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October 17, 2019

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

Attention: PLUM Committee

Dear Honorable Members:

**REPORT ON INITIAL IMPLEMENTATION AND OUTREACH ON THE HOME-SHARING
ORDINANCE; CF 14-1635-S2**

At the June 18, 2019 meeting of the Planning and Land Use Management (PLUM) Committee of the City Council, the Committee requested Los Angeles City Planning (City Planning) report back regarding the July 1st launch of Home-Sharing registration portal, the early implementation of the Home-Sharing program, and initial outreach efforts. This report provides a summary of those activities, as well as an update to the Committee regarding several additional administrative items that are currently in development.

Home-Sharing Registration Status

As of October 15, 2019, the City has issued a total of approximately 2,100 pending registration numbers to Hosts who have completed a Home-Sharing application through the City's Online Registration Portal. In general, since the program launched on July 1, 2019, the registration system has been functioning well, with most Hosts completing the registration process without issue. Technical staff at the City's third party vendor, Host Compliance, along with City Planning staff in the new Home-Sharing Unit at the Development Services Center, have been monitoring registrations and providing assistance to Hosts with questions that arise during the registration process. Staff continue to monitor issues and have made minor adjustments to improve the registration system architecture and communication flow.

The Department anticipates that there may be an influx of additional hosts registering prior to November 1st, 2019. This may be due to the perceived incentive for Hosts to delay registration until the end of the registration period (October 31st), given the 120 day cap on nights booked within a calendar year.

In addition, approximately 165 potential applicants have been unable to complete the registration process and receive a pending registration, as they did not meet the Home-Sharing eligibility

requirements. The most common reasons that potential applicants were found to be ineligible were: the unit to be rented is subject to the Rent Stabilization Ordinance (RSO) (106), or the property has an outstanding citation (11). Common questions from potential applications typically relate to whether accessory dwelling units may be used for Home-Sharing, whether Hosts can register multiple Listings, and how to determine RSO status.

Enforcement / Short Term Rental Enforcement Task Force

The City is prepared to begin enforcement of the Ordinance on November 1, 2019. Beyond the many individual meetings that have taken place amongst enforcement agencies, the Mayor's Office has convened meetings of the Home Sharing Enforcement Task Force, which includes relevant members of the Los Angeles Department of Building and Safety (LADBS), the Office of the City Attorney, City Planning, and the Housing + Community Investment Department (HCIDLA) to discuss the enforcement responsibilities of each agency.

Additionally, Host Compliance is prepared to begin their contracted role assisting with enforcement efforts. Beginning November 1, 2019, Host Compliance will monitor short-term rental listings across all hosting platforms operating within the City of Los Angeles, and will identify listings that lack a valid registration number. In preparation, Host Compliance is currently in the process of identifying all addresses being used for short-term rentals in the City, so the City is able to promptly issue notices to properties that are in violation of the Home Sharing Ordinance (HSO) beginning November 1. Host Compliance is also building a web-based enforcement module that will be utilized by the enforcement agencies to verify citations in an efficient manner. The enforcement module will also be systematized to allow information to be forwarded to the Office of the City Attorney, which is responsible for processing citations under the Administrative Citation Enforcement (ACE) program.

Per-Night Administrative Fee

The Home-Sharing Ordinance established a per-night administrative fee that 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 Ordinance states that the City Council shall adopt, by resolution, a per-night fee based on an analysis of the cost of implementing, maintaining, and enforcing the Home-Sharing Ordinance.

The per-night administrative fee is intended to fill the anticipated funding gap associated with the full cost of administration and enforcement of the HSO by all relevant City agencies. The per-night fee is needed as the projected revenue from Home-Sharing registration fees is not anticipated to fully offset these programmatic costs.

To determine the appropriate per-night fee amount to ensure full cost recovery, the Department has hired a consultant to conduct an administrative fee study (NBS Government Finance Group). The consultant is in the process of completing this study, including working with all relevant administration and enforcement departments such as HCIDLA, LADBS, Office of Finance, and the Office of the City Attorney to evaluate their anticipated program costs and the services that will be provided. The fee study is anticipated to be completed in approximately 60 days, at which point the Department will bring a recommended fee amount to the Council for adoption by resolution, which is required before the fee can be established and collected.

Once the fee is adopted by City Council, Host Compliance is prepared to collect the per-night fee from hosts through the online registration portal. However, any Hosting Platforms which enter into

a signed Platform Agreement with the City would be required to collect the fee on behalf of their Hosts under the proposed terms of the Master Platform Agreement.

Outreach Activities

The Department has taken a multi-phased and multi-faceted approach to conducting outreach for the City's Home-Sharing Ordinance. Understanding that the needs from potential Hosts and guests are diverse, and that neighborhood residents are also interested in information on enforcement, information regarding the City's new Home-Sharing program has been disseminated in various ways across multiple platforms.

