

PLANNING DEPARTMENT TRANSMITTAL TO THE CITY CLERK'S OFFICE

CITY PLANNING CASE:	ENVIRONMENTAL DOCUMENT:	COUNCIL DISTRICTS:
CPC-2016-1243-CA	ENV-2016-1277-ND	All
PROJECT ADDRESS:		
Citywide		
APPLICANT	TELEPHONE NUMBER:	EMAIL ADDRESS:
City of Los Angeles		
<input type="checkbox"/> New/Changed		
APPLICANT'S REPRESENTATIVE	TELEPHONE NUMBER:	EMAIL ADDRESS:
APPELLANT	TELEPHONE NUMBER:	EMAIL ADDRESS:
APPELLANT'S REPRESENTATIVE	TELEPHONE NUMBER:	EMAIL ADDRESS:
PLANNER CONTACT INFORMATION:	TELEPHONE NUMBER:	EMAIL ADDRESS:
Matthew Glesne	213-978-2666	matthew.glesne@lacity.org
ENTITLEMENTS FOR CITY COUNCIL CONSIDERATION		
Code Amendment		

FINAL ENTITLEMENTS NOT ADVANCING:

ITEMS APPEALED:

N/A

ATTACHMENTS:

REVISED:

ENVIRONMENTAL CLEARANCE:

REVISED:

- Letter of Determination
- Findings of Fact
- Staff Recommendation Report
- Conditions of Approval
- Ordinance
- Zone Change Map
- GPA Resolution
- Land Use Map
- Exhibit A - Site Plan
- Mailing List
- Land Use
- Other _____

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- Categorical Exemption
- Negative Declaration
- Mitigated Negative Declaration
- Environmental Impact Report
- Mitigation Monitoring Program
- Other _____

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NOTES / INSTRUCTION(S):

FISCAL IMPACT STATEMENT:

- Yes No

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

PLANNING COMMISSION:

- | | |
|--|--|
| <input checked="" type="checkbox"/> City Planning Commission (CPC) | <input type="checkbox"/> North Valley Area Planning Commission |
| <input type="checkbox"/> Cultural Heritage Commission (CHC) | <input type="checkbox"/> South LA Area Planning Commission |
| <input type="checkbox"/> Central Area Planning Commission | <input type="checkbox"/> South Valley Area Planning Commission |
| <input type="checkbox"/> East LA Area Planning Commission | <input type="checkbox"/> West LA Area Planning Commission |
| <input type="checkbox"/> Harbor Area Planning Commission | |

PLANNING COMMISSION HEARING DATE:

COMMISSION VOTE:

September 13, 2018	6 - 0
LAST DAY TO APPEAL:	APPEALED:
N/A	N/A
TRANSMITTED BY:	TRANSMITTAL DATE:
James K. Williams Commission Executive Assistant II	October 10, 2018



LOS ANGELES CITY PLANNING COMMISSION

200 North Spring Street, Room 272, Los Angeles, California, 90012-4801, (213) 978-1300

www.planning.lacity.org

**** CORRECTED LETTER OF DETERMINATION**

MAILING DATE: OCT 10 2018

Case No. CPC-2016-1243-CA

CEQA: ENV-2016-1277-ND

Plan Areas: All

Council Districts: All

Project Site: Citywide

Applicant: City of Los Angeles

At its meeting of **September 13, 2018**, the Los Angeles City Planning Commission took the actions below in conjunction with the approval of the following:

An ordinance amending Sections 12.03, 12.22, 12.24, 19.01, and 21.7.2 of the Los Angeles Municipal Code (LAMC); and creating a new Section 5.576 of the Administrative Code; imposing regulations to permit sharing of one's primary residence for no more than 120 days a year, unless registered for Extended Home-Sharing; establishing a registration requirement, an application fee for hosts, a fee on nightly stays, and administrative fines for Home-Sharing; and directing a portion of Transient Occupancy Taxes and/or per-night fees derived from Home-Sharing to a new Short-Term Rental Enforcement Trust Fund. This is referred to as the City's proposed "Home-Sharing Ordinance."

- 1. Directed staff to revise the environmental document to reflect the modified ordinance;**
- 2. Approved and recommended that the City Council adopt the proposed ordinance as modified by the Commission;**
- 3. Adopted the staff report as the Commission's report on the subject; and**
- 4. Adopted the attached Findings as amended by the Commission. ****

The vote proceeded as follows:

Moved: Khorsand
Second: Ambroz
Ayes: Mack, Mitchell, Perlman, Dake Wilson
Recused: Millman
Absent: Choe, Padilla-Campos

Vote: 6 - 0



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

Fiscal Impact Statement: There is no General Fund impact as administrative costs are recovered through fees.

