#### **BACKGROUND**

The City Council adopted the <u>Home-Sharing Ordinance</u> on December 11, 2018 (<u>CF 14-1635-S2</u>). The ordinance established a legal process whereby residents may be authorized to rent their primary residence to short-term visitors, called "home-sharing." The new regulations will become effective on July 1, 2019.

The Home-Sharing Ordinance requires hosts who wish to engage in short-term rentals to register with the City and post their registration number on all advertisements. Hosts must adhere to all requirements and use the online portal to register.

#### **IMPLEMENTATION TIMELINE**

The Home-Sharing Online Registration Portal is anticipated to become available on July 1, 2019, at which point eligible hosts will be able to register for home-sharing. Hosts will have four months to complete the registration process before the start of enforcement on November 1, 2019. During that time, the City will provide additional outreach and educational materials to raise awareness of the home-sharing registration process. Individuals who continue to engage in or advertise short-term rental activity on or after November 1, 2019 without an approved registration number will be in violation of the Home-Sharing Ordinance.

#### **INFORMATION FOR HOSTS**

#### What is the registration process to participate in home-sharing?

To register for home-sharing, an applicant shall file an application and pay the applicable filing fee using the online registration portal. Once hosts submit a complete, qualifying application, they will receive a pending registration status number that may immediately be used to begin advertising the home-sharing listing. When the application is approved, hosts will receive a final registration number that must be included on all listings.

#### How do hosts confirm if they are eligible to participate in home-sharing?

To be eligible to participate in home-sharing, hosts must meet all of the following criteria:

- 1. The property to be rented must be the host's primary residence, where they live for more than six months out of the year. Proof of identification and residence will be required to register the rental. More details on acceptable documents are available in the Administrative Guidelines.
- 2. The residence must not be subject to the City's Rent Stabilization Ordinance (RSO), which applies to most non-single-family rental units constructed before 1978, or any other affordability provisions such as an affordable housing covenant. For information on whether a property is subject to the RSO, search for the address in ZIMAS (<u>zimas.lacity.org</u>) and check under the "Housing" tab. Please note, the list is subject to change. For more information, please see RSO Overview (<u>hcidla.lacity.org/RSO-Overview</u>) or contact the Housing + Community Investment Department (HCIDLA) at (866) 557-7368.

- 3. The area to be used for home-sharing is approved for residential use. Home-sharing may not take place in a vehicle parked on the property, storage shed, trailer, temporary structure, or other structure not built for residential use.
- 4. The property to be rented does not have any pending citations, including any active enforcement citation, order, ticket, or similar notice of violation from the Department of Building and Safety, the Housing and Community Investment Department, the Police Department or the Fire Department.
- 5. If the host is a renter, they have obtained written approval from the landlord to participate in home-sharing. This written approval will need to be notarized and submitted as part of the home-sharing application.
- 6. The host has either received a Transient Occupancy (Tax) Registration Certificate from the Office of Finance, or agrees to exclusively list on a Hosting Platform that has a Platform Agreement with the City. Hosting Platforms that have entered into a Platform Agreement will be identified on the Department of City Planning's website (<u>planning.lacity.org</u>). The homesharing registration system will facilitate the requirement for hosts to register to pay Transient Occupancy Tax.
- 7. The host has completed a home-sharing registration and posted a valid home-sharing registration number on all listings. Listing without a valid home-sharing registration number (or pending registration status) may result in fines.

To participate in home-sharing beyond 120 days a year (called extended home-sharing), hosts must meet the following additional criteria, in addition to those listed above:

- 1. The host has maintained a valid home-sharing registration for at least six months or has hosted for at least 60 days.
- 2. The host has provided proof of mailing of a notification of the extended home-sharing application to adjacent and abutting owners and occupants, in compliance with Department procedures on the application form.
- 3. The host's home-sharing registration has not been suspended or revoked within the past two years.
- 4. For administrative approval, the host must have been issued no more than one citation within the prior three years. Otherwise, the host must submit an application for discretionary review of the extended home-sharing application (see below).

## What is the discretionary review process to participate in extended home-sharing?

If a host would like to participate in home-sharing for more than 120 days per year, and has been issued more than one citation within the prior three years, they will need to submit an application for discretionary review with the Department of City Planning, which enables the Department to consider all of the facts of the application in making a determination. The Department may schedule a public hearing to provide an opportunity for public testimony on the application. In order to be approved, the Department will have to make several key findings about the application, including whether there has been a history of continued nuisance behavior at the location.

