

OPTION 2

RESOLUTION

Resolution determining to submit an initiative ordinance to the qualified voters of the City of Los Angeles regarding the following subject: land use and replacement housing requirements for hotel developers, a program to utilize vacant hotel rooms for unhoused individuals, and police permit requirements for hotels.

WHEREAS, the City Clerk has presented the City Council with a certified initiative petition in support of the initiative ordinance referenced above; and

WHEREAS, the City Council wishes to act pursuant to Section 452 of the City Charter to submit the initiative ordinance to the qualified voters of the City of Los Angeles at the next regular City election to be held more than 110 days from the date of Council action on the petition (the City's Primary Nominating Election to be held on March 5, 2024).

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The initiative ordinance attached to this Resolution shall be submitted to the qualified voters of the City of Los Angeles at the City's Primary Nominating Election to be held on March 5, 2024. The Clerk is hereby authorized to make technical and formatting adjustments to the attached initiative ordinance as needed to facilitate presentation in ballot materials. The vote requirement for the initiative ordinance to pass is a majority of the votes cast.

Sec. 2. The impartial ballot title and question for the initiative ordinance shall be adopted at a later date in accordance with the procedures and deadlines set forth in the City Charter and City Election Code.

Sec. 3. The City Clerk is hereby authorized and directed to publish a notice containing the proposed initiative ordinance and specifying the date of the election for the initiative ordinance. The notice shall be published once in a newspaper of general circulation in the City of Los Angeles, and in each edition thereof during that day of publication.

Sec. 4. The City Clerk is hereby authorized and directed to publish once in a newspaper of general circulation that copies of voter information pamphlets containing the proposed initiative ordinance may be obtained upon request in the City Clerk's office. The City Clerk is authorized and directed to prepare and keep in the City Clerk's office a sufficient supply of copies of the voter information pamphlets and to distribute them to persons requesting a copy. Further, the City Clerk is authorized and directed to mail copies of the voter information pamphlets to the qualified voters of the City of Los Angeles.

Sec. 5. The City Clerk shall file a duly certified copy of this Resolution forthwith with the Board of Supervisors and with the Registrar-Recorder of the County of Los Angeles.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held on _____.

HOLLY L. WOLCOTT, City Clerk

By _____ Deputy

TEXT OF THE PROPOSED INITIATIVE ORDINANCE:

ORDINANCE NO. _____

LOS ANGELES RESPONSIBLE HOTEL ORDINANCE

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

Section 1. Purpose and Intent

The City of Los Angeles is experiencing a dramatic increase in hotel development, ranking second in the nation in the number of new hotel rooms in its pipeline and seeing occupancy rates return to their pre-pandemic levels. While hotels can bring good jobs and add to the City's economic base, many hotels burden City social services and exacerbate the City's housing crisis. The Los Angeles Responsible Hotel Ordinance (the "Ordinance") will help ensure that new hotels do not contribute to the City's lack of affordable housing, burden the City's social services, or result in undue transportation and traffic impacts. New and already existing hotels will be required to adhere to responsible business practices, including making guest rooms available to unhoused Angelenos on a non-discriminatory basis, and be subject to City oversight.

The Ordinance requires that when the City Planning Commission, or the City Council on appeal, reviews a conditional use permit for a major hotel development, they consider whether there is sufficient demand for the hotel, whether the hotel would unduly burden the demand for affordable housing and social services in the City, including as a result of the hotel's employment practices; whether the hotel has a plan to reduce vehicle trips and vehicle miles, including by hiring local residents; and whether the hotel will displace community-serving small businesses. The Ordinance also requires new hotels that displace housing to create guest rooms for City visitors replace that housing on a one-for-one basis.

One consequence of the City's lack of affordable housing is its unprecedented homelessness crisis. At least 41,290 people experienced homelessness at any given time during 2020 in the City according to the Los Angeles Homeless Services Authority. While the 2021 count was cancelled due to COVID, the number of people experiencing homelessness has increased by double-digit percentages in recent years, a trend that can be expected to continue through the COVID pandemic. While tens of thousands of unhoused Angelenos can be found each night sleeping on the streets or in parks, vehicles, or structures not fit for human habitation, large numbers of hotel guest rooms across the City go unoccupied every night. Vacant hotel rooms offer an underutilized opportunity to address the problem of homelessness. This Ordinance creates a program under which the City's Housing Department will identify hotels with vacant rooms, refer unhoused families and individuals to such hotels, and provide payment at a fair market rate for their lodging. The Ordinance prohibits hotels from discriminating against unhoused people for their participation in this program, or the fact or perception, that they are unhoused. It requires hotels to report the number of vacant hotel rooms and other information to the Housing Department on a regular basis.

The Ordinance creates a more rigorous permitting regime to ensure that hotels are operated in a responsible manner. While the City has adopted special police permit requirements for dealers of a variety of types of merchandise, businesses that provide amusements and exhibitions, and numerous trades and occupations, there currently exist no special police permit requirements for hotels. However, as sites where the traveling public congregates in large numbers, hotels have a unique and important role to play in ensuring public health and safety and in mitigating harmful and illegal conduct such as trafficking of persons and the spread of communicable diseases. Wage theft and other violations of state and local employment laws are a large and growing problem in Los Angeles, with the Los Angeles County Sheriff's Department's Wage Theft Task Force estimating that some 30% of workers in the County are paid less than the legal minimum wage and that wage theft deprives workers of over \$26 million per week in Los Angeles. Hotels employ large numbers of lower-wage workers, whom unscrupulous employers especially target for wage theft and other employment-law violations, making review of employment-law violations as part of the hotel licensure process critical. This Ordinance adds to the City's existing police permit regime a requirement that hotel owners and operators obtain a permit from the Board of Police Commissioners and sets out standards, the violation of which, may result in the denial of a permit or disciplinary action against hotel owners or operators.

Section 2. Section 12.24 of Article 2 of Chapter 1 of the City of Los Angeles Municipal Code is amended, to read (with added language in underline and deleted language in ~~striketrough~~):

U. Conditional Use Permits - City Planning Commission with Appeals to City Council. The following uses and activities may be permitted in any zone, unless restricted to certain zones or locations, if approved by the City Planning Commission as the initial decision-maker or the City Council as the appellate body. The procedures for reviewing applications for these uses shall be those in Subsections B. through Q. in addition to those set out below.

...

14. **"Major" development projects**, otherwise permitted by right in the zone(s) in which they are located and in compliance with the limitations and regulations of this article.

(a) **Definitions.** For purposes of this Subdivision the following words and phrases are defined as follows

...