Effective Date/Appeals: *The decision 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: Modified Ordinance, amended Findings

c: Arthi Varma, Principal City Planner
Matthew Glesne, City Planner
Cally Hardy, City Planning Associate

ORDINANCE NO. _____

As modified by the City Planning Commission September 13, 2018

An ordinance amending Sections 12.03, 12.22, 12.24, 19.01, and 21.7.2 of the Los Angeles Municipal Code (LAMC); and creating a new Section 5.576 of the Administrative Code; imposing regulations to permit sharing of one's primary residence for no more than 120 days a year, unless registered for Extended Home-Sharing; establishing a registration requirement, an application fee for hosts, a fee on nightly stays, and administrative fines for Home-Sharing; and directing a portion of Transient Occupancy Taxes and/or per-night fees derived from Home-Sharing to a new Short-Term Rental Enforcement Trust Fund. This is referred to as the City's proposed "Home-Sharing Ordinance."

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

WHEREAS, short-term rentals outside of primary residences have been found to have many unfavorable consequences, including impacts on the residential character of 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, and in recognition that in some cases, large numbers of units in the same building or entire buildings have been converted to short-term rentals, sometimes illegally;

WHEREAS, the extreme shortage of housing in the City of Los Angeles (the "City") has been well documented, and as additional enforcement ability is needed to prevent further conversion of long-term housing stock into short-term rentals;

WHEREAS, under the City's Zoning Code, no building may be used for any use other than a use that is permitted in the zone in which the building is located and all uses that are not expressly permitted are prohibited;

WHEREAS, the City has long interpreted short-term rentals – i.e. stays of 30 consecutive days or less – to be prohibited in the City's most restrictive residential zones.

WHEREAS, this Ordinance will protect Los Angeles' affordable housing stock by allowing only properly authorized Hosts to each Rent their registered Primary Residence, and only their Primary Residence, to Transient users;

WHEREAS, this Ordinance will protect Los Angeles' affordable housing stock by continuing to prohibit landlords and other property owners from converting housing units that are not zoned or authorized for Transient use into Short-Term Rentals;

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:

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 120 days in a calendar year for the purposes of providing temporary lodging for compensation for periods of 30 consecutive days or less, in compliance with the registration and other requirements of LAMC Section 12.22 A 31.

Section 3. A new Subdivision 31 is added to Section 12.22 A of the Los Angeles Municipal Code 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 which are a Host's Primary Residence, without detracting from residential character or the City's available housing stock.

(b) **Definitions.** Notwithstanding any provision of this Code to the contrary, the following definitions shall apply to this subdivision:

- (1) **BOOKING SERVICE.** A Booking Service is any reservation and/or payment service provided by a Person that facilitates a Short-Term Rental transaction between a Host 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 services provided for the transaction.

- (2) **EXTENDED HOME-SHARING.** A form of Home-Sharing permitted for an unlimited number of days in a calendar year.
- (3) **HOME-SHARING 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.
- (4) **HOST.** An individual who uses her residence to provide Short-Term Rental services.
- (5) **PERSON.** Shall have the same meaning as that term is defined in LAMC 21.7.2.
- (6) **PLATFORM AGREEMENT.** A signed agreement between a Hosting Platform and the City, which, among other things, includes a collection agreement for Transient Occupancy Tax and details on how the Platform will comply with the Platform Requirements.
- (7) **PRIMARY RESIDENCE.** The sole property on which the Host conducts Home-Sharing and in which the Host resides more than 6 months of the year.
- (8) **RENT.** Shall have the same meaning as that term is defined in LAMC 151.02.
- (9) **RENTAL UNITS.** A Dwelling Unit, Guest Room, Accessory Living Quarters, or other structure, or portion thereof, being used for Short-Term Rental.
- (10) **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.
- (11) **TRANSIENT.** Shall have the same meaning as that term is defined in LAMC 21.7.2.
- (12) **VERIFIED CITATION** - Includes any enforcement citation, ticket or similar notice of violation issued by the Los Angeles Department of Building and Safety, Los Angeles Housing and Community Investment Department, Los Angeles Police Department and Los Angeles Fire Department, as well as any Administrative Citation issued pursuant Article 1.2 of the LAMC.

(c) Home-Sharing Registration.

