



DEPARTMENT OF CITY PLANNING RECOMMENDATION REPORT

City Planning Commission

Date: June 23, 2016
Time: After 10:00 a.m.
Place: Los Angeles City Council Chambers
200 N. Spring St., Rm. 340
Los Angeles, CA 90012

Case No.: DIR-2016-1243-CA
CEQA No.: ENV-2016-1277-ND
Council No.: 14-1635-S2
Location: Citywide
Council District: All

Public Hearing: May 21, 2016

PROPOSED PROJECT: The proposed Home-Sharing Ordinance (Exhibit A) amending Sections 12.03, 12.22, 12.24, 19.01 and 21.7.2 of the Los Angeles Municipal Code; and amending Section 5.522 of the Administrative Code; imposing regulations to permit sharing of one's primary residence, establishing an application fee and administrative fines for Home-Sharing, and directing Transient Occupancy Taxes derived from Home-Sharing to the Affordable Housing Trust Fund.

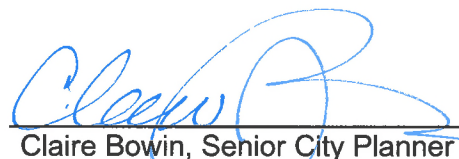
RECOMMENDED ACTION:

1. **Recommend** adoption of the proposed ordinance (Exhibit A) by City Council;
2. **Adopt** the staff report as its report on the subject;
3. **Adopt** the attached Findings;
4. **Recommend** that the City Council, based on the whole of the administrative record, determine that the ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3) and direct staff to file the Notice of Exemption with the County Clerk's office (See Exhibit C); and, pursuant to CEQA Guidelines Section 15074(b), adopt ENV-2016- 1277-ND and find that based on the whole of the administrative record, in the independent judgment of the decision-maker, the project will not have a significant effect on the environment and direct staff to file a Notice of Determination with the County Clerk's office.

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TABLE OF CONTENTS

Project Analysis	A-1
Project Summary	
Background	
Issues	
Conclusion	
Findings	F-1
General Plan/Charter Findings	
CEQA Findings	
Public Hearing and Communications	P-1
Exhibits:	
A – Proposed Ordinance	
B - Environmental Clearance	
C – Map of Short-Term Rentals in the City of Los Angeles	
D – Comparison of the Short-Term Rental Laws in Other Cities	

PROJECT ANALYSIS

Project Summary

In 2015 the Los Angeles City Council directed the Department of City Planning to draft an ordinance establishing a regulatory framework to legalize and regulate the short-term rental (for less than 30 days at a time) of one's own home. The sharing of one's own residential unit, in part or in whole, as short-term rentals is a practice that has grown rapidly in recent years, facilitated by the Internet. The Department has chosen to call this practice *home-sharing*. Home-sharing is not intended to include *vacation rentals*, where the home is not used as a primary residence and the home is used exclusively for transient guests.

Legalizing limited home-sharing embraces recent technological innovation that facilitates the efficient use of existing resources, including one's own residential space. There has been a large amount of compelling testimony from many Angelenos who credit home-sharing with providing meaningful assistance during difficult financial times or significantly enriching their lives. They state the practice enhances local economic development, can help the City with needed revenues and poses little to no impact to their neighborhoods. On the other hand, the Department has heard equally compelling testimony about lives and communities that have been negatively impacted by short-term rentals. Many have expressed significant concerns about the loss of neighborhood character, the loss of valuable housing stock and various nuisance activities associated with short-term rentals.

This issue has attracted intense interest from the community - from those on all sides. Some believe short-term rentals should be completely banned, while others believe there should be no limits to the activity. The challenge is to create simple, sensible and enforceable local policies that appropriately balance the rights of homeowners and renters with the interests of neighbors and other community members who may only experience the negative side-effects associated with people renting out their homes on a short-term basis. The proposed ordinance seeks to protect neighborhoods and preserve the City's critical housing stock. It holds hosts and platforms accountable, but still allows people to legally share their home with short-term guests.

Specifically, the proposed ordinance would:

- Define and establish a regulatory framework to legalize and regulate home-sharing in one's own primary residence (where one resides at least 6 months of the year)
- Require hosts to register with the City and limit home sharing to 120 days in a year
- Clarify and support the requirement to collect and remit Transient Occupancy Tax (TOT)
- Reiterate that vacation rentals and other short-term rentals not covered by the City's approved use definitions are unlawful
- Establish various tools and administrative fines to enforce illegal short-term rentals
- Prohibit any person from advertising home-sharing that is not registered with the City
- Require hosting platforms to disclose to the City on a regular basis the name of the host, the address of each listing, length of stay for each listing, and the price paid for each stay, subject to privacy protections
- Ban the ability of residential apartments to be converted to short-term uses, by modifying the Transient Occupancy Residential Structure regulations in the zoning code
- Direct the Transient Occupancy Tax generated from home-sharing towards pro-active enforcement of the ordinance and the Affordable Housing Trust Fund

Background

The proposed ordinance is in response to issues raised from the dramatic increase in the number of residences being rented informally on a short-term basis (fewer than 30 days) in recent years. The total number of active short-term rental hosts and economic activity associated with just the largest hosting platform company (Airbnb) has nearly tripled over the last 19 months¹. Airbnb estimates in 2015 there were about 12,270 active hosts in Los Angeles who accommodated 560,000 total guests. Assuming that Airbnb represents about 65% of the total listings in the City, as researchers have estimated, then there are likely about 20,000 total *active* listings for short-term rental in the City of Los Angeles². This figure compares to a figure of 23,000 total listings (active and inactive) obtained by a “data scrape” of 18 of the top short-term rental websites completed at the beginning of June 2016.