Major Development Project means the construction of, the addition to, or the alteration of, any buildings or structures, which create or add 250,000 square feet or more of warehouse floor area, ~~250~~ 100 or more hotel/motel guest ~~rooms~~, rooms or transient-occupancy residential structure dwelling units or combination thereof, a Home Improvement Store, or 100,000 square feet or more of floor area in other nonresidential or non-warehouse uses in the C2, C4, C5, CM, M1, M2 and M3 Zones, and solely with respect to Major Development Projects that include 100 or more hotel/motel guest rooms or transient-occupancy residential structure dwelling units, also in the R4 and R5 Zones. The above definition shall apply to the cumulative sum of related or successive permits which are

part of a larger project, such as piecemeal additions to a building, or multiple buildings on a lot as determined by the Director of Planning. For the purpose of this subdivision, floor area shall be as defined in Section 12.03 of this Code.

Major Hotel Development Project means a Major Development Project that includes the creation or addition of 100 or more hotel/motel guest rooms or transient-occupancy residential structure dwelling units or combination thereof.

...

(c) Projects Exempt From Conditional Use Requirement:

(1) Notwithstanding any provisions of this article to the contrary, any development project, except for a Major Hotel Development Project, which received one or more still-valid discretionary approvals, including but not limited to those listed below, shall be exempt from the conditional use requirement set forth in this subdivision:

...

(f) Major Hotel Development Project.

(1) Additional findings. In addition to the findings otherwise required by this Section and set forth in Paragraph (b) of this Subdivision, prior to approval of a Major Hotel Development Project, the City Planning Commission or the City Council on appeal shall consider and make express findings on each of the following:

(i) that there is sufficient market demand for the Major Hotel Development Project proposed;

(ii) that the Major Hotel Development Project will not unduly and negatively impact demand in the City for affordable housing, public transit, child-care, and other social services, taking into consideration the impact of the part-time or seasonal nature of work at the Major Hotel Development and of the Major Hotel Development Project employees' expected compensation;

(iii) whether the applicant will take measures to employ residents of neighborhoods adjoining the Major Hotel Development Project in order to minimize increased demand for regional transportation and to reduce demand for vehicle trips and vehicle miles traveled;

(iv) whether the applicant will take measures to encourage hotel workers and guests to use public transportation, cycling and other non-automotive means of transportation;

(v) whether the Major Hotel Development Project will displace or negatively impact small businesses in the immediate vicinity and whether the applicant will adopt any measures to increase demand for local goods and services.

(2) Procedures. An application for approval of a Major Hotel Development pursuant to this subsection shall follow the procedures for conditional use permits otherwise required by this Section. In addition, the applicant shall prepare and submit to the Department a report addressing each of the factors set forth in subsection (f)(1).

(3) Vested Rights. This subsection (f) shall not be interpreted to impair vested rights under this Code, state law, or common law.

(4) Relation to Specific and Community Plans. The requirements of this subsection (U)(14), as they apply to a Major Hotel Development Project, shall prevail over conflicting provisions in any Specific or Community Plan, including any Community Plan Implementation Overlay District, unless such Specific or Community Plan, or Community Plan Implementation Overlay District, is adopted by Ordinance initiated by the People. The foregoing limitation shall not preclude a Specific or Community Plan, or Community Plan Implementation Overlay District, from imposing additional limitations on or requirements of Major Hotel Development Projects.

Section 3. Section 12.84 is added to Article 2 of Chapter 1 of the City of Los Angeles Municipal Code, to read:

Section 12.84. Hotel Development Replacement Housing.

A. Scope and Purpose. The City of Los Angeles has seen a massive increase in new hotel development in recent years at the same time as the number of people experiencing homelessness has skyrocketed and the City's affordable-housing crisis has grown. Hotels are frequently proposed for land that is equally suitable for housing development and thus crowd out sites that could be used to help alleviate the City's need for affordable housing.

The City estimates that, under current assumptions, it will likely be unable to meet its total Regional Housing Needs Assessment (RHNA) targets for new construction. The City is projected to fall short at the affordable income ranges. While the RHNA allocation suggests that almost 260,000 units affordable to households earning less than 120% of Area Median Income will be needed, it is anticipated that only 62,000 affordable units may be constructed within the eight-year RHNA period.

Moreover, those affordable housing units that have been built have been concentrated in poor and working-class neighborhoods, contributing to the City's legacy of racial and economic segregation. According to the Department of City Planning, of the affordable units permitted in the last ten years, only 14% were produced in the City's High or Highest Resource areas, while 62% were located in Low Resource and High Segregation and Poverty areas. Requiring new hotel developments to replace housing that has been converted or demolished will help the City address the significant shortfall in affordable housing that it faces and to ensure that affordable housing is sited in areas of opportunity.

The purpose of this Section is to enhance the public welfare by establishing policies which require hotel development projects to replace demolished or converted housing with housing affordable to households of Extremely Low, Very Low, Low, and Moderate Incomes, help meet the City's regional share of housing needs, and implement the goals and objectives of the City's General Plan and Housing Element. The adoption of a Citywide replacement housing program for new hotel development will also encourage the development of affordable housing in areas of commercial opportunity and job growth in the City's service, hospitality, and tourism sectors.

Nothing in this Section shall deem or be used to deem the compliance options set forth in Section 12.84(D) as an *ad hoc* exaction, as a mandated fee required as a condition to developing property, or as a fee subject to the analysis in *Building Industry Association of Central California v. City of Patterson* (5th Dist. 2009) 171 Cal.App.4th 886.

B. Definitions.

"Above Moderate Income Households" means an individual or household whose income exceeds the upper income limit of a Moderate Income Household.

"Affordable Housing Cost" means the housing cost for Dwelling Units as defined by California Health & Safety Code Section 50052.5 for owner-occupied housing and the affordable rent for rental units as defined by California Health & Safety Code Section 50053(b), as applicable.

"Affordable Housing Plan" means the plan required to be submitted with an Applicant's application for First Approval pursuant to Section 12.84(L).

"Applicant" means any Person, or combination of Persons, or authorized representative thereof, who undertakes, proposes or applies to the City for a Planning Permit related to a Hotel Development Project.

"Building Permit" includes full structural building permits as well as partial permits such as foundation-only permits and permits for tenant improvements.

"Certificate of Occupancy" means the permit issued by the Los Angeles Department of Building and Safety authorizing the initial occupancy of a residential unit, including a temporary certificate of occupancy.

“Common Ownership or Control” means property owned or controlled by the same Person or Persons or by separate Persons in which any shareholder, partner, member, or family member of an investor of the person owns ten percent (10%) or more of the interest in the property.

“Contiguous Property” means any parcel of land that is:

- A. Touching another parcel at any point;
- B. Separated from another parcel at any point only by a public right of way, private street or way, or public or private utility, service, or access easement; or
- C. Separated from another parcel only by other real property of the Applicant which is not subject to the requirements of this Section at the time of the Planning Permit application by the Applicant.

