

TEXT OF THE PROPOSED MEASURE

**ORDINANCE TO REQUIRE VOTER APPROVAL OF MAJOR DEVELOPMENT PROJECTS**

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CITY OF LOS ANGELES  
OFFICE OF THE CLERK

**Section 1. Findings**

1. Major development projects often involve significant expenditures of taxpayer money and gifts of public land and may take the place of other projects that otherwise could have more directly benefited City residents.
2. While hotels can bring good jobs and add to the City's economic base, they may also burden City social services and impede the development of new housing.
3. The benefits provided by the development of major event centers do not always justify their cost, as large venues can crowd out other small businesses from vibrant commercial areas and can prevent the land from being put to potentially better uses, such as affordable housing.
4. Stadium development projects in other cities have rarely benefited those cities to the extent promised by developers, and local governments across the country have placed conditions on the use of public funds for such stadiums.
5. Rebates of or exemptions from transient occupancy taxes can be a windfall to developers and deprive the City and the public of the benefits of tax income to improve and maintain important City services.
6. Transparency in the approval of large hotels and event centers, and of subsidies for hotels and event centers, is critical to ensure that significant development projects benefit the People.

**Section 2. Voter Approval for Major or Subsidized Development Projects**

Division 13B.12 of Part 13B of Article 13 of Chapter 1A of the Los Angeles Municipal Code is added to read as follows:

**SEC. 13B.12.1 Definitions**

For the purposes of this Division:

“Event center” means any building or structure used for public performances, sporting events, business meetings or similar events, including but not limited to stadiums, sports arenas, racetracks, coliseums, concert halls, convention centers, and temporary, purpose-built venues or structures. An “event center” includes any premises owned or operated by the same Project Proponent and connected to or operated in conjunction with the event

center, including concessions, retail stores, restaurants, bars, and structured parking facilities.

“Event center development project” means any construction of, addition to, or alteration of an event center.

“Hotel” means an establishment that provides temporary lodging for payment in the form of overnight accommodations in guest rooms to transient patrons for periods of thirty (30) consecutive calendar days or less, and may provide additional services, such as conference and meeting rooms, restaurants, bars, or recreation facilities available to guests or to the general public. “Hotel” includes hotels, motor lodges, motels, apartment hotels, transient occupancy residential structures and extended-stay hotels that rent units (including units with kitchens) for fewer than thirty (30) days, private residential clubs, tourist courts, and hostels that contain both dormitory-style accommodations and private guest rooms that may be reserved, meeting the definition set forth above. “Hotel” also includes any contracted, leased, or sublet premises connected to or operated in conjunction with a hotel or that is used for the primary purpose of providing services at a hotel. Except as provided above, the term “hotel” does not include corporate housing, rooming houses, boarding houses, single-room occupancy housing, or licensed bed and breakfast establishments within a single-unit residence. “Hotel” does not include a Short-Term Rental, as defined in Municipal Code Section 12.22 A.32.

“Hotel development project” means any construction of, addition to, or alteration of a hotel.

“Major event center development project” means an event center development project involving the construction of, the addition to, or the alteration of, any buildings or structures, which cumulatively create or add facilities of more than 50,000 square feet or with a seating capacity of 1,000 seats. In determining whether a project is a major event center development project, the cumulative sum of related or successive permits which are part of a larger project, such as piecemeal additions to a building, or multiple buildings on a lot as determined by the Director of Planning, shall be considered, provided that such determinations are appealable to the City Council.

“Major hotel development project” means a hotel development project involving the construction of, the addition to, or the alteration of, any buildings or structures, that results in the cumulative creation or addition of eighty (80) or more hotel guest rooms. In determining whether a project is a major hotel development project, the cumulative sum of related or successive permits that are part of a larger project, such as piecemeal additions to a building, or multiple buildings on a lot as determined by the Director of Planning, shall be considered, provided that such determinations are appealable to the City Council.

“Minor modification” means minor adjustments or alterations to a development project, which can include adjustments and slight modifications under Section 12.28, but does not include modifications that are more than de minimis. A modification is more than de minimis if it requires additional discretionary City approvals, if it increases the square footage or number of rooms in a Hotel Development Project or the square footage or

number of seats in a Major Event Center Development Project by more than 5%, or if it establishes, through a change of use, an Event Center or Hotel, whether by discretionary or ministerial approval.

“Project proponent” means any person, firm, association, syndicate, partnership, limited liability company, limited liability partnership, corporation, trust, or any other legal entity that has an interest in real property and is applying to the City for entitlements for a hotel or event center development project.

“Subsidized hotel development project” means a hotel development project that seeks to apply a development right acquired through a transfer of floor area rights pursuant to the Municipal Code, or a hotel development project for which the City will provide any of the following:

- (1) A rebate of or exemption from any portion of the transient occupancy tax imposed by Article 1.7 of Chapter II of the Municipal Code, or of any sales tax, entertainment tax, property tax or other taxes, presently or in the future, matured or unmatured; or
- (2) A transfer, lease, or assignment of public land for any form of consideration that is of a value below market rate.

