during Home-Sharing activities.

(12) There shall be no use of sound amplifying equipment, as that term is defined in Section 111.01(j) of this Code after 10:00 pm and no evening outdoor congregations of more than 8 people (excluding children) during Home-Sharing activities. Home Sharing activities are subject to the noise regulations in the Los Angeles Municipal Code.

(13) A Host whose Home-Sharing registration has been suspended is prohibited from participating in Home-Sharing for the duration of the suspension.

(14) A Host whose Home-Sharing registration has been revoked may not participate in Home-Sharing unless and until a new registration is authorized.

(e) **Host Requirements.**

(1) A Host may be responsible for any nuisance violations, as described in Section 12.27.1.B of this Code, arising at the Host's Primary Residence during Home-Sharing activities. The Host, or owner of the Host's Primary Residence if the Host does not own it, may be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.

(2) The Host shall keep and preserve, for a minimum period of three years, all records regarding each Home-Sharing stay, including the length of stay and the price paid for each stay, and any other records required by Administrative Guidelines promulgated by the Director.

(3) On the Home-Sharing registration application, a Host shall acknowledge and consent to Office of Finance and other City agencies' inspection of records at all reasonable times and places for purposes of enforcement of this Subdivision.

(4) The Host shall fully comply with all the requirements of Article 1.7 of the Los Angeles Municipal Code (establishing the Transient Occupancy Tax) and successor Sections.

(5) The Host shall pay a per-night fee for each night of Home-Sharing, which will be deposited into the Short Term Rental Enforcement Fund per the requirements in Section 5.576.1 of the Los Angeles Administrative Code. The City Council shall adopt, by resolution, a per-night fee based on an analysis of the cost of implementing, maintaining, and enforcing this subdivision.

(6) Every Host shall provide and maintain working fire extinguishers, smoke detectors, and carbon monoxide detectors, in compliance with fire, life and safety codes; information related to emergency exit routes on the property and contact information, including the contact information of the Host or a designated responsible agent of the Host.

(7) Every Host that lists a Primary Residence located in a Very High Fire Hazard Severity Zone designated by the City of Los Angeles Fire Department pursuant to Government Code Section 51178 shall include in all Host listings and post written notices on any patio or deck that smoking is not permitted in any exterior of the property.

(8) Every Host shall provide a code of conduct to guests that includes the relevant provisions of this Subdivision and other information

to address behavioral, safety, security, and other matters, as required in the Department's Administrative Guidelines.

(9) Every Host shall authorize any Hosting Platform on which his or her Primary Residence is listed to provide to the City the Host listing and other information described in in Subsection (f)(4).

(10) Every Host must consent to receive all City notices and citations regarding their Home-Sharing registration by U.S. mail.

(f) Hosting Platform Responsibilities.

(1) Hosting Platforms shall not process or complete any Booking Service transaction for any Person unless the Person has a valid Home-Sharing registration number issued by the City or a pending registration status number.

(2) Hosting Platforms shall not process or complete any Booking Service transaction for any Host listing that has exceeded the authorized 120-day limit in one calendar year unless the Host has obtained an Extended Home-Sharing approval.

(3) Within 45 days of the effective date of this Ordinance, Hosting Platforms with listings located in the City shall provide to the Department of City Planning contact information for an employee or representative responsible for responding to requests for information, including requests related to possible violations of this Subdivision. Hosting Platforms that commence listings in the City after the effective date must provide this information prior to facilitating Home-Sharing activity or providing Booking Services within the City.

(4) Subject to applicable laws, a Hosting Platform with listings in the City shall provide to the Department of City Planning, on at least a monthly basis, in a format as specified by the City, the Home-Sharing registration number of each listing, the name of the person responsible for each listing, the street address of each listing and, for each booking that occurs within the reporting period, the number of days booked.

(5) In the event a Hosting Platform has entered into an agreement with the Office of Finance to collect and remit Transient Occupancy Tax pursuant to Los Angeles Municipal Code Section 21.7.1 et seq., and a Host has assigned the responsibilities for the collection and remittance of the Transient Occupancy Tax to the Hosting Platform, then the Hosting Platform and the Host shall have the same duties and liabilities, including but not limited to the collection and remittance of the tax to the City on a monthly basis.

(g) **Enforcement of Violations.**

(1) The provisions in this Subsection shall be in addition to any criminal, civil or other legal remedy established by law that may be pursued to address violations of this Subdivision.

(2) Any Person who has failed to comply with the provisions of this Subdivision may be subject to the provisions of Section 11.00 of this Code. The owner and/or operator of any property used for Short Term Rentals, including the Host or owner of any Host Primary Residence, may be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.

