



# PLANNING DEPARTMENT TRANSMITTAL TO THE CITY CLERK'S OFFICE

CITY PLANNING CASE:	ENVIRONMENTAL DOCUMENT:	COUNCIL DISTRICT:
CPC-2016-1243-CA	ENV-2016-1277-ND	ALL
PROJECT ADDRESS:		
Citywide		
APPLICANT/REPRESENTATIVE:	TELEPHONE NUMBER:	EMAIL ADDRESS:
Los Angeles Department of City Planning  <input type="checkbox"/> <b>New/Changed</b>		
APPELLANT/REPRESENTATIVE:	TELEPHONE NUMBER:	EMAIL ADDRESS:
N/A		
PLANNER CONTACT INFORMATION:	TELEPHONE NUMBER:	EMAIL ADDRESS:
Matthew Glesne	(213) 978-2666	matthew.glesne@lacity.org
APPROVED PROJECT DESCRIPTION:		
<p>An ordinance amending Sections 12.03, 12.22, 12.24, 19.01, and 21.7.2 of the Los Angeles Municipal Code (LAMC); and amending Section 5.522 of the Administrative Code; imposing regulations to permit sharing of one's primary residence, except units subject to the regulations and restrictions set forth in the Rent Stabilization Ordinance ("RSO"), for no more than 180 days a year and a non-primary non-RSO restricted residence for no more than 15 days a year; establishing an application fee, a registration requirement, and administrative fines for Home-Sharing; and directing Transient Occupancy Taxes derived from Home-Sharing to the Affordable Housing Trust Fund and a new Short-Term Rental Enforcement Trust Fund.</p>		

**COMMISSION ACTION(S) / ZONING ADMINISTRATOR ACTION(S): (CEA's PLEASE CONFIRM)**

1. Conducted a limited public hearing on the proposed Ordinance.
2. Approved the proposed Ordinance (Exhibit A), as amended, amending Sections 12.03, 12.22, 12.24, 19.01, and 21.7.2 of the Los Angeles Municipal Code (LAMC); and amending Section 5.522 of the Administrative Code; imposing regulations to permit sharing of one's primary residence, except units subject to the regulations and restrictions set forth in the Rent Stabilization Ordinance ("RSO), for no more than 180 days a year and a non-primary non-RSO restricted residence for no more than 15 days a year; establishing an application fee, registration requirement, and administrative fines for Home-Sharing; and directing Transient Occupancy Taxes derived from Home-Sharing to the Affordable Housing Trust Fund and a new Short-Term Rental Enforcement Trust Fund.
3. Adopted the staff report as its report on the subject;
4. Adopted the attached Findings;
5. Found that the adoption of the ordinance, based on the whole of the administrative record, is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3) and direct staff to file the Notice of Exemption with the County Clerk's office (See Exhibit C); and, pursuant to CEQA Guidelines Section 15074(b), recommend approval of ENV-2016-1277-ND and find that based on the whole of the administrative record, in the independent judgment of the decision-maker, the project will not have a significant effect on the environment and direct staff to file a Notice of Determination with the County Clerk's office.

