

ORDINANCE NO. _____

An ordinance amending Sections 12.03, 12.22, 12.24, 19.01 and 21.7.2 of the Los Angeles Municipal Code; and amending Section 5.522 imposing regulations to permit sharing of one’s primary residence, establishing an application fee and administrative fines for Home-Sharing, and directing Transient Occupancy Taxes derived from Home-Sharing to the Affordable Housing Trust Fund.

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

Section 1. The definition of Accessory Use in Section 12.03 of the Los Angeles Municipal Code is amended to include:

The use of a Primary Residence for the purposes of Home-Sharing shall be considered accessory to a residential use.

Section 2. The definition of Home-Sharing is added to Section 12.03 of the Los Angeles Municipal Code to read:

HOME-SHARING. An accessory use of a Host’s Primary Residence for the purposes of providing temporary lodging, for compensation, for periods of 30 consecutive days or less.

Section 3. Section 12.22 A of the Los Angeles Municipal Code is added to read as follows:

31. Home-Sharing

(a) Purpose. The purpose of this Subdivision is to allow for the efficient use and sharing of residential structures without detracting from residential character or enjoyment.

(b) Definitions. When words are capitalized in this Subdivision they refer to defined terms in the Municipal Code, including this section as well as 12.03, 21.7.2 1 and 151.02. For the purposes of this Subdivision, the following words and phrases are defined:

- (1) **HOME-SHARING HOSTING PLATFORM.** An entity that facilitates Home-Sharing through advertising, match-making or any other means and from which the Platform derives revenues, including, but not limited to, booking fees or advertising revenues, from providing or maintaining the marketplace.
- (2) **HOST.** An individual who has the legal right to rent his/her Primary Residence for Home-Sharing under this Subdivision.

- (3) **PRIMARY RESIDENCE** The sole property on which the Host conducts Home Sharing and in which the Host resides at least 6 months of the year.

(c) Home-Sharing Registration

- (1) **Application.** To register for Home-Sharing, a Host shall file an application with the Department of City Planning on a form provided by the Department, and shall include all information required by the instructions on the application and the guidelines adopted by the Director of Planning. Any filing fees required under Section 19.01 E. shall be included with the application. Beyond basic information needed to verify the identification of the Host and his or her Primary Residence, the application shall also include information for a local responsible contact person, a list of all Hosting Platforms to be used and the portion of the unit to be used for Home-Sharing.
- (2) **Eligibility Requirements:** The following requirements must be met at the time of Home-Sharing registration:
- (a) The Host must obtain a Transient Occupancy Registration Certificate from the Office of Finance.
 - (b) Home-Sharing may only be authorized and take place in a habitable room in the Primary Residence approved for residential occupancy, in a Primary Residence, or within Guest Houses and/or Accessory Living Quarters when the Host occupies the main front home on the property as a Primary Residence.
 - (c) Renters or lessees of units may not engage in Home-Sharing without explicit approval by the Landlord. If a renter or owner is subject to the rules of a lease agreement, homeowner's or condo association, or any other legal contract, allowance to engage in Home-Sharing through this subsection shall not be inferred to grant any permission that invalidates provisions in those documents.
 - (d) Renters of units subject to the Rent Stabilization Ordinance may not engage in Home-Sharing.
 - (e) Any multi-unit buildings, used for Home-Sharing, shall not have any open Orders to Comply or any other code violation that is the subject of enforcement or criminal proceedings, unless the violation is completely unrelated to the safety or habitability of the space being used for Home-Sharing, as determined by the agency who issued the order.
 - (f) No Person may apply for, or register for, more than one Home-Sharing unit or guest room, or otherwise operate more than one Home-Sharing unit or guest room, in the City of Los Angeles.
- (3) **Expiration and Renewal.** A Home-Sharing registration is valid for a maximum of two years from the date of issuance. It may not be transferred and is valid only at

the original Home-Sharing site. A Home-Sharing registration may be renewed bi-annually if the Host meets the renewal requirements including: (1) pays the renewal fee; (2) is deemed to have been in substantial conformance with the provisions of this Subdivision for the past two years; (3) documents and provides any changes that have occurred to the information on the current Home-Sharing application; and 4) submits Home-Sharing records described in Subsection (e) 2 for the last two years to demonstrate compliance with this Subdivision as part of the renewal.

Without a renewal application submitted within 2 years to the date of the issuance of the Home-Sharing registration, or prior renewal, a registration is considered null and void.

- (4) **Suspensions and Revocations.** Notwithstanding any other provision of this Code to the contrary, the Director may require the modification, discontinuance or revocation of Home-Sharing approval if it is found that violations of this section have occurred, in addition to any other city, state, or federal regulation, ordinance or statute. The Director shall give notice to the record owner and lessee(s) of the real property affected to appear at a public hearing at a time and place fixed by the Director and show cause why the land use or discretionary zoning approval should not be modified, discontinued, or revoked pursuant to section 12.27.1 (B). If a registration is revoked, the Host must wait at least three years before they can apply and/or register for Home-Sharing again.