# How often do hosts need to renew their home-sharing registration and what does that process require?

A home-sharing or extended home-sharing registration is good for one year and must be renewed annually. It cannot be transferred or assigned. If the host moves their primary residence, they will need to re-apply for a new home-sharing registration at the new address. The Department of City Planning recommends submitting the renewal application at least 30 days prior to expiration. The renewal application must also include information concerning any changes to the previous application for, or renewal of, the Home-Sharing registration and submittal of Home-Sharing records for the last year to demonstrate compliance.

## What are the registration fees?

The fee for a home-sharing registration or renewal is \$89. There is an additional fee for review of extended home-sharing applications of \$850. For extended home-sharing applications that require further discretionary review, the application fee is \$5,660. The fees will help fund the operation and enforcement of this ordinance.

## How is "Primary Residence" defined?

A primary residence is defined as the home where the host resides for more than six months of the year. If there are multiple units on a property, the primary residence is the unit in which the host resides. For example, if a host owns a duplex and lives in one of the units, they are the primary resident of that unit in which they live. The second unit is not the host's primary residence, even if they own it. Proof of primary residence will be determined at the time of registration and/or renewal.

#### What areas of a home can be used for Home-Sharing?

Any areas approved for residential use in accordance to definitions established by the Department of Building and Safety. This includes a room or an entire home. Parts of the property that are not approved for residential uses typically include garages, storage rooms, attics, recreation rooms or temporary structures.

#### Do hosts need to be home when they are hosting guests?

No, the City does not differentiate between "hosted" and "unhosted" stays. For example, a host may rent out their entire home while they are out of town. However, they must be able to demonstrate that they are only renting out their primary residence, which is where the host lives for more than six months in a year.

#### Can hosts rent out several rooms separately?

Hosts may maintain several listings at the same property; however, only one listing may be booked at a time. For example, a host may have two separate listings for two separate bedrooms in their home, but may rent to only one set of guests under one booking at a time.

## What if a host has been renting their property for years?

When they become effective on July 1, 2019, the new regulations will apply to all properties engaging in short-term rental in the City of Los Angeles, including those that engaged in short-term rentals prior to the ordinance being adopted. To continue legally operating a short-term rental, hosts will need to complete a home-sharing registration before the City begins enforcement on November 1, 2019.

## OTHER FREQUENTLY ASKED QUESTIONS

## Why does the City of Los Angeles regulate Short Term Rentals?

Short-term rental (STR) refers to any portion of a residential building that is designed or used for occupancy for 30 consecutive days or less per month. STRs are prohibited in the vast majority of the City except through a Conditional Use Permit. With the growth of online rental services, however, the

City experienced a significant rise in this activity. While there are benefits to the sharing of one's own home, STR also presents challenges for the City's neighborhoods, its zoning regulations and already limited housing stock. The absence of a regulatory structure has inhibited the City's ability to distinguish between the occasional sharing of one's home and the full conversion of homes to hotels. It has also made it challenging to keep up with the advances in technology and this new industry.

## How will the Home-Sharing Ordinance be enforced?

The Home-Sharing Ordinance prohibits any listing of a short-term rental without a valid home-sharing registration number (or pending status). In situations where a listing without a registration number is identified, an initial notice of violation will be issued. The non-permitted activity must cease within a specified time or a citation with fines may be applied. Hosting platforms are also required to provide information to assist in the enforcement and removal of illegal listings. Additionally, both hosting platforms and hosts will be asked to maintain and provide written logs of home-sharing activity.

## Are there standards of behavior for home-sharing guests?

Yes. Hosts will be responsible for providing a "Code of Conduct" to all guests, which will include information on safety and security requirements as well as good-neighbor principles. Additionally, amplified sound is not permitted after 10 p.m. and no evening outdoor congregations of more than 8 people are permitted. The Host may be responsible for any nuisance violations which occur at the property, even if they are committed by guests.

## How can someone report if they suspect their neighbor is violating the Home-Sharing Ordinance?

The Department maintains a short-term rental hotline at (213) 267-7788 that is available 24/7 for individuals to call with any concerns or complaints. After we receive a complaint, staff will be able to provide real-time outreach to hosts to help resolve issues, or forward them to the relevant City agency for further investigation. Regular code enforcement complaint systems such as 311, as well as the online complaint reporting systems on the LADBS and HCIDLA web pages are also available.

#### MORE INFORMATION

For additional information, please contact:

Home-Sharing Unit
Department of City Planning - Development Services Center
201 N. Figueroa Street, 5th Floor
Los Angeles, CA 90012

(213) 202-5464 24/7 Hotline: (213) 267-7788

planning.home-sharing@lacity.org planning.lacity.org/HomeSharingOrdinance

Any media inquiries should be directed to Agnes Sibal-von Debschitz at <a href="mailto:agnes.sibal@lacity.org">agnes.sibal@lacity.org</a> or (213) 978-1015.