



## DEPARTMENT OF CITY PLANNING RECOMMENDATION REPORT

### CITY PLANNING COMMISSION

**DATE:** December 19, 2019  
**TIME:** after 8:30 a.m.\*

**PLACE:** Los Angeles City Hall  
200 North Spring St.  
Room 340  
Los Angeles, CA 90012

**CASE NO:** CPC-2019-7045-CA  
**COUNCIL FILE:** CF 18-1246  
**CEQA:** ENV-2019-7046-ND  
ENV-2019-7375-CE  
**LOCATION:** Citywide  
**COUNCIL DISTRICT:** All  
**PLAN AREAS:** All

**PUBLIC HEARING HELD ON:** December 19, 2019

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

### RECOMMENDED ACTIONS:

1. **Recommend** that the City Council determine, based on the whole of the administrative record, that the proposed ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, and there is no substantial evidence demonstrating that an exception to a categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies.
2. **Recommend** that City Council determine that based on the whole of the administrative record, the project was assessed in Negative Declaration, No. ENV-2019-7046-ND, that there is no substantial evidence that the project will have a significant effect on the environment.
3. **Recommend** that the City Council adopt the proposed ordinance (Exhibit A);
4. **Adopt** the staff report as the Commission report on the subject; and
5. **Adopt** the Findings (Exhibit B)

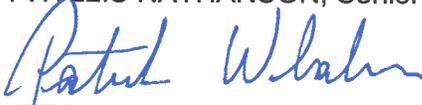
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**ADVICE TO PUBLIC:** \*The exact time this report will be considered during the meeting is uncertain since there may be several other items on the agenda. Written communication may be mailed to the Commission Secretariat, 200 North Spring Street, Room 532, Los Angeles, CA 90012 (Phone No. 213/978-1300). While all written communications are given to the Commission for consideration, the initial packets are sent a week prior to the Commission's meeting date. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agenda item herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to these programs, services, and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request no later than three working days (72 hours) prior to the meeting by calling the Commission Secretariat at 213/978-1300.

## Table of Contents

Summary .....	3
Background.....	3
Proposed Ordinance .....	5
Discussion .....	9
Conclusion .....	10

### Exhibits

<u>A.</u> Proposed Ordinance.....	A-1
<u>B.</u> Findings.....	B-1

## **Summary**

The Department of City Planning has drafted an ordinance establishing regulations to permit non-primary residences to be used as lodging for stays of less than 30 days. This type of short-term rental activity is referred to as Vacation Rentals. While serving a role in the City's tourism industry, Vacation Rentals can negatively impact housing availability and affordability if left unregulated, as they represent a use of housing that serves visitors rather than long-term residents. In light of the housing crisis occurring in the City at this time, the proposed ordinance allows Vacation Rentals to operate to a limited degree, with a focus on preserving housing for long-term residents and protecting the character of neighborhoods.

## **Background**

While Vacation Rentals are and have long been officially prohibited in the City, short-term rentals, including Vacation Rentals, have operated in the City. However, the advent of new technologies in recent years has expanded the size and scale of the short-term rental market, allowing it to become a significant component of the City's tourism industry. Concurrent to this growth of the short-term rental market, the City has been experiencing a housing crisis, where affordable housing is in chronic short supply, and growing numbers of people are being pushed into homelessness. Because Vacation Rentals provide housing for visitors rather than housing for residents of the City, this segment of the short-term rental market is the subject of scrutiny from housing advocates and those concerned about the impact of short-term rentals on housing availability and affordability, especially in this time of extreme housing pressures.

In considering short-term rentals in primary residences through the Home Sharing Ordinance, which was adopted in December of 2018, the City recently went through an exercise of determining the correct scope of regulation to balance the disparate goals of contributing to the tourism industry and with preserving long-term housing for residents. Like Vacation Rentals, short-term rentals in primary residences were also illegal prior to the adoption of the Home Sharing Ordinance, which established a framework to legalize and regulate short-term rentals in primary residences. The proposed Vacation Rental Ordinance aims to allow Vacation Rentals, which are currently prohibited, but in a limited fashion by controlling the growth of the industry, protecting the supply and affordability of long-term housing, preventing citywide and geographic over-concentration of Vacation Rentals, and addressing abuses to preserve the character of residential neighborhoods.

Short-term rentals in non-primary residences are currently prohibited in the City of Los Angeles. Though Transient Occupancy Residential Structures (TORS) and bed and breakfasts are both permitted, these have restrictive qualifying criteria and do not allow for individuals to engage in renting out secondary units on a short-term basis. However, despite being illegal, Vacation Rentals have operated in the City for years, largely due to enforcement challenges. Based on citywide data provided by Host Compliance, LLC, a short-term rental services company, in May 2019, there were approximately 37,196 active short-term rental listings in the City, of which 27,652 were "whole unit" listings. Using a

formula that analyzed the economic tipping point between expected income from short-term as compared to long-term renting of whole units, it was estimated that approximately 7,860 units were being used for Vacation Rentals (short-term rentals in non-primary residences) at the time the analysis was undertaken.

While these figures illustrate the short-term rental landscape in May 2019, the market shifted in November when the City began enforcing the Home Sharing Ordinance. The Home Sharing ordinance established procedures and requirements for registration of units, operational standards, processes for suspension and revocation of Home Sharing registrations, fees and fines, and standards that hosts and hosting platforms must comply with in order to list properties for home-sharing in the City. Given the recent date of enforcement commencement, data is still being compiled on the current level of short-term rental activity in the City. However, early data indicates that the Home Sharing Ordinance, and its enforcement, has resulted in a significant reduction in this portion of the short-term rental market. In the past few weeks, hosting platforms have removed thousands of units from their rolls in order to come into compliance with local regulations. According to the Department of City Planning's Home-Sharing Unit, as of the beginning of December 2019, the total number of active short-term listings has fallen to approximately 15,000, representing a decline of roughly 40% from May 2019.

Vacation Rentals have been prohibited under the Zoning Code, and this prohibitions has been reinforced by the Home Sharing Ordinance, which allows short-term rentals only in primary residences. In response to public comment received throughout the Home Sharing Ordinance outreach and adoption process, the Department of City Planning has now prepared an ordinance to allow short-term rentals in non-primary residences in a limited fashion (referring to them as Vacation Rentals) in order to ensure the protection of our City's housing stock for long-term residents. The provisions of the proposed ordinance are outlined below in the "Proposed Ordinance" section of this report, and the full text of the draft ordinance has been attached to this report as Exhibit A.

City Planning began work on the proposed Vacation Rental ordinance in May of 2019 by evaluating the public comments received throughout the Home Sharing Ordinance outreach and adoption phases, as well as reviewing the approach other cities have taken to regulate Vacation Rentals. City Planning staff considered the ordinances of cities such as Chicago, Austin, San Antonio, New Orleans, Nashville, Seattle, and more to identify best practices and strategies to facilitate a reasonable Vacation Rental market while protecting the integrity of neighborhoods and preserving the City's housing stock.

