

# Home-Sharing

## Program Overview, Challenges, and Recommendations



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# Home-Sharing Program Overview



# Home-Sharing Ordinance

## Development, Adoption, and Implementation

- Council first proposed STR regulations in 2015.
- The HSO was adopted in December 2018 and took effect on July 1, 2019. Enforcement began on November 1, 2019.
- The Home-Sharing program has multiple goals:
  - Regulating short-term rentals and creating a mechanism for enforcement;
  - Preserving the existing housing stock; and
  - Providing Angelenos with an opportunity to supplement their income.



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# Home-Sharing Program Progress



# Performance Metrics

## 2019 to 2023

- STR listings down 74% from 36,600 to 9,500.
- HSO exemptions on STR listings down 75% from 1,600 to approximately 400.
- City Planning has processed 26,000+ HSR applications.
- City Planning has responded to 33,000+ email inquiries.
- LADBS + LAHD have issued 983 HSO citations.
- Home-Sharing citation base fine amount is up 17% from 2019 to \$586.95 per violation.
- *The People Of The State Of California v. HomeAway.com, Inc.*





# Ongoing Program Improvements

## Data Collection and Publication

- City Planning is working to develop an **enhanced online application portal** for registrations.

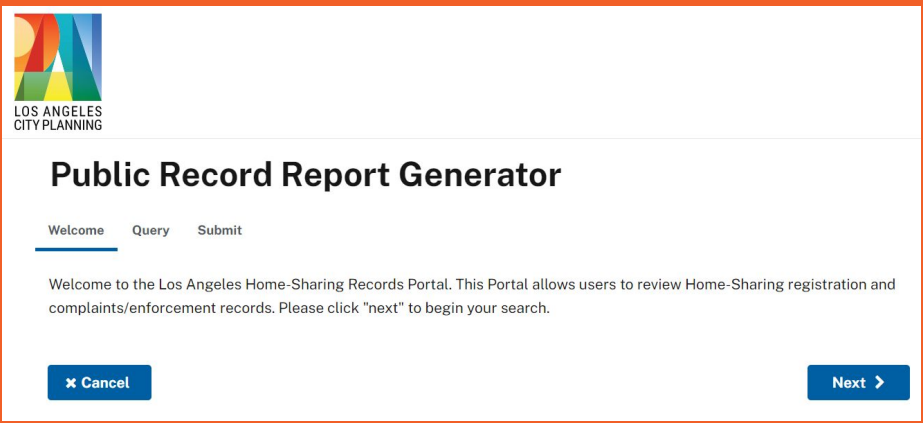
## Staffing

- Additional staffing resources will allow City Planning to focus efforts on improving the administration and enforcement of the Home-Sharing program.

# Home-Sharing Records Portal

## Publicly Accessible Online Database

- City Planning recently launched a publicly accessible **online database** of Home-Sharing records.
- This tool allows anyone to easily verify if a property has a valid Home-Sharing registration.
- Records regarding short-term rental complaints and Home-Sharing citations are also available via this new tool.



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# Home-Sharing Administration



# Program Administration

## City Planning's Key Responsibilities

- City Planning staff currently carry out several tasks to administer the program, including:
  - Reviewing applications;
  - Responding to inquiries;
  - Developing the program;
  - Providing regular data reports;
  - Monitoring contract compliance;
  - Coordinating with internal and external groups.



# Home-Sharing Registrations

## Types

**Regular HSR**  
120 days per calendar year.

**Extended HSR**  
365 days per calendar year.

## Eligibility

- **Primary Residence**
- **One Host, One Registration**
- **No Rent-Controlled Units**
- **No Non-Residential Units**
- **No Unresolved Citations**
- **Special ADU Provisions**
- **Certain Units are Exempt**

