

FACT SHEET



Vacation Rentals Ordinance Updated as of January 22, 2020

SUMMARY

Los Angeles City Planning has drafted an ordinance to regulate Vacation Rentals. The draft ordinance would allow a non-primary residence, occasionally occupied by the owner, to serve as short-term lodging for visitors. The number of permits proposed to be available to qualifying properties are limited, and the units that would qualify for this program are currently not available to long-term residents. An array of other restrictions are also included to protect the City's housing supply for long-term residents and prevent the unfettered growth of short-term rentals. The goal of the ordinance is to allow Vacation Rentals on a limited basis while protecting against the loss of the City's supply of long-term housing.

BACKGROUND

The topic of regulating Vacation Rentals has been raised in numerous public comments received by Los Angeles City Planning. In response, City Planning has prepared a set of regulations to govern Vacation Rentals in non-primary residences. While separate in scope, City Planning has taken steps to ensure the Home-Sharing and Vacation Rental ordinances complement each other— each creating clear rules and regulations to control the growth of short-term rentals while also preserving the City's critical housing stock.

The intent of the draft regulations is to allow for housing units that do not serve as primary residences, but used intermittently as vacation homes by the owner, to be used as short-term rentals for visitors. Because these units are used intermittently by the property owner, they are generally not available as part of the long-term rental market. The ordinance would allow a certain number of these units to be utilized for short-term stays when they are not occupied by the owner and for participating owners to derive additional income to maintain their property. In addition, this ordinance includes provisions to minimize the impact of Vacation Rental activity by setting limits as to the number and location of Vacation Rental permits in order to prevent over-concentration of Vacation Rentals, and protect the availability of long-term housing.

KEY PROVISIONS

Note: Changes to the ordinance per the City Planning Commission's action on December 19, 2019 are shown in red.

In keeping with the intent of this policy, the draft ordinance includes the following provisions, which collectively seek to limit the impact of Vacation Rentals on the City's housing stock and residential neighborhoods. The primary provisions of the ordinance consist of:

- **Restriction on eligibility**
 - Only non-primary residences that are occasionally occupied by the property owner
- **Limitations on the number of Vacation Rental permits available**
 - Citywide cap of ~~3,625~~ 14,750 permits
 - Number of Vacation Rental permits allowed in each ~~Census-tract~~ Community Plan Area capped at ~~0.25%~~ 1%
 - Only unit owners are eligible to obtain Vacation Rental permits
 - Vacation Rental units may not be operated for more than ~~30~~ 90 days per calendar year.
- **Prohibitions on the types of housing that can be used, including:**
 - Units subject to the City's Rent Stabilization Ordinance
 - Accessory Dwelling Units
 - Housing units subject to affordable housing covenants (income restricted)
 - Buildings that have been removed from the rental market through the Ellis Act within the past seven years
- **Concentration and Density Controls**
 - In buildings of four or fewer units, at least 250 feet between Vacation Rentals, **on the same block face**
 - In buildings of more than four units, no more than 5 percent of units, or 10 units total, whichever is less, may be used as Vacation Rentals
- **Measures to address nuisance related issues**
 - Limitations on the number of guests allowed per habitable room
 - Prohibitions on sound amplification equipment and outdoor congregation of more than eight people past 10:00 PM
- **Procedures for suspending or revoking Vacation Rental permits when provisions of the proposed ordinance have been violated**
 - Fines may be levied against Vacation Rental owners and hosting platforms
 - Suspension or revocation of the permit upon issuance of two or three citations for violations, respectively

FREQUENTLY ASKED QUESTIONS

Who is eligible to apply under this new ordinance?

Only the owner of a housing unit may apply for a Vacation Rental permit. The unit must be a secondary residence that is occasionally occupied by the owner and not otherwise available to be rented as long-term housing. The applicant must meet the terms of the proposed ordinance.

Will this ordinance incentivize more short-term rentals?

The draft Vacation Rental ordinance is intended to regulate a market of owners who are looking to supplement their income on properties that are not available on the long-term rental market. By proposing limitations and restrictions on this market, this ordinance will restrict rather than incentivize this segment of the short-term rental market.

Will restricted affordable units be able to participate under this program?

No. Housing units that are dedicated as affordable, have affordable housing covenants, or are subject to the City's Rent Stabilization Ordinance (RSO) are prohibited in the draft ordinance from being used for Vacation Rentals. Additionally, in an effort to prevent the conversion of housing stock into Vacation Rentals, buildings that have been converted from rental housing, affordable or otherwise, through the Ellis Act, are not permitted to be used for Vacation Rentals for a period of seven years following the conversion the building.

What are the opportunities for public input?

The proposed ordinance was considered and approved as modified by the City Planning Commission at its December 19, 2019 meeting. The ordinance will be considered by the City Council at a future date. If you would like to provide written comments, please submit them to the Council file, CF No. 18-1246. You may submit comments, and/or to subscribe to email notifications for updates to the Council File, by following this link:

<https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=18-1246>.

If you have any questions about the process or the ordinance itself, or if you would like to be added to City Planning's email notification list, contact:

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