Additionally, City Planning staff met with a variety of stakeholders and interested parties while in the research phase of developing the ordinance. Staff met with representatives of the short-term rental industry, such as Airbnb, VRBO, and the Expedia Group, as well as representatives from the hotel industry, labor unions, housing advocates, and short-term rental host groups.

The proposed ordinance represents City Planning's best effort to create an avenue for Vacation Rentals to exist in the City, while also protecting the City's housing stock, and

respecting the integrity and character of its residential neighborhoods. If the City Planning Commission wishes to allow for Vacation Rentals to operate in the City, then City Planning recommends this ordinance as the best way to do so.

## **Proposed Ordinance**

The Vacation Rental Ordinance regulatory framework is focused on allowing short-term rentals in units that are, on occasion, occupied by the owner. These are homes that may be used by the owner to house family members while they are visiting, to reside in while living temporarily in Los Angeles, or as a second home while vacationing in Los Angeles. These types of units would, in theory, not be available for long-term rentals.

In order to ensure long term units are not incentivized to be converted into short-term rentals through this regulatory framework, the proposed Vacation Rental ordinance seeks to allow such short-term rentals in a targeted manner.

Collectively, the regulations contained in this ordinance seek to limit the impact of Vacation Rentals on the City's housing stock and residential neighborhoods. The proposed ordinance includes regulations to permit only a limited number of Vacation Rentals to operate in the City. Vacation Rentals permitted by this ordinance would be subject to regulations and operational standards. In addition to administrative components of the ordinance, such as procedures for applying for and renewing Vacation Rental permits, fees that applicants must pay to obtain permits, and processes for suspending and revoking permits, the ordinance also contains provisions that restrict the types of units that are eligible to be used as Vacation Rentals, caps and distancing requirements that limit the number of Vacation Rentals that may operate in given geographies, operational requirements, and penalties for violating this ordinance. The primary provisions of the ordinance are discussed below:

### Restrictions on Eligibility

The proposed ordinance contains restrictions on the number of permits that may be issued to any individual or entity, and on the type of housing units that may be used for Vacation Rentals. These eligibility restrictions include:

- Only housing units that meet the Zoning Code's criteria of a dwelling unit are eligible to be operated as a Vacation Rental and Vacation Rental permits may only be issued to owners of dwelling units.
- Only dwelling units occupied on an occasional or intermittent basis by the owner are eligible to be used as Vacation Rentals.
  - Owners of Vacation Rentals must submit an affidavit, under the penalty of perjury, that they occupy the unit on at least an occasional or intermittent basis annually.
- Any individual or entity is only allowed to operate, or hold an active permit for, one Vacation Rental at any time in the City.

- Dwelling units subject to affordable housing covenants, and/or income-restrictions under City, State, or Federal law, and/or are subject to the City's Rent Stabilization Ordinance are not eligible to be used as Vacation Rentals.
- Accessory Dwelling Units (ADUs) are not eligible to be used for Vacation Rentals.
- Vacation Rental permits may not be issued to buildings that have been removed from the rental market through the Ellis Act in the past seven years from the application submittal date.
- Any properties that are the subject of a pending citation are ineligible to receive a Vacation Rental permit.

### Restrictions on Concentration

While restrictions on eligibility and prohibitions on the types of housing units that may be used for Vacation Rentals serve to limit the prevalence and subsequent potential negative effects of Vacation Rentals on the City's housing stock, another component of the proposed ordinance that limit the scope of Vacation Rentals are the caps and concentration limits. The proposed ordinance establishes a citywide cap on the number of active Vacation Rental permits that may exist at any given time. That cap has been set at 3,625 units, which is roughly equal to 0.25% of the City's total housing stock.

In order to ensure that no individual neighborhood, or portion thereof, will be unduly burdened with an over-concentration of Vacation Rentals, the proposed ordinance also contains caps on the number of Vacation Rentals that may operate in any Census tract in the City at 0.25% of the total number of housing units in the Census tract.

In addition to caps limiting the prevalence of Vacation Rentals citywide and in each Census tract in the City, the proposed ordinance also contains provisions that serve to limit the concentration of Vacation Rentals at the individual building and block levels. Acknowledging the differences between large multi-family buildings and smaller, house-scale buildings, the proposed ordinance creates different distancing requirements and caps for each. For buildings with four or fewer units (referred to as Type 1 buildings in the ordinance), a maximum of one unit may be used as a Vacation Rental. Additionally, Vacation Rental units in Type 1 buildings must be at least 250 feet away from each other. This provision effectively limits the number of Vacation Rentals that may operate on any particular block, and thus serves to protect the residential character of neighborhoods.

For buildings with more than four units (referred to as Type 2 buildings in the ordinance), 5% of the total units in the building, or a maximum of 10 units in total, whichever is less, may be used for Vacation Rentals. If the calculation of the number of units that can be used for Vacation Rentals results in a number that is less than one, a Vacation Rental permit may be obtained for one unit in the building. This provision has been included to ensure that large multi-family buildings are not used as quasi-hotels. Since only owners of units are permitted to obtain Vacation Rental permits, these caps on the number of units allowed in Type 2 buildings affects individually owned units in multi-family buildings. Thus, this provision predominantly affects condominiums, but could also apply to an

owner of an apartment building, who would potentially be able to use one of the units in the building as a Vacation Rental.

### Operational Standards

Vacation Rentals may only be operated for a maximum of 30 nights per calendar year. While this provision of the proposed ordinance serves to limit the impact of transient occupation of residences in established neighborhoods, it also acts as a disincentive for individuals to purchase second homes for the express purpose of using them as Vacation Rentals. By limiting the number of nights a Vacation Rental may be listed to just 30 nights, it is intended that individuals looking to purchase secondary units to be used as Vacation Rentals will be dissuaded from doing so, and, as the units would be more profitable as long term housing, units will remain available for long-term residents in need of housing. According to research conducted by City Planning, and using data provided by Host Compliance, LLC, it is estimated that the tipping point of profitability between a short-term as compared to a long-term rental is approximately 70-85 days, so the booking limit of 30 nights in a calendar year helps ensure that the profitability of a Vacation Rental is well below that of a long-term rental.

To address potential nuisance issues that could arise from the presence of Vacation Rentals in residential neighborhoods, the proposed ordinance contains a list of general standards Vacation Rental owners must enforce. Included in these standards are prohibitions on sound amplifying equipment after 10:00 PM, outdoor congregations of more than eight people, using the Vacation Rental unit for nonresidential uses including the sale of products or hosting events, and more. Vacation Rental units may not be rented to more than one group of guests at a time, and no more than two overnight guests are allowed per habitable room.

