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When making inquiries relative to  
this matter, please refer to the  
Council File No.: [14-1635-S2](#)

## OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

May 4, 2018

**Council File No.:** [14-1635-S2](#)

**Council Meeting Date:** May 02, 2018

**Agenda Item No.:** 16

**Agenda Description:** PLANNING AND LAND USE MANAGEMENT (PLUM) and HOUSING COMMITTEES' REPORTS relative to the proposed Home-Sharing Ordinance.

**Council Action:** PLANNING AND LAND USE MANAGEMENT AND HOUSING COMMITTEES' REPORTS AND AMENDING MOTIONS 16C, 16D, 16E, 16F, 16G, 16H, 16I, 16J, 16K - ADOPTED

**Council Vote:**

YES	BOB BLUMENFIELD
YES	MIKE BONIN
YES	JOE BUSCAINO
YES	GILBERT A. CEDILLO
YES	MITCHELL ENGLANDER
YES	MARQUEECE HARRIS-DAWSON
YES	JOSE HUIZAR
YES	PAUL KORETZ
YES	PAUL KREKORIAN
YES	NURY MARTINEZ
YES	MITCH O'FARRELL
YES	CURREN D. PRICE
YES	MONICA RODRIGUEZ
YES	DAVID RYU
YES	HERB WESSON

HOLLY L. WOLCOTT  
CITY CLERK

PLANNING AND LAND USE MANAGEMENT COMMITTEE REPORT relative to the proposed Home-Sharing Ordinance.

Recommendations for Council action:

1. INSTRUCT the Department of City Planning to amend the proposed Ordinance as follows:
  - a. 120-day Citywide Cap.
  - b. Adopt the framework that allows qualified hosts to participate in home sharing above 120 days via an administrative process that includes:
    - i. Neighbor notification to abutting property owners/occupants, including an outline of a complaint process.
    - ii. Host must have had a home sharing permit/registration for at least six months or have hosted for at least 60 days.
    - iii. Two-strike verified citation policy from an enforcement agency of the City of Los Angeles (Administrative Citation Enforcement, Los Angeles Department of Building and Safety, Los Angeles Housing and Community Investment Department, Los Angeles Police Department and Los Angeles Fire Department); if host has only one citation, it must be cleared to participate in the administrative approval.
  - c. Allow hosts to participate in home sharing above 120 days via a discretionary review process in the event that an administrative approval is denied.
  - d. Eliminate conversion by Transient Occupancy Residential Structures.
  - e. Annual renewal for all home sharing permits, including by-right, administrative and discretionary.
  - f. Landlord opt-out provision.
  - g. Per night surcharge to help offset cost of enforcement and compliance.
  - h. Enforcement enhancements to be included:
    - i. 24-hour/seven-days a week staffed hotline to receive complaints
    - ii. Real-time outreach to hosts to resolve issues.
    - iii. Web-based registration, renewal process.
    - iv. Establish task force for coordination between City agencies.

- i. Platform Agreement, including:
  - i. Actively remove listings that violate Home-Sharing Ordinance.
  - ii. Designate an employee or representative to respond to enforcement issues and coordinate sharing of information.
  - iii. Provide the City in electronic format, relevant information needed by the City to conduct enforcement.
  - iv. Abide by regulation of Transient Occupancy Tax (TOT) Ordinance.
  - v. Set aside ten percent of TOT and distribute equally Citywide to the General City Purpose Fund.

2. REFER the matter back to the Los Angeles City Planning Commission for consideration.

Applicant: City of Los Angeles

Case No. CPC-2016-1243-CA

Environmental No. ENV-2016-1277-ND

Fiscal Impact Statement: None submitted by the Department of City Planning. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes.

For: Downtown Los Angeles Neighborhood Council; Mar Vista Neighborhood Council; Sunland - Tujunga Neighborhood Council; West Hills Neighborhood Council.

For, if amended: Los Feliz Neighborhood Council; South Robertson Neighborhood Council; Westwood Neighborhood Council; Venice Neighborhood Council; Del Rey Neighborhood Council; Greater Valley Glen Neighborhood Council.

Against: Bel Air - Beverly Crest Neighborhood Council; Brentwood Neighborhood Council; Encino Neighborhood Council; Glassell Park Neighborhood Council; Neighborhood Council of Westchester - Playa Del Rey; Pacific Palisades Neighborhood Council; Rampart Village Neighborhood Council.

Against, unless amended: Central Hollywood Neighborhood Council; Westside Neighborhood Council.

