

ORDINANCE NO. _____

An ordinance amending Chapters I, IV, and X of the Los Angeles Municipal Code to establish a voluntary housing program and conditional use permit, replacement housing, and police permit requirements for hotels, including short-term rentals.

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

Section 1. Section 12.03 of Article 2, Chapter 1 of the Los Angeles Municipal Code is amended to include the following definition in alphabetical order:

HOTEL DEVELOPMENT PROJECT. A Development Project that includes the creation of hotel/motel guest rooms, apartment hotels, hostels, or transient-occupancy residential structure dwelling units or an addition of 25 percent or more new hotel/motel guest rooms, apartment hotels, hostels, or transient-occupancy residential structure dwelling units to an existing hotel.

Sec. 2. Section 12.11.A.4 of Article 2, Chapter 1 of the Los Angeles Municipal Code is deleted in its entirety.

Sec. 3. Section 12.12.A.2 of Article 2, Chapter 1 of the Los Angeles Municipal Code is deleted in its entirety.

Sec. 4. Section 12.12.2.A.1(d) of Article 2, Chapter 1 of the Los Angeles Municipal Code is deleted in its entirety.

Sec. 5. Section 12.13.A.1.5 of Article 2, Chapter 1 of the Los Angeles Municipal Code deleted in its entirety.

Sec. 6. Section 12.13.5.A.11 of Article 2, Chapter 1 of the Los Angeles Municipal Code is deleted in its entirety.

Sec. 7. Section 12.24.T of Article 2, Chapter 1 of the Los Angeles Municipal Code is amended to delete "Hotels and apartment hotels" and "hotels and motel" from the listed conditional uses.

Sec. 8. Section 12.24.W.24 of Article 2, Chapter 1 of the Los Angeles Municipal Code shall be deleted in its entirety.

Sec. 9. Section 12.24.U.4 of Article 2, Chapter 1 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

4. Hotel Development Project.

(a) **Additional Findings.** In addition to the findings set forth in Section 13B.2.3.E of this Code, prior to approval of a Hotel Development Project, the City Planning Commission, or the City Council on appeal, shall make findings on each of the following:

(i) that there is sufficient market demand for the Hotel Development Project proposed;

(ii) the impact of the employees of the Hotel Development Project on the demand in the City for housing, public transit, childcare, and other social services taking into consideration the impact of the part-time or seasonal nature of work at the Hotel Development Project and of the Hotel Development Project's employees' expected compensation;

(iii) whether the applicant will take measures to employ residents of neighborhoods adjoining the Hotel Development Project in order to minimize increased demand for regional transportation and to reduce demand for vehicle trips and vehicle miles traveled;

(iv) whether the applicant will take measures to encourage Hotel Development Project workers and guests to use public transportation, cycling and other non-automotive means of transportation;

(v) whether the Hotel Development Project will support small businesses in the immediate vicinity and whether the applicant will adopt any measures to increase demand for local goods and services; and

(vi) whether the Hotel Development Project will not negatively affect the availability of existing affordable and rent-stabilized housing and the project includes the replacement of any rent-stabilized or restricted affordable housing existing on-site within the past ten years with affordable housing and any non-restricted or rent-stabilized housing with moderate-income housing.

(b) **Vested Rights.** This subdivision shall not be interpreted to impair vested rights under this Code, state law, or common law as long as those vested rights are maintained.

(c) **Relationship to Specific and Community Plans.** The requirements of this subdivision, as they apply to a Hotel Development Project, shall prevail over conflicting provisions in any Specific Plan, including any Community Plan Implementation Overlay District. The foregoing limitation shall not preclude a

Specific or Community Plan, or Community Plan Implementation Overlay District, from imposing additional limitations on or requirements of Hotel Development Projects.

Sec. 10. Article 20 is added to Chapter 4 of the Los Angeles Municipal Code to read as follows:

ARTICLE 20

HOTEL DEVELOPMENT REPLACEMENT HOUSING

SEC. 51.36. DEFINITIONS.

The following words and phrases, whenever used in this article, shall be construed as defined in this section.

“Above Moderate Income Households” means an individual or household whose income exceeds the upper income limit of a Moderate Income Household.

“Affordable Housing Cost” means the housing cost for Dwelling Units as defined in Section 50052.5 of the California Health and Safety Code for owner-occupied housing and the affordable rent for rental units as defined in Section 50053(b) of the California Health and Safety Code, as applicable.

“Affordable Housing Plan” means the plan required to be submitted with an Applicant’s application for First Approval pursuant to Section 51.45 of this Code.

“Applicant” means any Person, or combination of Persons, or authorized representative thereof, who undertakes, proposes or applies to the City for a Planning Permit related to a Hotel Development Project.

“Building Permit” includes full structural building permits as well as partial permits such as foundation-only permits and permits for tenant improvements.