**ENTITLEMENTS FOR CITY COUNCIL CONSIDERATION:**

Code Amendment

**FINAL ENTITLEMENTS NOT ADVANCING:**

**ITEMS APPEALED:**

ATTACHMENTS:	REVISED:	ENVIRONMENTAL CLEARANCE:	REVISED:
<input checked="" type="checkbox"/> Letter of Determination	<input type="checkbox"/>	<input type="checkbox"/> Categorical Exemption	<input type="checkbox"/>
<input checked="" type="checkbox"/> Findings of Fact	<input type="checkbox"/>	<input checked="" type="checkbox"/> Negative Declaration	<input type="checkbox"/>
<input checked="" type="checkbox"/> Staff Recommendation Report	<input type="checkbox"/>	<input type="checkbox"/> Mitigated Negative Declaration	<input type="checkbox"/>
<input type="checkbox"/> Conditions of Approval	<input type="checkbox"/>	<input type="checkbox"/> Environmental Impact Report	<input type="checkbox"/>
<input checked="" type="checkbox"/> Ordinance	<input type="checkbox"/>	<input type="checkbox"/> Mitigation Monitoring Program	<input type="checkbox"/>
<input type="checkbox"/> Zone Change Map	<input type="checkbox"/>	<input checked="" type="checkbox"/> Other <u>Exempt</u>	<input type="checkbox"/>
<input type="checkbox"/> GPA Resolution	<input type="checkbox"/>		
<input type="checkbox"/> Land Use Map	<input type="checkbox"/>		
<input type="checkbox"/> Exhibit A - Site Plan	<input type="checkbox"/>		
<input checked="" type="checkbox"/> Mailing List	<input type="checkbox"/>		
<input type="checkbox"/> Land Use	<input type="checkbox"/>		
<input type="checkbox"/> Other _____	<input type="checkbox"/>		

**NOTES / INSTRUCTION(S):**

**FISCAL IMPACT STATEMENT:**

Yes

No

\*If determination states administrative costs are recovered through fees, indicate "Yes".

**PLANNING COMMISSION:**

- City Planning Commission (CPC)
- Cultural Heritage Commission (CHC)
- Central Area Planning Commission
- East LA Area Planning Commission
- Harbor Area Planning Commission

- North Valley Area Planning Commission
- South LA Area Planning Commission
- South Valley Area Planning Commission
- West LA Area Planning Commission

**PLANNING COMMISSION HEARING DATE:**

June 23, 2016

**COMMISSION VOTE:**

5 - 4

**LAST DAY TO APPEAL:**

N/A

**APPEALED:**

N/A

**TRANSMITTED BY:**

James K. Williams

**TRANSMITTAL DATE:**

October 26, 2016





# LOS ANGELES CITY PLANNING COMMISSION

200 N. Spring Street, Room 272, Los Angeles, California, 90012-4801  
(213) 978-1300; [planning.lacity.org](http://planning.lacity.org)

## LETTER OF DETERMINATION

Mailing Date: **OCT 26 2016**

CASE NO. CPC-2016-1243-CA  
CEQA: ENV-2016-1277-ND

Location: Citywide  
Council District: All  
Request: Code Amendment

Applicant: Department of City Planning

**At its meeting on June 23, 2016 the following action was taken by the City Planning Commission:**

1. **Conducted** a limited public hearing on the proposed Ordinance.
2. **Approved** the proposed **Ordinance, as amended**, amending Sections 12.03, 12.22, 12.24, 19.01, and 21.7.2 of the Los Angeles Municipal Code (LAMC); and amending Section 5.522 of the Administrative Code; imposing regulations to permit sharing of one's primary residence, except units subject to the regulations and restrictions set forth in the Rent Stabilization Ordinance ("RSO"), for no more than 180 days a year and a non-primary non-RSO restricted residence for no more than 15 days a year; establishing an application fee, a registration requirement, and administrative fines for Home-Sharing; and directing Transient Occupancy Taxes derived from Home-Sharing to the Affordable Housing Trust Fund and a new Short-Term Rental Enforcement Trust Fund.
3. **Adopted** the Department of City Planning **Staff Report** as the Commission Report.
4. **Adopted** the attached **Findings**.
5. **Found** that adoption of this ordinance, based on the whole of the administrative record, is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3) and directed staff to file the Notice of Exemption with the County Clerk's office; and, pursuant to CEQA Guidelines Section 15074(b), **recommended adoption** of ENV-2016-1277-ND and find that based on the whole of the administrative record, in the independent judgment of the decision-maker, the project will not have a significant effect on the environment and directed staff to file a Notice of Determination with the County Clerk's office.