“Conversion” and “Covert” mean a change of a Residential Dwelling Unit, including a mobilehome, as defined in Section 18008 of the Health and Safety Code, or a mobilehome lot in a mobilehome park, as defined in Section 18214 of the Health and Safety Code, or a residential hotel as defined in paragraph (1) of subdivision (b) of Section 50519 of the Health and Safety Code, to a nonresidential use.

“Demolition” and “Demolish” mean the demolition of a Residential Dwelling Unit, including a mobilehome, as defined in Section 18008 of the Health and Safety Code, or a mobilehome lot in a mobilehome park, as defined in Section 18214 of the Health and Safety Code, or a residential hotel, as defined in paragraph (1) of subdivision (b) of Section 50519 of the Health and Safety Code.

“Extremely Low Income Household” shall have the definition given in California Health & Safety Code section 50106.

“Equivalent Size” means that the Replacement Unit contains at least the same total number of bedrooms as the Dwelling Unit being replaced.

“First Approval” means the first approval of a Planning Permit occur with respect to a Hotel Development Project.

“For-Sale” means and refers to any separately conveyable Dwelling Unit, including a condominium, stock cooperative, community apartment, or attached or detached single family home, for which a parcel or tentative and final map is required for the lawful subdivision of the parcel upon which the Dwelling Unit is located or for the creation of the unit in accordance with the Subdivision Map Act (California Government Code section 66410 *et seq.*).

“Guest Room” means any room, suite of rooms, dwelling unit, cottage, or bungalow used or intended to be used by a guest of a Hotel for transient sleeping purposes.

“Hotel” means an establishment that provides temporary lodging for payment in the form of overnight accommodations in guest rooms to transient patrons for periods of thirty consecutive calendar days or less. “Hotel” includes hotels, motor lodges, motels, apartment hotels, transient-occupancy residential structures, private residential clubs, tourist courts, and hostels that contain both dormitory-style accommodations and private guest rooms that may be reserved, meeting the definition set forth above. Except as provided above, the term “Hotel” also does not include corporate housing, rooming houses, boarding houses, single room occupancy housing, any housing available only to students of an education institution, a residential hotel as defined in California Health and Safety Code Section 50519, Short-Term Rentals as defined in Municipal Code Section 12.22 A 32, or licensed bed and breakfast establishments within a single-unit residence.

“Hotel Development Project” means any project requiring a Planning Permit for which an application has been submitted to the City where such development would be permitted to create, through the construction or alteration of structures or through the Conversion of any other use to hotel use:

- A. one or more Hotels with a total of at least 15 Guest Rooms; or
- B. if on Contiguous Property under Common Ownership or Control, as part of the combined development on all of such property at the time of the application for First Approval, a total of 15 or more Guest Rooms.

“Income Category” means Extremely Low Income Household, Very Low Income Household, Lower Income Household, and Moderate Income Household.

“Interested Party” means a current or former tenant or owner of a Residential Dwelling Unit that has been or will be Converted or Demolished on the parcel or parcels of a proposed Hotel Development Project governed by this Section, or their authorized representative. Interested Party also means any nonprofit organization exempted from federal taxation pursuant to Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, and organized for the purpose of maintaining or creating affordable housing.

“Lower Income Household” shall have the definition given in California Health & Safety Code Section 50079.5.

“Moderate Income Household” shall have the definition given to “persons and families of moderate income” as defined in California Health & Safety Code Section 50093.

“Person” means an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, business trust, estate, trust, association, joint venture, agency, instrumentality, or any other legal or commercial entity, whether domestic or foreign.

“Planning Permit” means a development agreement, general plan amendment, specific or area

plan adoption or amendment, zoning, rezoning, pre-zoning, annexation, planned development permit, site plan review, zoning administrator adjustment, transfer of development rights, tentative map, vesting tentative map, parcel map, variance, conditional use permit, vesting conditional use permit, vesting development plan, special use permit, building permit, or similar discretionary or ministerial approval granted by the Department of City Planning or Department of Building and Safety.

“Rental” means and refers to a Residential Dwelling Unit that is not a For-Sale Dwelling Unit and that is made available for rent.

“Replacement Housing Agreement” means an agreement between the City and an Applicant, as described in subsection 12.84(L).

“Replacement Unit” means a Residential Dwelling Unit required by this Section to be affordable to Extremely Low, Very Low, Lower, or Moderate Income Households.

“Residential Dwelling Unit” means a guest room, a light housekeeping room, a dwelling unit (including an efficiency dwelling unit, an accessory dwelling unit, and a junior accessory dwelling unit), or joint living and work quarters, all as defined in Municipal Code Section 12.03; a mobile home, as defined in California Health and Safety Code Section 18008 that is used or intended to be used as a residence that is primarily long-term in nature. Residential Dwelling Units do not include transient lodging, inpatient medical care, licensed long-term care, or detention or correctional facilities.

“Very Low Income Household” means a household earning no more than the amount defined by California Health & Safety Code section 50105.

C. Exemptions.

This Section shall not apply to any of the following:

1. Projects that are not Hotel Development Projects as defined in Section 12.84(B) of this Chapter.

2. Hotel Development Projects that are developed in accordance with the terms of a development agreement adopted by ordinance pursuant to the authority and provisions of California Government Code section 65864 *et seq.* and that is executed prior to the operative date of the ordinance codified in this Section, provided that such Hotel Development Project shall comply with any affordable housing requirements included in the development agreement or any predecessor ordinance in effect on the date the development agreement was executed.

3. Hotel Development Projects subject to the Residential Hotel Unit Conversion and Demolition Ordinance, Municipal Code Section 47.70 *et seq.*

4. Hotel Development Projects subject to replacement-unit obligations under the Settlement Agreement in *Wiggins, et al. v. Community Redevelopment Agency of the City of Los*

Angeles, City of Los Angeles et al., LASC Case No. BC276472 (Related with Case No. BC277539) or the Development Guidelines and Controls for Single-Room Occupancy Hotels in the City Center and Central Industrial Areas.

5. Hotel Development Projects for which application of this Section's requirements would unlawfully interfere with vested rights created under this Code, State law, or common law.

