

**PLANNING DEPARTMENT TRANSMITTAL
TO THE CITY CLERK'S OFFICE**

CITY PLANNING CASE:	ENVIRONMENTAL DOCUMENT:	COUNCIL DISTRICT:
CPC-2019-7045-CA	ENV-2019-7046-ND ENV-2019-7375-CE	All
PROJECT ADDRESS:		
Citywide		
APPLICANT/REPRESENTATIVE:	TELEPHONE NUMBER:	EMAIL ADDRESS:
City of Los Angeles <input type="checkbox"/> New/Changed	N/A	N/A
APPELLANT/REPRESENTATIVE:	TELEPHONE NUMBER:	EMAIL ADDRESS:
N/A	N/A	N/A
PLANNER CONTACT INFORMATION:	TELEPHONE NUMBER:	EMAIL ADDRESS:
Patrick Whalen	(213) 978-1370	Patrick.Whalen@lacity.org
APPROVED PROJECT DESCRIPTION:		
<p>A Code amendment establishing regulations to permit the short-term rental of non-primary residences as Vacation Rentals.</p>		

On December 19, 2019, the City Planning Commission:

1) Approved and Recommended that the City Council determine, pursuant to CEQA Guidelines Section 15074(b), after consideration of the whole of the administrative record, including the Negative Declaration, No. ENV-2019-7046-ND, and all comments received, there is no substantial evidence that the project will have a significant effect on the environment; find the Negative Declaration reflects the independent judgement and analysis of the City; adopt the Negative Declaration; and determine, based on the whole of the administrative record, that the Project is exempt from CEQA pursuant to CEQA

Guidelines, Section 15301 (Class 1), and there is no substantial evidence demonstrating that an exception to a Categorical Exemption pursuant to CEQA Guidelines, Section 15300.2 applies.

2) Recommended that the City Council adopt the proposed Ordinance with modification.

- Increase the citywide cap from 3,625 (the equivalent of 0.25 percent of the current housing supply) to the equivalent of 1 percent.
- Change the geographic unit subject to concentration caps from Census tracts to community plan areas, and increase the cap from 0.25 percent to 1 percent.
- Increase the maximum number of days per calendar year a Vacation Rental may be rented from 30 to 90 days.
- Specify that the required 250 feet of separation between Vacation Rental units in Type 1 buildings be per block face.

3) Instructed City Planning to study and report to the Planning and Land Use Management (PLUM) Committee on the following:

- Feasibility of requiring documentation showing Vacation Rentals are second homes, not investment properties.
- Feasibility of limiting Vacation Rental ownership eligibility to individuals and individual trusts, not limited liability corporations.
- Feasibility of allocating a significant portion of the Transient Occupancy Tax (TOT) and/or fees collected from Vacation Rentals to support affordable housing, permanent supportive housing, and/or housing for the homeless.
- Additional information regarding the economic tipping point between a long-term and short-term rental within the construct of other regulatory limitations of the ordinance.

3) Adopted the staff report as the Commission's report on the subject; and

4) Adopted the Findings.

ENTITLEMENTS FOR CITY COUNCIL CONSIDERATION:

Adoption of the Proposed Ordinance

FINAL ENTITLEMENTS NOT ADVANCING:

N/A

ITEMS APPEALED:

N/A

ATTACHMENTS:	REVISED:	ENVIRONMENTAL CLEARANCE:	REVISED:
<input checked="" type="checkbox"/> Letter of Determination	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/> Other _____	<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 checked="" type="checkbox"/> Other _____	<input type="checkbox"/>		

NOTES / INSTRUCTION(S):

N/A

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:	COMMISSION VOTE:
December 19, 2019	5 – 2
LAST DAY TO APPEAL:	APPEALED:
N/A	N/A
TRANSMITTED BY:	TRANSMITTAL DATE:
Cecilia Lamas Commission Executive Assistant	October 27, 2020



LOS ANGELES CITY PLANNING COMMISSION

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

www.planning.lacity.org

LETTER OF DETERMINATION

MAILING DATE: OCT 27 2020

Case No. CPC-2019-7045-CA
CEQA: ENV-2019-7046-ND; ENV-2019-7375-CE
Plan Area: Citywide

Council District: All

Project Site: Citywide

Applicant: City of Los Angeles

At its meeting of December 19, 2019, the Los Angeles City Planning Commission took the actions below in conjunction with its recommended approval of the following:

A Code amendment establishing regulations to permit the short – term rental of non – primary residences as Vacation Rentals.