“Certificate of Occupancy” means the permit issued by the Los Angeles Department of Building and Safety authorizing the initial occupancy of a residential unit, including a temporary certificate of occupancy.

“Common Ownership or Control” means property owned or controlled by the same Person or Persons or by separate Persons in which any shareholder, partner, member, or family member of an investor of the person owns 10 percent or more of the interest in the property.

“Contiguous Property” means any parcel of land that is:

- A. Touching another parcel at any point;

B. Separated from another parcel at any point only by a public right of way, private street or way, or public or private utility, service, or access easement; or

C. Separated from another parcel only by other real property of the Applicant, which is not subject to the requirements of this section at the time of the Planning Permit application by the Applicant.

“Conversion” and **“Covert”** mean a change of a Residential Dwelling Unit, including a mobilehome, as defined in Section 18008 of the California Health and Safety Code, or a mobilehome lot in a mobilehome park, as defined in Section 18214 of the California Health and Safety Code, or a residential hotel as defined Section 50519(b)(1) of the California Health and Safety Code, to a nonresidential use.

“Demolition” and **“Demolish”** mean the demolition of a Residential Dwelling Unit, including a mobilehome, as defined in Section 18008 of the California Health and Safety Code, or a mobilehome lot in a mobilehome park, as defined in Section 18214 of the Health and Safety Code, or a residential hotel, as defined in Section 50519(b)(1) of the California Health and Safety Code.

“Extremely Low Income Household” shall have the definition given in California Health and Safety Code Section 50106.

“Equivalent Size” means that the Replacement Unit contains at least the same total number of bedrooms as the Dwelling Unit being replaced.

“First Approval” means the first approval of a Planning Permit that occurs with respect to a Hotel Development Project.

“For-Sale” means and refers to any separately conveyable Dwelling Unit, including a condominium, stock cooperative, community apartment, or attached or detached single family home, for which a parcel or tentative and final map is required for the lawful subdivision of the parcel upon which the Dwelling Unit is located or for the creation of the unit in accordance with the Subdivision Map Act (California Government Code Section 66410 *et seq.*).

“Guest Room” means any room, suite of rooms, dwelling unit, cottage, or bungalow used or intended to be used by a guest of a Hotel for transient sleeping purposes.

“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 consecutive calendar days or less. “Hotel” includes hotels, motor lodges, motels, apartment hotels, transient-occupancy residential structures, 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. Except as provided above, the term “Hotel” also does not include corporate housing, rooming houses, boarding houses, single-room occupancy housing, any housing available only to students of an education institution, a residential hotel as defined in Section 50519 of the California Health and Safety Code, Short-Term Rentals as defined in Section 12.22.A.32 of this Code, or licensed bed and breakfast establishments within a single-unit residence.

“Hotel Development Project” means any project requiring a Planning Permit for which an application has been submitted to the City where such development would be permitted to create, through the construction or alteration of structures or through the Conversion of any other use to hotel use:

- A. one or more Hotels with a total of at least 15 Guest Rooms; or
- B. if on Contiguous Property under Common Ownership or Control, as part of the combined development on all of such property at the time of the application for First Approval, a total of 15 or more Guest Rooms.

“Income Category” means Extremely Low Income Household, Very Low Income Household, Lower Income Household, and Moderate Income Household.

“Interested Party” means a current or former tenant or owner of a Residential Dwelling Unit that has been or will be Converted or Demolished on the parcel or parcels of a proposed Hotel Development Project governed by this section, or their authorized representative. Interested Party also means any nonprofit organization exempted from federal taxation pursuant to Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, and organized for the purpose of maintaining or creating affordable housing.

“Lower Income Household” shall have the definition given in Section 50079.5 of the California Health and Safety Code.

“Moderate Income Household” shall have the definition given to “persons and families of moderate income” as defined in California Health and Safety Code Section 50093.

“Person” means an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, business trust, estate, trust, association, joint venture, agency, instrumentality, or any other legal or commercial entity, whether domestic or foreign.

“Planning Permit” means a development agreement, general plan amendment, specific or area plan adoption or amendment, zoning, rezoning, pre-zoning, annexation, planned development permit, site plan review, zoning administrator adjustment, transfer of development rights, tentative map, vesting tentative map, parcel map, variance,

conditional use permit, vesting conditional use permit, vesting development plan, special use permit, building permit, or similar discretionary or ministerial approval granted by the Department of City Planning or Department of Building and Safety.

“Rental” means and refers to a Residential Dwelling Unit that is not a For-Sale Dwelling Unit and that is made available for rent.

“Replacement Housing Agreement” means an agreement between the City and an Applicant, as described in Section 51.45 of this Code.

“Replacement Unit” means a Residential Dwelling Unit required by this section to be affordable to Extremely Low, Very Low, Lower, or Moderate Income Households.