D. Replacement Housing Requirements.

1. A proposed Hotel Development Project shall be required to include the replacement, on a one-for-one basis, in the form of new construction of Residential Dwelling Units or acquisition and rehabilitation of existing market-rate Residential Dwelling Units, of each Residential Dwelling Unit on the Hotel Development Project parcel or parcels that is or will be Converted or Demolished as a result of the Hotel Development Project and each such Residential Dwelling Unit that was Converted or Demolished during the five-year period immediately preceding the Applicant's application for First Approval, as follows:

a. For Residential Dwelling Units on the parcel or parcels that are occupied on the date of the application for First Approval, the proposed Hotel Development Project shall include Replacement Units of Equivalent Size to be made available at Affordable Housing Cost to, and occupied by, individuals and households in the same or lower Income Category as those households in occupancy, or if the Income Category of the individuals or households occupying the Residential Dwelling Unit exceeds that of a Moderate Income Household, at an Affordable Housing Cost to a Moderate Income Household. If the incomes of the individuals and households in occupancy are not known, it shall be rebuttably presumed that Lower Income Households, Very Low Income Households, Extremely Low Income, Moderate Income and Above Moderate Income Households occupy these Dwelling Units in the same proportion as their share of all renter households within the City of Los Angeles, as determined by the General Manager of the City Housing Department utilizing the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database.

b. For Residential Dwelling Units on the parcel or parcels that are in existence but are unoccupied at the time of an Applicant's application for First Approval, the proposed Hotel Development Project shall include Replacement Units of Equivalent Size to be made available at an Affordable Housing Cost to, and occupied by, individuals and households in the same or lower Income Category as the last individual or household in occupancy, or if the Income Category of the individuals or households last occupying the Residential Dwelling Unit exceeded that of a Moderate Income Household, at an Affordable Housing Cost to a Moderate Income Household. If the incomes of the individuals and households formerly in occupancy are not known, it shall be rebuttably presumed that Lower Income Households, Very Low Income Households, Extremely Low Income, Moderate Income and Above Moderate Income Households occupied these Dwelling Units in the same proportion as their share of all renter households within the City of Los Angeles, as determined by the General Manager of the City Housing

Department utilizing the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database.

c. For Residential Dwelling Units on the parcel or parcels that have been Converted or Demolished within the five-year period preceding the Applicant's application for First Approval, the proposed Hotel Development shall include Replacement Units of Equivalent Size equal to the total number of Residential Dwelling Units on the parcel or parcels at the highpoint during the five-year period preceding the application for First Approval, minus the number of Residential Dwelling Units on the parcel or parcels in existence at the time of the application for First Approval. Such Replacement Units shall be at an Affordable Housing Cost to, and occupied by, individuals and households in the same or lower Income Category as those individuals and households in occupancy at such highpoint, or if the Income Category of the individuals or households occupying the Residential Dwelling Units at such highpoint exceeded that of a Moderate Income Household, at an Affordable Housing Cost to a Moderate Income Household. If the Income Categories of the individuals and households in occupancy at such highpoint are not known, it shall be rebuttably presumed that Lower Income Households, Very Low Income Households, Extremely Low Income, Moderate Income and same Above Moderate Income Households occupied these Residential Dwelling Units in the proportion as their share of all renter households within the City of Los Angeles, as determined by the General Manager of the City Housing Department utilizing the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database.

2. An Applicant may provide the Replacement Units required under Subsection 12.84(D)(1) at the site of the Hotel Development Project or at a location other than the site of the Hotel Development Project, provided that any off-site Replacement Units for the Hotel Development Project shall be located within the same Community Plan area or within three miles of the Hotel Development Project, whichever is nearer, unless, at the time of submission of the application for First Approval, the Applicant petitions for and provides credible documentation in writing to the City Planning Department that there is insufficient available land to construct the off-site Replacement Units in such proximity, in which event such Replacement Units shall be constructed upon a site approved by the City Planning Department.

3. An Applicant may provide the Replacement Units required under Subsection 12.84(D)(1) as For-Sale Replacement Units or as Rental Replacement Units, provided that the proportion of For-Sale Replacement Units may not exceed the proportion of For-Sale Residential Dwelling Units on the parcel or parcels that are or were Converted or Demolished.

4. In computing the total number of Replacement Units required in a Hotel Development Project, fractions shall be rounded up to the next highest whole number.

5. This Section shall apply to individual Hotel Development Projects for which Planning Permits are sought and also to the cumulative sum of related or successive Planning Permits which are part of a larger Hotel Development Project, such as piecemeal additions to a building,

or multiple buildings on a lot, or the development of multiple parcels, as determined by the Director of the Department of City Planning.

E. Replacement Unit Priority. Replacement Units required pursuant to this Section shall be made available through a right of first refusal to eligible individuals or households in the following order of priority:

1. to individuals or households who have been or will be displaced by the Conversion or Demolition of Residential Dwelling Units on the parcel or parcels, as described in Section 12.84(D)(1), and who meet the qualifying income thresholds, with greater priority given to individuals most recently displaced by such Conversion or Demolition;

2. to individuals employed at the Hotel or Hotels developed through the Hotel Development Project who meet the qualifying income thresholds;

3. to others who qualify for the Replacement Units.

F. Certificate of Occupancy. No Certificate of Occupancy for a Hotel Development Project which is subject to the requirements of this Section shall be issued prior to the issuance of the Certificate(s) of Occupancy for the Replacement Units required pursuant to this Section.

G. Linkage Fee. Unless otherwise exempted by this Code, all net new non-residential square footage of a Hotel Development Project shall be subject to the Citywide Affordable Housing Linkage Fee set forth in Municipal Code Section 19.18 or any further or amended linkage fee applicable to the Hotel Development Project.

H. Deed Restriction. Replacement Units shall be evidenced by a deed restriction which reserves and maintains the affordability of the Replacements Units, consistent with the requirements of this Section, for the life of the Replacement Unit or for 99 years, whichever is greater. The deed restriction shall also state that rent levels cannot exceed those specified in this Section.

I. Relief from Replacement Unit Requirement.

1. Authority. The City Council may, by resolution and after a public hearing, grant administrative relief from the replacement unit requirements of this Section in cases of documented, extreme hardship duly established to the satisfaction of the City Council.

2. Procedures. An application for administrative relief shall be filed with the Department of City Planning on forms provided by the Department, accompanied by such fee as may be established by the Department. The Department shall transmit the application, together with a staff report and recommendation, to the City Planning Commission, which shall provide its recommendation to the City Council within 60 days. The City Council shall consider such application for administrative relief within 60 days after transmission of the City Planning Commission's recommendation, unless the Applicant consents to an extension of time.

J. Hotel Development Projects with Overlapping Replacement Housing Requirements.

When overlapping replacement housing requirements could be applied to a Hotel Development Project pursuant to this Section or because the Hotel Development Project is subject to more than one inclusionary or replacement housing requirement under any federal, state, or local law, the Hotel Development Project, or any part thereof, shall be subject to the requirement that results in the production of the greatest amount and greatest depth of affordability of replacement or inclusionary units, as determined by the Director of the City Planning Department.