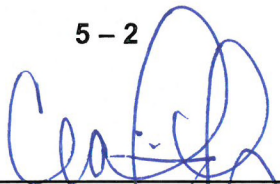
1. **Approved and Recommended** that the City Council determine, pursuant to CEQA Guidelines Section 15074(b), after consideration of the whole of the administrative record, including the Negative Declaration, No. ENV-2019-7046-ND, and all comments received, there is no substantial evidence that the project will have a significant effect on the environment; find the Negative Declaration reflects the independent judgement and analysis of the City; adopt the Negative Declaration; and determine, based on the whole of the administrative record, that the Project is exempt from CEQA pursuant to CEQA Guidelines, Section 15301 (Class 1), and there is no substantial evidence demonstrating that an exception to a Categorical Exemption pursuant to CEQA Guidelines, Section 15300.2 applies;
2. **Approved and Recommended**, that the City Council adopt the proposed ordinance as modified by the City Planning Commission, as follows:
 - Increase the citywide cap from 3,625 (the equivalent of 0.25 percent of the current housing supply) to the equivalent of 1 percent.
 - Change the geographic unit subject to concentration caps from Census tracts to community plan areas, and increase the cap from 0.25 percent to 1 percent.
 - Increase the maximum number of days per calendar year a Vacation Rental may be rented from 30 to 90 days.
 - Specify that the required 250 feet of separation between Vacation Rental units in Type 1 buildings be per block face.
3. **Instructed** City Planning to study and report to the Planning and Land Use Management (PLUM) Committee on the following:
 - Feasibility of requiring documentation showing Vacation Rentals are second homes, not investment properties.
 - Feasibility of limiting Vacation Rental ownership eligibility to individuals and individual trusts, not limited liability corporations.
 - Feasibility of allocating a significant portion of the Transient Occupancy Tax (TOT) and/or fees collected from Vacation Rentals to support affordable housing, permanent supportive housing, and/or housing for the homeless.

- Additional information regarding the economic tipping point between a long-term and short-term rental within the construct of other regulatory limitations of the ordinance.
3. **Adopted** the staff report as the Commission's report on the subject; and
 4. **Adopted** the attached Findings.

The vote proceeded as follows:

Moved: Millman
Second: Khorsand
Ayes: Choe, Leung, Mitchell
Nays: Mack, Perlman
Absent: Ambroz, Padilla-Campos

Vote: 5 – 2



Cecilia Lamas, Commission Executive Assistant
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 Proposed Ordinance, Findings

- c: Arthi Varma, Deputy Director
Hagu Soloman-Cary, Senior City Planner
Bonnie Kim, City Planner
Patrick Whalen, City Planning Associate

CPC-2019-7045-CA

Approved by the CPC with procedural changes requested by enforcing departments

ORDINANCE NO. _____

An ordinance amending Sections 12.03, 12.22, and 19.01 of the Los Angeles Municipal Code (LAMC) to regulate the use of non-primary residences for short term rentals as Vacation Rentals, and to establish related fees and fines.