## Requirements

**Display HSR Number**  
All listings must show a valid registration number.

**Occupancy Limits**  
One booking at a time, two overnight guests per room.

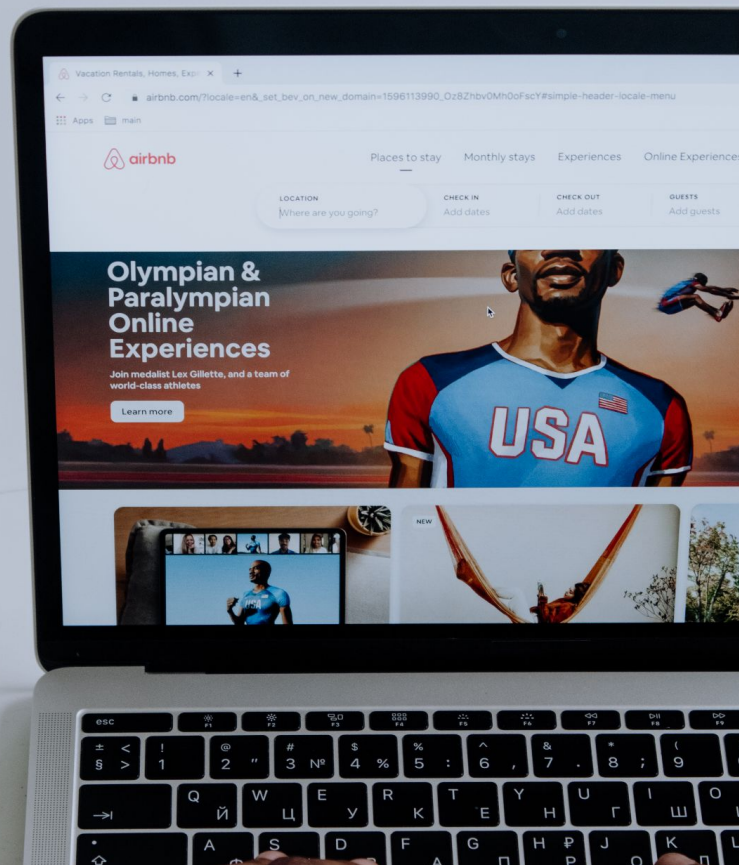
**Allowable Uses**  
No non-residential uses, large outdoor groups, or loud noise.



# Hosting Platforms

## Requirements

- Platforms must not complete booking transactions for non-compliant listings.
- Platforms must comply with either the HSO or the Home-Sharing Administrative Guidelines.
- Platforms with an agreement with the Office of Finance must collect and remit the Transient Occupancy Tax (TOT) on behalf of hosts on a monthly basis.



Hosting Platform	Total Number of Listings Monitored 2019-2023*	Current Active Short-Term Rental Listings*	Market Share of Current Active Short-Term Rental Listings
Airbnb	141,379	6,227	65%
HomeAway/VRBO	22,764	1,534	16%
Booking.com	7,086	1,044	11%
FlipKey	7,302	333	4%
Plum Guide	576	194	2%
MisterB&B	814	122	1%
Other platforms	2,630	72	1%
Total	182,551	9,526	100%

*\*Data extracted on 6/13/2023*



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# Enforcement of the HSO



# City Planning's Role

## Supporting Enforcement Agencies

- City Planning initiates the enforcement process but does not have citation authority.
- Administrative tasks City Planning carries out to assist with enforcement efforts include:
  - o Issuing warning letters;
  - o Referring potential violations at short-term rental units to the appropriate enforcement agency for citation issuance; and
  - o Attending Home-Sharing citation appeal administrative hearings.



# Enforcement Depends on Registration Status

## Registered Properties

- Ministerial suspensions and revocations
- Discretionary modifications
- Renewals

## Properties Not Registered

- City Planning refers non-registered properties to LADBS or LAHD for citations for the violation of advertising an STR without displaying a valid HSR number.