(3) The Director may, at any time, require the modification, discontinuance, or revocation of any Home-Sharing registration in the manner prescribed in Subparagraph (c)(4).

(4) The ACE program in Article 1.2 of this Chapter may be utilized to issue administrative citations and impose fines pursuant to this Subdivision. The citation shall be served by personal service or by depositing in the mail for delivery by the United States Postal Service, in a sealed envelope, postage prepaid, addressed to the operator of the Short Term Rental, the Host, and/or the property owner, if different than the operator or Host, shown on the County's last equalized property tax assessment roll. Fines for violations of this subdivision shall be as follows:

(i) Hosting Platform: a \$1,000 fine per day shall be imposed for any of the following violations:

a. Completing a Booking Service transaction for each listing without a valid City Home-Sharing registration number or pending registration status number.

b. Completing a Booking Service transaction for each listing where more than one property is affiliated with a single Host, or each listing where the Host's home address does not match the listing location.

c. Completing a Booking Service transaction for any listing for a Rental Unit where the Host's Home-Sharing or Extended Home-Sharing registration has been revoked or suspended by the City.

d. Completing a Booking Service transaction for any Rental Unit lacking Extended Home-Sharing approval

that has exceeded the authorized 120-day limit for hosting Short-Term Rentals in one calendar year.

(ii) Owner of Primary Residence and/or Host and/or Person:

a. A daily fine of \$500, or two times the nightly rate charged, whichever is greater, for advertising a Rental Unit for the purposes of Short-Term Rental in violation of this Subdivision.

b. A daily fine of \$2,000, or two times the nightly Rent charged, whichever is greater, for each day of Home-Sharing activity beyond the 120 day limit in a calendar year, unless the Host has a valid Extended Home-Sharing Registration.

c. For all other violations of this subdivision, the administrative fine shall be levied according to the amounts described in Section 11.2.04(a)(2) of this Code. The square footage for the use in calculating the fine shall be the amount of indoor space to which the Transient guest has access. If the square footage is unable to be ascertained, it shall be deemed to be between 500 and 2,499 square feet.

(iii) The fine amounts listed above shall be updated annually, from the date of effective date of this ordinance, according to the Consumer Price Index for All Urban Consumers (CPI-U).

(h) **Extended Home-Sharing.** For Hosts who participate in Extended Home-Sharing, the following shall apply:

(1) **Application and Eligibility Requirements.**

(i) **Approval.** Extended Home-Sharing may be approved by the Director if, in addition to the eligibility requirements for Home-Sharing, all of the following requirements are met:

a. The Host maintains a current Home-Sharing registration and has maintained a Home-Sharing registration for at least six months or has hosted for at least 60 days based on substantial evidence provided by the Host or Hosting Platform;

b. No Citations were issued within the prior three years; and

c. The Host provides proof of mailing of a notification concerning commencement of Extended Home-Sharing, which includes a Director-issued publication outlining the complaint process, to adjacent and abutting owners and occupants on a form provided by the Department.

(ii) **Discretionary Approval.** A discretionary review of an Extended Home-Sharing application is required if, the Host complies with Subparagraph (f)(1)(i)(a), but a Citation has been issued within the prior three years.

a. If the Director finds that the matter may have a significant effect on neighboring properties, the Director may set the matter for public hearing. Written notice of the hearing shall be sent by First Class Mail at least 21 days prior to the hearing to the applicant, owners and tenants of the property involved, owners and tenants of all properties adjacent and abutting the proposed Extended Home-Sharing activity, the City Councilmember representing the area in which the property is located, and the applicable Neighborhood Council. If the Director determines that the matter will not have a significant effect on neighboring properties, no hearing shall be held.

b. The Extended Home-Sharing application may only be approved if, in addition to the eligibility requirements for Home-Sharing, all of the following requirements are met, to the satisfaction of the Director of Planning:

1. The Host has maintained a Home-Sharing registration for at least six months or has hosted for at least 60 days, based on substantial evidence provided by the Host or Hosting Platform;

2. The Host provides proof of mailing of a notification, which includes a Director-issued publication outlining the complaint process, to adjacent and abutting owners and occupants on a form provided by the Department;

3. In consideration of any comments received by the public on the application, the Director finds the use is in substantial conformance with the following findings:

A. That the Extended Home-Sharing will enhance the built environment in the surrounding neighborhood or will perform a function or provide a service that is essential or beneficial to the community, city or region;

B. That the Extended Home-Sharing operations and other significant features will be compatible with and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, the availability of housing, or the public health, welfare, and safety;

C. That the Extended Home-Sharing substantially conforms with the purpose, intent, and provisions of the General Plan, the applicable community plan, and any applicable specific plan; and

D. That there is no substantial evidence of continued nuisance behavior from the location.

c. If no appeal is filed within 15 days from the date of the Director's determination approving or denying an Extended Home-Sharing application, the Director's decision is final. An appeal to the Area Planning Commission may be filed by the applicant or any adjacent and abutting owner and occupant. An appeal shall be filed at the public counter of the Planning Department within 15 days of the date of the Director's decision. The appeal shall set forth specifically how the appellant believes the Director's findings and decision are in error. The Area Planning Commission may grant, conditionally grant or deny the appeal. The failure of the Commission to act upon an appeal within 75 days after the expiration of the appeal period, or within an additional period as may be agreed upon by the applicant and the Director, shall be deemed a denial of the appeal and the original action on the matter shall become final.