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

WHEREAS, the City Council adopted the Home-Sharing Ordinance (Ordinance No. 185931), which legalized and provided a framework for regulating short-term rentals in primary residences and prohibiting them in non-primary residences;

WHEREAS, legalizing and regulating short-term rentals in non-primary residences creates clear rules and regulations to control the growth of the industry, protect long-term housing supply, prevent citywide and geographic overconcentration, address community concerns about abuses, and complement the Home-Sharing Ordinance;

WHEREAS, providing visitors with diverse lodging options must be balanced with the responsibility to minimize the negative impact of non-primary residence short-term rentals on the supply and cost of long-term housing and the character of residential neighborhoods;

NOW, THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The definition of Vacation Rental is added in alphabetical order to Section 12.03 of the Los Angeles Municipal Code to read as follows:

Vacation Rental – A Dwelling Unit which is not a property owner’s primary residence and is used for Short-Term Rental consistent with the requirements of 12.22.A.34. For purposes of this definition, the terms “Short-Term Rental” and “Primary Residence” shall have the same meaning as defined in Section 12.22 A.32 of this Chapter.

Sec. 2. A new Subdivision 34 is added to Section 12.22 A of the Los Angeles Municipal Code to read as follows:

34. Vacation Rentals. In all zones where residential uses are permitted by right, the following shall apply:

- (a) **Purpose.** The purpose of this Subdivision is to allow for housing units that do not serve as primary residences, but are used intermittently as vacation homes and are thus not likely to be rented as long-term housing, to be used for short-term rental purposes. This Subdivision is intended to allow for Dwelling Units that are owned as secondary residences by property owners, and not rented

on a long term basis due to occasional use by the owner, to be utilized during times in which they are not occupied by the owner for short term stays. In addition, this Section seeks to lessen the impact of Vacation Rental activity by setting limits as to the number and location of Vacation Rental permits in order to protect the availability of long term housing, and to protect residents and communities from the impacts of an over-concentration of Vacation Rentals.

(b) **Definitions.** The following definitions shall apply to this Subdivision:

(1) **PERMITTEE.** An individual who has received a permit for a Vacation Rental as that term is defined in Section 12.03 of this Code.

2) **TYPE 1 BUILDING.** Any building with four or fewer Rental Units, as that term is defined in 12.22 A.32

3) **TYPE 2 BUILDING.** Any building with more than four Rental Units, as that term is defined in 12.22 A.32

(c) **Vacation Rental Permitting.**

(1) **Permit Application.** To register for a Vacation Rental permit, an applicant shall file an application with the Department of City Planning in a manner provided by the Department, and shall include: information needed to verify the ownership of the unit proposed for Vacation Rental, and applicant's identification; an affidavit, signed and submitted under penalty of perjury, stating that the applicant resides in the Dwelling Unit for which a Vacation Rental Permit is being applied on an occasional or intermittent basis; identification of a local responsible contact person and his or her contact information; a list of all Hosting Platforms to be used; and any other information required by the instructions on the application. On the Vacation Rental permit application, the applicant shall acknowledge and consent to the Office of Finance and other City agencies' inspection of records at all reasonable times and places for purposes of enforcement of this Subdivision. Payment of any filing fee required under Section 19.01 U. shall be included with the application. If the required information for registration, including any filing fee, is not received within 45 days of submittal of the application, the Vacation Rental registration application will be considered withdrawn.

(2) **Eligibility Requirements.** The following requirements must be met at the time of submitting an application for a Vacation Rental permit, [and through the duration of the permit:](#)

(i) The applicant has obtained a Transient Occupancy Registration Certificate from the Office of Finance, pursuant to Section 21.7.6 of this Code.

(ii) The proposed Vacation Rental is consistent with the following provisions:

a. Vacation Rental permits may only be granted to owners of Dwelling Units. A renter or lessee shall not be eligible to obtain a

Vacation Rental permit. Applicants shall not be eligible to obtain a Vacation Rental permit unless the unit is a Dwelling Unit.

b. In order for a unit to be eligible to operate as a Vacation Rental, the Permittee must reside in the unit on an occasional or intermittent basis.

c. No person or entity may apply for or otherwise operate more than one Vacation Rental at a time in the City.

d. A housing unit that is subject to affordable housing covenants, and/or are income-restricted under City, State, or Federal law, is not eligible to be used as a Vacation Rental.

e. Housing units that are subject to Chapter 15 of the Los Angeles Municipal Code (“Rent Stabilization Ordinance”) are not eligible to be used as Vacation Rentals.

f. Accessory Dwelling Units are not eligible to receive Vacation Rental permits.

g. Any property or unit that is the subject of a pending Citation is not eligible to be used as a Vacation Rental.

h. Vacation Rental permits may not be issued to buildings that have been removed from the rental market through the Ellis Act (California Government Code section 7060-7060.7) in the past seven years from the application submittal date.