### RECOMMENDATIONS TO THE CITY COUNCIL:

1. **Recommend** the City Council **approve** and **adopt** the proposed ordinance amending Sections 12.03, 12.22, 12.24, 19.01, and 21.7.2 of the Los Angeles Municipal Code (LAMC); and amending Section 5.522 of the Administrative Code; imposing regulations to permit sharing of one's primary residence, except units subject to the regulations and restrictions set forth in the Rent Stabilization Ordinance ("RSO"), for no more than 180 days a year and a non-primary non-RSO restricted residence for no more than 15 days a year; establishing an application fee, a registration requirement, and administrative fines for Home-Sharing; and directing Transient Occupancy Taxes derived from Home-Sharing to the Affordable Housing Trust Fund and a new Short-Term Rental Enforcement Trust Fund.
2. **Recommend** the City Council **adopt** the staff report as its report on the subject.
3. **Recommend** the City Council **approve** and **determine** that the ordinance is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines section 15061(b)(3) and direct staff to file the Notice of Exemption with the County Clerk's office and, pursuant to CEQA Guidelines Section 15074(b), adopt ENV-2016-1277-ND and find that based on the whole of the administrative record, in the independent judgment of the decision-maker, the project will not have a significant effect on the environment and direct staff to file a Notice of Determination with the County Clerk's office.
4. **Recommend** the City Council **adopt** the attached Findings.



**This action was taken by the following vote:**

**Moved:** Ambroz  
**Seconded:** Katz  
**Ayes:** Choe, Mack, Padilla,  
**No:** Ahn, Dake-Wilson, Perlman, Millman,

**Vote:** 5 - 4



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**James K. Williams, Commission Executive Assistant II  
Los Angeles City Planning Commission**

**Effective Date/Appeals:** This determination of the Los Angeles City Planning Commission is final and not appealable.

If you seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, the petition for writ of mandate pursuant to that section must be filed no later than the 90th day following the date on which the City's decision became final pursuant to California Code of Civil Procedure Section 1094.6. There may be other time limits which also affect your ability to seek judicial review.

Attachments: Findings, Ordinance  
City Planner: Matthew Glesne

ORDINANCE NO. \_\_\_\_\_

An ordinance amending Sections 12.03, 12.22, 12.24, 19.01, and 21.7.2 of the Los Angeles Municipal Code (LAMC); and amending Section 5.522 of the Administrative Code; imposing regulations to permit sharing of one’s primary residence, except units subject to the regulations and restrictions set forth in the Rent Stabilization Ordinance (“RSO”), for no more than 180 days a year and a non-primary non-RSO restricted residence for no more than 15 days a year; establishing an application fee, a registration requirement, and administrative fines for Home-Sharing; and directing Transient Occupancy Taxes derived from Home-Sharing to the Affordable Housing Trust Fund and a new Short-Term Rental Enforcement Trust Fund. This is referred to as the City’s proposed “Home Sharing Ordinance.”

**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:

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

Section 2. The definition of Home-Sharing is added to Section 12.03 of the Los Angeles Municipal Code to read:

**HOME-SHARING.** An accessory use of a Host’s Primary Residence for a maximum of 180 days in a year, or a Non-Primary Residence for a maximum of 15 days in a year, for the purposes of providing temporary lodging for compensation for periods of 30 consecutive days or less.

Section 3. Section 12.22 A of the Los Angeles Municipal Code is added to read as follows:

**31. Home-Sharing.** Notwithstanding any other provisions of this article to the contrary, and 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 residential structures without detracting from residential character or the City’s housing stock.

**(b) Definitions.** When words are capitalized in this Subdivision they refer to defined terms in the Municipal Code, including this section as well as 12.03, 21.7.2 and 151.02. For the purposes of this Subdivision, the following words and phrases are defined:



- (1) **HOME-SHARING HOSTING PLATFORM.** An entity that facilitates Home-Sharing through advertising, match-making or any other means and from which the Platform derives revenues, including, but not limited to, booking fees or advertising revenues, from providing or maintaining the marketplace.
- (2) **HOST.** An individual who has the legal right to engage in Home-Sharing under this Subdivision.
- (3) **PRIMARY RESIDENCE.** The property on which the Host conducts Home-Sharing and in which the Host resides at least 6 months of the year.