(2) **Ineligibility.** If the Host's Home-Sharing registration has been suspended or revoked, the Host is not eligible to apply for Extended Home-Sharing for two years from the effective date of the revocation or suspension as long as a Citation remains open or unresolved, whichever is later.

(3) **Expiration and Renewal.** An Extended Home-Sharing registration is valid for one year from the date of issuance. An Extended Home-Sharing registration is subject to the same expiration and renewal terms described in Subparagraph (c)(3) and may be renewed annually if the Host meets the same renewal requirements in that subparagraph.

(4) **Revocations.** An Extended Home Sharing approval shall be revoked if there is one Citation within a registration year in accordance with the process set forth in Paragraph (c)(4). Pursuant to the revocation, the Host shall be prohibited from participating in Home-Sharing for two years from the effective date of the Notice of Revocation or as long as a Citation remains open or unresolved, whichever is later.

(i) **Administration and Regulations.** No Person shall fail to comply with the Administrative Guidelines.

(j) **Effective Date.** This ordinance shall take effect on July 1, 2019.

(k) **Severability.** If any provision of this Subdivision is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this Subdivision which can be implemented without the invalidated provisions, and to this end, the invalid provisions of this Subdivision are declared to be severable. The City Council hereby declares that it would have adopted each and every provision and portion thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would subsequently be declared invalid or unconstitutional.

Sec. 7. Section 12.24 W.24 of the Los Angeles Municipal Code is amended to read as follows:

(a) Hotels (including motels), apartment hotels, or hostels in the CR, C1, C1.5, C2, C4, and C5 Zones when any portion of a structure proposed to be used as a hotel (including a motel), apartment hotel, or hostel is located within 500 feet of any A or R Zone.

(b) Hotels (including motels), apartment hotels, or hostels, in the M1, M2 and M3 Zones when more than half of the lot on which the use is located is in the CR, C1, C1.5, C2, C4, C5 or CM Zones. In approving a request for a use in the M1, M2 and M3 Zones, the Zoning Administrator,

in addition to the findings otherwise required by this section, shall also find that approval will not displace viable industrial uses.

(c) Hotels, motels or apartment hotels, in the R4 or R5 Zones, unless expressly permitted by Sections 12.11 or 12.12. In the R5 Zone, incidental business may be conducted, but only as a service to persons living there, and provided that the business is conducted within the main building, that the entrance to the business is from the inside of the building and that no sign advertising the business is visible from outside the building. If the proposed use is to be established by the conversion of an existing residential use, then a relocation assistance plan shall be drawn up and approved in a manner consistent with Section 12.95.2G.

(d) Hotels and motels in the M1 and M2 Zones when expressly permitted by the applicable community or district plan.

(e) Transient Occupancy Residential Structures in the R4 and R5 zones as well as the CR, C1, C1.5, C2, C4, and C5 Zones. Approval of a partial or complete conversion from another residential use to a Transient Occupancy Residential Structure under this paragraph shall not be permitted.

Sec. 8. The table in Paragraph N of Section 19.01 of the Los Angeles Municipal Code is amended to add a fee for a fourth type of application as follows:

N. Modifications or Discontinuance of Use Pursuant to Nuisance Abatement Proceedings.

[FILING FEE]

Type of Application	Fee
Home-Sharing Administrative Hearing (Section 12.22.A.31)	\$20,000
Imposition of Conditions (City Issued) (Section 12.27.1)	\$58,354
Modification (Applicant Initiated) (Section 12.27.1)	\$48,182
Plan Approval for Revocation Case (Section 12.27.1)	\$48,182

Sec. 9. A new paragraph T is added to Section 19.01 of the Los Angeles Municipal Code to read as follows:

T. Home-Sharing Registration Application Fee.

Type of Application	<u>Fee</u>
Home-Sharing Application or Renewal (Section 12.22 A.31)	\$89
Extended Home-Sharing Administrative Clearance (Section 12.22 A.31)	\$850
Extended Home-Sharing Discretionary Review Application (Section 12.22 A.31)	\$5,660
Extended Home-Sharing Renewal (Section 12.22 A.31)	\$850

Sec. 10. Subsection (b) of Section 21.7.2 of the Los Angeles Municipal Code is amended to read as follows:

(b) **Hotel.** "Hotel" means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, Short-Term Rental as defined in Section 12.22 A.31 of this Code, Home-Sharing as defined in Section 12.03 of this Code, motel, studio, hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, or other similar structure or portion thereof, and shall further include any trailer court, camp, park or lot where trailer spaces, or combinations of such spaces and trailers, including mobile homes, are occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes.