Vacation Rental owners are responsible for any nuisance violations arising at the unit, and the owner will be assessed an inspection fee for each site inspection that is required in order to defray enforcement costs and further incentivize owners to take an active role in preventing nuisance violations from occurring at all. Additionally, owners must provide and maintain working fire extinguishers, smoke detectors, and carbon monoxide detectors, as well as emergency exit routes and contact information for either the owner or a designated responsible agent of the owner. Additionally, owners must post a code of conduct that includes the relevant provisions of the proposed ordinance in each Vacation Rental.

### Permit Application and Renewal

In order to obtain a permit to operate a Vacation Rental, owners of the unit must submit the following information:

- Verification of ownership
- An affidavit, signed under the penalty of perjury, attesting the unit is occupied by the owner on an occasional or intermittent basis
- A local responsible contact person and his or her contact information

- A list of all hosting platforms intended to be used
- Other documentation as required by the City of Los Angeles

Individuals applying for Vacation Rental permits must also must pay all required filing fees. The fee for applying for and renewing a Vacation Rental permit is \$850, which matches the fee for Extended Home Sharing registration.

Vacation Rental permits are valid for one year from the date of issuance, and can be renewed with payment of a renewal fee and if compliance over the previous year can be demonstrated.

#### Citations, Suspensions, and Revocations

The City is able to utilize the Administrative Citation Enforcement (ACE) program to issue administrative citations and impose fines for violating provisions of this ordinance. Most violations of the ordinance will result in a citation being issued to the owner of the Vacation Rental unit. However, fines may also be levied against both hosting platforms and owners of Vacation Rental units for certain infractions. Completing a booking service transaction where any of the following violations are present may result in a \$1,000 per day fine, to be paid by Hosting Platforms:

- Units without valid permits
- Owners who have more than one Vacation Rental property listed
- Vacation Rental units where the owner's Vacation Rental permit has been revoked or suspended by the City.
- Vacation Rental units that have exceeded the authorized 30-day limit for Vacation Rental operation in one calendar year.

The following infractions may result in fines to be paid by owners of Vacation Rentals:

- A daily fine of \$500, or two times the nightly rate charged, whichever is greater, for advertising a Vacation Rental Unit in violation of this ordinance.
- A daily fine of \$2,000, or two times the nightly rent charged, whichever is greater, for each day of Vacation Rental activity beyond the 30-day limit in a calendar year.

If a Vacation Rental receives two citations for violating the provisions of this ordinance, the Vacation Rental permit will be suspended for 30 days, or as long as at least one citation is open, whichever is longer. If a Vacation Rental receives three citations, and the citations have been made final because they were not successfully appealed, the Vacation Rental permit will be revoked. If a Vacation Rental permit is revoked, the owner of the unit is prohibited from obtaining a Vacation Rental permit for one year from the effective date of the Notice of Intent to Revoke.

## Discussion

Following the public release of the proposed ordinance on November 22, 2019, City Planning received many letters and phone calls expressing opinions about the ordinance. The major issues cited in these letters and phone calls are listed below:

### Concerns from Hosts and Potential Vacation Rental Owners

As of December 10, 2019, approximately 87 letters were received from individuals who are interested in pursuing Vacation Rental permits for their properties. Most in this group expressed concerns that the proposed ordinance is too restrictive, and that it essentially amounts to a ban on Vacation Rentals for the majority of people in the City. Since there is currently a prohibition or ban on Vacation Rentals in the City, presumably the comments suggest that this proposed ordinance would essentially continue that prohibition. Many people cited that their ability to generate income will be severely hampered or eliminated if the ordinance gets approved. Some individuals stated they own secondary properties in order to house visiting family members or friends, and using these units for short-term rentals allows them to generate enough income to do so. Finally, letters received from this group commonly cited the economic benefits the City receives from short-term rental activity, and argued that these benefits could be lost if the City regulates Vacation Rentals too restrictively, which they claim this proposed ordinance does.

### Concerns about Housing

As of December 10, 2019, approximately 45 letters were received from individuals who are concerned about the impact that this proposed ordinance will have on the housing market of the City. Letters from people expressing these sentiments claim that thousands of units of housing have already been removed from the City's housing stock due to short-term rentals, and that this proposed Vacation Rental ordinance will only cause more units to be removed from the market. They also claim that the proposed ordinance will undermine current housing protections that residents have fought for years to achieve.

### Other Issues

While the two largest groups of correspondence received came from potential Vacation Rental owners and individuals concerned with protecting housing availability, there were also other concerns expressed in the correspondence received from the public following the release of the ordinance. Two individuals cited problems with nuisance issues from short-term rental activity in their neighborhoods. Issues listed include noise, generally disruptive behavior, and concerns over property values being negatively impacted by short-term rentals. Additionally, one phone call and two letters were received expressing concern over the prohibition on using accessory dwelling units (ADUs) for Vacation Rental purposes. Similar to complaints cited by potential Vacation Rental owners on this issue, these individuals claimed that this proposed ordinance will prohibit them from short-term renting ADUs between family stays to generate income. Finally, one letter was received regarding the 30 night cap on the number of nights a Vacation Rental may be rented in a calendar year. Since these units are otherwise vacant, the letter argues, this limitation

does nothing to preserve housing, and will only result in these units sitting entirely vacant for a greater amount of time than they currently do.

## **Conclusion**

The proposed ordinance (Exhibit A) seeks to allow for Vacation Rental activity to legally occur in the City, while simultaneously ensuring that such activity does not threaten the City's housing supply in terms of quantity and affordability or change the character of existing residential neighborhoods. The regulations contained in the proposed ordinance seek to allow targeted short-term rental activity in non-primary residences (an activity which is currently prohibited) while preserving housing for Angelenos in this period of housing strain in the City. As such, if the City Planning Commission wishes to allow Vacation Rentals to operate in the City, then City Planning recommends that the Commission approve and recommend that the City Council adopt the ordinance, findings, and recommend adopting the associated environmental document.

## **Exhibits**

- A. Proposed Ordinance
- B. Findings

**EXHIBIT A: PROPOSED ORDINANCE**

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

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

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

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

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

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

**NOW, THEREFORE,**

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

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

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

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

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

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

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

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

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

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

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

(c) **Vacation Rental Permitting.**

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

(2) **Eligibility Requirements.** The following requirements must be met at the time of submitting an application for a Vacation Rental permit:

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

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

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

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

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

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

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

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

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

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

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

**(3) Thresholds.**

(i) Citywide, the total number of active Vacation Rental permits shall not exceed 3,625; and

(ii) Permitted Vacation Rental units shall account for less than 0.25% of the total number of housing units within any Census Tract in the City; and

(iii) No Vacation Rental unit may be operated for more than 30 days per calendar year.

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

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

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

b. There must be at least 250 feet of separation between the property for which the Vacation Rental permit is being applied for and the property of other Type 1 Buildings with active Vacation Rental permits. The separation between Type 1 buildings shall be

the horizontal distance measured in a straight line, without regard to intervening structures, from the property line of each Type 1 building.

