

ORDINANCE NO. \_\_\_\_\_

An ordinance amending Sections 12.03, 12.22, 12.24, 19.01, and 21.7.2 of the Los Angeles Municipal Code (LAMC); and amending Section 5.522 of the Administrative Code; imposing regulations to permit sharing of one's primary residence, except units subject to the regulations and restrictions set forth in the Rent Stabilization Ordinance ("RSO"), for no more than 180 days a year; establishing an application fee, a registration requirement, and administrative fines for Home-Sharing; and directing Transient Occupancy Taxes derived from Home-Sharing to the Affordable Housing Trust Fund and a new Short-Term Rental Enforcement Trust Fund. This is referred to as the City's proposed "Home Sharing Ordinance."

**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:

Home-Sharing shall be considered an accessory use 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 a maximum of 180 days in a year 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.** Notwithstanding any other provisions of this article to the contrary, and in all zones wherein residential uses are permitted by right, the following shall apply:

**(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 the City's housing stock.

**(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 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 engage in Home-Sharing under this Subdivision.
- (3) **PRIMARY RESIDENCE.** The 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 the Primary Residence approved for residential use.
  - (c) Renters or lessees of units may not engage in Home-Sharing without prior written 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) Units subject to the Rent Stabilization Ordinance are not eligible for 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 which issued the order.
  - (f) No Person may apply for, or obtain, more than one Home-Sharing registration, 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. These records will not be made public. 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. Home-Sharing may not occur while an Order to Comply issued by an enforcement agency remains open. Otherwise, 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 Home-Sharing 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 180 days each calendar year in their Primary Residence.
- (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 use, 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 maintain multiple listings on a Hosting Platform, however, only one listing may be booked at any given time.
- (7) 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.
- (8) 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.

- (9) Properties that are converted from units subject to the RSO ordinance to single family homes are not eligible for Home-Sharing until five years after the property has been converted to the single family home.
- (10) 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.
- (11) 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 as may be necessary to determine the amount of such tax as he may have been liable for the collection of and payment to the City, including the number and length of each Home-Sharing stay, 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 Primary Residence used for Home-Sharing which exceeds 180 days in a calendar year. In cases where advertisements appear on Hosting Platforms that are not in compliance with this Subdivision, work with the Department of City Planning to identify contact information and 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 the Home-Sharing registration is not applied for within 21 days of the notice, the listing shall be removed from the Hosting Platform.
- (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) 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. This information will not be made publicly available.
- (4) If a Host assigns its functions or responsibilities regarding the collection and remittance of the Transient Occupancy Tax to a Hosting Platform, the Platform and the Host shall have the same duties and liabilities as the Host, including but not limited to the collection and remittance of the 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 in Section 12.27.1
- (5) The Director shall revoke a Home-Sharing registration based on three separate verified violations of this ordinance. A single type of Violation spanning multiple consecutive days shall constitute one violation. The Host is entitled to challenge the revocation using the procedures in LAMC Section 12.27.1.
- (6) 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.
- (7) 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. \$1,000 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 Primary Residence listings across more than one property 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 180 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. \$1,000 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 \$500 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, or two times the nightly Rent charged, whichever is greater, per day for Home-Sharing beyond the 180 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 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.

(c) 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
Home-Sharing Administrative Hearing	\$TBD

**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.

(f) **Operator.** (Amended by Ord. No. 176,005, Eff. 7/7/04.) "Operator" means the person who is either the proprietor of the hotel or any other person who has the right to rent rooms within the hotel, whether in the capacity of owner, lessee, mortgagee in possession, licensee or any other capacity. The owner or proprietor who is primarily responsible for operation of the hotel shall be deemed to be the principal operator. If the principal operator performs or assigns its functions, in whole or in part, through a managing agent, a booking agent, a room seller or room reseller, or any other agent or contractee, including but not limited to Hosting Platforms, on-line room sellers, on-line room resellers, and on-line travel agents, of any type or character other than an employee, those persons shall be deemed to be secondary operators.

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) Ninety percent 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 any Transient use other than a hotel, motel, apartment hotel or hostel, shall be placed in the fund.

Section 8. Chapter 130 of the Administrative Code is added as follows:

CHAPTER 170  
SHORT-TERM RENTAL ENFORCEMENT TRUST FUND

Sec. 5.522. Creation and Administration of the Short-Term Rental Enforcement Trust Fund.

(a) There is hereby created and established within the Treasury of the City of Los Angeles a special fund to be known as the City of Los Angeles Short-Term Rental Enforcement Trust Fund (the Fund) for the purposes of receiving and disbursing monies to address the enforcement of short-term rental activity in the City of Los Angeles. In addition to the initial deposit of funds, the Mayor and City Council may establish additional revenue sources and appropriate funds for deposit in the Fund from time to time. An amount equal to ten percent of the initial and continuing net revenue attributable to the transient occupancy tax received by the City, which are attributable to any Transient use other than a hotel, motel, apartment hotel or hostel, shall be placed in the fund. The Fund shall be administered by the Department of City Planning.

(b) Money in this account shall be used exclusively for enforcement of short-term rental activities (rentals for less than 30 days). Such activities shall include but not be limited to:

- (1) Funding any necessary short term rental enforcement staff
- (2) Hiring any necessary third-party consultant to perform short-term rental enforcement services
- (3) Monitoring and collecting information on short term rental listings and rentals
- (4) Establishing and maintaining a short-term rental database
- (5) Locating and citing non-compliant listings and short-term rental activities
- (6) Operating a hotline or complaint-intake system that collects and maintains information on all types of reported code violations

(c) All monies in the Fund shall be held separately from all other funds expended by the DCP. All monies loaned from the Fund shall be repaid to the Fund in accordance with the terms of the loan. The repaid principal and interest shall be placed in the Fund.

(d) Any gifts, contributions or other money received for the stated purposes of the Fund shall be placed in the Fund. All interest earnings accruing on money in the Fund shall become part of the Fund. Money in the Fund shall not revert to the Reserve Fund of the City.

(e) The Director of DCP or his or her designee shall make recommendations to the City Council for expenditures from the Fund. No expenditure may be made from the Fund without the prior approval of the Mayor and the City Council, unless otherwise authorized.