“Residential Dwelling Unit” means a guest room, a light housekeeping room, a dwelling unit (including an efficiency dwelling unit, an accessory dwelling unit, and a junior accessory dwelling unit), or joint living and work quarters, all as defined in Section 12.03 of this Code; a mobile home, as defined in California Health and Safety Code Section 18008 that is used or intended to be used as a residence that is primarily long term in nature. Residential Dwelling Units do not include transient lodging, inpatient medical care, licensed long-term care, or detention or correctional facilities.

“Very Low Income Household” means a household earning no more than the amount defined by California Health and Safety Code Section 50105.

SEC. 51.37. EXEMPTIONS.

This section shall not apply to any of the following:

1. A Project that is not Hotel Development Project as defined in Section 51.36 of this Code.
2. A Hotel Development Project that is developed in accordance with the terms of a development agreement adopted by ordinance pursuant to the authority and provisions of California Government Code Section 65864 *et seq.* and that is executed prior to the operative date of this section, provided that such Hotel Development Project shall comply with any affordable housing requirements included in the development agreement or any predecessor ordinance in effect on the date the development agreement was executed.
3. A Hotel Development Project subject to the Residential Hotel Unit Conversion and Demolition Ordinance (Article 7.1 of Chapter IV of this Code).
4. A Hotel Development Project subject to replacement-unit obligations under the Settlement Agreement in *Wiggins, et al. v. Community Redevelopment Agency of the City of Los Angeles, City of Los Angeles et al*, LASC Case No. BC276472 (Related with Case No. BC277539) or the

Development Guidelines and Controls for Single-Room Occupancy Hotels in the City Center and Central Industrial Areas.

5. A Hotel Development Project for which application of the requirements of this article would unlawfully interfere with vested rights created under this Code, State law, or common law, as long as those vested rights are maintained.

SEC. 51.38. REPLACEMENT HOUSING REQUIREMENTS.

1. A proposed Hotel Development Project shall be required to include the replacement, on a one-for-one basis, in the form of new construction of Residential Dwelling Units or acquisition and rehabilitation of existing vacant market-rate Residential Dwelling Units, of each Residential Dwelling Unit on the Hotel Development Project parcel or parcels that is or will be Converted or Demolished as a result of the Hotel Development Project and each such Residential Dwelling Unit that was Converted or Demolished during the five-year period immediately preceding the Applicant's application for First Approval, as follows:

a. For Residential Dwelling Units on the parcel or parcels that are occupied on the date of the application for First Approval, the proposed Hotel Development Project shall include Replacement Units of Equivalent Size to be made available at Affordable Housing Cost to, and occupied by, individuals and households in the same or lower Income Category as those households in occupancy, or if the Income Category of the individuals or households occupying the Residential Dwelling Unit exceeds that of a Moderate Income Household, at an Affordable Housing Cost to a Moderate Income Household. If the incomes of the individuals and households in occupancy are not known, it shall be rebuttably presumed that Lower Income Households, Very Low Income Households, Extremely Low Income, Moderate Income and Above Moderate Income Households occupy these Dwelling Units in the same proportion as their share of all renter households within the City of Los Angeles, as determined by the General Manager of the Los Angeles Housing Department utilizing the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database.

b. For Residential Dwelling Units on the parcel or parcels that are in existence but are unoccupied at the time of an Applicant's application for First Approval, the proposed Hotel Development Project shall include Replacement Units of Equivalent Size to be made available at an Affordable Housing Cost to, and occupied by, individuals and households in the same or lower Income Category as the last individual or household in occupancy, or if the Income Category of the individuals or households last occupying the Residential Dwelling Unit exceeded that of a Moderate Income Household, at an Affordable Housing Cost to a Moderate Income Household. If the incomes of the individuals and households formerly in occupancy are not known, it shall be rebuttably presumed

that Lower Income Households, Very Low Income Households, Extremely Low Income, Moderate Income and Above Moderate Income Households occupied these Dwelling Units in the same proportion as their share of all renter households within the City of Los Angeles, as determined by the General Manager of the Los Angeles Housing Department utilizing the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database,

c. For Residential Dwelling Units on the parcel or parcels that have been Converted or Demolished within the five-year period preceding the Applicant's application for First Approval, the proposed Hotel Development shall include Replacement Units of Equivalent Size equal to the total number of Residential Dwelling Units on the parcel or parcels at the highpoint during the five-year period preceding the application for First Approval, minus the number of Residential Dwelling Units on the parcel or parcels in existence at the time of the application for First Approval. Such Replacement Units shall be at an Affordable Housing Cost to, and occupied by, individuals and households in the same or lower Income Category as those individuals and households in occupancy at such highpoint, or if the Income Category of the individuals or households occupying the Residential Dwelling Units at such highpoint exceeded that of a Moderate Income Household, at an Affordable Housing Cost to a Moderate Income Household. If the Income Categories of the individuals and households in occupancy at such high point are not known, it shall be rebuttably presumed that Lower Income Households, Very Low Income Households, Extremely Low Income, Moderate Income and same Above Moderate Income Households occupied these Residential Dwelling Units in the proportion as their share of all renter households within the City of Los Angeles, as determined by the General Manager of the Los Angeles Housing Department utilizing the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database.