(3) Thresholds.

(i) Citywide, the total number of active Vacation Rental permits shall not exceed 14,740; and

(ii) Permitted Vacation Rental units shall account for no more than 1 percent of the total number of housing units within any community plan area in the City, not exceeding the maximum number of Vacation Rental permits allotted per community plan area as shown on Table 12.22 A.34-1; and

Table 12.22 A.34-1 Community Plan Area Vacation Rental Permit Caps		
Community Plan Area	Total Number of Dwelling Units (2018)	Maximum Number of Vacation Rental Permits
Arleta – Pacoima	23,633	236
Bel Air – Beverly Crest	9,039	90
Boyle Heights	24,186	242
Brentwood – Pacific Palisades	27,214	272

Canoga Park – Winnetka – Woodland Hills	69,158	692
Central City	28,798	288
Central City North	8,078	81
Chatsworth – Porter Ranch	36,425	364
Encino – Tarzana	32,332	323
Granada Hills – Knollwood	21,297	213
Harbor – Gateway	13,327	133
Hollywood	107,095	1,071
LAX	589	6
Mission Hills – Panorama City – North Hills	41,232	412
North Hollywood – Valley Village	58,690	587
Northeast Los Angeles	80,500	805
Northridge	24,089	241
Palms – Mar Vista – Del Rey	54,469	544
Port of Los Angeles	32	1
Reseda – West Van Nuys	37,191	372
San Pedro	32,706	327
Sherman Oaks – Studio City – Toluca Lake – Cahuenga Pass	43,380	434
Silver Lake – Echo Park – Elysian Valley	30,623	306
South Los Angeles	86,686	867
Southeast Los Angeles	73,190	732
Sun Valley – La Tuna Canyon	24,577	246
Sunland – Tujunga – Lake View Terrace – Shadow Hills – East La Tuna Canyon	22,387	224
Sylmar	22,294	223
Van Nuys – North Sherman Oaks	62,946	629
Venice	21,139	211

West Adams – Baldwin Hills – Leimert Park	70,754	708
West Los Angeles	38,929	389
Westchester – Playa Del Rey	27,575	276
Westlake	43,530	435
Westwood	21,490	215
Wilmington – Harbor City	23,926	239
Wilshire	130,635	1,306
Total	1,474,141	14,740

(iii) No Vacation Rental unit may be operated for more than 90 days per calendar year.

(4) **Concentration.** Vacation Rental permits shall not be issued if the unit for which the permit is being requested fails to satisfy the following distancing and concentration requirements:

(i) Buildings with up to four units (Type 1):

a. A maximum of one unit in any Type 1 building may be used for Vacation Rental purposes.

b. There must be at least 250 feet of separation between Vacation Rentals in Type 1 buildings having the same frontage (block face), as the term frontage is defined in Section 12.03 of this Chapter. This required separation shall be the shortest horizontal distance from property line to property line, measured in a straight line without regard to intervening structures.

(ii) Buildings with more than four units (Type 2):

a. A maximum of 5 percent of units in an individual Type 2 building, or 10 units in total, whichever is less, may be used for Vacation Rental purposes. If calculation of the number of units that can be used for Vacation Rental purposes results in a number that is less than one, one Vacation Rental permit may be obtained in the building.

(5) **Expiration and Renewal of Permit.**

(i) A Vacation Rental permit is valid for one year from the date of issuance. It may not be transferred or assigned and is valid only for the unit for which it was issued.