- (1) **Application.** To register for Home-Sharing, a Host shall file an application with the Department of City Planning in a manner 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, the application shall also include information for a local responsible contact person, a list of all Hosting Platforms to be used and whether Home-Sharing is in an entire Rental Unit or shared Rental Unit. If the required information for registration 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 Home-Sharing registration:
 - (i) The Host must obtain a Transient Occupancy Registration Certificate from the Office of Finance pursuant to LAMC Section 21.7.6 unless the Host exclusively lists the Rental Unit on Hosting Platforms that have a Platform Agreement with the City of Los Angeles during the length of the registration period for the Rental Unit.
 - (ii) Home-Sharing shall only be authorized in accordance with this Subdivision and shall only take place in the Host's Primary Residence.
 - a. Renters or lessees shall not engage in Home-Sharing without prior written approval by their Landlord. Renters or lessees shall provide copies of their prior written approval to the City at the time they file their application for registration. If a renter or owner is subject to the rules of a lease agreement, homeowner's or condominium 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 the provisions in those documents. A property owner may proactively prohibit a property from Home-Sharing by submitting a request in writing to the Department of City Planning.
 - b. Any unit, used for Home-Sharing, shall not be subject to any open Verified Citation.
 - c. No Person may apply for, or obtain, more than one Home-Sharing registration, or otherwise operate more than one Home-Sharing Rental Unit, in the City of Los Angeles.

- (3) **Expiration and Renewal.** A Home-Sharing registration is valid for a maximum of one year from the date of issuance. It may not be transferred or assigned and is valid only at the applicant's Primary Residence. A Home-Sharing registration may be renewed annually if the Host meets the renewal requirements, including: (1) pays the renewal fee; (2) is deemed to have been in compliance with the provisions of this Subdivision for the past year; (3) documents and provides information

concerning 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 year to demonstrate compliance with this Subdivision as part of the renewal, unless the Host lists exclusively on a Hosting Platform with a Platform Agreement. These Home-Sharing records can be utilized for enforcement purposes but otherwise will not be made public, to the extent permitted by law. Without a renewal application submitted within a year 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 suspension, modification, discontinuance or revocation of any Home-Sharing approval if it is found that the Host, any Owner, or any Principal (or agents or employees thereof) have violated this Section or any other city, state, or federal regulation, ordinance or statute.
- (i) Hosts shall be suspended from participating in Home-Sharing while a Verified Citation remains open or unresolved, or for 30 days after they have been cited as a “loud and unruly gathering” under LAMC Section 54.58.1. If a Host contests a citation, the suspension will remain in place until after the Host has exhausted their available administrative remedies. If a Host contests the citation and the citation is resolved entirely in the Host’s favor, the suspension shall be lifted.
 - (ii) If a Host receives two Verified Citations from an agency of the City of Los Angeles, his or her Home-Sharing registration will be immediately revoked and the Host shall be prohibited from participating in Home-Sharing for one year from the date of either the issuance of the second Verified Citation or the conclusion of any appeal on the second Verified Citation, whichever is later. One unique violation spanning multiple consecutive days shall constitute one violation for the purposes of this Subsection.
 - (iii) The Director may modify, discontinue or revoke any Home-Sharing registration based upon an order to show cause, issued pursuant to Section 12.27.1 B, why any proposed modifications, discontinuances or revocations of any Home-Sharing registration should not be granted. The Director shall provide notice to the recorded owner and lessee(s) of the real property affected 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 advertise, undertake, maintain, authorize, book or facilitate any Short-Term Rental in a manner that does not comply with this Subdivision.
- (2) No Person shall advertise any Short-Term Rental unless she holds a valid registration and operates in compliance with the registration and other requirements of this Subsection. No person shall advertise unless the City has issued this Person a Home-Sharing registration number or pending status number, which is included