2. An Applicant may provide the Replacement Units required under Section 51.38.1 of this Code at the site of the Hotel Development Project or at a location other than the site of the Hotel Development Project, provided that any off-site Replacement Units for the Hotel Development Project shall be located within the same Community Plan area or within three miles of the Hotel Development Project, unless, at the time of submission of the application for First Approval, the Applicant petitions for and provides credible documentation in writing to the City Planning Department that there is insufficient available land to construct the off-site Replacement Units in such proximity, in which event such Replacement Units shall be constructed upon a site approved by the City Planning Department.

3. An Applicant may provide the Replacement Units required under Section 51.38.1 of this Code as For-Sale Replacement Units or as Rental Replacement Units, provided that the proportion of For-Sale Replacement Units may not exceed the

proportion of For-Sale Residential Dwelling Units on the parcel or parcels that are or were Converted or Demolished.

4. In computing the total number of Replacement Units required in a Hotel Development Project, fractions shall be rounded up to the next highest whole number.

5. This section shall apply to individual Hotel Development Projects for which Planning Permits are sought and also to the cumulative sum of related or successive Planning Permits which are part of a larger Hotel Development Project, such as piecemeal additions to a building, or multiple buildings on a lot, or the development of multiple parcels, as determined by the Director of the Department of City Planning.

6. Nothing in this article shall deem or be used to deem the compliance options set forth in this section as an ad hoc exaction, as a mandated fee required as a condition to developing property, or as a fee subject to the analysis in *Building Industry Association of Central California v. City of Patterson* (5th Dist. 2009) 171 Cal.App.4th 886.

SEC. 51.39. REPLACEMENT UNIT PRIORITY.

Replacement Units required pursuant to this article shall be made available through a right of first refusal to eligible individuals or households in the following order of priority:

1. to individuals or households who have been or will be displaced by the Conversion or Demolition of Residential Dwelling Units on the parcel or parcels, as described in Section 51.38.1 of this Code and who meet the qualifying income thresholds, with greater priority given to individuals most recently displaced by such Conversion or Demolition;
2. to individuals employed at the Hotel or Hotels developed through the Hotel Development Project who meet the qualifying income thresholds;
3. to others who qualify for the Replacement Units.

SEC. 51.40. CERTIFICATE OF OCCUPANCY.

No Certificate of Occupancy for a Hotel Development Project which is subject to the requirements of this section shall be issued prior to the issuance of the Certificate(s) of Occupancy for the Replacement Units required pursuant to this section; provided, however, that a Temporary Certificate of Occupancy for a Hotel Development Project may be issued if the delay in obtaining a Certificate of Occupancy for replacement Units was not the result of actions or failures to act by the Applicant.

SEC. 51.41. DEED RESTRICTION.

Replacement Units shall be evidenced by a deed restriction that reserves and maintains the affordability of the Replacements Units, consistent with the requirements of this section, for the life of the Replacement Unit or for 99 years, whichever is greater. The deed restriction shall also state that rent levels cannot exceed those specified in this section.

SEC. 51.42. RELIEF FROM REPLACEMENT UNIT REQUIREMENT.

1. **Authority.** The City Council may, by resolution and after a public hearing, grant administrative relief from the replacement unit requirements of this article in cases of documented, extreme hardship duly established to the satisfaction of the City Council.

2. **Procedures.** An application for administrative relief shall be filed with the Department of City Planning on forms provided by the Department, accompanied by such fee as may be established by the Department. The Department shall transmit the application, together with a staff report and recommendation, to the City Planning Commission, which shall provide its recommendation to the City Council within 60 days. The City Council shall consider such application for administrative relief within 60 days after transmission of the City Planning Commission's recommendation, unless the Applicant consents to an extension of time.

SEC. 51.43. HOTEL DEVELOPMENT PROJECTS WITH OVERLAPPING REPLACEMENT HOUSING REQUIREMENTS.

When overlapping replacement housing requirements could be applied to a Hotel Development Project pursuant to this article or because the Hotel Development Project is subject to more than one inclusionary or replacement housing requirement under any federal, state, or local law, the Hotel Development Project, or any part thereof, shall be subject to the requirement that results in the production of the greatest amount and greatest depth of affordability of replacement or inclusionary units, as determined by the Director of the City Planning Department.

SEC. 51.44. MINIMUM REQUIREMENTS.

The requirements of this article are minimum requirements and shall not preclude a Hotel Development Project from providing additional affordable units or affordable units with lower rents or sales prices than required by this article.