(ii) A Vacation Rental permit may be renewed if the Permittee complies with all of the following:

- a. Pays the renewal fee; and,
- b. Has complied with the provisions of this Subdivision for the past year; and,
- c. Provides information concerning any changes to the previous application for, or renewal of, the Vacation Rental permit; and
- d. Submits records described in Paragraph (f) of this Subdivision for the last year to demonstrate compliance with this Subdivision. The records described in Paragraph (f) of this Subdivision shall be made public to the extent required by law.

(d) **Suspension and Revocation.** Notwithstanding any other provision of this Code to the contrary, the Director may require the suspension, modification, discontinuance or revocation of any Vacation Rental permit if it is found that the Permittee has violated this Subdivision or any other city, state, or federal regulation, ordinance or statute.

(1) **Suspension.** If a Permittee receives two Citations, as the term is defined in Section 12.22 A.32 the Vacation Rental permit shall be suspended for 30 days or as long as at least one Citation is open, whichever is longer. The suspension shall become effective 15 days after the mailing of a Notice of Intent to Suspend the permit. If a Permittee initiates an appeal of either Citation, the suspension will take effect only if the appeal is not resolved entirely in the Permittee's favor.

(i) Where no process is described in the citation, a Permittee may challenge a Citation by submitting an appeal to the Director in accordance with the process in Section 12.24.Z of this Code, with no further appeal to a Commission or City Council.

(2) **Revocation.** If three Citations have been issued to the Permittee and have been made final either because they were not appealed during the appeal period, or the appeals were denied, the Permittee's Vacation Rental permit shall be revoked. The revocation of a Vacation Rental permit shall become effective 15 days after the mailing of a Notice of Intent to Revoke to the permit.

(i) A Permittee may challenge a Notice of Intent to Revoke by submitting an appeal to the Director in accordance with the process in Section 12.24.Z of this Code, with no further appeal to a Commission or City Council.

(ii) Pursuant to the revocation, a Permittee shall be prohibited from obtaining a Vacation Rental permit for one year from the effective date of the Notice of Intent to Revoke.

(3) **Modification.** The Director may modify, discontinue or revoke any Vacation Rental permit based upon an order to show cause, pursuant to Section 12.27.1 B of this Code, why any proposed modifications, discontinuances or revocations of

any Vacation Rental permit should not be issued. The Director shall provide notice to the applicant and/or property owner 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.

(e) ~~General Standards.~~ Prohibitions and Requirements.

(1) No Person shall offer, advertise, book, facilitate or operate a Vacation Rental in a manner that does not comply with this Subdivision.

(2) A Permittee may not ~~operate~~ offer, advertise, book, facilitate, or operate a Vacation Rental unless all advertisements clearly list the City-issued Vacation Rental permit number ~~or pending permit status number.~~

(3) If a Permittee lists a Vacation Rental on multiple listings on multiple Hosting Platforms, only one listing may be booked at any given time.

(4) A Permittee may not rent all or a portion of his or her Vacation Rental to more than one group of guests or under more than one booking, at any given time.

(5) Except for allowable Home Occupations, nonresidential 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 in the Vacation Rental.

(6) A Permittee shall only advertise on a Hosting Platform that was listed on the Permittee's Vacation Rental permit application form, unless the Permittee has submitted a written request and received written approval from the Department of City Planning to use another Hosting Platform.

(7) No more than two overnight guests are allowed per habitable room (not including kitchens) in a Vacation Rental.

(8) There shall be no use of sound amplifying equipment, as that term is defined in Section 111.01 (j) of this Code after 10:00 pm and no evening outdoor congregations of more than eight people (excluding children) in a Vacation Rental. Vacation Rental activities are subject to the noise regulations in the Los Angeles Municipal Code.

(9) A Permittee whose Vacation Rental permit has been suspended is prohibited from operating any Vacation Rental for the duration of the suspension.

(10) A Permittee whose Vacation Rental permit has been revoked may not operate any Vacation Rental unless and until a new permit has been issued.

(f) **Vacation Rental Permittee Requirements.**

(1) The Permittee shall be responsible for any nuisance violations, as described in Section 12.27.1.B of this Code, arising at the Permittee's Vacation Rental unit. The

Permittee shall be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.