Summary:

At a regular meeting held on April 10, 2018, the PLUM Committee considered the matter

regarding the Home Sharing Ordinance. Staff from the DCP provided the Committee with an overview of their most recent report of the options for a discretionary review process, a Citywide cap, an opt-out provision, feasibility of a pass-through surcharge to cover administrative and enforcement costs, and amendments to environmental clearance documents. The Committee members asked additional questions and presented further recommendations. After an in depth discussion, and the opportunity for public comment, the Committee recommended with an instruction for the DCP to amend the proposed Ordinance, as discussed, and to report back on further questions asked by the Committee members. The matter of the proposed Ordinance is now submitted to the Council for consideration.

Respectfully Submitted,



PLANNING AND LAND USE MANAGEMENT COMMITTEE

<u>MEMBER:</u>	<u>VOTE:</u>
HUIZAR	YES
HARRIS-DAWSON	YES
ENGLANDER	YES
BLUMENFIELD	YES
PRICE	YES

SD

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**

HOUSING COMMITTEE REPORT relative to the proposed Home-Sharing Ordinance.

Recommendation for Council action:

APPROVE the Planning and Land Use Management Committee report.

Fiscal Impact Statement: None submitted by the Department of City Planning (DCP). Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes.

For:

Sunland - Tujunga Neighborhood Council  
West Hills Neighborhood Council  
Downtown Los Angeles Neighborhood Council  
Mar Vista Neighborhood Council

For, if amended:

Los Feliz Neighborhood Council  
Westwood Neighborhood Council  
South Robertson Neighborhood Council  
Venice Neighborhood Council

Against:

Neighborhood Council of Westchester-Playa Del Rey  
Glassell Park Neighborhood Council  
Bel Air - Beverly Crest Neighborhood Council  
Encino Neighborhood Council  
Pacific Palisades Neighborhood Council  
Brentwood Neighborhood Council

Against, unless Amended:

Central Hollywood Neighborhood Council  
Westside Neighborhood Council

**(Also referred to the Planning and Land Use Management Committee)**

Summary:

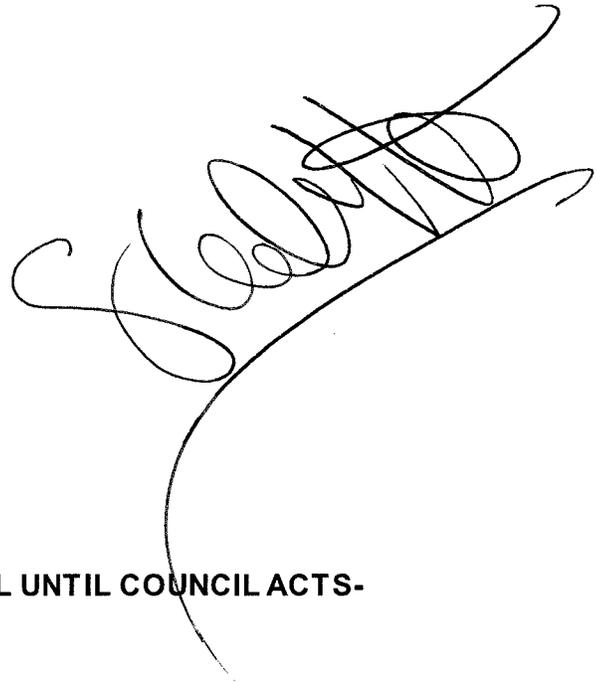
On April 25, 2018, your Committee considered various DCP reports and related California Environmental Quality Act findings, Negative Declaration, and Ordinance amending the Los Angeles Municipal Code, and the Los Angeles Administrative Code, to impose regulations permitting the sharing of primary residences, except units regulated by the Rent Stabilization Ordinance, and directing Transient Occupancy Taxes derived from Home-Sharing to the Affordable Housing Trust Fund, and a new Short-Term Rental Enforcement Trust Fund in response to Motion (Bonin - Wesson - Koretz) relative to policy governing short-term rentals in

the City.

After consideration and having provided an opportunity for public comment, the Committee recommended approval of the Planning and Land Use Management Committee report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE

A large, stylized handwritten signature in black ink, written over a curved line that appears to be a signature line or a decorative flourish. The signature is highly cursive and difficult to decipher.

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	ABSENT
HARRIS-DAWSON:	YES

ARL  
4/25/18

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**

MOTION

16C

I MOVE that the matter of the Planning and Land Use and Housing Committee reports relative to the proposed Home-Sharing Ordinance, Item No. 16 on today’s Council Agenda (CF 14-1635-S2), be amended for enforcement clarification pertaining to the previously approved instruction in CF 12-1824-S1 Planning and Land Use Management Committee Report November 28<sup>th</sup>, 2017 regarding Loud and Unruly Gatherings to include:

“Suspend hosts from participating in home sharing during the 30 days after they have been cited as a Loud and Unruly Gathering as codified in Section 41.58.1 of the LAMC as part of the recently approved Ordinance No. 185451.”