#### **SEC. 13B.12.2. Major or Subsidized Hotel and Event Center Development Project Requirements**

- A. Except as provided in subsections (B) or (C), Major Hotel Development Projects, Subsidized Hotel Development Projects, and Major Event Center Development Projects, in addition to any other applicable requirements, shall require a statutory development agreement as defined in California Government Code § 65867.5 and voter approval of the project and development agreement, as set forth in Sections 13B.12.3 through 13B.12.5.
- B. The requirements of this division shall not apply to the repair, replacement, restoration, or reconstruction of any existing building, structure, or improvement, whether conforming or nonconforming, which has been damaged by fire, flood, wind, earthquake, or other disasters, up to the original size, placement and density and subject to any other applicable requirements of the Development Code.
- C. The requirement of this division shall not apply to a Major Hotel Development Project, a Subsidized Hotel Development Project, or a Major Event Center Development Project if, before the effective date of this division, the Project Proponent has lawfully obtained a building permit for the project and acquired a vested right to complete construction in accordance with the terms of the permit.
- D. The requirements of this division shall not apply to a Subsidized Hotel Development Project that is (1) not a Major Hotel Development Project and (2) before the effective date

of this division, has lawfully obtained a contractual right to a transient occupancy tax rebate from the City

### **SEC. 13B.12.3. City Council Approval**

- A. Unless exempted by Section 13B.12.2, and in addition to any other findings or requirements applicable by law, to approve a development agreement for a Major Hotel Development Project, Subsidized Hotel Development Project, or Major Event Center Development Project, the City Council must make a finding of fact that the evidence presented shows that all of the following conditions exist:
1. The project's location, size, height, operations and other significant features, including open space and other improvements, will be compatible with the scale and character of the adjacent properties;
  2. 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;
  3. The project substantially conforms with the purpose, intent, and provisions of the General Plan and any applicable specific plan;
  4. There is sufficient market demand for the project proposed;
  5. The project will not unduly and negatively impact demand in the City for affordable housing, public transit, child-care, and other social services, taking into consideration the impact of the part-time or seasonal nature of work at the resulting hotel or event center and of the hotel or event center employees' expected compensation;
  6. The Project Proponent will take measures to employ residents of neighborhoods adjoining the project in order to minimize increased demand for regional transportation and to reduce demand for vehicle trips and vehicle miles traveled;
  7. The Project Proponent will take measures to encourage workers and guests to use public transportation, cycling and other non-automotive means of transportation; and
  8. The project will not unduly displace or negatively impact small businesses in the immediate vicinity and Project Proponent will take measures to help increase demand for local goods and services.

### **SEC. 13B.12.4 Voter Approval**

- A. Unless exempted under Section 13B.12.2, a Major Hotel Development Project, Subsidized Hotel Development, or Major Event Center Development Project shall be considered

approved only after both (i) approval of the development agreement and any other legislative entitlement or approval relating to the project by the City and (ii) approval of the project by a majority of the voters of the City voting “YES” on a ballot measure asking whether the development agreement and any other legislative entitlements for the project should be approved.

1. The vote of the electorate must occur at either a regular or special municipal election.
2. The sample ballot materials mailed to the registered voters of the City of Los Angeles prior to an election shall describe the project in a manner that clearly discloses both the scope and main features of the development project (including any and all phases of the project), the transient occupancy tax rebate (if any), and the location and the acreage of the development project site.
3. The vote of the electorate shall be set for a regular municipal election following City Council approval of the development agreement; or, by mutual agreement with the Project Proponent, the City Council may call a special municipal election, with the cost of the special election borne solely by the Project Proponent.
4. The development agreement shall not be executed by the City until the project is approved by the vote of the electorate described herein.

#### **SEC. 13B.12.5 Other Requirements**

- A. For all Major Hotel Development Projects, Subsidized Hotel Development Projects, and Major Event Center Projects, except for those exempted under Section 13B.12.2, the following shall apply.
  1. The development agreement and popular vote required by this division shall be in addition to all other applicable review and approval requirements for the project, including environmental review in compliance with the California Environmental Quality Act (“CEQA”).
  2. Any subsequent City permits or approvals necessary to implement all or part of the project shall conform to the development project description presented to voters for approval pursuant to Section 13B.12.4.
  3. No certificate of occupancy shall be issued until the Project Proponent has paid all fees to the City of Los Angeles, and all mitigation measures required by the City Council have been fully implemented or the City Council and the Project Proponent has entered into an enforceable agreement to implement all mitigation measures.

4. Any permits or approvals issued without voter approval, where such voter approval is required under this division, shall be null and void.
5. The development agreement and all other approvals for the project as approved by voters under section 13B.12.4 shall expire
  - a. If construction (other than demolition or grading) fails to begin within 36 months of voter approval, in which case, outstanding permits will be void;
  - b. If building permits for the project expire or are revoked;
  - c. If the permitted project is resubmitted, or modified, other than a Minor Modification that does not materially affect the findings in Section 13B.12.3;

unless the Project Proponent has lawfully and in good faith otherwise acquired and maintained a vested right under state law.

### **Section 3. Amendment**

This Ordinance may not be repealed or amended without approval of the voters of the City of Los Angeles, provided that nothing herein shall preclude the City, including the City Council, from taking actions that further the purposes of this Ordinance.

### **Section 4. Conflicting Measures**

It is the intent of the voters of the City of Los Angeles that, should this measure and one or more measures relating to the same subject matter appear on the same ballot, the provisions of the other measure shall be deemed in conflict with this measure; and in the event this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the other measure shall be void.

### **Section 5. Severability**

If any section, subdivision, clause, sentence, clause, phrase or word of this Ordinance is declared invalid by a court of competent jurisdiction, such a decision shall not affect the validity of the remaining portions of this Ordinance. The voters of the City of Los Angeles hereby declare that they would have passed and adopted all sections, subdivisions, clauses, sentences, phrases and words of this Ordinance without the section, subdivision, clause, sentence, phrase or word declared invalid by a court of competent jurisdiction.

### **Section 6. Construction**

This Ordinance shall be liberally construed to effectuate its purposes.

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