(2) The Permittee shall keep and preserve, for a minimum period of three years, all records regarding each Vacation Rental stay, including the length of stay and price paid for each stay.

(3) The Permittee shall fully comply with all the requirements of Article 1.7 of the LAMC (establishing the Transient Occupancy Tax) and successor Sections.

(4) The Permittee shall pay a per-night fee for each night of renting their Vacation Rental unit, which will be deposited into the Short Term Rental Enforcement Fund per the requirements in Section 5.576.1 of the Los Angeles Administrative Code. The City Council shall adopt, by resolution, a per-night fee based on an analysis of the cost of implementing, maintaining, and enforcing this Subdivision.

(5) The Permittee shall provide and maintain working fire extinguishers, smoke detectors, and carbon monoxide detectors, in compliance with fire, life, and safety codes; information related to emergency exit routes on the property and contact information, including the contact information of the Permittee or a designated responsible agent of the Permittee.

(6) The Permittee who lists a Vacation Rental unit 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 include in all Vacation Rental listings and post written notices on any patio or deck that smoking is not permitted in any exterior of the property.

(7) The Permittee who lists a Vacation Rental unit located in a Red Flag No Parking Zone, as defined in Section 80.72 of this Code, shall post written notice in the unit alerting guests of Red Flag parking restrictions, and requiring compliance when such restrictions are activated. The Permittee, or a designated responsible agent of the Permittee, is also required to notify guests when Red Flag No Parking restrictions have been activated.

(8) The Permittee shall provide a code of conduct to guests that includes the relevant provisions of this Subdivision and other information to address behavioral, safety, and security issues.

(9) The Permittee shall authorize any Hosting Platform on which the Vacation Rental unit is listed to provide to the City the Vacation Rental listing and other information described in Paragraph (g)(4).

(10) The Permittee must consent to receive all City notices and Citations regarding their Vacation Rental permit by U.S. mail.

(g) Hosting Platform Requirements.

(1) Hosting Platforms shall not process or complete any Booking Service transaction for any Vacation Rental unless the Permittee has a valid Vacation Rental permit number issued by the City ~~or a pending permit status number.~~

(2) Hosting Platforms shall not process or complete any Booking Service transaction for any listing that has exceeded the authorized 90-day limit in one calendar year.

(3) Within 45 days of the effective date of the Ordinance, Hosting Platforms with listings located in the City 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 possible violations of this Subdivision. Hosting Platforms that commence listings in the City after the effective date must provide this information prior to facilitating Vacation Rental activity or providing Booking Services within the City.

(4) Subject to applicable laws, a Hosting Platform with listings in the City shall provide to the Department of City Planning, on at least a monthly basis, in a format as specified by the City, the Vacation Rental permit number of each listing, the name of the person responsible for each listing, and, for each booking that occurs within the reporting period, the number of days booked.

(5) In the event a Hosting Platform has entered into an agreement with the Office of Finance to collection and remit Transient Occupancy Tax pursuant to Los Angeles Municipal Code Section 21.7.1 et seq., and an applicant has assigned the responsibilities for the collection and remittance of the Transient Occupancy Tax to the Hosting Platform, then the Hosting Platform and the Permittee shall have the same duties and liabilities, including but not limited to the collection and remittance of the tax to the City on a monthly basis.

(h) Enforcement of Violations.

(1) The provisions in this Paragraph, 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.

(2) Any person who has failed to comply with the provisions of this Subdivision 34 (Vacation Rentals) may be subject to the provisions of Section 11.00 of this Code. The owner of any property used for Vacation Rentals, may be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.

(3) The Director may, at any time, require the modification, discontinuance, or revocation of any Vacation Rental registration in the manner prescribed in 12.22 A.34 (d)(2).