**(c) Home-Sharing Registration**

- (1) **Application.** To register for Home-Sharing, a Host shall file an application with the Department of City Planning on a form provided by the Department, and shall include all information required by the instructions on the application and the guidelines adopted by the Director of Planning. Any filing fees required under Section 19.01 E. shall be included with the application. Beyond basic information needed to verify the identification of the Host and his or her Primary Residence, or the non-Primary Residence to be used for Home-Sharing, the application shall also include information for a local responsible contact person, a list of all Hosting Platforms to be used and the portion of the unit to be used for Home-Sharing.
- (2) **Eligibility Requirements:** The following requirements must be met at the time of Home-Sharing registration:
  - (a) The Host must obtain a Transient Occupancy Registration Certificate from the Office of Finance.
  - (b) Home-Sharing may only be authorized and take place in the Primary Residence, or non-Primary Residence, approved for residential use.
  - (c) Renters or lessees of units may not engage in Home-Sharing without prior written approval by the Landlord. If a renter or owner is subject to the rules of a lease agreement, homeowner's or condo association, or any other legal contract, allowance to engage in Home-Sharing through this subsection shall not be inferred to grant any permission that invalidates provisions in those documents.
  - (d) Renters of units subject to the Rent Stabilization Ordinance may not engage in Home-Sharing.
  - (e) Any multi-unit buildings, used for Home-Sharing, shall not have any open Orders to Comply or any other code violation that is the subject of enforcement or criminal proceedings, unless the violation is completely unrelated to the safety or habitability of the space being used for Home-Sharing, as determined by the agency which issued the order.



(f) No Person may apply for, or obtain, more than one Home-Sharing registration, or otherwise operate more than one Home-Sharing unit or guest room, in the City of Los Angeles.

(3) **Expiration and Renewal.** A Home-Sharing registration is valid for a maximum of two years from the date of issuance. It may not be transferred and is valid only at the original Home-Sharing site. A Home-Sharing registration may be renewed bi-annually if the Host meets the renewal requirements including: (1) pays the renewal fee; (2) is deemed to have been in substantial conformance with the provisions of this Subdivision for the past two years; (3) documents and provides any changes that have occurred to the information on the current Home-Sharing application; and (4) submits Home-Sharing records described in Subsection (e) 2 for the last two years to demonstrate compliance with this Subdivision as part of the renewal. These records will not be made public. Without a renewal application submitted within 2 years to the date of the issuance of the Home-Sharing registration, or prior renewal, a registration is considered null and void.

(4) **Suspensions and Revocations.** Notwithstanding any other provision of this Code to the contrary, the Director may require the modification, discontinuance or revocation of Home-Sharing approval if it is found that violations of this section have occurred, in addition to any other city, state, or federal regulation, ordinance or statute. Home-Sharing may not occur while an Order to Comply issued by an enforcement agency remains open. Otherwise, the Director shall give notice to the record owner and lessee(s) of the real property affected to appear at a public hearing at a time and place fixed by the Director and show cause why the Home-Sharing approval should not be modified, discontinued, or revoked pursuant to section 12.27.1 (B). If a registration is revoked, the Host must wait at least three years before they can apply and/or register for Home-Sharing again.

**(d) Prohibitions.**

- (1) No Person shall advertise, undertake, maintain, authorize, book or facilitate any renting to Transient guests in a manner that does not comply with this Subdivision.
- (2) No Person shall advertise any Home-Sharing activity without a City issued Home-Sharing registration number included on a visible location on the advertisement.
- (3) No Person shall operate Home-Sharing for more than 180 days each calendar year in their Primary Residence, or for more than 15 days each calendar year in their non-Primary Residence.
- (4) A second dwelling unit on a single-family zoned lot may not be used for Home-Sharing, unless it is the Primary Residence of a Host.
- (5) No Person shall offer or engage in Home-Sharing in any part of the property not approved for residential use, including but not limited to, a vehicle parked on the

property, a storage shed, recreation room, trailer or garage or any temporary structure like a tent.