(d) Prohibitions.

- (1) No Person shall advertise, undertake, maintain, authorize, book or facilitate any renting to Transient guests in a manner that does not comply with this Subdivision.
- (2) No Person shall advertise any Home-Sharing activity without a City issued Home-Sharing registration number included on a visible location on the advertisement.
- (3) No Person shall operate Home-Sharing for more than 90 days each calendar year.
- (4) A second dwelling unit on a single-family zoned lot may not be used for Home-Sharing, unless it is the Primary Residence of a Host.
- (5) No Person shall offer or engage in Home-Sharing in any part of the property not approved for residential occupancy, including but not limited to, a vehicle parked on the property, a storage shed, recreation room, trailer or garage or any temporary structure like a tent.
- (6) A Host may not rent all or a portion of his home for the purposes of Home-Sharing to more than one group of guests, under more than one booking, at any given time.
- (7) Home-Sharing is not permitted in units that are subject to affordable housing covenants, are in units subject to the Rent Stabilization Ordinance, and/or are income-restricted under City, state, or federal law.
- (8) Non-residential uses shall not be permitted, including but not limited to, sales or exchange of products, events that charge a fee, or the promotion, display or servicing of any product is conducted on the premises.

- (9) No Persons shall advertise Home-Sharing on a Hosting Platform not included on the Home-Sharing registration form without prior noticing of the Department of City Planning and amending of the Home-Sharing application form.

(e) Host Requirements

- (1) A Host shall be responsible for any nuisance violations, as described in LAMC section 12.27.1.B, arising at a property during Home Sharing activities.
- (2) The Host shall keep and preserve, for a period of three years, all records including the number and length of each Home Sharing stay during the past year, and the price paid for each stay. The Office of Finance shall have the right to inspect these records at all reasonable times. Hosts shall provide a copy of the records from the last two years to the Department of City Planning at the time of renewing the Home Sharing registration.
- (3) The Host shall fully comply with all the requirements of LAMC Article 1.7 (Transient Occupancy Tax and successor sections).
- (4) A Host shall provide and maintain fire extinguishers, smoke detectors, carbon monoxide detectors and information related to emergency exit routes and emergency contact information.

(f) Hosting Platform Requirements.

- (1) Actively prevent, remove and cancel any illegal listings and bookings of short term rentals including where a listing has been offered: without a Home-Sharing registration number; by a Host who has more than one listing in the City of Los Angeles; or, for a rental unit that exceeds 90 days in a calendar year.
- (2) Provide to the Department of City Planning, within 45 days of the effective date of this Ordinance, contact information for an employee or representative that will respond to requests for information or verification of violations of this section. Hosting Platforms established after the effective date, provide this information prior to facilitating Home-Sharing or renting to Transient guests.
- (3) In cases where advertisements appear on Hosting Platforms that are not in compliance with this Subdivision, work with the Department of City Planning to investigate and resolve any violations. This includes contacting the alleged violator, particularly in cases where the City is unable to locate them, and instructing them to apply for Home-Sharing. If no response is obtained in a reasonable amount of time, or the Home-Sharing permit is not applied for within 30 days of the notice, the listing shall be removed from the Hosting Platform.
- (4) Provide to the Department of City Planning and Office of Finance, on a monthly basis, a log in an electronic format, including the Home Sharing registration number, address of all sites maintained, authorized, facilitated or advertised by the Hosting Platform for Transient use during the period, the total number of nights that the residential unit was occupied during the period and the amounts paid for each stay. If the Hosting Platform does not have the technical capability to collect such information, it shall provide written documentation to the City of Los Angeles within

75 days of adoption of this Ordinance that it either does not participate in the booking of Home-Sharing or provide alternative methods to comply with the intent of this provision, to the satisfaction of the Department of City Planning.

- (5) If the Hosting Platform collects payment for the Home-Sharing, the platform and the Host shall both have legal responsibility for the collection of all applicable Transient Occupancy Tax and remittance of the collected tax to the City on a monthly basis.

(g) Enforcement of Violations. Any Person violating this Subdivision shall be guilty of a misdemeanor and or civil remedies provided for by this code, at law or in equity, or any combination of these.

- (1) The provisions in this subsection 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. The selection of the appropriate remedies lies within the sole discretion of the issuing Department and, as applicable, by the City Attorney, and shall be consistent with the purpose and intent of this Article.
- (2) Any person who has failed to comply with the provisions of this Subdivision may be subject to the provisions of Section 11.00 of this Code. The Owner of the property in violation may be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.
- (3) The Administrative Citation Enforcement (ACE) program in Article 1.2 of this Chapter may be utilized to issue administrative citations and fines pursuant to this section.
- (4) The Director may require the modification, discontinuance, or revocation of any Home-Sharing registration in the manner prescribed in the Administrative Nuisance Abatement program Section 12.27.1
- (5) The Director shall have the authority to prescribe additional conditions and standards of operation for any Home-Sharing that may require additional conditions to avoid nuisance conditions or violations of this section.
- (6) Violation or failure to comply shall constitute a violation of this chapter and shall be subject to the same penalties as any other violation of this chapter, except as follows:
 - a. Hosting Platform
 1. \$500 Fine per day for advertising a listing in violation of this Section, including but not limited to listings without a City Home-Sharing registration number, multiple listings by the same Host or, a listing where the Host's home address does not match the listing location, and any listings rented for more than 90 days a calendar year.
 2. \$1,000 Fine per day on any refusal to provide the addresses of un-registered short term rentals to the City.
 3. \$1000 Fine per day on any refusal to submit monthly documents required for City to verify the accuracy of the City's Transient Occupancy Tax.
 - b. Property Owner and/or Host