(4) The ACE program in Article 1.2 of this Chapter may be utilized to issue administrative Citations and impose fines pursuant to this Subdivision. The Citation shall be served by personal service or by depositing in the mail for delivery by the United States Postal Service, in a sealed envelope, postage prepaid, addressed to the Vacation Rental Permittee, shown on the County's last equalized property tax assessment roll. Fines for violations of this Subdivision shall be as follows:

(i) Hosting Platform: a \$1000 fine per day shall be imposed for any of the following violations:

- a. Completing a Booking Service transaction for each listing without a valid City Vacation Rental permit number ~~or pending permit status number~~.
- b. Completing a Booking Service transaction for each listing where more than one Vacation Rental property is affiliated with a single Permittee.
- c. Completing a Booking Service transaction for any listing for a Vacation Rental Unit where the Permittee's Vacation Rental permit has been revoked or suspended by the City.
- d. Completing a Booking Service transaction for any listing for a Vacation Rental Unit that has exceeded the authorized 90-day limit for Vacation Rental operation in one calendar year.

(ii) Vacation Rental Permittee, and or designated responsible party:

- a. A daily fine of \$500, or two times the nightly rate charged, whichever is greater, for advertising a Vacation Rental Unit in violation of this Subdivision.
- b. A daily fine of \$2,000, or two times the nightly rent charged, whichever is greater, for each day of Vacation Rental activity beyond the 90-day limit in a calendar year.
- c. For all other violations of this Subdivision, the administrative fine shall be levied according to the amounts described in Section 11.2.04(a)(2) of this Code. The square footage used in calculating the fine shall be the amount of indoor space to which the Transient guest has access. If the square footage is unable to be ascertained, it shall be deemed to be between 500 and 2,499 square feet.

(iii) The fine amounts listed above shall be updated annually, from the date of effective date of this ordinance, according to the Consumer Price Index for All Urban Consumers (CPI-U).

Sec. 3. A new Subsection U is added to Section 19.01 of the Los Angeles Municipal Code to read as follows:

U. Vacation Rental Permit Application and Renewal Fee.

Type of Application	Fee
Vacation Rental Permit Application Administrative Clearance (Section 12.22 A.34)	\$850
Vacation Rental Permit Application Renewal Administrative Clearance (Section 12.22 A.34)	\$850

Sec. 4. Severability. If any provision of this Subdivision 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 invalid provisions of this Subdivision are declared to be severable. The City Council hereby declares that it would have adopted each and every provision and portion thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would subsequently be declared invalid or unconstitutional.

Sec. 5. The City Clerk shall certify that...

DRAFT

EXHIBIT B - FINDINGS

ENVIRONMENTAL FINDINGS

In accordance with the California Environmental Quality Act (CEQA), this ordinance meets the criteria of a Categorical Exemption pursuant to CEQA Guidelines Section 15301 (Existing Facilities), because allowing Vacation Rentals to operate in the City represents, at most, a negligible expansion of an existing use. Furthermore, there is no substantial evidence demonstrating that an exception to a categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies.

Impacts of the Vacation Rentals Ordinance on the environment will be minor, as it is not expected to spur any new development or direct physical effects. The City reasonably expects that the proposed ordinance will limit the amount of Vacation Rentals such that any potential impacts on the environment will be less than significant. The proposed ordinance will result in allowing and better regulating a currently prohibited yet ongoing activity of renting non-primary residences on a short-term basis. These results are unlikely to result in a reasonably foreseeable direct or indirect impact on the environment.

Approval of the project is supported by the Negative Declaration and Categorical Exemption (ENV-2019-7046-ND, ENV-2019-7375-CE) prepared for this project. The Negative Declaration concludes that, the proposed Vacation Rentals Ordinance could not have a significant effect on the environment, and therefore, an Environmental Impact Report is not required.

The Negative Declaration was published in the Los Angeles Times on December 19, 2019, opening a 30 day period to receive comments. It reflects the lead agency's independent judgment and analysis. On the basis of the whole of the record before the lead agency, including any comments received, the lead agency finds that there is no substantial evidence that the proposed ordinance will have a negative effect on the environment.

LAND USE FINDINGS

In accordance with Charter Section 556, the proposed ordinance is in substantial conformance with the purposes, intent, and provisions of the General Plan.