“Suspend hosts from participating in home sharing for one year if they have been cited with a third or higher violation as a Loud and Unruly Gathering as codified in Section 41.58.1 of the LAMC as part of the recently approved Ordinance No. 185451.”

PRESENTED BY: David E. Ryu  
DAVID E. RYU  
Councilmember, 4th District

SECONDED BY: Herb J. Wesson Jr.  
HERB J. WESSON JR.  
Councilmember, 10th District

Barbara

ORIGINAL

MAY 02 2018

# ITEM No. 16 -

16D

## MOTION

I MOVE that the matter of the Planning and Land Use Management (PLUM) and Housing Committees' Reports relative to the proposed Home-Sharing Ordinance, Item No. 16 on today's Council Agenda (CF 14-1635-S2), **BE AMENDED** to INSTRUCT the Planning Department to report on establishing a 120-day cap for "non-hosted" stays and no cap for "hosted" stays.

PRESENTED BY:   
MITCH O'FARRELL  
Councilman, 13<sup>th</sup> District

SECONDED BY: 

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MOTION

Among the issues that have complicated the drafting of the Home Sharing Ordinance has been the occasional disruptions and nuisances caused by unruly short-term rental guests in residences in Los Angeles. One of the goals of the ordinance is to provide permitting and enforcement mechanisms that will give the City more ability to control these problems.

The City of Palm Springs, in permitting short-term rentals within its jurisdiction, has introduced the concept of a "Code of Conduct" to be provided to hosts to share with short-term visitors. This Code, which addresses behavioral, safety, security and basic "good neighbor" concepts, reportedly has been effective in reducing the complaints short-term rentals can cause. The City of Los Angeles should implement a Code of Conduct as well.

Additionally, research has shown that most generally law-abiding people likely will obey laws they know about. When a new law is introduced one of the most effective means of encouraging compliance is to educate the sector of the public most involved with the newly-regulated activity about the regulations. In adopting the Home Sharing Ordinance, the City should take appropriate steps to ensure that all hosts registering to engage in home sharing be provided with the text of the ordinance and any other documentation deemed appropriate so that they will be fully apprised of their rights, responsibilities and potential liabilities relating to participating in the activity.

I THEREFORE MOVE that the Department of City Planning be instructed to report back to the City Planning Commission and the City Council as soon as possible regarding amending the Planning and Land Use Management Committee report to include an amendment to Section 1e. of the Home Sharing Ordinance to require that a Code of Conduct be provided to each registered home sharing host and that the Department of City Planning be instructed to prepare this Code to coincide with implementation of this ordinance; and

I FURTHER MOVE that the Department of City Planning include in the report a recommended methodology for ensuring that every host is provided with the text of the adopted ordinance and any other collateral materials necessary upon registering to help them achieve full compliance.

PRESENTED BY: Paul Koretz  
PAUL KORETZ, Councilmember, Fifth District

SECONDED BY: [Signature]

ORIGINAL

MAY 02 2018

MOTION

The Home Sharing Ordinance (CF 14-1635-S2) includes a provisions that prohibits the use of rent stabilized rental units for the purposes of short-term rentals. This provision is widely supported.

Many years ago, the city had a designation for "apartment hotels," now largely unused. There is also a designation for "residential hotels." These buildings have housed Los Angeles residents for decades, and thus are both housing and typically governed by the Rent Stabilization Ordinance. Consequently they are among the type of units which should be protected from short-term rental use in the Home Sharing Ordinance.

Additionally, questions have arisen regarding how "rental units" and "tenants" are defined in the Municipal Code which should be clarified.

I THEREFORE MOVE that the Department of City Planning be instructed to report back to the City Planning Commission and the City Council as soon as possible regarding amending the Planning and Land Use Management Committee report be to clarify that buildings officially identified as "apartment hotels" or "residential hotels" as of the effective date of the Home Sharing Ordinance are considered residential housing for the purpose of this ordinance, and thus subject to all the terms and prohibitions of it, and that if they are subject to the RSO, these units are not eligible for Short-Term Rentals; and

I FURTHER MOVE that the report also consider amendments to appropriate sections of the Municipal Code to clarify that "Rental units" include all dwellings units, guest rooms, suites of rooms, and efficiency dwelling units in apartment hotels and residential hotels, and that a "tenant" be defined as a person who lives in a rental unit for 31 days or more.