# Enforcement Against Registered Properties

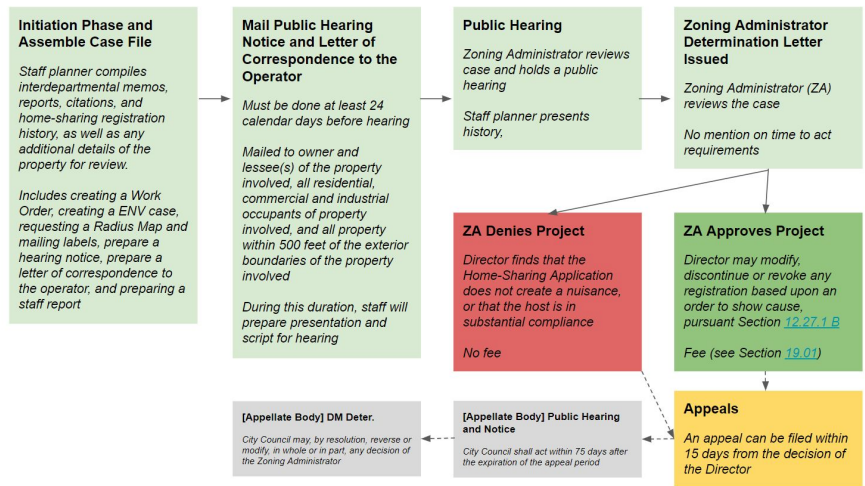
## Ministerial Suspensions and Revocations of Registrations

Citations Issued to Host	Impact on Regular HSR	Impact on Extended HSR
First Citation	/	/
Second Citation	30-day suspension	Registration revoked + Two-year prohibition
Third Citation	Registration revoked + One-year prohibition	/



# Enforcement Against Registered Properties

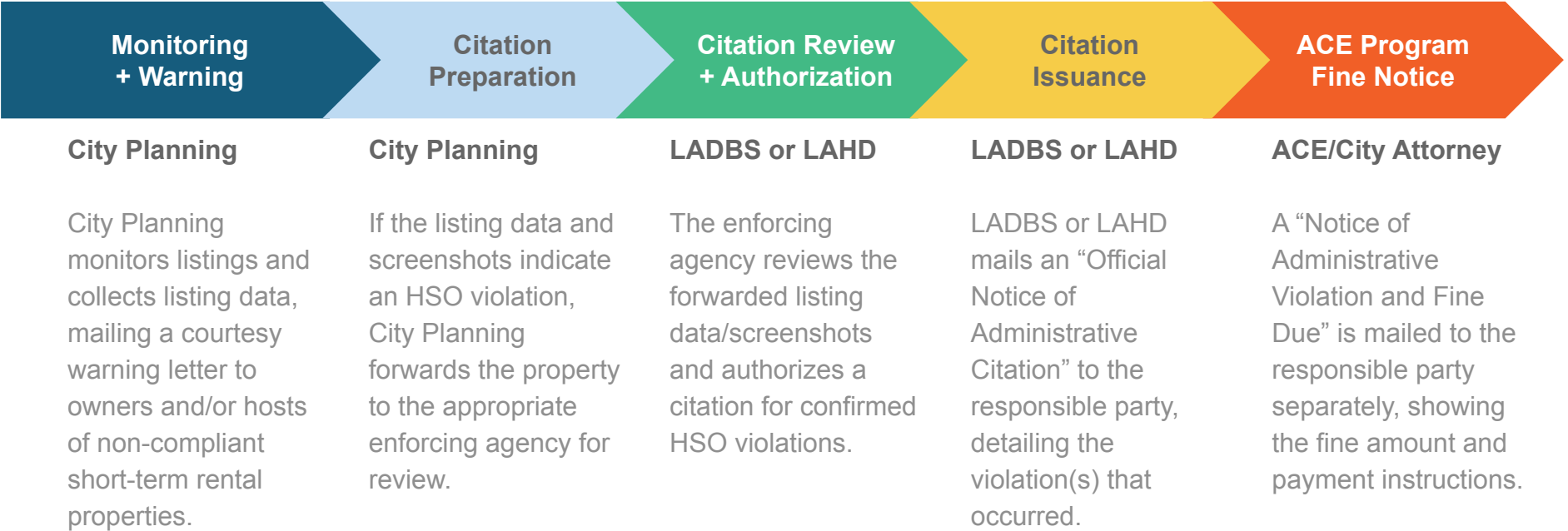
## Modification Process Overview



## Discretionary Revocation of an HSR

- The Director of Planning may modify, discontinue, or revoke an HSR as part of a discretionary modification process as described in LAMC Section 12.22.A.32(c)(4)(iii) and 12.27.1.B.
- The discretionary modification process would require time for staff to gather evidence and hold a public hearing.
- There have been no discretionary modifications of an HSR to date.