SEC. 51.45. AFFORDABLE HOUSING PLAN AND REPLACEMENT HOUSING AGREEMENT.

1. An Affordable Housing Plan shall be submitted as part of the application for First Approval of any Hotel Development Project. No application for a First Approval

for a Hotel Development Project may be deemed complete unless an Affordable Housing Plan is submitted in conformance with the provisions of this section.

2. The Affordable Housing Plan shall either contain the Applicant's certification, under penalty of perjury, that no Converted or Demolished Residential Dwelling Units meeting the standards set forth in Section 51.38.1 of this Code exist on site, or specify all of the following information:

a. How the replacement housing requirement in Section 51.38.1 of this Code will be satisfied;

b. The number, unit type, number of bedrooms and baths, approximate location, size and design, construction and completion schedule of all Replacement Units, and whether such Replacement Units will be For-Sale or Rental;

c. A marketing plan, including the manner in which Replacement Units will be offered to the public in a nondiscriminatory and equitable manner and consistent with the priorities set forth in Section 51.39 of this Code;

d. Specific methods to be used to verify tenant and purchaser incomes, when applicable, and to maintain the affordability of the Replacement Units;

e. Any other information that is reasonably necessary to evaluate the compliance of the Affordable Housing Plan with the requirements of this section and any implementing regulations.

3. The Affordable Housing Plan shall be reviewed by the Los Angeles Housing Department as part of the Approval of any Hotel Development Project. The Affordable Housing Plan shall be approved if it conforms to the provisions of this section and any implementing regulations. A condition shall be attached to the First Approval of any Hotel Development Project to require recordation of any Replacement Housing Agreement required by Section 51.45.4 of this Code prior to the approval of any final or parcel map or Building Permit for the Hotel Development Project. The Housing Department's acceptance or denial of an Affordable Housing Plan shall be appealable to the City Council by the Applicant or by any Person aggrieved by the decision of the Housing Department.

4. Following the First Approval of a Hotel Development Project, for any Hotel Development Project required by this section to replace on-site Converted or Demolished Residential Dwelling Units meeting the standards set forth in Section 51.38.1 of this Code, the Los Angeles Housing Department shall prepare a Replacement Housing Agreement providing for the implementation of the Affordable Housing Plan and consistent with this section and any implementing regulations. Prior to the approval of any final or parcel map or issuance of any Building Permit for a Hotel

Development Project subject to this section, the Replacement Housing Agreement shall be executed by the General Manager of the Los Angeles Housing Department and the Applicant and recorded against the entire Hotel Development Project property and any other property used for the purposes of providing Replacement Units pursuant to this section to ensure that the agreement will be enforceable upon any successor in interest. The Replacement Housing Agreement shall not be amended without the prior written consent of the Los Angeles Housing Department.

SEC. 51.46. MONITORING.

Each Replacement Housing Agreement shall include provisions for the monitoring by the City of each Hotel Development Project and each Replacement Unit for compliance with the terms of this section, any implementing regulations, and the applicable Replacement Housing Agreement. Such provisions shall require compliance reports to be submitted to the Los Angeles Housing Department by the Hotel owner on at least an annual basis, and the City may conduct periodic on-site audits to ensure compliance with all applicable laws, policies, and agreements. The City Council, by resolution, may establish fees for the ongoing administration and monitoring of the Replacement Units, which fees may be updated periodically, as required.

SEC. 51.47. WAIVER.

1. Notwithstanding any other provision of this chapter, the requirements of this article may be waived, adjusted, or reduced if an Applicant shows, based on substantial evidence, that there is no reasonable relationship between the impact of a proposed Hotel Development Project and the requirements of this section, or that applying the requirements of this section would take property in violation of the United States or California Constitutions.

2. Any request for a waiver, adjustment, or reduction under this section shall be submitted to the City concurrently with the Affordable Housing Plan required by Section 51.45 of this Code. The request for a waiver, adjustment, or reduction shall set forth in detail the factual and legal basis for the claim.

3. The request for a waiver, adjustment, or reduction shall be reviewed and considered in the same manner and at the same time as the Affordable Housing Plan, and is subject to the appeal process for Affordable Housing Plans.

4. The waiver, adjustment, or reduction may be approved only after adoption of written findings, based on substantial evidence, supporting the determinations required by this section.

SEC. 51.48. REGULATIONS AND ENFORCEMENT.

1. The Los Angeles Housing Department may adopt regulations on the implementation and administration of this article, which regulations shall have the force of law.

2. The City Attorney shall be authorized to enforce the provisions of this article and all Replacement Housing Agreements, regulatory document, covenants, resale restrictions, promissory notes, deed of trust, and other requirements placed on Replacement Units through a civil action and any other proceeding or method permitted by law. The City may, at its discretion, take such enforcement action as is authorized under this Code and/or any other action authorized by law or by any Replacement Housing Agreement, regulatory document, restriction, or agreement executed under this article.

