DEPARTMENT OF CITY PLANNING

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February 19, 2020

Los Angeles City Council c/o Office of the City Clerk City Hall, Room 395 Los Angeles, California 90012

Re: Home-Sharing Enforcement (CF 14-1635-S2)

I would like to take this opportunity to update you on Los Angeles City Planning's (City Planning) on-going efforts to implement the Home-Sharing Ordinance (HSO). As you know, after significant outreach and deliberation, the HSO was adopted by the City Council in late 2018 to create a regulatory framework that protects existing housing supply for Angelenos while allowing eligible homeowners and tenants to share extra space in their homes or their whole home when they are out of town. The HSO became effective on July 1, 2019, and the City began enforcement on November 1, 2019. Enforcement of the City's HSO is a joint effort between the Departments of City Planning, Housing and Community Investment (HCID), Building and Safety (DBS), and the City Attorney's Office. Several Council Offices have inquired about the HSO enforcement activities completed to date, including in a recent letter dated February 6, 2020, from Councilmember Bonin to the four departments.

The enforcement efforts by all four departments are underway, and we have already seen a major reduction in the number of non-compliant listings. Since enforcement began in November 2019, listings across all hosting platforms in Los Angeles have decreased by approximately 49 percent—from approximately 36,700 short-term listings in November 2019, to approximately 18,700 as of February 1, 2020.

The first step of the enforcement process required sending non-compliant hosts and property owners an initial warning letter informing them of the requirements of the HSO and the potential penalties for failing to comply. In total, City Planning has sent over 6,000 initial warning letters since November 2019 to hosts and owners of non-compliant properties. These letters went to both single- and multi-family properties, directing hosts and property owners to comply with the HSO or face penalties. The initial letters were followed by a second letter to inform hosts that failure to comply with the HSO would result in potentially significant penalties. In a related effort, City Planning also provided any hosting platforms with an approved platform agreement with an inventory of categorically ineligible listings required to be removed from the platform or otherwise brought into compliance. These listings included properties subject to the City's Rent Stabilization Ordinance, units with affordability covenants, units in buildings where a landlord proactively

CITY OF LOS ANGELES CALIFORNIA



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LISA M. WEBBER, AICP DEPUTY DIRECTOR removed their property from home-sharing, or single-family properties where an Ellis Act removal occurred within the last five years.

As a result of these efforts, non-compliant listings have been significantly reduced. Based on a review of listings on February 12, 2020, of the approximately 6,000 hosts sent initial warning letters, approximately 4,800 hosts either registered or removed their non-compliant listings. That equates to an 80 percent compliance rate in the three months since the warning letters were sent. However, any properties that remain in violation will be subject to the Administrative Citation Enforcement (ACE) process that was applied to the Home-Sharing Program pursuant to the HSO. We expect that within the next few weeks, the City will move forward with issuing citations under the ACE program.

We have made significant progress in a short period of time. We look forward to continuing our enforcement efforts jointly with HCID, DBS, and the City Attorney's Office. Should you have any questions, please contact Jonathan Hershey at jonathan.hershey@lacity.org.

Sincerely,

VINCENT P. BERTONI, AICP Director of Planning