- (6) A Host may maintain multiple listings on a Hosting Platform, however, only one listing may be booked at any given time.
- (7) A Host may not rent all or a portion of his home for the purposes of Home-Sharing to more than one group of guests, under more than one booking, at any given time.
- (8) Home-Sharing is not permitted in units that are subject to affordable housing covenants, are in units subject to the Rent Stabilization Ordinance, and/or are income-restricted under City, state, or federal law.
- (9) Properties that are converted from units subject to the RSO ordinance to single family homes are not eligible for Home-Sharing until five years after the property has been converted to the single family home.
- (10) Non-residential uses shall not be permitted, including but not limited to, sales or exchange of products, events that charge a fee, or the promotion, display or servicing of any product is conducted on the premises.
- (11) No Persons shall advertise Home-Sharing on a Hosting Platform not included on the Home-Sharing registration form without prior noticing of the Department of City Planning and amending of the Home-Sharing application form.

**(e) Host Requirements**

- (1) A Host shall be responsible for any nuisance violations, as described in LAMC section 12.27.1.B, arising at a property during Home-Sharing activities.
- (2) The Host shall keep and preserve, for a period of three years, all records as may be necessary to determine the amount of such tax as he may have been liable for the collection of and payment to the City, including the number and length of each Home-Sharing stay, and the price paid for each stay. The Office of Finance shall have the right to inspect these records at all reasonable times. Hosts shall provide a copy of the records from the last two years to the Department of City Planning at the time of renewing the Home-Sharing registration.
- (3) The Host shall fully comply with all the requirements of LAMC Article 1.7 (Transient Occupancy Tax) and successor sections.
- (4) A Host shall provide and maintain fire extinguishers, smoke detectors, carbon monoxide detectors and information related to emergency exit routes and emergency contact information.

**(f) Hosting Platform Requirements.**

- (1) Actively prevent, remove and cancel any illegal listings and bookings of short term rentals including where a listing has been offered: without a Home-Sharing registration number; by a Host who has more than one listing in the City of Los Angeles; or, for a Primary Residence used for Home-Sharing which exceeds 180 days in a calendar year, or a non-Primary Residence used for Home-Sharing which exceeds 15 days in a year. In cases where advertisements appear on Hosting



Platforms that are not in compliance with this Subdivision, work with the Department of City Planning to identify contact information and investigate and resolve any violations. This includes contacting the alleged violator, particularly in cases where the City is unable to locate them, and instructing them to apply for Home-Sharing. If the Home-Sharing registration is not applied for within 21 days of the notice, the listing shall be removed from the Hosting Platform.

- (2) Provide to the Department of City Planning, within 45 days of the effective date of this Ordinance, contact information for an employee or representative that will respond to requests for information or verification of violations of this section. Hosting Platforms established after the effective date, provide this information prior to facilitating Home-Sharing or renting to Transient guests.
- (3) Provide to the Department of City Planning and Office of Finance, on a monthly basis, a log in an electronic format, including the Home-Sharing registration number, address of all sites maintained, authorized, facilitated or advertised by the Hosting Platform for Transient use during the period, the total number of nights that the residential unit was occupied during the period and the amounts paid for each stay. If the Hosting Platform does not have the technical capability to collect such information, it shall provide written documentation to the City of Los Angeles within 75 days of adoption of this Ordinance that it either does not participate in the booking of Home-Sharing or provide alternative methods to comply with the intent of this provision, to the satisfaction of the Department of City Planning. This information will not be made publicly available.
- (4) If a Host assigns its functions or responsibilities regarding the collection and remittance of the Transient Occupancy Tax to a Hosting Platform, the Platform and the Host shall have the same duties and liabilities as the Host, including but not limited to the collection and remittance of the tax to the City on a monthly basis.

**(g) Enforcement of Violations.** Any Person violating this Subdivision shall be guilty of a misdemeanor and or civil remedies provided for by this code, at law or in equity, or any combination of these.

