PLANNING & LAND USE MANAGEMENT

MOTION BB

Despite the City Zoning Code's prohibition on short term rentals dating back more than three decades, starting in 2014, the City of Los Angeles experienced an exponential growth of short term rental activity, with websites promoting illegal short term rentals. In violation of the codes, entire apartment buildings were operated as though they were hotels, with apartment units intended for long term residents instead offered for short term guests. In addition to the loss of urgently needed housing, neighborhood character and stability was adversely affected by the illegal activity, which caused increased traffic, noise and other nuisance conditions.

In December 2018, City Council enacted the Home Sharing Ordinance, Ordinance No. 185931, to enhance enforcement of the City's existing prohibition on short term rentals. The Ordinance allowed for short term rentals in residential buildings, but only in a host's primary residence and under strict eligibility and registration criteria.

In 2021, the California Court of Appeal, Second District, published a decision in the *People of the State of California v. Venice Suites, LLC* (2021) 71 Cal.App.5th 715. The decision erroneously described the City's zoning code prior to the enactment of the Home Sharing Ordinance as having permitted short term rentals in apartment buildings. In arriving at that decision, the court ignored or failed to understand important facts about the City's Zoning Code. For instance, the court did not have the legislative history for a 1992 amendment, Ordinance No. 167689, which was enacted specifically to crack down on transient occupancy in apartment buildings. The 1992 amendment treated the transient occupancy use of a residential dwelling unit the same as a hotel, and limited its by-right approval only to commercial zones, and permitted transient occupancy use with a discretionary approval only in the R4 and R5 zones. Elsewhere it was prohibited.

In 2022, the California Supreme Court rejected the City Attorney Office's request to depublish the *People v. Venice Suites* decision. While the decision concerned a specific 32-unit apartment house, and did not consider the Home Sharing Ordinance, the published decision has prompted problematic interpretations which may adversely affect enforcement of the Home Sharing Ordinance. In particular, illegal short term rental operators are claiming that, pursuant to *People v. Venice Suites* (which said that short term rentals were legal in apartments), they have vested rights to continue operating short term rentals such that the Home Sharing Ordinance may not be enforced against them. This motion seeks to resolve this issue in favor of broad enforcement authority anticipated by the Home Sharing Ordinance.

I THEREFORE MOVE the Council instruct the City Attorney's Office, with the assistance of the Department of City Planning, to prepare an Ordinance clarifying that the City's Zoning Code, as it existed prior to the enactment of the Home Sharing Ordinance, prohibited all short term rentals in the City since at least 1992, and clarifying that the decision in *People v. Venice Suites* was based on an erroneous understanding of the City's Zoning Code.

PRESENTED BY: _____ SECONDED BY: _____

NITHYA RAMAN
Councilmember, 4th District

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