3. Civil Action. The City Attorney may institute a civil proceeding for injunctive relief and damages for violations of this article.

Sec. 11. Article 21 is added to Chapter IV of Los Angeles Municipal Code to read as follows:

ARTICLE 21

VOLUNTARY HOUSING PROGRAM

SEC. 51.49. TITLE.

This article shall be known as the Voluntary Housing Program.

SEC. 51.50. DEFINITIONS.

“Department” means the Los Angeles Housing Department.

“Guest Room” means any room, suite of rooms, dwelling unit, cottage, or bungalow intended to be used by a guest of a Hotel for transient sleeping purposes.

“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 consecutive calendar days or less. “Hotel” includes hotels, motor lodges, motels, apartment hotels, transient-occupancy residential structures, private residential clubs, tourist courts, corporate housing, Short-Term Rentals as defined in Section 12.22.A.32 of this Code and hostels that contain both dormitory-style accommodations and private guest rooms that may be reserved, meeting the definition set forth above. Except as provided above, the term “Hotel” also does not include rooming houses, boarding houses, single-room occupancy housing, a residential hotel as defined in Section 50519 of the California Health and Safety Code, or any housing available only to students of an education institution, or licensed bed and breakfast establishments within a single unit residence.

“Fair Market Rate” means the room rate, as defined in Section 17561 of the California Business and Professions Code, that is made available to the public for hotel accommodations, including any promotional, volume, loyalty or other discounts that are generally available to the public.

“Person” means an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, business trust, estate, trust, association, joint venture, agency, instrumentality, or any other legal or commercial entity, whether domestic or foreign.

“Unhoused Individual or Family” means an individual or family who lacks a fixed, regular, and adequate nighttime residence, or who has a primary nighttime residence in an emergency shelter, on the street or in a park, in a vehicle, or in an enclosure or structure that is not authorized or fit for human habitation.

SEC. 51.51. VOLUNTARY HOUSING PROGRAM.

A. Subject to the availability of funding and at the discretion of the City, the Department shall establish a program to place Unhoused Individuals or Families in vacant hotel Guest Rooms, at Hotels that voluntarily participate in this program. Elements of the program shall include the following:

1. The Department shall develop a registry that allows for Hotels that choose to participate in this Voluntary Housing Program to pre-register with the City fulfilling contracting and negotiated per-room rates. Participation shall be purely voluntary and at the sole discretion of the hotel.

2. The Department shall develop a program for paying no more than a Fair Market Rate, or such other rate as the Department may negotiate with a participating Hotel, for vacant hotel Guest Rooms on behalf of Unhoused Individuals or Families. The payment system may utilize government or philanthropic sources, or another means by which the City or its designee pays for lodging on behalf of Unhoused Individuals or Families.

3. The Department shall, on an ongoing basis, identify Hotels registered to participate in this voluntary program with vacant Guest Rooms, refer Unhoused Families or Individuals to such Hotels, and provide payment for such families' and individuals' lodging.

4. The Department shall seek and accept bids to contract with one or more bona fide non-profit organizations with a demonstrated record of working with unhoused populations to assist in administering the program. If the Department opts to have such nonprofit organization(s) pay for lodging under the program on the Department's behalf, it shall establish a program to provide grants to the nonprofit organization(s) for use in making such payments, and shall not rely solely on a program of reimbursing the non-profit organization(s) for

lodging payments made under this section that have been advanced by the non-profit organization(s).

5. This article is not intended to replace or preclude any additional programs of the City to arrange or pay for the lodging of Unhoused Individuals or Families in Hotels.

SEC. 51.52. REFUSAL TO PROVIDE LODGING UNLAWFUL.

It shall be unlawful to refuse to provide lodging to an individual or family seeking accommodations using the program set forth in Section 51.51 of this Code because the individual or family is unable to present a government-issued identification document if the individual or family presents the Hotel with a housing voucher or other documentation prescribed by the Department demonstrating that the individual or family has been authorized to use the program.

SEC. 51.53. HOTEL REPORTING REQUIREMENT.

Each participating Hotel shall communicate to the Department or its designee, in a form that the Department prescribes, the number of available rooms at the Hotel and the number of days each available room may be rented. Nothing in this subsection shall require a Hotel to hold or reserve any available room for program beneficiaries.

SEC. 51.54. ENFORCEMENT.

It shall remain unlawful for a Hotel Operator to refuse to provide lodging to an individual or family solely on the basis of the fact, or the perception, that the individual or family seeking accommodations is an Unhoused Individual or Family.

SEC. 51.55. REGULATIONS.