- (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. The selection of the appropriate remedies lies within the sole discretion of the issuing Department and, as applicable, by the City Attorney, and shall be consistent with the purpose and intent of this Article.
- (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 of the property in violation may be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.
- (3) The Administrative Citation Enforcement (ACE) program in Article 1.2 of this Chapter may be utilized to issue administrative citations and fines pursuant to this section.



- (4) The Director may require the modification, discontinuance, or revocation of any Home-Sharing registration in the manner prescribed in the Administrative Nuisance Abatement program in Section 12.27.1
- (5) The Director shall revoke a Home-Sharing registration based on three separate verified violations of this ordinance. A single type of Violation spanning multiple consecutive days shall constitute one violation. The Host is entitled to challenge the revocation using the procedures in LAMC Section 12.27.1.
- (6) The Director shall have the authority to prescribe additional conditions and standards of operation for any Home-Sharing that may require additional conditions to avoid nuisance conditions or violations of this section.
- (7) Violation or failure to comply shall constitute a violation of this chapter and shall be subject to the same penalties as any other violation of this chapter, except as follows:

a. Hosting Platform

1. \$1,000 Fine per day for advertising a listing in violation of this Section, including but not limited to listings without a City Home-Sharing registration number, multiple Primary Residence listings across more than one property by the same Host or, a listing where the Host's home address does not match the listing location, and any listings rented for more than 180 days a calendar year.
2. \$1,000 Fine per day on any refusal to provide the addresses of un-registered short term rentals to the City.
3. \$1,000 Fine per day on any refusal to submit monthly documents required for City to verify the accuracy of the City's Transient Occupancy Tax.

b. Property Owner and/or Host

1. A minimum \$500 Fine, or two times the nightly Rent charged, whichever is greater, per day, for advertising a residence for the purposes of Home-Sharing without compliance with this Subdivision.
2. \$2,000 Fine, or two times the nightly Rent charged, whichever is greater, per day for Home-Sharing beyond the 180 day limit in a year.
3. For the purposes of establishing an Administrative Violation under the Administrative Citation Enforcement program for the Transient use of buildings, structures, or land for which approval are required but were not obtained, the Administrative Fine levied shall be in the amounts described in LAMC section 11.2.04 (a)(2). If no approval could have been obtained and no variance was sought, the Administrative Fine levied shall be at four times (4x) the amounts in that section. The square footage for the use in violation shall be the amount of indoor space to which the Transient guests have access.

If the square footage is unable to be ascertained, it shall be assumed to be between 500 and 2,500 square feet.

**(h) Administration and Regulations.** City Departments and Agencies 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 of this Chapter. No Person shall fail to comply with any such regulation.

(FROM THIS POINT FORWARD ALL UNDERLINED TEXT IS NEW CODE AND STRIKEOUT IS DELETED)

Section 4. Section 12.24 to read as follows:

**W. Authority of the Zoning Administrator for Conditional Uses/Initial Decision.**

**24. Hotels.**

(a) Hotels (including motels), apartment hotels, transient occupancy residential structures, 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, transient occupancy residential structure or hostel is located within 500 feet of any A or R Zone. Approval of a conversion from another residential use to a Transient Occupancy Residential Structure under this paragraph shall not be permitted.

(b) Hotels (including motels), apartment hotels, transient occupancy residential structures 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. Approval of a conversion from another residential use to a Transient Occupancy Residential Structure under this paragraph shall not be permitted.

(c) Hotels, motels, apartment hotels, transient occupancy residential structures and 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. Approval of a conversion from



another residential use to a Transient Occupancy Residential Structure under this paragraph shall not be permitted.