The proposed ordinance is in substantial conformance with the purposes, 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 "clear and consistent rules governing both public and private sector development" to "expand economic opportunity and protect the character of residential neighborhoods." By creating a legal means for short-term rentals to operate in non-primary residences (Vacation Rentals), the City is establishing clear and consistent rules to regulate this market. Prior to this ordinance, Vacation Rentals were prohibited, however it is widely acknowledged that they operated in the City in the absence of enforcement mechanisms. In addition to establishing clear rules for regulating Vacation Rentals, the proposed ordinance also utilizes and enhances the enforcement mechanisms that have been established by the City's

Home Sharing Ordinance that became effective in July 2019, and regulates short-term rentals in primary residences.

The ordinance would further the intent and purpose of the Framework Element of the following relevant Goals and Objectives:

Due to provisions in the ordinance specifically pertaining to reducing the possibility for nuisance violations to occur, and to minimize the disruptions to the residential character of neighborhoods, 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 contains standards to regulate outdoor noise, limit the occupancy of rooms in Vacation Rentals, and restrict the number of nights Vacation Rentals can be rented to just 30, in order to ensure Vacation Rentals operate in a manner consistent with their residential surroundings. Because of these provisions, along with corresponding fines and penalties for violating these provisions, the Vacation Rentals ordinance demonstrates consistency with Land Use Goal LU-4.

The ordinance allows Vacation Rentals to occur only in structures defined as Dwelling Units. 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 addition, to multi-family residential zones in the City. The Zoning Code already permits short-term rentals through a CUP in Bed and Breakfast establishments, which may be located in any zone.

The proposed ordinance contains standards that are intended to make Vacation Rentals function indistinguishably from proximate residential units. Limits on the number of nights a Vacation Rental may be rented, as well as operational standards regarding the number of people who may stay in each habitable room, prohibitions on noise amplifying equipment and outdoor congregations of large groups of people all help to ensure Vacation Rentals maintain the character of residential neighborhoods they're in. As a fundamentally residential use, Vacation Rentals are consistent with the General Plan Land Use categories that allow residential uses within the range of uses.

Housing Element 2013-2021

The Vacation Rentals ordinance will allow up to 3,625 Angelenos to generate income on properties they occupy at least part of the year, but otherwise sit vacant. This income can be used to help complete necessary repairs and keep the properties in decent, healthy condition, which owners will be inclined to do to keep the unit attractive and rentable. Additionally, the proposed ordinance contains myriad provisions to protect affordable housing. Rent stabilized units, as well as those protected by federal, state, or local housing covenants are all prohibited to be used as Vacation Rentals under the proposed ordinance. Buildings that have been removed from the rental market via the Ellis Act in the previous seven years are also prohibited from being used as Vacation Rentals, so as to ensure that the ordinance does not result in the loss of housing in this way. While the proposed ordinance allows short-term rentals in non-primary residences, it eliminates the potential for affordable housing to be lost as a result of Vacation Rental activity. As such, the ordinance furthers the following Housing Element policies:

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

Policy 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.

In accordance with City Charter Section 558(b)(2), the proposed ordinance is in substantial conformance with public necessity, convenience, general welfare and good zoning practice.

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 responds to an expressed interest in allowing short-term rentals in non-primary residences while incorporating myriad provisions that protect the supply and affordability of housing and the character of existing residential neighborhoods. Some of these provisions include restrictions on the types of buildings that may be used for Vacation Rentals, caps on the number of Vacation Rentals available citywide and in certain geographies within the City to limit the concentration of Vacation Rentals, a limitation on the number of permits that any individual or entity may obtain, operational standards for Vacation Rentals, and requirements that owners and hosts must comply with. Current regulations prohibit non-primary housing units to be used as Vacation Rentals. This needlessly stifles efficient use of residential space when the owner periodically stays out of town and is not occupying the residence. A new regulatory framework is needed to adapt to the sharing economy, including new tools to enforce responsible and reasonable Vacation Rental policies.