# Home-Sharing Administrative Citations



# Home-Sharing Administrative Citations

## Citation Initial Review

### ACE/City Attorney + City Planning

ACE conducts an initial review if the responsible party appeals their citation, resulting in the citation either being upheld or dismissed.

City Planning provides background information.

## Administrative Hearing

### ACE/City Attorney + City Planning

ACE schedules and coordinates an administrative hearing with a third-party volunteer hearing officer if the responsible party contests the initial review decision.

City Planning staff attends the hearing, providing a prepared written statement and a sworn statement.

The hearing officer submits a written decision after the hearing ends.



# Non-HSO Violations

## Who Enforces Common Non-HSO Violations

**LAPD**

Noise complaints, unruly gatherings, criminal activity, etc.

**LADOT**

Parking violations

**LADBS**

Code violations in single-family dwellings and condominiums.

**LAFD**

Fire hazards and other fire safety issues.

**BOSS**

Sidewalk and street obstructions

**LAHD**

Code violations in multi-family dwellings and SFD+ADU.

**Bureau of Sanitation**

Refuse and litter violations

# Enforcement Against Hosting Platforms

## Preventing Illegal Booking Transactions

- Platforms must meet the regulations outlined in LAMC Section 12.22.A32 or they may be subject to a \$1,000 daily fine for their violation.

## Administrative Subpoenas

- The Mayor can issue administrative subpoenas (via the City Attorney) to platforms to obtain data necessary to pursue enforcement.
- Subpoenas can form the basis of City lawsuits against non-compliant platforms.
  - o *The People Of The State Of California v. HomeAway.com, Inc.*



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# HSO Enforcement Challenges





# Platform Compliance

## Increasing Platform Agreements

- Platform agreements (such as the one with Airbnb) are highly desirable for the City to achieve with more platforms; however, other platforms have not chosen to enter into one with the City.
- The majority of platforms have <100 active STR listings (half of these platforms have <20 active listings) advertising properties in the City.

# Current HSO Challenges

## Enforcement

- Multi-Family to STR units
- Home-Sharing RSO units
- Illegal hosts evading HSO
- Citations
- Inspections for enforcement



## Organizational

- Decentralized responsibilities

## Administrative

- Primary residence verification
- HSR booking limits
- Double-Booking
- 30-night minimum stay evasion
- Extended Home-Sharing
- Accessory Dwelling Units
- Platform accountability

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# Recommendations



# Options for City Council

## Organizational Changes

- Maintain the current HSO enforcement framework
- Create a new dedicated Home-Sharing Department, Division or Office

## Operational Changes

- Remove warning letters
- Update Admin. Guidelines
- Improve inquiry and complaint organization
- Streamline Home-Sharing citation review and defense
- Increase staffing at enforcing agencies for inspections

## Legislative Changes

- Prohibit HSR for properties with RSO units
- Prohibit HSR for ADUs
- Disallow extended HSR
- Increase Home-Sharing citation fine amounts

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# Other Motions

# Motions Relevant to the Home-Sharing Program

## Motion Council File, Summary, and Status

### – *CF 14-1635-S10*

- Report on enhancing enforcement of the HSO and providing a public database.
- **Submitted to Council on 10/4/2023.**

### – *CF 14-1635-S11*

- Report on the feasibility of suspending a registration if criminal activity occurs.
- **Submitted to Council on 10/4/2023.**

### – *CF 20-0995*

- Report on the progress in implementing and enforcing the Home-Sharing program.
- **Submitted to Council on 9/8/2021.**

### – *CF 22-1506*

- Report on the McGill University study regarding the Home-Sharing program.
- **In preparation.**

### – *CF 14-1635-S12*

- Report on the resources needed and options available to draft a private right of action clause in the Home-Sharing regulations and to implement a platform registry and reporting system.
- **Not yet adopted.**