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

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

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

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

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

a. Pays the renewal fee; and,

b. Has complied with the provisions of this Subdivision for the past year; and,

c. Provides information concerning any changes to the previous application for, or renewal of, the Vacation Rental permit; and

d. Submits records described in Paragraph (f) of this Subdivision for the last year to demonstrate compliance with this Subdivision. The records described in Paragraph (f) of this Subdivision shall be made public to the extent required by law.

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

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

(i) Where no process is described in the citation, an Owner may challenge a Citation by submitting an appeal to the Director in accordance with the

process in Section 12.24.Z of this Code, with no further appeal to a Commission or City Council.

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

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

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

(3) **Modification.** The Director may modify, discontinue or revoke any Vacation Rental permit based upon an order to show cause, pursuant to Section 12.27.1 B of this Code, why any proposed modifications, discontinuances or revocations of any Vacation Rental permit should not be issued. The Director shall provide notice to the applicant and/or property owner to appear at a public hearing at a time and place fixed by the Director to respond to the Director's order to show cause.

**(e) General Standards.**

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

(2) An Owner may not operate a Vacation Rental unless all advertisements clearly list the City-issued Vacation Rental permit number or pending permit status number.

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

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

(5) Except for allowable Home Occupations, nonresidential uses including, but not limited to, sales or exchange of products, events that charge a fee, or the promotion, display or servicing of any product shall not be permitted in the Vacation Rental.

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

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

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

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

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

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

(1) The Owner shall submit an affidavit, under penalty of perjury, stating that the Owner resides in the Dwelling Unit for which a Vacation Rental Permit is being obtained on an occasional or intermittent basis.

(2) The Owner shall be responsible for any nuisance violations, as described in Section 12.27.1.B of this Code, arising at the Owner's Vacation Rental unit. The Owner shall be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.

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

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

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

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

(7) The Owner who lists a Vacation Rental unit located in a Very High Fire Hazard Severity Zone designated by the City of Los Angeles Fire Department pursuant to Government Code Section 51178 shall include in all Vacation Rental listings and post written notices on any patio or deck that smoking is not permitted in any exterior of the property.

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

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

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

**(g) Hosting Platform Requirements.**

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

(2) Hosting Platforms shall not process or complete any Booking Service transaction for any listing that has exceeded the authorized 30-day limit in one calendar year.

(3) Within 45 days of the effective date of the Ordinance, Hosting Platforms with listings located in the City shall provide to the Department of City Planning contact information for an employee or representative responsible for responding to requests for information, including requests related to possible violations of this Subdivision. Hosting Platforms that commence listings in the City after the effective date must provide this information prior to facilitating Vacation Rental activity or providing Booking Services within the City.

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

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

**(h) Enforcement of Violations.**

(1) The provisions in this Paragraph, shall be in addition to any criminal, civil or other legal remedy established by law that may be pursued to address violations of this Subdivision.

(2) Any person who has failed to comply with the provisions of this Subdivision 34 (Vacation Rentals) may be subject to the provisions of Section 11.00 of this

Code. The Owner of any property used for Vacation Rentals, may be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.

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

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

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

- a. Completing a Booking Service transaction for each listing without a valid City Vacation Rental permit number or pending permit status number.
- b. Completing a Booking Service transaction for each listing where more than one Vacation Rental property is affiliated with a single Owner.
- c. Completing a Booking Service transaction for any listing for a Vacation Rental Unit where the Owner's Vacation Rental permit has been revoked or suspended by the City.
- d. Completing a Booking Service transaction for any listing for a Vacation Rental Unit that has exceeded the authorized 30-day limit for Vacation Rental operation in one calendar year.

(ii) Owner of Vacation Rental unit, and or designated responsible party:

- a. A daily fine of \$500, or two times the nightly rate charged, whichever is greater, for advertising a Vacation Rental Unit in violation of this Subdivision.
- b. A daily fine of \$2,000, or two times the nightly rent charged, whichever is greater, for each day of Vacation Rental activity beyond the 30-day limit in a calendar year.
- c. For all other violations of this Subdivision, the administrative fine shall be levied according to the amounts described in Section 11.2.04(a)(2) of this Code. The square footage used in calculating the fine shall be the amount of indoor space to which the Transient guest has access. If the square footage is unable to be

ascertained, it shall be deemed to be between 500 and 2,499 square feet.

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

**Sec. 3.** Subsection T of Section 19.01 of the Los Angeles Municipal Code is amended to read as follows:

**T. Home-Sharing and Vacation Rental Registration and Permit Application Fee.**

<b>Type of Application</b>	<b>Fee</b>
Home-Sharing Application or Renewal (Section 12.22 A.32.)	\$89
Extended Home-Sharing Administrative Clearance (Section 12.22 A.32.) or Vacation Rental Permit Application and Renewal Administrative Clearance (Section 12.22 A.34)	\$850
Extended Home-Sharing Discretionary Review Application (Section 12.22 A.32.)	\$5,660
Extended Home-Sharing Renewal (Section 12.22 A.32.)	\$850

**Sec. 4. Severability.** If any provision of this Subdivision is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this Subdivision which can be implemented without the invalidated provisions, and to this end, the invalid provisions of this Subdivision are declared to be severable. The City Council hereby declares that it would have adopted each and every provision and portion thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would subsequently be declared invalid or unconstitutional.

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

**EXHIBIT B: ENVIRONMENTAL AND LAND USE FINDINGS**

## **EXHIBIT B - FINDINGS**

### **ENVIRONMENTAL FINDINGS**

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

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

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

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

### **LAND USE FINDINGS**

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

The proposed ordinance is in substantial conformance with the purposes, intent, and provisions of the General Plan in that it would further accomplish the following goals, objectives and policies of the General Plan outlined below.

#### **General Plan Framework Findings**

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

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

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

Due to provisions in the ordinance specifically pertaining to reducing the possibility for nuisance violations to occur, and to minimize the disruptions to the residential character of neighborhoods, the proposed ordinance is consistent with Land Use Goal LU-4, which seeks to preserve and enhance the residential character of existing neighborhoods, and furthers Land Use Policy LU-4.2, which seeks to create convenient supporting services and alternative residential types when they meet standards for development that protect neighborhood character. The ordinance contains standards to regulate outdoor noise, limit the occupancy of rooms in Vacation Rentals, and restrict the number of nights Vacation Rentals can be rented to just 30, in order to ensure Vacation Rentals operate in a manner consistent with their residential surroundings. Because of these provisions, along with corresponding fines and penalties for violating these provisions, the Vacation Rentals ordinance demonstrates consistency with Land Use Goal LU-4.

The ordinance allows Vacation Rentals to occur only in structures defined as Dwelling Units. The charging of rent, in and of itself, is similar to what occurs in almost one-third of the City's single-family residential zones, which are currently renter-occupied, in addition, to multi-family residential zones in the City. The Zoning Code already permits short-term rentals through a CUP in Bed and Breakfast establishments, which may be located in any zone.