- on a visible location on the advertisement. Registration numbers and pending status number shall be established only if appearing on a registration list maintained by the Department of City Planning.
- (3) No Person shall engage in Home-Sharing for more than 120 days each calendar year in their Primary Residence unless the City has issued this Person an Extended Home-Sharing registration pursuant to Subsection (j).
 - (4) Accessory Dwelling Units:
 - (i) An Accessory Dwelling Unit 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 the Host demonstrates she or he resides in the accessory dwelling unit for more than six months in a year.
 - (ii) An Accessory Dwelling Unit for which a complete building permit application was submitted prior to January 1, 2017 to the Department of Building and Safety pursuant to LAMC Section 12.26 A.3 may be used for Home-Sharing, regardless of the Primary Residence requirement.
 - (5) No Person shall offer, advertise, or engage in Home-Sharing in any part of the property not included in a Residential Building, including but not limited to, a vehicle parked on the property, a storage shed, trailer or any temporary structure such as 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 Primary Residence 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 and/or are income-restricted under City, state, or federal law.
 - (9) Properties that have been converted from units subject to Chapter 15 of the LAMC ("Rent Stabilization Ordinance") to single family homes are not eligible for Home-Sharing until five years after the date of conversion.
 - (10) 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.
 - (11) No Persons shall advertise Short-Term Rentals on a Hosting Platform not listed on the Home-Sharing application form, unless they have submitted a written request and received written approval from the Department of City Planning.
 - (12) No building or unit, which is the subject of any open Verified Citation, may be used for Home-Sharing.
 - (13) Home-Sharing rentals may not consist of more than 2 persons (not including children) per habitable room, not including kitchens.
 - (14) Home-Sharing rentals shall not play amplified music after 10 pm, nor be used for weddings or evening outdoor congregations of more than 8 people, not including children.

- (15) A Host whose registration has been suspended for any reason, including those enumerated in Subparagraph (c)(4) of this Subdivision may not participate in Home-Sharing for the duration of the suspension.

(e) Host Requirements.

- (1) A Host may be responsible for any nuisance violations, as described in LAMC Section 12.27.1.B, arising at a property during Short-Term Rental 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 she or 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 and other City agencies shall have the right to inspect these records at all reasonable times. Hosts may be required to provide a copy of the records to the Department of City Planning at the time the Host applies to renew the Home-Sharing registration.
- (3) The Host shall fully comply with all the requirements of Article 1.7 of the LAMC (establishing the Transient Occupancy Tax) and successor Sections.
- (4) The Host shall pay a per-night fee for each night of Home-Sharing per the requirements in Section 5.576.1 of the Administrative Code.
- (5) A Host shall provide and maintain working fire extinguishers, smoke detectors, carbon monoxide detectors, information related to emergency exit routes on the property, and emergency contact information, including the contact information of the Host or a designated responsible person.
- (6) Hosts renting properties 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 post written notices on any patio or deck, and include related notices in any advertisements of a Rental Unit, making clear that smoking is not permitted outside the house pursuant to LAMC Section 57.25.14.
- (7) A Host shall provide a Code of Conduct to guests that includes the relevant provisions of the ordinance and other information to address behavioral, safety, security and other matters, as further outlined in the Department's administrative guidelines.
- (8) A Host shall allow Hosting Platforms to provide the information described in in Subsection (f)(5) below to the City.

(f) Hosting Platform Responsibilities.

- (1) Hosting Platforms shall not complete any Booking Service transaction for any Host listing a Rental Unit unless it has verified that the Rental Unit has a valid Home-Sharing registration number issued by the City or, as applicable, a pending registration number, at the time the Hosting Platform receives a fee for the Booking

Service transaction. Hosting Platforms shall retain adequate records to demonstrate how the registration status of a Rental Unit was verified.

- (2) Hosting Platforms shall not complete any Booking Service transaction for any Rental Unit approval which has exceeded the authorized 120-day limit for hosting Short-Term Rentals in one calendar year unless they have an Extended Home-Sharing approval.
- (3) Within 45 days of the effective date of this Ordinance, Hosting Platforms 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 verification of violations of this Subdivision. Hosting Platforms established after the effective date must provide this information prior to facilitating Home-Sharing or renting to Transient guests within the City.
- (4) Subject to applicable laws, the Hosting Platform shall provide to the Department of City Planning, on at least a monthly basis, a log in an electronic format, including the Home-Sharing registration number of each listing, the name of the person responsible for each listing, the street address of each listing, the number and lengths of stays booked for each listing, and the total 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 Service of Home-Sharing or provide an alternative method to comply with the intent of this provision, to the satisfaction of the Department of City Planning.
- (5) If a Host assigns its functions or responsibilities regarding the collection and remittance of the Transient Occupancy Tax pursuant to LAMC Section 21.7.1 et sec. to a Hosting Platform, the Hosting 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.

- (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, 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, at any time, require the modification, discontinuance, or revocation of any Home-Sharing registration in the manner prescribed in the Administrative Nuisance Abatement in Section 12.27.1.

