

Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R 23 - 0454
NOV 30 2023

REPORT RE:

DRAFT 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 Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. The draft ordinance would amend Chapters I, IV, and X of the Los Angeles Municipal Code (LAMC) to establish: a uniform conditional use permit requirement for hotel development projects; replacement housing requirements to address the loss of dwelling units resulting from hotel development projects; a voluntary housing program to place unhoused individuals in vacant guest rooms of participating hotels; and a police permit requirement for hotels, including short-term rentals.

Background

On November 1, 2023, a motion (Krekorian-Lee-Soto-Martinez-Yaroslavsky-Park-Raman) was introduced directing the City Attorney to work with relevant departments and review pre-drafted ordinance language developed as an alternative to the ballot initiative entitled "Land Use and Replacement Housing Requirements for Hotel

Developers; Program to Utilize Vacant Hotel Rooms for Unhoused Individuals, Police Permit Requirement for Hotels.” The motion was referred to the Rules, Elections and Intergovernmental Relations Committee (Rules Committee), which waived consideration. On November 7, 2023, the City Council adopted the motion.

On November 16, 2023, the City Planning Commission (CPC) considered the proposed ordinance as presented by the Planning Department and recommended its approval. In a communication dated November 20, 2023, the Planning Department requested technical modifications to the ordinance to clarify certain provisions of the ordinance and aid implementation and enforcement. Separately, in another communication dated the same day, the Commission Investigation Division of the Board of Police Commissioners provided its assessment of the proposed ordinance (Board of Police Commissioners’ Report). On November 21, 2023, the Rules Committee adopted the CPC’s recommendations, granted the Planning Department’s request for technical modifications, and accepted recommendations set forth in the Board of Police Commissioners’ Report by including a revised version of the proposed ordinance language as an attachment. The Committee also requested that this Office amend other language for clarification and consistency and prepare and present a draft ordinance approved as to form and legality.

Summary of Ordinance Provisions

The CPC’s transmittal report to the City Council, dated November 16, 2023 (CPC Transmittal Report), includes the Planning Department’s staff report, which provides a detailed description of the amendments to the City’s Zoning Code establishing a uniform conditional use permit requirement for “Hotel Development Projects,” the definition of which is added to the LAMC through this draft ordinance. Pursuant to the Rules Committee’s action, the modifications requested by the Planning Department and Board of Police Commissioners have been included in the draft ordinance. Notably, in order to clarify that hotels are not allowed by-right in various zones and avoid confusion due to competing definitions within the same chapter of the Code, the provisions establishing the replacement housing requirements and the voluntary housing program were moved by the draft ordinance to the Public Welfare section of the LAMC, specifically adding Articles 20 and 21 to Chapter IV.

Through the creation of these new provisions in Articles 20 and 22 of Chapter IV of the Code, the draft ordinance would require “Hotel Development Projects,” generally defined as hotels with at least 15 guest rooms for transient guests, to replace each residential dwelling unit demolished or converted as a result of the project, with some exceptions. The replacement residential units would be affordable to a range of low-income households. The ordinance would also require developers to make the replacement residential units available to displacees, employees of the hotel development who meet income requirements, and others who qualify for the units.

The draft ordinance would also create a “Voluntary Housing Program” that would require the Housing Department to establish a program that places unhoused individuals and families in vacant rooms in hotels or similar establishments that voluntarily participate in the program. The City would pay fair market value or a price negotiated between the Housing Department and the participating establishment.

In the amendments to Article X of the Code, the draft ordinance adds owners and operators of hotels and short-term rentals to the City's existing police permit regulations. Hotels and short-term rental operators would be required to obtain an annual permit from the Board of Police Commissioners. The draft ordinance sets out the application process and various compliance standards, as well as the grounds for denial of a permit or other disciplinary action.

Charter Findings Required

Charter Section 558(b)(3) requires the City Council to make the findings required in Subsection (b)(2) of the same section, namely adoption of the draft ordinance will be in conformity with public necessity, convenience, general welfare, and good zoning practice. Charter Section 558(b)(3)(A) allows the City Council to adopt an ordinance conforming to the CPC's recommendation of approval of the ordinance, if the CPC recommends such approval. Similarly, Charter Section 556 requires the City Council to make findings showing that the action is in substantial conformance with the purposes, intent, and provisions of the General Plan. The City Council can either adopt the CPC's findings and recommendations as set forth in the CPC Transmittal Report to the City Council or make its own.

California Environmental Quality Act (CEQA) Standard of Review

The CPC recommends that the City Council find, based on the whole of the administrative record, that this project was assessed in the Housing Element Environmental Impact Report No. ENV-2020-6762-EIR, State Clearinghouse No. SCH No. 2021010130 certified on November 29, 2021, and the Addendum (ENV-2020-6762-EIR-ADD1) approved June 14, 2022. If the City Council concurs, it should adopt these findings prior to or concurrent with its action on the ordinance.

Council Rule 38 Referral

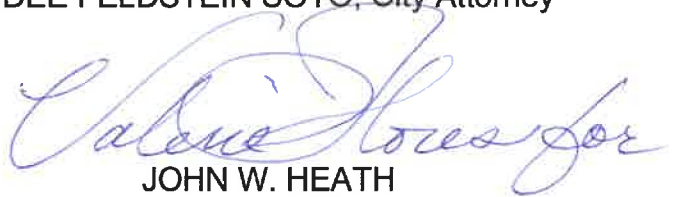
A copy of the draft ordinance was sent, pursuant to Council Rule 38, to the Department of Building and Safety, the Police Department, and the Housing Department with a request that all comments, if any, be presented directly to the City Council or its Committee when this matter is considered.

If you have any questions regarding this matter, please contact Adrienne Khorasanee at (213) 978-8246 or Carlos de la Guerra at (213) 978-8100. A member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By



JOHN W. HEATH
Senior Assistant City Attorney

JWH:ASK:ac
Transmittal