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

#### Housing Element 2013-2021

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

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

**Policy 1.2.2** Encourage and incentivize the preservation of affordable housing, including non-subsidized affordable units, to ensure that demolitions and conversions do not result in the net loss of the City's stock of decent, safe, healthy or affordable housing.

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

In accordance with Charter Section 558(b)(2), the adoption of the proposed ordinance would be in conformity with public necessity, convenience, general welfare and good zoning practice. The ordinance responds to an expressed interest in allowing short-term rentals in non-primary residences while incorporating myriad provisions that protect the supply and affordability of housing and the character of existing residential neighborhoods. Some of these provisions include restrictions on the types of buildings that may be used for Vacation Rentals, caps on the number of Vacation Rentals available citywide and in certain geographies within the City to limit the concentration of Vacation Rentals, a limitation on the number of permits that any individual or entity may obtain, operational standards for Vacation Rentals, and requirements that owners and hosts must comply with. Current regulations prohibit non-primary housing units to be used as Vacation Rentals. This needlessly stifles efficient use of residential space when the owner periodically stays out of town and is not occupying the residence. A new regulatory framework is needed to adapt to the sharing economy, including new tools to enforce responsible and reasonable Vacation Rental policies.

# INITIAL SUBMISSIONS

The following submissions by the public are in compliance with the Commission Rules and Operating Procedures (ROPs), Rule 4.3a. Please note that “compliance” means that the submission complies with deadline, delivery method (hard copy and/or electronic) AND the number of copies. The Commission’s ROPs can be accessed at <http://planning.lacity.org>, by selecting “Commissions & Hearings” and selecting the specific Commission.

The following submissions are not integrated or addressed in the Staff Report but have been distributed to the Commission.

Material which does not comply with the submission rules is not distributed to the Commission.

## ENABLE BOOKMARKS ONLINE:

\*\*If you are using Explorer, you will need to enable the Acrobat  toolbar to see the bookmarks on the left side of the screen.

If you are using Chrome, the bookmarks are on the upper right-side of the screen. If you do not want to use the bookmarks, simply scroll through the file.

If you have any questions, please contact the Commission Office at (213) 978-1300.



# Secondary Residence Rentals

## WHO WE ARE:

HALA (Homeshare Alliance Los Angeles) is a diverse coalition of Angelenos who advocate for responsible hosting and fair regulations. We support Mom and Pop hosts, not commercial operators. We are a group of hosts that have joined with house cleaners and small local businesses that have mobilized thousands of members in a very short time. We are a grassroots organization not affiliated with any of the platforms or funded by them. We are fully volunteer-based. We have mobilized hosts by district, neighborhood, and whether they are under the HSO (Home Sharing Ordinance), RSO (Rent Stabilization Ordinance) or the proposed VRO (Vacation Rental Ordinance). We are a strong coalition of voters that are organized and serious about saving our homes, our livelihoods, and protecting our local communities,

# SUMMARY

Los Angeles City Planning has drafted an ordinance to regulate Vacation Rentals. Homeshare Alliance Los Angeles (HALA) has made important edits to the current City Planning Draft. To recommend the VRO draft as City Planning has written it would seriously fail to provide more affordable housing, protect our Los Angeles citizens or protect the community. Instead, if left as written, the Draft Ordinance would force working-class homeowners and residential income property owners to sell or lose their properties or cause arduous hardship with the loss of necessary income to stabilize their properties. It is our hope that the City Planning Commission takes note of the importance of our edits as these specific notations will not only protect the working-class Secondary Residence Host or “Vacation Owner” but will also protect our Los Angeles community. Los Angeles hosts collectively support the adoption of short term rental regulation but these regulations need to be fair and productive, considerate of all Los Angeles citizens, not only the interests of one particular group or entity.

## KEY CHANGES

- We ask the CPC to consider our change of the Ordinance name from “Vacation Rental Ordinance” (VRO) to “Secondary Residence Rental Ordinance” (SRRO).
  - (1) It is not only the Vacation Owner that needs to short term rent. Many of the dwellings owned, utilized intermittently by the owner and needed for short term rental to stabilize the property are ADU’s, Condominiums, Secondary Dwellings on parcels of four or less, etc. We believe “Vacation” implies a much higher economic category and does not allow for the alternative scenarios of the working class property owner.
  
- We ask the CPC to consider our change of the rental night cap from City Planning’s suggested “30” night cap to HALA’s “305” night cap.
  - (1) These dwellings are used by owners intermittently. They are in no way available for long term rental and therefore we have suggested a 305 per calendar year usage as a secondary residence rental. We have put in a requirement of a minimum 60 night usage by the Owner per calendar year. This would allow for a dwelling to be utilized efficiently, bring greater economic stabilization to the community and stabilize one’s personal property.

- We ask the CPC to consider our change of City Planning's disqualification of the following types of dwellings:  
Secondary Residence Rentals subject to the Rent Stabilization Ordinance (RSO) on parcels of 4 units or less (A California Classification of "Residential")
  - (1) It is ineffective and harmful to disqualify these types of owners who need to short term rent one secondary residence dwelling on their parcel of land simply because they may be under the RSO restrictions. An owner of a parcel of land with four or fewer dwellings needs more channels of supportive income than a commercial property owner. They most definitely need more economic support than an owner of a building built after 1978 which is newer construction. Duplex, Triplex, Fourplex and ADU owners with properties built before 1978 have more difficulty stabilizing their property and maintaining their older buildings. In addition, allowing an owner the ability to short term rent a secondary residence on their parcel can support the tenancy of other units paying far lower than market value rents.
  - (2) Owners who have built an ADU (Accessory Dwelling Unit) on their property may have triggered the main SFH (Single Family Home) to become RSO as well and this would unfairly disqualify them as well.
  
- We ask the CPC to consider our change of City Planning's disqualification of the ADU dwellings as Secondary Residence Rentals:
  - (1) Owners who have built an ADU (Accessory Dwelling Unit) have spent large amounts of monies for city permitting fees, school taxes and construction costs in order to intermittently use the ADU for personal needs. They must be included in the short term rental community in order to stabilize their property, offset the costs to build the ADU and support their later retirement.
  - (2) We have made changes that would only allow an ADU permitted prior to January 1, 2020 in order to support the recent California State Law regarding ADU's and short term rentals.
  
- We ask the CPC to consider our change of City Planning's disqualification of properties that have been Ellis Acted.
  - (1) HALA has specified that only properties that have had actual tenants at the time of Ellis acting should be disqualified. To disqualify ALL Ellis acted properties has the unintended consequence of hurting owners who have in no way removed tenancy.

- We ask the CPC to consider our changes for the disqualification of an owner who had evicted or harassed tenants within the past 3 years.
  - (1) HALA would like the city to take extra protections in regards to these types of landlords. No-fault evictions and or tenant reports of landlord harassment or citation should disqualify an Owner of short term renting a secondary residence for 3 years' time. This change will further protect our community and tenants.
  