Community Meetings

Following the adoption of the Ordinance, City Planning's External Affairs staff began reporting regularly on the Home-Sharing Ordinance to Neighborhood Council Alliance meetings – providing information on the effective date, when enforcement would begin, and also providing attendees with the Department's Frequently Asked Questions (FAQ) handout. Public inquiries have been responded to promptly, in person, by phone, or by directing inquirers to the Department's website, where all information regarding eligibility requirements and the registration process has been located since the effective date of the ordinance.

In addition to regular reports to Neighborhood Council Alliance meetings, the Department has joined several public meetings where the Department was invited to speak on the Home-Sharing Ordinance. On average, attendance at these meetings has been between 30-50 people. These meetings have included the following:

- 7/10: Hollywood Dell Civic Association meeting
- 7/22: Neighborhood meeting held at CD 4 office
- 8/23: City-led discussion with Airbnb Host Leads
- 9/9 Neighbors United in West LA
- 9/18: Airbnb Host Meeting in Eagle Rock
- 9/25: Bel Air Beverly Crest Neighborhood Council meeting

Department Newsletters

The monthly City Planning newsletter, which reaches an email list of 8,000 subscribers, has reported on the Ordinance in December 2018, March 2019, May 2019, June 2019 and July 2019. The newsletter has covered the progress regarding the adoption and implementation of the ordinance, including noting the July 1, 2019 effective date, the creation of a Home-Sharing Unit within the Department of City Planning, issuance of the Home-Sharing Administrative Guidelines, links to the Home-Sharing website, highlighting the November 1 enforcement date, and linking readers to the registration page and video tutorial, among other things. The newsletter also linked to an electronic email sign-up that is used to provide ongoing electronic updates regarding the implementation of the Home-Sharing Program.

Email Communication

On June 25, 2019, the Department sent emails to all registered contacts that highlighted the effective date of the ordinance and linked the public to the Home-Sharing website. This email campaign was sent to about 2,100 email addresses. The email address that has been created for

the Home-Sharing Program (planning.home-sharing@lacity.org) has received nearly 1,100 email inquiries, all of which have been responded to by staff.

Media

Department staff joined the Home-Sharing segment of *Inside the Issues w/Alex Cohen* on Spectrum 1 News. Deputy Director Tricia Keane spoke about the Home-Sharing registration process, implementation, and extended home-sharing. The segment aired for Spectrum 1 subscribers on Aug. 26. On October 15, Deputy Director Keane participated in a live radio discussion about Home-Sharing during Air Talk, an on-air segment on KPCC. Staff will be participating in additional local television and radio segments to discuss the Ordinance.

Website

The Department's Home-Sharing Website launched in June 2019 at planning.lacity.org/HomeSharingOrdinance. The website contains the following information: Implementation Timeline, Five Key Steps for Home-Sharing, Eligibility Requirements, Registration Requirements and Criteria, Extended Home-Sharing Parameters, Hosting Requirements, and Enforcement. The website additionally contains direct links to the Registration Portal, the Administrative Guidelines, and Frequently Asked Questions. The Registration Portal itself contains online video tutorials guiding applicants through the on-line registration process. The website also displays the phone number to the 24/7 hotline where information about short term rental activity can be shared as well as where questions about the registration process can be posed. Since the launch, the website has received more than 20,600 unique visits.

Social Media

The Department has continued to highlight the Home-Sharing Program in social media posts that have publicized the effective date of the ordinance, and directed the public to the Department's Home-Sharing website. Nine social media posts regarding Home-Sharing have been distributed across City Planning social media outlets (including Twitter, Instagram and Facebook) from July 1, 2019 to September 17th. On October 9, the Department hosted a live Twitter Chat that allowed the public to submit and receive live answers to questions about the ordinance.

City Planning Department Hosted Outreach Events

The Department has scheduled several additional outreach events to further spread awareness of the Home-Sharing program. These events include seven in-person Information Sessions – two of which have already been held – and a Webinar scheduled to take place on October 24. These events have and will continue to inform residents about the Home-Sharing policies, the registration process, extended home-sharing, enforcement and more.

Completed Information Sessions:

- 10/16: Silver Lake Branch Library
- 10/17: Windward School (West LA)

Upcoming Information Sessions:

- 10/22: Council District 4 District Office (Hollywood)
- 10/23: North Hollywood Recreation Center
- 10/29: Pio Pico - Koreatown Branch Library
- 11/6: Ronald F. Deaton Civic Auditorium (Downtown)
- 11/7: Angeles Mesa Branch Library (South LA)

For additional details on these upcoming information sessions, and to RSVP to attend, please visit the Home-Sharing website at planning.lacity.org/HomeSharingOrdinance.

Conclusion

For any questions regarding this report, please contact City Planning staff Matthew Glesne at (213) 978-2666 or matthew.glesne@lacity.org.

Sincerely,

VINCENT P. BERTONI, AICP
Director of Planning

A handwritten signature in black ink, appearing to read 'K. J. Keller', with a stylized flourish at the end.

KEVIN J. KELLER, AICP
Executive Officer

VPB:KJK:AV:MG:ch