K. Minimum Requirements. The requirements of this Section are minimum requirements and shall not preclude a Hotel Development Project from providing additional affordable units or affordable units with lower rents or sales prices than required by this Section.

L. Affordable Housing Plan and Replacement Housing Agreement.

1. An Affordable Housing Plan shall be submitted as part of the application for First Approval of any Hotel Development Project. No application for a First Approval for a Hotel Development Project may be deemed complete unless an Affordable Housing Plan is submitted in conformance with the provisions of this Section.

2. The Affordable Housing Plan shall either contain the Applicant's certification, under penalty of perjury, that no Converted or Demolished Residential Dwelling Units meeting the standards set forth in Section 12.84(D)(1) exist, or specify all of the following information:

- a. How the replacement housing requirement in Subsection 12.84(D)(1) will be satisfied;
- b. The number, unit type, number of bedrooms and baths, approximate location, size and design, construction and completion schedule of all Replacement Units, and whether such Replacement Units will be For-Sale or Rental;
- c. A marketing plan, including the manner in which Replacement Units will be offered to the public in a nondiscriminatory and equitable manner and consistent with the priorities set forth in Section 12.84(E);
- d. Specific methods to be used to verify tenant and purchaser incomes, when applicable, and to maintain the affordability of the Replacement Units;
- e. Any other information that is reasonably necessary to evaluate the compliance of the Affordable Housing Plan with the requirements of this Section and any implementing regulations.

3. The Affordable Housing Plan shall be reviewed by the City Housing Department as part of the First Approval of any Hotel Development Project. The Affordable Housing Plan shall be approved if it conforms to the provisions of this Section and any implementing regulations. A condition shall be attached to the First Approval of any Hotel Development Project to require recordation of any Replacement Housing Agreement required by Subsection 5 of this Section

12.84(L) prior to the approval of any final or parcel map or Building Permit for the Hotel Development Project. The Housing Department's acceptance or denial of an Affordable Housing Plan shall be appealable to the City Council by the Applicant or by any Person aggrieved by the decision of the Housing Department.

4. Following the First Approval of a Hotel Development Project, for any Hotel Development Project required by this Section to replace Converted or Demolished Residential Dwelling Units meeting the standards set forth in Section 12.84(D)(1), the City shall prepare a Replacement Housing Agreement providing for the implementation of the Affordable Housing Plan and consistent with this Section and any implementing regulations. Prior to the approval of any final or parcel map or issuance of any Building Permit for a Hotel Development Project subject to this Section, the Replacement Housing Agreement shall be executed by the City and the Applicant and recorded against the entire Hotel Development Project property and any other property used for the purposes of providing Replacement Units pursuant to this Section to ensure that the agreement will be enforceable upon any successor in interest. The Replacement Housing Agreement shall not be amended without the prior written consent of the City.

N. Each Replacement Housing Agreement shall include provisions for the monitoring by the City of each Hotel Development Project and each Replacement Unit for compliance with the terms of this Section, any implementing regulations, and the applicable Replacement Housing Agreement. Such provisions shall require compliance reports to be submitted to the City Housing Department by the Hotel owner on at least a biennial basis, and the City may conduct periodic on-site audits to ensure compliance with all applicable laws, policies, and agreements. The City Council, by resolution, may establish fees for the ongoing administration and monitoring of the Replacement Units, which fees may be updated periodically, as required

M. Waiver.

1. Notwithstanding any other provision of this Chapter, the requirements of this Section may be waived, adjusted, or reduced if an Applicant shows, based on substantial evidence, that there is no reasonable relationship between the impact of a proposed Hotel Development Project and the requirements of this Section, or that applying the requirements of this Section would take property in violation of the United States or California Constitutions.

2. Any request for a waiver, adjustment, or reduction under this Section shall be submitted to the City concurrently with the Affordable Housing Plan required by Section 12.84(L). The request for a waiver, adjustment, or reduction shall set forth in detail the factual and legal basis for the claim.

3. The request for a waiver, adjustment, or reduction shall be reviewed and considered in the same manner and at the same time as the Affordable Housing Plan, and is subject to the appeal process for Affordable Housing Plans.

4. The waiver, adjustment or reduction may be approved only to the extent necessary to avoid an unconstitutional result, after adoption of written findings, based on substantial evidence, supporting the determinations required by this Section.

N. Regulations and Enforcement.

1. The City Housing Department may adopt regulations on the implementation and administration of this Section, which regulations shall have the force of law.

2. The City Attorney shall be authorized to enforce the provisions of this Section and all Replacement Housing Agreements, regulatory document, covenants, resale restrictions, promissory notes, deed of trust, and other requirements placed on Replacement Units through a civil action and any other proceeding or method permitted by law. The City may, at its discretion, take such enforcement action as is authorized under this Code and/or any other action authorized by law or by any Replacement Housing Agreement, regulatory document, restriction, or agreement executed under this Section.

3. Civil Action. An Interested Party or the City Attorney may institute a civil proceeding for injunctive relief and damages for violations of this Section. The Interested Party instituting a civil proceeding, or the City suing to enforce the provisions of this Section, if prevailing parties, shall be entitled to the costs of enforcing this Section, including reasonable attorneys' fees and costs, pursuant to an order of the Court.

O. Supersession. The City Council may adopt an ordinance superseding this Section without further vote of the People, but only if the ordinance provides for at least as great a requirement of Replacement Units, at the defined levels of income, for Hotel Development Projects

Section 4. Article 5 is added to Chapter XVI of the City of Los Angeles Municipal Code to read:

Section 165.00. Title.

This article shall be known as the Hotel Housing Voucher Program.

Section 165.01. Definitions.

"Aggrieved Person" includes any Person who claims to have been injured by a practice made unlawful by this section or who believes that they face an imminent threat of injury by a practice made unlawful by this Article.

"Department" means the City of Los Angeles Housing Department.

"Guest Room" means any room, suite of rooms, dwelling unit, cottage, or bungalow intended to be used by a guest of a Hotel for transient sleeping purposes.

"Hotel" means an establishment that provides temporary lodging for payment in the form of overnight accommodations in guest rooms to transient patrons for periods of thirty consecutive calendar days or less. "Hotel" includes hotels, motor lodges, motels, apartment hotels, transient-occupancy residential structures, private residential clubs, tourist courts, and hostels that contain

both dormitory-style accommodations and private guest rooms that may be reserved, meeting the definition set forth above. Except as provided above, the term “Hotel” also does not include corporate housing, rooming houses, boarding houses, single-room occupancy housing, a residential hotel as defined in California Health and Safety Code Section 50519, or any housing available only to students of an education institution, Short-Term Rentals as defined in Municipal Code Section 12.22 A 32, or licensed bed and breakfast establishments within a single-unit residence.