The Department shall have the power to render interpretations of this article and to adopt, publish, and enforce rules and regulations to clarify its application, which shall have the force of law. These interpretations, rules, and regulations shall be in conformity with the intent and purpose of this article.

Sec. 12. Division 10 is added to Article 3, Chapter X of Los Angeles Municipal Code to read as follows

ARTICLE 3, DIVISION 10

HOTELS AND SHORT-TERM RENTALS

SEC. 103.400. HOTEL PERMIT.

Permits under this division shall be governed by the procedures and requirements of Chapter X of this Code, and additionally as specifically provided in this division, except that Section 103.34.1 of this Code shall not apply to a Hotel. The City Council retains its authority of Charter Section 245 for actions of the Board in relation to this division.

SEC. 103.401. DEFINITIONS.

As used in this division:

1. **“Applicant”** means the Hotel Owner and/or Hotel Operator seeking a Permit under this division.
2. **“Guest Room”** means any room, suite of rooms, dwelling unit, cottage, or bungalow intended to be used by a guest of a Hotel for transient sleeping purposes.
3. **“High Occupancy Lodging”** means an establishment with 80 or more guest rooms intended for short-term lodging.
4. **“Hotel”** means an establishment that provides temporary lodging for payment in the form of overnight accommodations in guest room(s) to transient patrons for periods of 30 consecutive calendar days or less. “Hotel” includes hotels, motor lodges, motels, apartment hotels, transient-occupancy residential structures, private residential clubs, tourist courts, High Occupancy Lodging, Low Occupancy Lodging, Medium Occupancy Lodging, Short-Term Rentals as defined in Section 12.22.A.32 of this Code, and hostels that contain both dormitory-style accommodations and private guest rooms that may be reserved, meeting the definition set forth above. Except as provided above, the term “Hotel” does not include corporate housing, rooming houses, boarding houses, single-room occupancy housing, a residential hotel as defined in Section 50519 of the California Health and Safety Code, or any housing available only to students of an education institution, or licensed bed and breakfast establishments within a single unit residence.
5. **“Hotel Operator”** means a Person who is either the proprietor of the Hotel or the manager, employee, or agent of the proprietor.

6. **“Hotel Owner”** means a Person who has title to the premises that operates as a Hotel.

7. **“Permit”** means a permit issued under this division.

8. **“Low Occupancy Lodging”** means a residential or commercial structure intended for lodging, when at maximum occupancy, is capable of providing short-term lodging for fewer than 18 persons.

9. **“Medium Occupancy Lodging”** means an establishment with 6 to 79 guest rooms for short-term lodging or other business capable of or intended for providing short-term lodging for 18 or more persons.

10. **“Permittee”** means any person holding a Permit under this division.

11. **“Person”** means an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, business trust, estate, trust, association, joint venture, agency, instrumentality, or any other legal or commercial entity, whether domestic or foreign.

SEC. 103.402. PERMIT REQUIRED; RENEWAL.

(a) Except as provided in Subsection (c), no Hotel Operator shall operate a Hotel located in the City of Los Angeles until the Hotel Operator has obtained a written Permit from the Board pursuant to this division.

(b) The Permit required under this division must be renewed annually. A Permit shall be issued unless a valid concern is raised via a public complaint of a public nuisance, public safety risk, record of violations of other sections of this ordinance, or the background check has identified concerns that require further investigation. A public hearing is only required at the request of the Police Commission Board staff.

(c) Absent a valid concern raised in the permitting process, an inspection of the property will not be necessary and the application shall include photographs of the concerned property within the parameters established by the Board.

(d) The Hotel Owner or the Hotel Operator of a Hotel in operation as of the effective date of this division shall submit an application pursuant to Section 103.403 of this Code within three months of the effective date of this division, and shall be permitted to continue to operate hotel operations while such application is pending.

SEC. 103.403. APPLICATION FOR PERMIT.

(a) An application for a Permit shall be filed electronically on a form and in a manner prescribed by the Board.

(b) Notwithstanding any provision of this chapter to the contrary, the Applicant must include the following information as part of its completed application:

1. The name, telephone number, email address, and business mailing address of the Applicant. If the Applicant is a corporation, include the names and business addresses of the directors, officers, and person(s) authorized to accept service of process on behalf of such corporation and attach a copy of the articles of incorporation. If the Applicant is a partnership, include the names and business addresses of each managing partner;

2. The exact location of the Hotel;

3. The name of the Hotel;

4. The name and business address of every Person having an interest of not less than 10 percent in the Hotel Ownership, as applicable, and the amount thereof;

5. The name and business address of every Person holding title of the Hotel premises, or any part thereof equal to or greater than one-tenth of the whole. If any such Person is a corporation, the same information as required of a corporate Applicant;

6. A description of the Hotel proposed to be permitted, including: (i) the ancillary services offered in addition to lodging; (ii) the total number of Guest Rooms at the Hotel; and (iii) the number and description of each type of Guest Room at the Hotel, including but not limited to the number of suites and the number of units with kitchens or kitchenettes;