- (5) Violation or failure to comply with this Subdivision 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:
- (i) Hosting Platform: a \$1,000 fine per day shall be imposed for any of the following violations:
 - a. Completing a Booking transaction for listings without a valid City Home-Sharing registration number;
 - b. Completing a Booking Service transaction for multiple Primary Residence listings across more than one property affiliated with same Host or, for listings 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 which has exceeded the authorized 120-day limit for hosting Short-Term Rentals in one calendar year; or
 - e. Refusing to submit monthly documents required by the City to verify the accuracy of Transient Occupancy Tax payments.
 - (ii) Property Owner and/or Host:
 - a. A minimum daily fine of \$500, or two times the nightly Rent charged, whichever is greater, for advertising a Rental Unit for the purposes of Short-Term Rental in violation of this Subdivision.
 - b. A minimum daily fine of \$2,000, or two times the nightly Rent charged, whichever is greater, per day for Home-Sharing beyond the 120 day limit in a calendar year, unless the host has a valid Extended Home-Sharing Registration.
 - c. For unauthorized Short-Term Rentals, the Administrative Fine shall be levied according to the amounts described in LAMC Section 11.2.04(a)(2). 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 2,499 square feet.
 - (iii) The fine amounts listed above shall be updated annually, from the date of adoption, 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.** In addition to the application requirements for Home-Sharing, an application for Extended Home-Sharing shall demonstrate mailing of a notification to

adjacent and abutting property owners and occupants, of registrations for Extended Home-Sharing, including a Director issued publication describing how to report complaints or nuisance violations on a form prescribed by the Director of Planning.

(2) Eligibility Requirements

- (i) Administrative Approval.** Extended Home-Sharing may be administratively approved if, in addition to the eligibility requirements for Home-Sharing, the following requirements are met:
- a. The unit to be used for Extended Home-Sharing is not subject to Chapter 15 of the LAMC (the “Rent Stabilization Ordinance”).
 - b. The Host must have had a Home-Sharing permit/registration for at least six months or have hosted for at least 60 days based on substantial evidence provided by the host, hosting platform, and other information; and
 - c. The property and Host have had no Verified Citations issued within the prior three years.
 - d. The Host demonstrates mailing of a notification to adjacent and abutting owners and occupants on a form provided by the Department, which mailing includes a Director issued publication outlining the complaint process.
- (ii) Discretionary Approval.** A discretionary review of an Extended Home-Sharing application is required if a Verified Citation has been issued within the prior three years. The Extended Home-Sharing application may only be approved if, in addition to the eligibility requirements for Home-Sharing, the following requirements are met, to the satisfaction of the Director of Planning:
- a. The unit to be used for Extended Home-Sharing is not subject to Chapter 15 of the LAMC (the “Rent Stabilization Ordinance”).
 - b. The Host must have had a Home-Sharing permit/registration for at least six months or have hosted for at least 60 days; and
 - c. If the Host or Rental Unit had a suspended or revoked Extended Home-Sharing registration, the Host or Rental Unit is not eligible to apply for Extended Home-Sharing until the remainder of that prior Extended Home-Sharing registration period has ended.
 - d. If the Director finds that the matter may have a significant effect on neighboring properties, the Director may set the matter for public hearing. If the application is set 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 adjacent and abutting property of the subject site, the City Councilmembers representing the area in which the property is located, and any Neighborhood Council if they request in writing to be notified.
 - e. The Host demonstrates mailing of a notification to adjacent and abutting owners and occupants on a form provided by the Department, which mailing includes a Director issued publication outlining the complaint process; and
 - f. 21 days have passed since the mailing and the Director has considered the comments from the public in making the findings below.

- g. The Director finds the use is in substantial conformance with the following findings:
 1. That the project 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; and
 2. That the project's 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; and
 3. That the project substantially conforms with the purpose, intent and provisions of the General Plan, the applicable community plan, and any applicable specific plan; and
 4. That there is no substantial evidence of continued nuisance behavior from the location.
 - f. No appeal is filed within 15 days from the determination date, or the appeal is resolved in favor of the host. 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 decision to approve, conditionally approve, or disapprove the application for extended home-sharing. The appeal shall set forth specifically how the petitioner believes the findings and decision are in error. The Area Planning Commission body may grant, conditionally grant or deny the appeal. Before acting on any appeal, the Director shall set the matter for hearing, giving a minimum of 15 days' notice to the applicant, the appellant, the Area Planning Commission and any other interested parties of record. 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.
- (3) **Expiration and Renewal.** An Extended Home-Sharing registration is valid for a maximum of 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) **Suspensions and Revocations.** One Verified Citation from an agency of the City of Los Angeles will result in the immediate revocation of Extended Home-Sharing registration and the Host will revert to regular Home-Sharing for the remainder of the Extended Home-Sharing registration period.