- We ask the CPC to consider our change of City Planning's limitation of one booking per night to two bookings per night.
  - (1) This would again allow an Owner to utilize the property more effectively giving them more economic support and in no way negatively impacting the community.
  
- We ask the CPC to consider our changes to Platform Responsibilities:
  - (1) Special fines and fees paid by guests for noise amplification, nuisance issues, smoking, parking, and occupancy. We have provided a helpful system based on occupancy for these restrictions and limitations.
  
- We ask the CPC to consider our changes to the permit and application fees.

## LOCAL IMPACT

Vacation rentals in Los Angeles have a significant local impact beyond the person renting their property. Tourism dollars keep small businesses operating, and the money tourists spend redounds to those who they employ. Vacation rentals are also often used by the family of Angelenos who are visiting from out of town. Many residents live in smaller apartments and can't accommodate visiting relatives. Vacation rentals provide these relatives a more affordable and accessible alternative to hotels, often allowing family members to visit multiple times a year who might otherwise only be able to visit once a year or less. Sometimes Angelenos themselves find that they are in need of renting a temporary home when unexpected repairs arise where they reside. Many times entire families are uprooted by home repairs or recent disasters such as the recent fires and need to relocate to a dwelling, either for a few days or a few weeks, that is affordable and has more to offer than a hotel room, allows them to not completely disrupt their daily lives by staying in their neighborhood, being able to walk the kids to school, continue to make meals at home, and also, importantly, to bring their animals with them. Vacation homes are frequently used by people traveling to Los Angeles on

business, sometimes bringing along family members who need to utilize the amenities like a kitchen that a full house can provide. Vacation homes in Los Angeles serve needs far beyond recreational travel and are a valuable resource to Los Angeles residents and businesses.

## CONCLUSION

We would like to thank the City Planning Commission for taking the time to consider our recommended changes to the first Secondary Residence Rental or “Vacation” Rental draft. Our community of hosts, house-cleaners and local business owners support the regulation of short term rentals. We ask however that regulation is fair and considerate of the nuances involved in the industry of Secondary Residence Rentals. We hope to avoid “throwing out the baby with the bathwater” with a blanket ordinance. It is imperative that the working class host is considered thoroughly with this upcoming ordinance. We saw with the recent HSO (Home-Sharing Ordinance), an overly strict and blanketed ordinance caused tremendous unintended consequences for the working class host desperate to hold on to their home. Since its enforcement, many of them have been forced to sell, move far away from their community, been harassed by developers and thrown into a state of financial panic. We hope that the VRO, or as we’d prefer to call it, the SRRO, will take into consideration these vulnerable good actors. We ask this ordinance to be balanced, inclusive and protective of the hosting Los Angeles community.

THE FOLLOWING SUGGESTED EDITS TO THE CITY VRO DRAFT HAVE BEEN MADE BY HALA - HOMESHARE ALLIANCE LOS ANGELES. ALL CHANGES ARE HIGHLIGHTED IN YELLOW.

**SECONDARY RESIDENCE  
RENTAL (SRRO) ORDINANCE NO.**

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

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

**Secondary Residence** ~~Vacation~~ Rental – A Dwelling Unit which is not a property owner’s primary residence and is used for Short-Term Rental **including a Vacation Home, Second Unit in a building with four or fewer rental Units, Apartment, Condominium, or ADU permitted before January 1, 2020.** For purposes of this definition, the terms “Short-Term Rental” and “Primary Residence” shall have the same meaning as defined in Section 12.22 A.32 of this Chapter.

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

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

(a) **Purpose.** The purpose of this Subdivision is to allow for housing units that do not serve as primary residences, but are used intermittently **as secondary residence rentals** ~~as vacation homes~~ and are thus not likely to be rented as long-term housing, to be used for short-term rental purposes. This Subdivision is intended to allow for Dwelling Units that are owned as secondary residences by property owners, and not rented on a long term basis due to occasional use by the owner, to be utilized during times in which they are not occupied by the owner for short term stays. In addition, this Section seeks to lessen the impact of **Secondary Residence** ~~Vacation~~ Rental activity by setting limits as to the number ~~and location~~ of **Secondary Residence** ~~Vacation~~ Rental permits in order to protect the availability of long term housing and to protect residents and communities from the impacts of an over-concentration **Secondary Residence** ~~Vacation~~ Rentals.

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

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

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

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

(c) **Secondary Residence**  
**Vacation Rental Permitting.**

(1) **Permit Application.** To register for a **Secondary Residence** ~~Vacation Rental~~ permit, an applicant shall file an application with the Department of City Planning in a manner provided by the Department, and shall include: information needed to

1

verify the ownership of the unit proposed for **Secondary Residence** ~~Vacation Rental~~, and Owner's identification; information needed to verify occupancy of the unit by the Owner on an occasional or intermittent basis; identification of a local responsible contact person and his or her contact information; a list of all Hosting Platforms to be used; and any other information required by the instructions on the application. On the **Secondary Residence** ~~Vacation Rental~~ permit application, the Owner shall acknowledge and consent to the Office of Finance and other City agencies' inspection of records at all reasonable times and places for purposes of enforcement of this Subdivision. Payment of any filing fee required under Section 19.01 U. shall be included with the application. If the required information for registration, including any filing fee, is not received within 45 days of submittal of the application, the **Secondary Residence** ~~Vacation Rental~~ registration application will be considered withdrawn.

(2) **Eligibility Requirements.** The following requirements must be met at the time of submitting an application for a **Secondary Residence** ~~Vacation Rental~~ permit:

(i) The applicant has obtained a Transient Occupancy Registration Certificate from the Office of Finance, pursuant to Section 21.7.6 of this Code, **unless the applicant exclusively lists his or her Secondary Residence or Vacation Home on Hosting Platforms that have a Platform Agreement with the City of Los Angeles.**

(ii) The proposed **Secondary Residence** ~~Vacation Rental~~ is consistent with the following provisions:

- a. **Secondary Residence** ~~Vacation~~ Rental permits may only be granted to individuals that Owners of Dwelling Units, **not Corporations, unless the Owner has placed their Secondary Residence under an LLC. A corporation,** renter or lessee shall not be eligible to obtain a **Secondary Residence** ~~Vacation~~ Rental permit. Owners shall not be eligible to obtain a **Secondary Residence** ~~Vacation~~ Rental permit unless the unit is a Dwelling Unit.
- b. In order for a unit to be eligible to operate as a **Secondary Residence** ~~Vacation~~ Rental, the Owner must reside in the unit, on an occasional or intermittent basis **for at least 60 days per calendar year.**
- c. No person ~~or entity~~ may apply for or otherwise operate more than one **Secondary Residence** ~~Vacation~~ Rental at a time in the City.
- d. A housing unit that is subject to affordable housing covenants, and/or are income-restricted under City, State, or Federal law, is not eligible to be used as a **Secondary Residence** ~~Vacation~~ Rental.
- e. Housing units that are subject to Chapter 15 of the Los Angeles Municipal Code (“Rent Stabilization Ordinance”) are not eligible to be used as **Secondary Residence** ~~Vacation~~ Rentals, unless the **Secondary Residence Rental** exists on a parcel with four or fewer dwelling units, a property Type 1 Building. **Secondary Residences existing on parcels of land with Fourplexes, Triplexes, Duplexes, ADUs and/or a Single Family Homes are eligible for Secondary Residence Rental Registration.**
- f. Accessory Dwelling Units (**ADU**) for which a **complete building permit application was submitted on or after January 1, 2020** are not eligible to receive **Secondary Residence** ~~Vacation~~ Rental permits.
- g. Any property or unit that is the subject of a pending Citation is not eligible to be used as a **Secondary Residence** ~~Vacation~~ Rental.
- h. **Secondary Residence** ~~Vacation~~ Rental permits may not be issued to buildings that have been removed from the rental market through the Ellis Act (California Government Code section 7060-7060.7) in the past seven years from the application submittal date, **unless no tenants resided at the property at the time of Ellis Act application submittal.** If there was no tenancy in the building prior to Ellis Act removal, a **Secondary Residence Rental permit may be issued.**
- i. **Secondary Residence Rental permits may be issued to individual Owners of Condominium dwelling units as long as the Owner provides notarized documents of the Condo association’s expressed allowance of short term rental activity.**

**(3) Thresholds.**

(i) Citywide, the total number of active Secondary Residence ~~Vacation-Rental~~ permits shall ~~not exceed 3,625~~ grandfather in existing eligible dwellings and thereafter cap at 1% of the total housing stock

(ii) ~~Permitted Secondary Residence Vacation Rental units shall account less than 0.25% of the total number of housing units within any Census Tract in the City; and~~

(iii) No **Secondary Residence** ~~Vacation Rental~~ unit may be operated for more than ~~30~~ **305** days per calendar year.

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

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

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

b. ~~There must be at least 250 feet of separation between the property for which the Vacation Rental permit is being applied for and the property of other Type 1 Buildings with active Vacation Rental permits. The separation between Type 1 buildings shall be the horizontal distance measured in a straight line, without regard to intervening structures, from the property line of each Type 1 building.~~

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

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

**(5) Prohibitions.**

(i) **An Owner shall not offer, advertise, facilitate a short term rental Secondary Residence Rental booking that is less than a 2 night stay.**

(ii) A Secondary Residence that has had a No Fault Eviction within the last 3 years is not eligible for a Secondary Residence Rental permit.

(iii) A Secondary Residence address that has a Landlord Harassment Citation or Report 2 or more times within the past 3 years from an existing tenant residing on that parcel of land is not eligible for Secondary Residence Rental permit.

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

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

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

3

a. Pays the renewal fee; and,

b. Has complied with the provisions of this Subdivision for the past year; and,

c. Provides information concerning any changes to the previous application for, or renewal of, the Secondary Residence Vacation Rental permit; and

d. Submits records described in Paragraph (f) of this Subdivision for the last year to demonstrate compliance with this Subdivision. ~~The records described in Paragraph (f) of this Subdivision shall be made public to the extent required by law.~~

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

(1) **Suspension.** If an applicant or property owner receives two Citations, as the term is defined in Section 12.22 A.32 the Secondary Residence Vacation Rental permit shall be suspended for 30 days or as long as at least one Citation is open, whichever is longer. The suspension shall become effective 15 days after the mailing of a Notice of Intent to Suspend the permit. If an Owner initiates an appeal of either Citation, the suspension will take effect only if the appeal is

not resolved entirely in the Owner's favor.

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

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

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

(ii) Pursuant to the revocation, an Owner shall be prohibited from obtaining a **Secondary Residence** ~~Vacation~~ Rental permit for one year from the effective date of the Notice of Intent to Revoke.

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

4

discontinuances or revocations of any **Secondary Residence** ~~Vacation~~ Rental permit should not be issued. The Director shall provide notice to the applicant and/or property owner to appear at a public hearing at a time and place fixed by the Director to respond to the Director's order to show cause.

**(e) General Standards.**

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

(2) An Owner may not operate a **Secondary Residence** ~~Vacation~~ Rental unless all advertisements clearly list the City-issued **Secondary Residence** ~~Vacation~~ Rental permit number or pending permit status number.

(3) If an Owner lists a **Secondary Residence** ~~Vacation~~ Rental on multiple listings on multiple Hosting Platforms, only ~~one~~ **two** listings may be booked at any given time.

(4) An Owner may not rent all or a portion of his or her **Secondary Residence** ~~Vacation~~

Rental to more than ~~one~~ **two** groups of guests or under more than ~~one~~ **two** bookings, at any given time.

(5) Except for allowable Home Occupations, nonresidential uses including, but not limited to, sales or exchange of products, events that charge a fee, or the promotion, display or servicing of any product shall not be permitted in the **Secondary Residence Vacation Rental**.

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

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

(8) There shall be no use of sound amplifying equipment, as that term is defined in Section 111.01 (j) of this Code after 10:00 pm and no evening outdoor congregations of more than eight people (excluding children) in a **Secondary Residence Vacation Rental**. **Secondary Residence Vacation Rental** activities are subject to the noise regulations in the Los Angeles Municipal Code. **Additionally, every Owner is required to include in all Secondary Residence Rental listings and post written notices at the property, that a fee of \$500.00 shall be charged by the platform to the guest in the event that any nuisance violation or noise violation has occurred at the property.**

(9) An Owner whose **Secondary Residence Vacation Rental** permit has been suspended is prohibited from operating any **Secondary Residence Vacation Rental** for the duration of the suspension.

(10) An Owner whose **Secondary Residence Vacation Rental** permit has been revoked may not operate any **Secondary Residence Vacation Rental** unless and until a new permit has been issued.

5

**(f) Secondary Residence Vacation Rental  
Owner Requirements.**

(1) The Owner shall submit an affidavit, under penalty of perjury, stating that the Owner resides in the Dwelling Unit for which a **Secondary Residence Vacation Rental Permit** is being obtained on an occasional or intermittent basis.

(2) The Owner shall be responsible for any nuisance violations, as described in Section 12.27.1.B of this Code, arising at the Owner's **Secondary Residence** ~~Vacation~~ Rental unit. The Owner shall be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.

(3) The Owner shall keep and preserve for a minimum period of three years, all records regarding each **Secondary Residence** ~~Vacation~~ Rental stay, including the length of stay and price paid for each stay.