Sec. 11. The first paragraph of Subsection (f) of Section 21.7.2 of the Los Angeles Municipal Code is amended to read as follows:

(f) **Operator.** "Operator" means the person who is either the proprietor of the hotel or any other person who has the right to rent rooms within the hotel, whether in the capacity of owner, lessee, mortgagee in possession, licensee or any other capacity. The owner or proprietor who is primarily responsible for operation of the hotel shall be deemed to be the principal operator. If the principal operator performs or assigns its functions, in whole or in part, through a managing agent, a booking agent, a room seller or room reseller, or any other agent or contractee, including but not limited to Hosting Platforms as

defined in 12.03 of this Code, on-line room sellers, on-line room resellers, and on-line travel agents, of any type or character other than an employee, those persons shall be deemed to be secondary operators.

Sec. 12. A new Chapter 170 of the Administrative Code is added to read as follows:

CHAPTER 170

SHORT-TERM RENTAL ENFORCEMENT TRUST FUND

Sec. 5.576. Creation and Administration of the Short-Term Rental Enforcement Trust Fund.

(a) There is hereby created and established within the Treasury of the City of Los Angeles a special fund to be known as the City of Los Angeles Short-Term Rental Enforcement Trust Fund (the Fund).

(b) The purpose of the Fund shall be the receipt, retention and disbursement of monies collected by the City to address the enforcement of Short-Term Rental activity in the City of Los Angeles. An amount equal to ten percent of the initial and continuing net revenue attributable to the transient occupancy tax received by the City, which are attributable to any Transient use other than a hotel, motel, bed and breakfast, transient occupancy residential structure or hostel, shall be placed in the fund. Any additional per night fee for Home-Sharing pursuant to Section 12.22 A.32(e)(5) of the Los Angeles Municipal Code shall also be placed in the fund. In addition to the initial deposit of funds, the Mayor and City Council may establish additional revenue sources and appropriate funds for deposit in the Fund from time to time. The Fund shall be administered by the Department of City Planning (DCP).

(c) Monies from this Fund shall be used exclusively for administration and enforcement of Short-Term Rental activities (rentals for periods of 30 consecutive days or less). Such activities shall include but not be limited to:

- (1) Funding any necessary Short-Term rental enforcement staff;
- (2) Hiring any necessary third-party consultant to perform Short-Term rental enforcement services;
- (3) Monitoring and collecting information on Short-Term rental listings and rentals;
- (4) Establishing and maintaining a Home-Sharing registration database;

(5) Locating and citing non-compliant listings and Short-Term rental activities; and

(6) Operating a hotline or complaint-intake system that collects and maintains information on all types of reported code violations.

(d) All monies in the Fund shall be held separately from all other funds expended by the DCP. All monies loaned from the Fund shall be repaid to the Fund in accordance with the terms of the loan. The repaid principal and interest shall be placed in the Fund.

(e) Any gifts, contributions or other money received for the stated purposes of the Fund and accepted by the City in accordance with the Charter and Codes shall be placed in the Fund. Monies not expended from the Fund at the close of any fiscal year shall not revert to the Reserve Fund of the City, but shall remain in the Fund.

(f) The Fund shall be interest bearing. Interest and any other earnings attributable to monies in the Fund shall be credited to the Fund and devoted to the purposes of the Fund.


(g) The Director of DCP or his or her designee shall make recommendations to the City Council for expenditures from the Fund. No expenditure may be made from the Fund without the prior approval of the Mayor and the City Council, unless otherwise authorized.

Sec. 13. **Severability.** If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this ordinance, which can be implemented without the invalid provisions and, to this end, the provisions of this ordinance are declared to be severable. The City Council hereby declares that it would have adopted each and every provision and portion thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would subsequently be declared invalid or unconstitutional.

Sec. 14. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
AMY BROTHERS
Deputy City Attorney

Date Nov. 30, 2018

File No. 14-1635-52

Pursuant to Charter Section 559, I **disapprove** this ordinance on behalf of the City Planning Commission and recommend that it **not** be adopted

November 30, 2018


Vincent P. Bertoni, AICP
Director of Planning

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, **by a vote of not less than two-thirds** of all its members.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____