(5) **Host Requirements.** In addition to the host requirements that apply to Home-Sharing, the Host agrees to allow for revocation of extended home-haring registration for any Verified Citation.

(i) **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.

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

(k) **Severability.** If any provision of this Section 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 provisions of this Section are declared to be severable.

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

Section 4. Sections 12.12.2, 12.13 and 12.13.5. of the Los Angeles Municipal Code are amended to read as follows:

SEC. 12.12.2. “CR” LIMITED COMMERCIAL ZONE.

The following regulations shall apply in the “CR” Limited Commercial Zone:

A. Use – No building structure or land shall be used and no building or structure shall be erected, structurally altered, enlarged, or maintained, except for the following uses, and, when a “Supplemental Use District” is created by the provisions of [Article 3](#) of this chapter, for such uses as may be permitted therein:

1. The following uses when conducted wholly within an enclosed building:

(d) Hotels (including motels), Apartment hotels, ~~transient occupancy residential structures~~ or hostels when no 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 from any A or R zone.

SEC. 12.13. “C1” LIMITED COMMERCIAL ZONE.

The following regulations shall apply to the “C1” Limited Commercial Zone:

A. Use – No building, structure or land shall be used and no building or structure shall be erected, structurally altered, enlarged or maintained, except for the following uses, and when a “**Supplemental Use District**” is created by the provisions of [Article 3](#) of this chapter, for such uses as may be permitted therein:

- 1.5. Hotels (including motels), apartment hotels, ~~transient occupancy residential structures~~, or hostels when no 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 from any A or R zone.

SEC. 12.13.5. “C1.5” LIMITED COMMERCIAL ZONE

The following regulations shall apply to the C1.5 Limited Commercial Zone:

A. Use – No building, structure or land shall be used and no building or structure shall be erected, structurally altered, enlarged or maintained, except for the following uses, and when a “**Supplemental Use District**” is created by the provisions of [Article 3](#) of this chapter, for such uses as may be permitted therein.

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

Section 5. Section 12.24 W.24 of the Los Angeles Municipal Code is amended to read as follows:

W. Authority of the Zoning Administrator for Conditional Uses/Initial Decision. The following uses and activities may be permitted in any zone, unless restricted to certain zones or locations, if approved by the Zoning Administrator as the initial decision-maker or the Area Planning Commission as the appellate body. The procedures for reviewing applications for these uses shall be those in Subsections B. through Q. in addition to those set out below.

24. Hotels and Transient Occupancy Residential Structures.

- (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.
- (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.

- (c) ~~Hotels, motels or, 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.
- (d) 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.

Section 6. Section 19.01, Section N of the Los Angeles Municipal Code is amended to read as follows and a new Section T of the Los Angeles Municipal Code is added to read as follows:

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

[FILING FEE]

Type of Application	Fee
<u>Home-Sharing Administrative Hearing</u>	Amount to be <u>determined by an administrative fee study prior to the effective date of this Subsection.</u>

T. Home-Sharing Registration Application Fee.

[FILING FEE]

Type of Application	Fee
<u>Home-Sharing Application or Renewal (Section 12.22 A.31)</u>	
<u>Extended Home-Sharing Administrative Clearance</u>	

<u>(Section 12.22 A.31)</u>	<u>Amounts to be determined by an administrative fee study prior to the effective date of this Subsection.</u>
<u>Extended Home-Sharing Discretionary Review Application (Section 12.22 A.31)</u>	
<u>Extended Home-Sharing Renewal (Section 12.22 A.31)</u>	

Section 7. 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, Short-Term Rental as defined in LAMC Section 12.22 A.31, Home-Sharing as defined in LAMC Section 12.03, 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 as defined in LAMC 12.03, 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 8. 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) 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, 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 LAMC Section 5.576.1 shall also 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 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
 - (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.

Sec. 5.576.1. Daily Rates to be Charged for Home-Sharing

- (a) A rate of an amount to be determined by an administrative fee study prior to the effective date of the ordinance, charged per night of Home-Sharing booked pursuant to LAMC Section 12.22 A.31, shall be collected by the Office of Finance and deposited in the Short-Term Rental Enforcement Trust Fund.

FINDINGS

As amended by the City Planning Commission September 13, 2018

I. 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. The charging of rent, in and of itself, is similar to 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. 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 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 prohibit both 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 cost. The lack of current regulations specific to home-sharing 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 an accessory use of a structure, with the home required to be someone's primary residence, 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.