Section 5. Section 19.01, Section P is amended and Section Z of is added to read:

**P. Modifications or Discontinuance of Use Pursuant to Nuisance Abatement Proceedings.**

**[FILING FEE]**

Type of Application	Fee
<u>Home-Sharing Administrative Hearing</u>	<u>\$TBD</u>

**Z. Home-Sharing Registration Application Fee.**

**[FILING FEE]**

<u>Type of Application</u>	<u>Fee</u>
<u>Home-Sharing Application (Section 12.22)</u>	<u>\$TBD</u>

Section 6: Section 21.7.2 of the Los Angeles Municipal Code is amended to read as follows:

**SEC. 21.7.2. DEFINITIONS.**

Except where the context otherwise requires, the definitions given in this section govern the construction of this article.

(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, Home-Sharing, 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.



(f) **Operator.** (Amended by Ord. No. 176,005, Eff. 7/7/04.) "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, 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.

Section 7. Chapter 122 of the Administrative Code is amended to read as follows:

**Sec. 5.522. Creation and Administration of the Affordable Housing Trust Fund**

(h) Ninety percent of transient occupancy taxes equal to the amount which would be derived from a transient occupancy tax received by the City, which are attributable to any Transient use other than a hotel, motel, apartment hotel or hostel, shall be placed in the fund.

Section 8. Chapter 130 of the Administrative Code is added as follows:

CHAPTER 170

SHORT-TERM RENTAL ENFORCEMENT TRUST FUND

Sec. 5.522. 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) for the purposes of receiving and disbursing monies to address the enforcement of short-term rental activity in the City of Los Angeles. 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. 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, apartment hotel or hostel, shall be placed in the fund. The Fund shall be administered by the Department of City Planning.

(b) Money in this account shall be used exclusively for enforcement of short-term rental activities (rentals for less than 30 days). 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 short-term rental database

(5) Locating and citing non-compliant listings and short-term rental activities

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

(c) 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.

(d) Any gifts, contributions or other money received for the stated purposes of the Fund shall be placed in the Fund. All interest earnings accruing on money in the Fund shall become part of the Fund. Money in the Fund shall not revert to the Reserve Fund of the City.

(e) 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.



## FINDINGS

### General Plan/Charter Findings

#### **City Charter Section 556**

In accordance with Charter Section 556, the proposed ordinance is in substantial conformance with the purpose, intent and provisions of the General Plan in that it would further accomplish the following goals, objectives and policies of the General Plan outlined below.

#### General Plan Framework Findings

The proposed ordinance will meet the intent and purposes of the General Plan Framework Element to encourage the creation of housing opportunities for households of all types and income levels, while at the same time preserving the existing residential neighborhood stability of residentially zoned neighborhoods. Home-sharing, as an accessory use to primary residences, furthers those goals as they increase the utilization of empty space within homes to assist with housing costs without significantly changing neighborhood character. In particular, the ordinance would further the intent and purpose of the Framework Element of the following relevant Goals and Objectives:

The proposed ordinance is consistent with Land Use Goal LU-4, which seeks to preserve and enhance the residential character of existing neighborhoods, and furthers Land Use Policy LU-4.2, which seeks to create convenient supporting services and alternative residential types when they meet standards for development that protect neighborhood character.

The ordinance requires that home-sharing only occur in structures approved for residential use. Allowing for limited short-term accommodation of guests as an accessory use to dwelling units is an activity that is incidental and accessory to the primary residential use. Residents have always hosted guests from out of town in extra rooms, for short or long term periods. The charging of rent, in and of itself, is not any different from what occurs in almost one-third of the City's single-family residential zones, which are currently renter-occupied. In the Los Angeles Zoning Code, short term rentals of less than 30 days are already permitted through a CUP in Bed and Breakfast establishments, which may be located in any zone. Other accessory uses, such as Accessory Living Quarters, already permit the short-term stay of guests in residential zones.

As the definition states, home-sharing is considered an accessory use to a (primary) residence. As such, the dwelling unit is already used for sleeping, cooking, eating, and living. The unit may be considered a residential dwelling regardless of whether its renters are primarily short term or long term or whether it is vacant most of the time. Granted, short term rentals also have commercial characteristics in terms of providing lodging for a fee. However, as a fundamentally residential use, home-sharing is consistent with the General Plan Land Use categories that allow residential uses within the range of uses.