“Hotel Operator” means a person who is either the proprietor of the Hotel or any other person who has the right to rent rooms within the Hotel, whether in the capacity of owner, manager, lessee, mortgagee in possession, licensee, or in any other capacity.

“Fair Market Rate” means the room rate, as defined in California Business & Professions Code §17561, that a Hotel Operator advertises or otherwise makes available to the public for hotel accommodations, including all non-optional fees associated with booking the particular accommodation, but excluding taxes and fees imposed by the City or the State and excluding any promotional, volume, loyalty or other discounts that are not generally available to the public.

“Person” means an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, business trust, estate, trust, association, joint venture, agency, instrumentality, or any other legal or commercial entity, whether domestic or foreign.

“Unhoused Individual or Family” means an individual or family who lacks a fixed, regular, and adequate nighttime residence, or who has a primary nighttime residence in an emergency shelter, on the street or in a park, in a vehicle, or in an enclosure or structure that is not authorized or fit for human habitation.

Section 165.02. Hotel Housing Voucher Program.

A. Subject to the availability of funding from any source for this purpose, by July 1, 2023, the Department shall establish a program to place Unhoused Individuals or Families in vacant hotel Guest Rooms. Elements of the program shall include the following:

1. The Department shall develop a program for paying a Fair Market Rate, or such other rate as the Department may negotiate with a Hotel, for vacant hotel Guest Rooms on behalf of Unhoused Individuals or Families. The payment system may utilize a pre-paid voucher redeemable at Hotels, direct payment by the City or a designee, or another means by which the City or its designee pays for lodging on behalf of Unhoused Individuals or Families.

2. The Department shall, on an ongoing basis, identify Hotels with vacant Guest Rooms, refer Unhoused Families or Individuals to such Hotels, and provide payment for such families’ and individuals’ lodging.

3. The Department shall seek and accept bids to contract with one or more bona fide non-profit organizations with a demonstrated record of working with unhoused populations to assist in administering the program. If the Department opts to have such nonprofit

organization(s) pay for lodging under the program on the Department's behalf, it shall establish a program to provide grants to the nonprofit organization(s) for use in making such payments, and shall not rely solely on a program of reimbursing the non-profit organization(s) for lodging payments made under this Section that have been advanced by the non-profit organization(s).

4. The Department shall make a report each quarter to the City Council summarizing in aggregate the data received from Hotel Operators pursuant to Section 165.04, the average number and percentage of hotel Guest Rooms that were vacant during each week of the preceding quarter, both in total and by geographic area, and other information that the Department deems relevant to the oversight of this program, and providing data on the number of individuals provided lodging through the program. Such reports shall not include information concerning any individual Hotel.

5. This Article is not intended to replace or preclude any additional programs of the City to arrange or pay for the lodging of Unhoused Individuals or Families in Hotels.

6. Regardless of the method by which the Department pays the Fair Market Rate for hotel accommodations under the program established pursuant to this Section, the Department shall issue housing vouchers or other appropriate documentation to program beneficiaries, which may be used, and which a Hotel must accept if presented, to satisfy the Hotel's obligations under Section 41.49(a) of the Municipal Code.

Section 165.03. Refusal to Provide Lodging Unlawful.

A. It shall be unlawful for a Hotel Operator to refuse to provide lodging to an individual or family in a Guest Room that is available to the public, or to subject an individual or family for whom it provides lodging to restrictive rules that are not generally applicable to the public, because of (i) the individual's or family's use of a pre-paid voucher or a form of payment routinely accepted by the Hotel in its ordinary course of business pursuant to the program set forth in Section 165.02(a) to pay the Fair Market Rate for the lodging, (ii) the individual's or family's participation in a program established pursuant to Section 165.02(a); or (iii) the fact, or the perception, that the individual or family seeking accommodations is an Unhoused Individual or Family.

B. It shall be unlawful to refuse to provide lodging to an individual or family seeking accommodations using the program set forth in Section 165.02(a) because the individual or family is unable to present a government- issued identification document if the individual or family presents the Hotel with a housing voucher or other documentation prescribed by the Department demonstrating that the individual or family has been authorized to use the program.

Section 165.04. Hotel Reporting Requirement.

A. Unless the Department establishes a different schedule for reporting, each Hotel shall communicate to the Department or its designee, in a form that the Department prescribes, by 2:00 p.m. each day the number of available rooms at the Hotel for that night (and, where requested by the Department, the number of days an available room may be rented). Nothing in

this subsection shall require a Hotel to hold or reserve any available room for program beneficiaries.

B. Each Hotel Operator must provide to the Department, by the fifteenth day of each month, a report in a format prescribed by the Department, which shall include the number of rooms that were occupied and were not occupied and the total number of rooms available for guests on each date during the preceding month at the Hotel.

Section 165.05. Enforcement.

A. An Aggrieved Person alleging a violation of Section 165.03, the City Attorney, or any other Person acting on behalf of the public as provided for under applicable state law, may bring a civil action in a court of competent jurisdiction against a Hotel Operator for violations of this Article. A Person or the City, upon prevailing, shall be entitled to such legal, equitable, and injunctive relief as may be appropriate to remedy the violation, and to civil penalties of \$500 for each day that each individual or family was unlawfully denied lodging, payable to the individual or head(s) of household unlawfully denied housing. A prevailing plaintiff in an action under this subsection shall be awarded reasonable attorneys' fees and costs.

B. Notwithstanding any provision of this Code to the contrary, no criminal penalties shall attach for any violation of the provisions of this Article.

Section 165.06. Sunset Provision; Report.

A. The provisions of this Article shall be in effect through June 30, 2032, unless the City Council acts by ordinance to amend this section to extend its effective period, except as provided in Paragraph C of this Section.

B. The Department shall submit a report for the City Council no later than December 31, 2031, describing the impact and cost of implementation of this Article.

C. Notwithstanding the expiration of other elements of this Article pursuant to subsection (A), it shall remain unlawful for a Hotel Operator to refuse to provide lodging to an individual or family because of the fact, or the perception, that the individual or family seeking accommodations is an Unhoused Individual or Family.

Section 165.07. Regulations.

The Department shall have the power to render interpretations of this Article and to adopt and enforce rules and supplemental regulations to clarify its application, which shall have the force of law. These interpretations, rules and regulations shall be in conformity with the intent and purpose of this Article.

Section 5. Section 21.7.4 of Article 1.7 of Chapter II of the City of Los Angeles Municipal Code is hereby amended, to read (with added language in underline and deleted language in ~~strikethrough~~):

No tax shall be imposed upon:

...

(f) Any person as to whom, or any occupancy as to which, rent is paid through the program described in Municipal Code Section 165.02(A).

