

HOME SHARING ORDINANCE



BACKGROUND & FREQUENTLY ASKED QUESTIONS – Updated June 2017

Summary

Short-term rentals, which are rooms one may rent for less than 30 days, are currently not permitted in the vast majority of Los Angeles under the zoning code. However, with the growth of internet companies, such as Airbnb and VRBO, there has been a significant rise in this activity. While there are many benefits to sharing one's own home, it presents challenges for the City's neighborhoods, its zoning regulations, and to an already tight housing stock.

On June 2, 2015, Council President Herb Wesson and Councilmember Mike Bonin introduced a motion directing the Department of City Planning Department (DCP) and other City departments, to prepare an ordinance on short-term rentals. Since then, the proposed Home Sharing Ordinance has been approved by the City Planning Commission on June 23, 2016 and the Council's Housing Committee on December 7, 2016. The Council's Planning and Land Use Management (PLUM) Committee will take up the matter on Tuesday, June 13th. If the Ordinance is approved by PLUM, it will go to the City Attorney's office for a "form and legality" review.

Background

Short-term rentals have brought both positive and negative impacts to the City's citizens and neighborhoods. However, a lack of regulatory structure inhibits the ability to enforce current laws and the current ban fails to make a distinction between the occasional sharing of one's home from the wholesale conversion of homes to hotels.

The proposed ordinance provides an opportunity for the City to enact sensible regulations and define what types of short term rentals make sense to be permitted. The ordinance attempts to curb the negative impacts on neighborhoods and the housing stock while establishing a legal framework for responsible home sharing.

The core of the ordinance limits short-term rentals to one's own primary residence, for less than 180 days a year. The limitation to primary residences ensures the protection of long-term housing stock and addresses concerns about loss of residential character.

The ordinance provides for a registration process along with requirements and enforcement policies against unpermitted short-term rentals. These policies will place responsibilities on the hosts as well as the internet companies (hosting platforms) which provide services for hosts. A series of fines and other enforcement mechanisms are established by the ordinance.

Frequently Asked Questions (FAQ)

What are the main eligibility criteria for Home-Sharing?

- Short-term rental of one's own primary residence only
- Not more than 180 days a year
- Possession of a Transient Occupancy (Tax) Registration Certificate from the Office of Finance
- Operation of only one short-term rental in the City
- Approval from landlord (if a tenant)
- Not located in a unit subject to the Rent Stabilization Ordinance (RSO)
- Home-Sharing takes place in area approved for residential use

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How is ‘primary residence’ defined?

A primary residence is the home where the resident is present for at least six months of a year. Proof of primary residence will be determined at the time of registration and/or renewal.

Which areas of my home can be used for Home-Sharing?

Areas approved for residential use, according to the Department of Building and Safety. Parts of the property which are not approved for residential uses typically include garages, storage rooms, attics, recreation rooms or temporary structures.

Is there a registration fee?

There will likely be an initial registration fee and then a renewal fee every two years. The fees will help fund the operation and enforcement of the ordinance. The exact amount of the registration and renewal fees will be determined by the City Council.

If I own/live in a unit subject to the Rent Stabilization Ordinance (RSO), can I home share?

No, Home-Sharing is not permitted in buildings under RSO. This is to curtail any motivation to evict tenants or to convert this critical housing stock to short term rentals.

Why is there a 180 day limit?

A limitation on short-term rentals activity is needed to maintain the predominantly long-term residential component of homes and neighborhoods. A cap also minimizes the financial incentive to convert long-term rental units to short-term rentals.

How will the ordinance address the conversion of entire apartment buildings into short-term rentals?

The ordinance curtails the ability of a multi-family building to be converted to short-term rental use. There is a provision of the zoning code (meant for extended stay hotels) which allows for apartment buildings to change their use to short-term rental. It is called a Transient Occupancy Residential Structure. The ordinance would disallow these conversions from apartment buildings.

How will the ordinance be enforced?

Effective enforcement of the ordinance is critical. Other cities have had success pro-actively enforcing the advertisement of short-term rentals when a valid registration has not been obtained. The ordinance would prohibit any listing of a short-term rental without a valid Home-Sharing registration number. An initial notice of violation would be issued where a listing without a registration number is identified. Fines or fees will accrue if the non-permitted activity has not ceased within a specified time. The ordinance provides for the use of several enforcement tools including the Administrative Citation Enforcement (ACE) and the Administrative Nuisance Abatement (ANA) programs. Hosting platforms are required to provide certain information to assist in enforcement cooperation and to remove illegal listings. Additionally, there will be a direct hotline for citizens to register complaints and nuisances. And both hosting platforms and hosts will be asked to maintain and provide written logs of Home-Sharing activity.

How will the rights of property owners be protected?

The ordinance clarifies that renters of units may not engage in Home-Sharing without explicit approval by their landlord. A lease agreement, homeowner’s or condo association, or any other legal contract prohibiting short-term rentals shall supersede the Home-Sharing ordinance.