#### Housing Element 2013-2021

The ordinance furthers the aim of preserving housing stock (Objective 1.2) through its focus on new ways to enforce the current bans on vacation rentals, the ban on conversions of units subject to the RSO to short-term rentals as well as the proposed prohibition on conversions of apartment buildings to Transient Occupancy Residential Structures. The Housing Element also calls for amending the zoning code to facilitate innovative housing models to make housing more affordable, including shared housing and congregate housing (Program 67). The Home-Sharing



ordinance will allow thousands of Angelenos to efficiently use space in their homes to afford the cost of housing. As such, the ordinance furthers the following Housing Element policies:

1.1.1 Expand affordable homeownership opportunities and support current homeowners in retaining their homeowner status.

1.2.1 Facilitate the maintenance of existing housing in decent, safe and healthy condition.

1.2.2 Encourage and incentivize the preservation of affordable housing, including non-subsidized affordable units, to ensure that demolitions and conversions do not result in the net loss of the City's stock of decent, safe, healthy or affordable housing.

1.4.1 Streamline the land use entitlement, environmental review, and building permit processes, while maintaining incentives to create and preserve affordable housing.

### **City Charter Section 558(b)(2)**

In accordance with Charter Section 558(b)(2), the adoption of the proposed ordinance would be in conformity with public necessity, convenience, general welfare and good zoning practice. The ordinance would align the City with many cities across the country that have recognized the need for new regulations regarding the fast expanding use of residential spaces for short-term rentals. Current regulations simply do not differentiate between the sharing of one's own primary residence (home-sharing) and the conversion or rental of otherwise vacant units for short-term rental (vacation rental). This needlessly stifles efficient use of residential space and prevents hosts from sharing their home on occasion to help afford housing costs. The lack of current regulations specific to this new use also makes enforcement very difficult. A new regulatory framework is needed to adapt to the sharing economy, including new tools to enforce regulations against vacation rentals. The ordinance would limit home-sharing to 180 days per year in one's primary residence and limit home-sharing in a unit not currently established as one's primary residence to 15 days per year, which ensures the primary use of any residential structure used for this purpose would remain as a long-term residential structure (and not transient), thereby protecting residential areas from uses that are primarily transient in nature.

### **City Charter Section 559**

In accordance with Charter Section 559, and in order to ensure the timely processing of this ordinance, the City Planning Commission authorizes the Director of Planning to approve or disapprove for the Commission any modification to the subject ordinance as deemed necessary by the Office of City Attorney. In exercising that authority, the Director must make the same findings as would have been required for the City Planning Commission to act on the same matter. The Director's action under this authority shall be subject to the same time limits and shall have the same effect as if the City Planning Commission had acted directly.

### **CEQA Findings**

The proposed ordinance qualifies under the "common sense" CEQA exemption pursuant to CEQA Guidelines Section 15061(b)(3) and 15060(c)(2), which provides that, where it can be seen with certainty that there is no possibility that a project may have a significant effect on the environment, the project is not subject to CEQA. CEQA only applies to projects that have the potential for causing a significant effect on the environment - either through a direct impact or reasonably, foreseeable indirect impact. The proposed ordinance does not have that possibility.

Direct impacts of the ordinance on the environment will be minor. It is not expected to prompt any new development or direct physical effects. The expected result of the ordinance is fewer

intensive short-term rental operations in vacation rentals compared to what currently exists in the City, along with better regulations governing the sharing of one's own home for short-term rentals. Both results are unlikely to create a foreseeable physical impact on the environment as total tourist trips to the City of Los Angeles are not expected to change noticeably as a result of the ordinance. A more complete analysis of the potential impact of the ordinance on the environment is included as Exhibit B.

As set forth above, the City believes the "common sense" exemption is most appropriate for this project. However, in case there is a challenge to this project and a court disagrees, the City has prepared a Negative Declaration for this project (Exhibit B.2).