...

It shall be the duty of an operator to keep and maintain for a period of four (4) years written documentation in support of each exemption granted under Subsection (e) or (f).

Section. 6. Division 10 of Article 3 of Chapter 10 is added to the City of Los Angeles Municipal Code, to read:

Section 103.400. Hotel Permit.

Permits under this division shall be governed by the procedures and requirements of Chapter X of the Municipal Code, except as specifically provided in this Division.

Section 103.401. Definitions.

As used in this division:

“Applicant” means the Hotel Owner and/or Hotel Operator seeking a Permit under this Division.

“Fair Market Rate” means the room rate, as defined in California Business & Professions Code §17561, that a Hotel Operator advertises or otherwise makes available to the public for hotel accommodations, including all non-optional fees associated with booking the particular accommodation, but excluding taxes and fees imposed by the City or the State and excluding any promotional, volume, loyalty or other discounts that are not generally available to the public.

“Guest Room” means any room, suite of rooms, dwelling unit, cottage, or bungalow intended to be used by a guest of a Hotel for transient sleeping purposes.

“Hotel” means an establishment that provides temporary lodging for payment in the form of overnight accommodations in guest rooms to transient patrons for periods of thirty consecutive calendar days or less. “Hotel” includes hotels, motor lodges, motels, apartment hotels, transient-occupancy residential structures, private residential clubs, tourist courts, and hostels that contain both dormitory-style accommodations and private guest rooms that may be reserved, meeting the definition set forth above. Except as provided above, the term “Hotel” also does not include corporate housing, rooming houses, boarding houses, single-room occupancy housing, a residential hotel as defined in California Health and Safety Code Section 50519, or any housing available only to students of an education institution, Short-Term Rentals as defined in Municipal Code Section 12.22 A 32, or licensed bed and breakfast establishments within a single-unit residence.

“Hotel Operator” means a Person who is either the proprietor of the Hotel or any other person who has the right to rent rooms within the Hotel, whether in the capacity of owner, manager, lessee, mortgagee in possession, licensee, or in any other capacity.

“Hotel Owner” means a Person who has title to the premises which operates as a Hotel.

“Permit” means a permit issued under this Division to own or operate a Hotel.

“Permittee” means any person holding a Permit to own or operate a Hotel under this division.

“Person” means an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, business trust, estate, trust, association, joint venture, agency, instrumentality, or any other legal or commercial entity, whether domestic or foreign.

Section 103.402. Permit Required; Renewal.

(a) Except as provided in subsection 103.402(C), no Hotel Operator shall operate a Hotel located in the City of Los Angeles until each Hotel Operator and each Hotel Owner for the Hotel has obtained a written Permit from the Board pursuant to this Division.

(b) The Permit required under this Division must be renewed annually. A request for an annual permit renewal must be accompanied by a completed renewal form.

(c) A Hotel Owner or Hotel Operator of a Hotel in operation as of the effective date of this Ordinance shall submit an application pursuant to Section 103.403 within 60 days of the effective date of this Ordinance, and shall be permitted to continue hotel operations while such application is pending. All other Hotel Owners and Hotel Operators shall submit an application pursuant to Section 103.403 within 60 days of the effective date of this Ordinance.

Section 103.403. Applications for Permit.

(a) An application for a Permit shall be filed on a form and in a manner prescribed by the Board.

(b) Notwithstanding any provision of this Chapter to the contrary, the Applicant must include the following information as part of its completed application:

1. The name, telephone number, email address, and mailing address of the Applicant. If the Applicant is a corporation, include the names and addresses of the directors, officers, and person(s) authorized to accept service of process on behalf of such corporation, and attach a copy of the articles of incorporation. If the Applicant is a partnership, include the names and addresses each general partner.

2. The exact location of the proposed permitted Hotel premises.

3. If the Hotel is advertised to the public and known by a name or designation other than the name of the Applicant, such name or designation other than the name of the Applicant; otherwise, a statement that the business is not so advertised or known.

4. The name and address of each stockholder owning not less than 10 percent of the stock of the Applicant, or, if no such stockholders exist, a statement to this effect.
5. The name and address of each officer and director of the Applicant.
6. The name and address of every Person having an interest of not less than 10 percent in the Hotel Operator or Hotel Owner, as applicable, and the amount thereof.
7. The name and address of every Person holding title of the Hotel premises, or any part thereof equal to or greater than one-tenth of the whole. If any such Person is a corporation, the same information as required of a corporate Applicant.
8. The name and address of each owner holding title to the Hotel's premises.
9. A description of the Hotel proposed to be permitted, including (i) the ancillary services offered in addition to lodging, (ii) the total number of Guest Rooms at the Hotel, (iii) the number and description of each type of Guest Room at the Hotel, including but not limited to the number of suites and the number of units with kitchens or kitchenettes; (iv) the square footage of each type of Guest Room at the Hotel, (iv) the number of transient occupants that the Hotel can accommodate at full occupancy.
10. Each contracted, leased, subcontracted or subleased business operating at the Hotel's premises, including but not limited to any leased, contracted, subcontracted or subleased restaurant, bar, or retail establishment, and for each such business, (i) a description of the contracted, leased, subcontracted or subleased business, including but not limited to the type and square footage of the business; (ii) the name, telephone number, email address, and mailing address of the Person who is the counterparty to such contract, lease, subcontract, or sublease; (iii) the name, telephone number, email address, and mailing address of the Person who operates the leased, contracted, subcontracted, or subleased business; and (iv) a description of the duration of the contract, lease, sublease or subcontract permitting the Person to operate the business on the hotel's premises, including any optional extension periods.
11. The name and address of any Person that supplies the Applicant or Permittee with workers to perform labor within the Applicants or Permittee's usual course of business at the Hotel, and the name and address of any Person that supplies a Person described in subsection (b)(10) with workers to perform labor within that Person's usual course of business at the Hotel.
12. A description, including all relevant dates, of any conduct or condition described in Section 103.31(a) or Section 103.404 of this article, with respect to the Applicant and with respect to any Person described in subsection (b)(10).
13. A statement that the Applicant agrees to ensure that the Hotel shall be operated in strict accordance with the provisions of this and all applicable laws, acknowledges that

the Permit may be suspended or revoked upon a finding by the City that the Applicant has failed to comply with these requirements, and that the Applicant assumes full responsibility for the lawful and safe operation of the Hotel.