7. A description, including all relevant dates, of any conduct or condition that qualifies as grounds for the denial of an application as set forth in Section 103.31(a) or Section 103.404 of this Code, with respect to the Applicant and with respect to any Person described in Subdivisions (4) and (5);

8. For Low Occupancy Lodging and Short-Term Rentals, the primary platform(s) this property will be listed on and available for booking, and the Home Sharing Registration number;

9. The Applicant agrees to ensure that the Hotel Operator shall conform to state law requirements for human trafficking training to prevent human trafficking and solicitation at the premises; and

10. Acknowledgment that the Permit may be suspended or revoked upon a finding by the City that the Applicant has failed to comply with these requirements.

(c) The Board shall maintain a list that is publicly available, for each application, containing the name of the Applicant or Applicants, the business address of the proposed permitted Hotel premises, the date of any initial Permit issued to the Applicant for the same premises, the date on which the most recent application was submitted, the date on which the most recent Permit was issued, the expiration date of any current Permit that has been granted, and any changes in ownership reported by the Applicant in the period since the last application was submitted.

SEC. 103.404. GROUNDS FOR DENIAL OF APPLICATION.

The Board may deny a Permit on any of the grounds listed in Section 103.31(a) of this Code or on any of the following additional grounds:

(a) The Applicant has within five years immediately preceding the date of filing of the application been found to have intentionally or materially violated any federal, state, or local employment law;

(b) The Applicant has within five years immediately preceding the date of filing of the application been convicted of violating Section 487(m) of the California Penal Code;

(c) The Permittee, has knowingly allowed or permitted prostitution, solicitation of prostitution on the premises, loud and unruly gatherings in violation of the law, illicit drug manufacturing or sales on the premises;

(d) The Applicant has in the past 12 months been found to have listed a Short-Term Rental in the City of Los Angeles without having a Home Sharing Registration number from the Department of City Planning;

(e) The Applicant has in the past five years allowed a property that is being used as a Low Occupancy Lodging to be cited for a noise complaint more than five times in a 12-month period; or

(f) The Applicant has in the past five years allowed a property that is being used as a Short-Term Rental to be used as a party house that causes Loud and Unruly gatherings more than two times in a 12-month period within the City.

SEC. 103.405. DISCIPLINARY ACTION – GROUNDS.

1. Been convicted of a felony or other crime involving human trafficking, sex trafficking, theft (including wage theft), embezzlement or moral turpitude, or any crime committed on the premises of or in connection with the operation of the Hotel;

2. Violated any federal, state, or local employment law with respect to the operation of the Hotel; or

3. Violated any federal, state, or local public health or safety law in the operation of the Hotel.

SEC. 103.406. LICENSING FEE SCHEDULE.

The fee for administering Permit applications and appeals under this division shall be determined by a fee study.

SEC. 103.407. REGULATIONS.

The Board shall have the power to render interpretations of this division and to adopt, publish, and enforce rules and regulations to clarify the application of its provisions, which shall have the force of law. These interpretations, rules, and regulations shall be in conformity with the intent and purpose of this division.

Sec. 13. Reorganization and Recodification.

The City Attorney shall have authority to incorporate the amendments to Section 12.24 of Article 2, Chapter 1 of the City of Los Angeles Planning and Zoning Code set forth in Section 2 of this Ordinance into any reorganized or re-codified provisions of the Planning and Zoning Code adopted by the City after the adoption date of this Ordinance, provided that such incorporation into reorganized or re-codified provisions shall preserve the City Planning Commission as the initial decision-maker and the City Council as the appellate body and shall not alter the substantive requirements set forth in Section 1 and 2 of this Ordinance.

Sec. 14. Severability.

If any section, subsection, sentence, clause, phrase, or application of this Ordinance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity or application of the remaining sections, subsections, sentences, clauses, phrases or applications of this Ordinance, which shall remain in full force and effect. This adopted Ordinance and each and every section, subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional, without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional. The courts are hereby authorized to reform the provisions of this Ordinance in order to preserve the maximum permissible effect of each section, subsection, sentence, or clause herein.

Sec. 15. Adoption Date and Effective Dates.

This Ordinance shall take effect on July 1, 2024.

Sec. 16. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

HYDEE FELDSTEIN SOTO, City Attorney

By 
ADRIENNE KHORASANEE
Assistant City Attorney

Date November 30, 2023

File No. _____

Pursuant to Charter Section 559, I
approve this ordinance on behalf
of the City Planning Commission and
recommend that it be adopted.



VINCENT P. BERTONI, AICP
Director of Planning

Date 11/30/2023

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The Clerk of the City of Los Angeles
hereby certifies that the foregoing
ordinance was passed by the Council
of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____