1. A minimum \$200 Fine, or two times the nightly Rent charged, whichever is greater, per day, for advertising a residence for the purposes of Home-Sharing without compliance with this Subdivision.
2. \$2,000 Fine per day for Home-Sharing beyond the 90 day limit in a year.
3. For the purposes of establishing an Administrative Violation under the Administrative Citation Enforcement program for the Transient use of buildings, structures, or land for which permits or approval are required but were not obtained, the Administrative Fine levied shall be in the amounts described in LAMC section 11.2.04 (a)(2). If no approval could have been obtained and no variance was sought, the Administrative Fine levied shall be at four times (4x) the amounts in that section. The square footage for the use in violation shall be the amount of indoor space to which the Transient guests have access. If the square footage is unable to be ascertained, it shall be assumed to be between 500 and 2,500 square feet.

(h) Administration and Regulations. City Departments and Agencies may promulgate regulations, which may include but are not limited to application requirements, interpretations, conditions, reporting requirements, enforcement procedures, and disclosure requirements, to implement the provisions of this Chapter. No person shall fail to comply with any such regulation.

(FROM THIS POINT FORWARD ALL UNDERLINED TEXT IS NEW CODE AND ~~STRIKEOUT~~ IS DELETED)

Section 4. Section 12.24 to read as follows:

W. Authority of the Zoning Administrator for Conditional Uses/Initial Decision.

24. Hotels.

(a) Hotels (including motels), apartment hotels, transient occupancy residential structures, or hostels in the CR, C1, C1.5, C2, C4, and C5 Zones when any portion of a structure proposed to be used as a hotel (including a motel), apartment hotel, transient occupancy residential structure or hostel is located within 500 feet of any A or R Zone. Approval of a conversion from another residential use to a Transient Occupancy Residential Structure under this paragraph shall not be permitted.

(b) Hotels (including motels), apartment hotels, transient occupancy residential structures or hostels, in the M1, M2 and M3 Zones when more than half of the lot on which the use is located is in the CR, C1, C1.5, C2, C4, C5 or CM Zones. In approving a request for a use

in the M1, M2 and M3 Zones, the Zoning Administrator, in addition to the findings otherwise required by this section, shall also find that approval will not displace viable industrial uses.

Approval of a conversion from another residential use to a Transient Occupancy Residential Structure under this paragraph shall not be permitted.

© Hotels, motels, apartment hotels, transient occupancy residential structures and hotels in the R4 or R5 Zones, unless expressly permitted by Sections 12.11 or 12.12. In the R5 Zone, incidental business may be conducted, but only as a service to persons living there, and provided that the business is conducted within the main building, that the entrance to the business is from the inside of the building and that no sign advertising the business is visible from outside the building. If the proposed use is to be established by the conversion of an existing residential use, then a relocation assistance plan shall be drawn up and approved in a manner consistent with Section 12.95.2G. Approval of a conversion from another residential use to a Transient Occupancy Residential Structure under this paragraph shall not be permitted..

Section 5. Section 19.01, Section P is amended and Section Z of is added to read:

P. Modifications or Discontinuance of Use Pursuant to Nuisance Abatement Proceedings.

[FILING FEE]

Type of Application	Fee
<u>Home-Sharing Administrative Hearing</u>	<u>\$TBD</u>

Z. Home-Sharing Registration Application Fee.

[FILING FEE]

<u>Type of Application</u>	<u>Fee</u>
<u>Home-Sharing Application</u> <u>(Section 12.22)</u>	<u>\$TBD</u>

Section 6: Section 21.7.2 of the Los Angeles Municipal Code is amended to read as follows:

SEC. 21.7.2. DEFINITIONS.

Except where the context otherwise requires, the definitions given in this section govern the construction of this article.

(b) Hotel. “Hotel” means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, Home-Sharing, motel, studio, hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, or other similar structure or portion thereof, and shall further include any trailer court, camp, park or lot where trailer spaces, or combinations of such spaces and trailers, including mobile homes, are occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes.

Section 7. Chapter 122 of the Administrative Code is amended to read as follows:

Sec. 5.522. Creation and Administration of the Affordable Housing Trust Fund

(h) The portion of transient occupancy taxes equal to the amount which would be derived from a transient occupancy tax received by the City, which are attributable to Home-Sharing pursuant to Section 12.22 A.31 of the Los Angeles Municipal Code, shall be placed in the fund.