14. A statement that the Applicant:

i. will not refuse to provide lodging to an individual or family in a Guest Room that is available to the public because of (i) the individual or family's use of a pre-paid voucher or another form of payment routinely accepted by the Hotel in its ordinary course of business pursuant to the program described in Municipal Code Section 165.02, (ii) the individual or family's participation in a program established pursuant to Municipal Code Section 165.02 or (iii) the fact, or the perception, that the individual or family seeking accommodations is an Unhoused Individual or Family, as defined in Municipal Code Section 165.01.

ii. will provide to the City, by the fifteenth day of each month, a report on the number of Guest Rooms that were occupied and that were not occupied and the total number of Guest Rooms available for rental on each date during the preceding calendar month.

(c) Joint applications may be made on behalf of one or more Hotel Owners or Operators with respect to the same Hotel, provided that the joint application includes the information required in Section 103.403(b) with respect to each Person on whose behalf the application is made.

(d) Applications shall be kept on file by the Board. Notwithstanding Section 103.02.1(c), all application materials shall be made available to the public through the website described in Section 103.403(e), and shall be treated by the Board as public records under the California Public Records Act, California Government Code § 6250 et seq.

(e) The Board shall maintain a publicly accessible website which shall include, for each application, the name of the Applicant or Applicants, the address of the proposed permitted Hotel premises, the date of any initial Permit issued to the Applicant for the same premises, the date on which the most recent application was submitted, the date on which the most recent Permit was issued, the expiration date of any current Permit that has been granted, any changes in ownership reported by the Applicant in the period since the last application was submitted, and a full copy of the Applicant's most recent application.

Section 103.404. Grounds for Denial of Application.

The Board may deny a Permit on any of the grounds listed in Section 103.31(a) or on any of the following additional grounds:

(a) The Applicant or its agent has within five years immediately preceding the date of filing of the application been found to have violated any federal, state, or local employment law; or

(b) The Applicant or its agent has within five years immediately preceding the date of filing of the application been convicted of violating California Penal Code 487(m); or

(c) The Applicant or its agent has within five years immediately preceding the date of filing of the application been found to have violated any federal, state, or local public health or safety law reasonably related to the nature of conduct of the business for which the application is made.

Section 103.405. Hearing upon Protest or Objection.

If any Person files a written protest or objection concerning an application for a Permit, the Board shall hold a public hearing concerning the application. The Board shall utilize the procedures outlined in Section 103.03 for public hearings, except that the following additional requirements, if not otherwise applicable to such hearings, shall apply: Persons who have made a protest or objection and other members of the public shall have the opportunity to present information and evidence to the Board concerning the Applicant's fitness to be awarded a Permit. The Board shall give consideration to such information and evidence in reaching a decision on the application.

Section 103.406. Disciplinary Action – Grounds.

(a) It shall be a ground for disciplinary action if any Permittee, their agent or employee or any partner, director, officer, or Person who is exercising managerial authority of or on behalf of a Permittee with respect to the Hotel, or any Person that supplies the Permittee with workers to perform labor within the Permittee's usual course of business at the Hotel, or any Person described in Section 103.403(b)(10), has engaged in any conduct described in Section 103.35 with respect to the Hotel's operations, or has:

1. Been convicted of a felony or other crime involving human trafficking, sex trafficking, theft (including wage theft), embezzlement or moral turpitude, or any crime committed on the premises of or in connection with the operation of the hotel; or

2. Refused to provide lodging to a Person in a Guest Room in violation of Municipal Code Section 165.03; or

3. Violated any federal, state, or local employment law with respect to the operation of the Hotel or of a business described in Section 103.403(b)(10); or

4. Violated any federal, state, or local public health or safety law in the operation of the Hotel or of a business described in Section 103.403(b)(10).

(b) In determining the appropriate level of disciplinary action, the Board shall consider whether the Permittee or other Person described in subsection 103.406(a) has engaged in any of the conduct listed in this Section or in Section 103.35 on multiple occasions or in serial fashion, and whether the Board has previously found that the Permittee or other Person described in subsection 103.406(a) has engaged in such conduct, either of which shall be considered grounds for more serious disciplinary action.

Section 103.407. Parties; Right of Appeal.

(a) Notwithstanding any provision of this Chapter to the contrary, for all purposes related to Permits concerning Hotels under this Chapter, "Party" shall include any Person who has filed a protest or objection to an application for a Permit to or an accusation against an Applicant or Permittee, in addition to any Person already included within the definition of "party" set forth in Section 102.01. This paragraph shall not be interpreted to limit the scope of the term "party" as used in this Chapter.

(b) Notwithstanding any provision of this Chapter to the contrary, any Party may appeal to the City Council a decision by the Board to issue, deny, suspend, revoke, or condition any Permit concerning a Hotel, or to decline to take such action, by filing a written notice of appeal within thirty (30) days of the Board's decision. The City Council shall hear such appeal within sixty (60) days of the notice to appeal by the Applicant. In conducting such a hearing, the Council shall receive written argument from any Person and shall hear oral argument and testimony from the Permittee and any Party making the protest or accusation. An appeal to the City Council shall stay a suspension or revocation. The City Council shall affirm, reverse, modify, or remand back to the Board such decision within sixty (60) days of such hearing.

Section 103.408. Licensing Fee Schedule.

(a) The fee for administering Permit applications under this division shall be \$999.00 for an original permit application and \$302.00 for each annual renewal.

(b) The Board shall have the authority to revise the schedule for both original permit fees and renewal fees.

Section 103.409. Regulations.

The Board shall have the power to render interpretations of this Division and to adopt and enforce rules and supplemental regulations to clarify the application of its provisions, which shall have the force of law. These interpretations, rules and regulations shall be in conformity with the intent and purpose of this Division.

Section 7. Reorganization and Recodification

The City Attorney shall have authority to incorporate the amendments to Section 12.24 of Article 2 of Chapter 1 of the City of Los Angeles Planning and Zoning Code set forth in Section 2 of this Ordinance into any reorganized or re-codified provisions of the Planning and Zoning Code adopted by the City after the date that the initiative petition containing this Ordinance is submitted to the City Clerk pursuant to Section 451(a) of the City Charter, provided that such incorporation into reorganized or re-codified provisions shall preserve the City Planning Commission as the initial decision-maker and the City Council as the appellate body and shall not alter the substantive requirements set forth in Section 2 of this Ordinance.

Section 8. Severability.

If any section, subsection, sentence, clause, phrase, or application of this Ordinance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity or application of the remaining sections, subsections, sentences, clauses, phrases or applications of this Ordinance, which shall remain in full force and effect. The People hereby declare that they would have adopted this Ordinance and each and every section, subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional, without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional. The courts are hereby authorized to reform the provisions of this Ordinance in order to preserve the maximum permissible effect of each section, subsection, sentence, or clause herein.

Section 9. Adoption Date and Effective Dates.

If the City Council adopts this Ordinance, or if it is approved by voters, it shall take effect on the earliest date allowed by law.

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