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

(5) The Owner shall pay a per-night fee for each night of renting their **Secondary Residence** ~~Vacation~~ Rental unit, which will be deposited into the Short Term Rental Enforcement Fund per the requirements in Section 5.576.1 of the Los Angeles Administrative Code. The City Council shall adopt, by resolution, a per-night fee based on an analysis of the cost of implementing, maintaining, and enforcing this Subdivision. **The per night fee shall be .5% of each night of renting their Secondary Residence Rental.**

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

(7) The Owner who lists a **Secondary Residence** ~~Vacation~~ Rental unit located in a Very High Fire Hazard Severity Zone designated by the City of Los Angeles Fire Department pursuant to Government Code Section 51178 shall include in all **Secondary Residence** ~~Vacation~~ Rental listings and post written notices on any patio or deck that smoking is not permitted in any exterior of the property. **Additionally every Owner is required to include in all Secondary Residence Rental listings and post written notices on any patio or deck, that a fee of \$1,000.00 shall be charged by the platform to the guest in the event that smoking has occurred in any exterior of the property.**

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

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

(10) The Owner must consent to receive all City notices and Citations regarding their **Secondary Residence** ~~Vacation~~ Rental permit by U.S. mail.

(11) Parking Restrictions and Occupancy: Owners will be responsible for informing guests of the following:

- Total Vehicles allowed is based on the number of bedrooms at a rental property; anytime of day. Vehicles are allowed to be parked in the garage, driveway or on the street. Vehicles may not block driveways or mailboxes.
- Occupancy and Parking: Limits are based on the number of bedrooms at a property
  - (a) Studio/1 Bedroom: Total Overnight Occupants = 2 / Additional Day Time Occupants = 4 / Total Daytime Occupancy = 6 / Total Vehicles Allowed = 1
  - (b) 2 Bedroom: Total Overnight Occupants = 4 / Additional Day Time Occupants = 4 / Total Daytime Occupancy = 8 / Total Vehicles Allowed = 2
  - (c) 3 Bedroom: Total Overnight Occupants = 6 / Additional Day Time Occupants = 4 / Total Daytime Occupancy = 10 / Total Vehicles Allowed = 3
  - (d) 4 Bedroom: Total Overnight Occupants = 8 / Additional Day Time Occupants = 4 / Total Daytime Occupancy = 12 / Total Vehicles Allowed = 4
  - (e) 5 Bedroom/Estate Only : Total Overnight Occupants = 10 / Additional Day Time Occupants = 4 / Total Daytime Occupancy = 14 / Total Vehicles Allowed = 5
  - (f) 6 Bedroom/Estate Only: Total Overnight Occupants = 12 / Additional Day Time Occupants = 4 / Total Daytime Occupancy = 16 / Total Vehicles Allowed =

(12) Owner is required to include in all Secondary Residence Rental listings and post written notices on the premises that a quiet outdoor time from 10pm-7am for all guests is enforced.

**(g) Hosting Platform Requirements.**

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

(2) Hosting Platforms shall not process or complete any Booking Service transaction for any listing that has exceeded the authorized ~~30~~ **305** -day limit in one calendar year.

(3) Within 45 days of the effective date of the Ordinance, Hosting Platforms with listings located in the City shall provide to the Department of City Planning contact information

for an employee or representative responsible for responding to requests for information, including requests related to possible violations of this Subdivision. Hosting Platforms that commence listings in the City after the effective date must provide this information prior to facilitating **Secondary Residence** Vacation Rental activity or providing Booking Services within the City.

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

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

**(6) Hosting platforms will be responsible for charging deposits to guests upon booking and collecting fines for the following:**

- **Nuisance Violation**
- **Smoking occurs outdoors at a property in a Very High Fire Hazard Severity Zone**
- **Parking and Occupancy Restrictions violations.**
- **Noise violation during the outdoor quiet time from 10pm-7am.**

**Hosting Platforms will be held responsible to inform guests of these rules and associated fines prior to booking.**

**(h) Enforcement of Violations.**

(1) The provisions in this Paragraph, shall be in addition to any criminal, civil or other legal remedy established by law that may be pursued to address violations of this Subdivision.

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

(3) The Director may, at any time, require the modification, discontinuance, or

revocation of any **Secondary Residence** ~~Vacation~~ Rental registration in the manner prescribed in 12.22 A.34 (d)(2).

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

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

- a. Completing a Booking Service transaction for each listing without a valid City **Secondary Residence** ~~Vacation~~ Rental permit number or pending permit status number.
- b. Completing a Booking Service transaction for each listing where more than one **Secondary Residence** ~~Vacation~~ Rental property is affiliated with a single Host, or each listing where the Host's home address does not match the listing location. (\*not a request change - noting an error as a host's secondary residence listing would not match their address)
- c. Completing a Booking Service transaction for any listing for a **Secondary Residence** ~~Vacation~~ Rental Unit where the Owner's **Secondary Residence** ~~Vacation~~ Rental permit has been revoked or suspended by the City.
- d. Completing a Booking Service transaction for any listing for a **Secondary Residence** ~~Vacation~~ Rental Unit that has exceeded the authorized ~~30~~ **305** -day limit for **Secondary Residence** ~~Vacation~~ Rental operation in one calendar year.

(ii) Owner of **Secondary Residence** ~~Vacation~~ Rental unit, and or designated responsible party:

- a. A daily fine of \$500, or two times the nightly rate charged, whichever is greater, for advertising a **Secondary Residence** ~~Vacation~~ Rental Unit in violation of this Subdivision.
- b. A daily fine of ~~\$2,000~~ **\$1,000**, or two times the nightly rent charged, whichever is greater, for each day of **Secondary Residence** ~~Vacation~~ Rental activity beyond the 30-day limit in a calendar year.
- c. For all other violations of this Subdivision, the administrative fine shall

be levied according to the amounts described in Section 11.2.04(a)(2) of this Code. The square footage used in calculating the fine shall be the amount of indoor space to which the Transient guest has access. If the square footage is unable to be ascertained, it shall be deemed to be between 500 and 2,499 square feet.

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

**Sec. 3.** Subsection T of Section 19.01 of the Los Angeles Municipal Code is amended to read as follows:

**T. Home-Sharing and Vacation Rental Registration and Permit Application Fee.**

Type of Application	Fee
Home-Sharing Application or Renewal (Section 12.22 A.32.)	\$89
Extended Home-Sharing Administrative Clearance (Section 12.22 A.32.) or Vacation Rental Permit Application and Renewal Administrative Clearance (Section 12.22 A.34)	\$850 \$195
Extended Home-Sharing Discretionary Review Application (Section 12.22 A.32.)	\$5,660 \$850
Extended Home-Sharing Renewal (Section 12.22 A.32.)	\$850 \$195

**Sec. 4. Severability.** If any provision of this Subdivision is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this Subdivision which can be implemented without the invalidated provisions, and to this end, the invalid provisions of this Subdivision are declared to be severable. The City Council hereby declares that it would have adopted each and every provision and portion thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would subsequently be declared invalid or unconstitutional.

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

**Sec. 6. Effective Date.** This ordinance shall take effect on January 1, 2020. Upon 7 business days of passage, Owners will be allowed to register for a temporary registration and begin renting his or her Secondary Residence Rental once that number is added to their listing.