PRESENTED BY: Paul Koretz  
PAUL KORETZ, Councilmember, Fifth District

SECONDED BY: Bob Plummer

MAY 02 2018

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# ITEM No. 16 - G

## M O T I O N

I MOVE that the matter of the Planning and Land Use Management (PLUM) and Housing Committees' Reports relative to the proposed Home-Sharing Ordinance, Item No. 16 on today's Council Agenda (CF 14-1635-S2), **BE AMENDED** to request the City Attorney, with the assistance of the Department of City Planning, to report on the legality of precluding Rent Stabilization Ordinance (RSO) units from participating in Home-Sharing.

PRESENTED BY:



MITCH O'FARRELL  
Councilman, 13<sup>th</sup> District

SECONDED BY:



ORIGINAL

May 2, 2018<sub>ak</sub>

# ITEM No. 16 - #

## M O T I O N

I MOVE that the matter of the Planning and Land Use Management (PLUM) and Housing Committees' Reports relative to the proposed Home-Sharing Ordinance, Item No. 16 on today's Council Agenda (CF 14-1635-S2), **BE AMENDED**, as follows:

A. **Remove** any provision that would require 90% of the Transient Occupancy Tax revenues going to the Affordable Housing Trust Fund.

B. **Delete** PLUM Report subsection v. of Recommendation 1. section i. (Platform Agreement) which currently reads as follows:

*v. Set aside ten percent of TOT and distribute equally Citywide to the General City Purposes Fund.*

C. **Instruct** the City Administrative Officer with the assistance of the Planning Department and the Chief Legislative Analyst to report on ways for the City to address the negative impacts of the short term rental industry with the TOT revenue that has been collected, and looking at a way to develop proposed formula options for City-wide and local amelioration, including distributing a portion to each Council District.

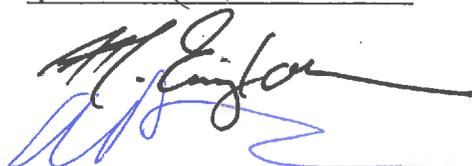
D. **Instruct** the City Administrative Officer with the assistance of the Planning Department and the Chief Legislative Analyst to identify daily surcharges, platform and host registration fees, for the purposes of administration, oversight and enforcement.

PRESENTED BY:



HERB J. WESSON, Jr.  
Councilman, 10<sup>th</sup> District

SECONDED BY:



**MOTION**

I THEREFORE MOVE that the Planning and Land Use Management Committee and Housing Committee Reports relative to the proposed Home Sharing Ordinance (CF14-1635-S2) BE AMENDED to *Instruct Planning Dept and Request City Atty to report back relative to:*

1. Allow qualified hosts to participate in home sharing above the 120 day cap via a discretionary approval process, unless the hosts meet the following criteria, in which case the approval is by right:
  - o Neighbor notification to abutting property owners/occupants
  - o Host must have had a home sharing permit/registration for at least 6 months or have hosted for at least 60 days
  - o No more than 2 documented violations from an enforcement agency of the City of Los Angeles
  - o However, for those qualified hosts in an R-1 and more restrictive zone, by right approval will not be granted if a majority of the property owners within a radius of 100 feet object within 30 days of notification

PRESENTED BY *Bob Blumefeld*  
BOB BLUMENFELD  
Councilmember, 3rd District

SECONDED BY: *Paul Krutz*

**RECEIVED**

MAY 02 2018

MAY 02 2018

*Handwritten signature*

# ITEM No. 16 - 5

## M O T I O N

I MOVE that the matter of the Planning and Land Use Management (PLUM) and Housing Committees' Reports relative to the proposed Home-Sharing Ordinance, Item No. 16 on today's Council Agenda (CF 14-1635-S2), **BE AMENDED** to INSTRUCT the Department of City Planning to report back on an alternate, reduced, fee structure for "hosted stays."

PRESENTED BY:

  
MITCH O'FARRELL  
Councilman, 13<sup>th</sup> District

SECONDED BY:



ORIGINAL

May 2, 2018<sub>ak</sub>

**MOTION 16-K**

I HEREBY MOVE that Council INSTRUCT the Planning Department to report back relative to changing the current definition of "primary residence" from 6 months to 11 months; and, finding an exemption for those that can show that they are out of town for a lengthy period of time.

PRESENTED BY \_\_\_\_\_  
PAUL KORETZ  
Councilmember, 5th District

SECONDED BY \_\_\_\_\_  
JOSE HUIZAR  
Councilmember, 14th District

May 2, 2018  
CF 14-1635-S2