Short-term rental Internet sites, referred to in the ordinance as *hosting platforms*, enable property owners, tenants and occupants to rent their living space to guests. The most common listings are from hosts who live on their property and offer a bedroom for rent in their home. Rentals can also take place in the entire home, a couch or suite of rooms. Typically, short-term rentals consist of a duration of a few days up to a few weeks. The average Airbnb length of stay is 4.5 days, and the average number of guests is 2.2.

While some level of home-sharing and vacation rental has likely always occurred in tourist-friendly cities, the ease with which one can now advertise a residence to vacationers from around the world has fundamentally changed the scale and intensity of this activity. The situation has been exacerbated in recent years as mainstream tourist industry websites like Expedia and Hotels.com have also begun advertising short-term rentals, increasing the reach of short-term rental listings beyond a once niche audience.

Current Regulations on Short-Term Rentals

The rental of a portion of a dwelling for less than 30 days is presently not permitted by the zoning code in the vast majority of the City. This was confirmed by a recent Superior Court ruling (*Chen vs. Kraft (2016)*³). Unless a property is located in a commercial (C) zone, and more than 500 feet from a residential zone, a special conditional use permit (CUP) must be obtained before any residential use can be rented on a short-term basis. Owners of buildings in R4, R5 or C zones may request one type of a CUP to enable an apartment/hotel hybrid use called a Transient Occupancy Residential Structure (TORS). Smaller structures with fewer than five guest rooms, if they are deemed to be historic, may apply for another type of a CUP to become a Bed and Breakfast and rent on a short-term basis in any zone.

The TORS designation was created in 1992, primarily to differentiate regular hotels from the influx of new “extended stay hotels”, which were becoming more like regular dwelling units with kitchens. Hotel and motel guest rooms are prohibited from having kitchens. The TORS definition (below) refers to buildings that contain dwelling units (with kitchens) and are used for less than 30 days. The definition from 12.03 of the LAMC is copied below:

TRANSIENT OCCUPANCY RESIDENTIAL STRUCTURE. A residential building designed or used for one or more dwelling units or a combination of three or more dwelling units and not more than five guest rooms or suites of rooms wherein occupancy, by any person by reason of concession, permit, right of access, license, or

¹ Martin, Hugo. *Airbnb estimates its home-sharing platform added \$920 million to L.A. economy*. May 9, 2016. Los Angeles Times.

² Samaan, Ray. *Short-Term Rentals and L.A.'s Lost Housing*. August 24, 2015. Los Angeles Alliance for a New Economy.

³The Appellate Court decision can be found here: <http://www.courts.ca.gov/opinions/documents/JAD16-01.PDF>

other agreement is for a period of 30 consecutive calendar days or less, counting portions of calendar days as full days.

The other zoning code definition that applies to short-term rental is Bed and Breakfast, which is defined as follows:

BED AND BREAKFAST FACILITY. A building or portion thereof which is used as a temporary lodging place for fewer than thirty consecutive days and which does not contain more than five guest rooms and one kitchen.

The current regulations were not designed for the situation Los Angeles finds itself in today and are therefore ill-suited to regulate the short-term rental market. For instance, the current regulations allow a more straightforward approval process for the conversion of entire rent-controlled apartment buildings into full-time hotel use/short-term rentals (as a TORS) than it does for the legitimate sharing of one's own home during a few weekends a year. Given the lack of clarity and specificity, enforcement of the current short-term rental market has been difficult (see the Enforcement section below).

The proposed ordinance (Exhibit A) establishes home-sharing as an accessory use to the primary residential structure, notwithstanding current zoning code definitions. However, all other applicable building, zoning and housing code provisions remain in effect.

Benefits of Short Term Rentals

Short term rentals bring significant benefits to those who operate them, as well as their visitors. The activity makes efficient use of space by allowing residents to host guests in a room or unit when that room or unit might otherwise go unused. The Department has heard from many individuals who use short-term rentals as a way to help afford their own home, cover healthcare expenses, recover after the loss of a job, and have meaningful, culturally enriching interactions with visitors from around the world. Airbnb, the largest home-sharing platform currently on the market, recently published statistics claiming that nearly 23% of their hosts reported that the extra income helped prevent losing their home to foreclosure or eviction. Given the significant affordability challenges in Los Angeles, there is little doubt that short-term rentals help offset the housing cost burden for many families. On the other hand, it should also be noted that many of the listings tend to be located in the highest-priced neighborhoods in the city. Home-Sharing does not appear to be assisting many people living in low-income neighborhoods or those far from tourist destinations.

For visitors, short-term rentals often offer a more affordable and flexible option. The Department has received testimony regarding the many types of travelers that benefit from a more residential environment, including families with children, travelers with pets, large groups, etc. Kitchens are often available as part of home-sharing, which is a benefit to many. Many travelers also enjoy the feel of being in a "local" neighborhood as opposed to a typical commercial hotel district. As such, short-term rentals bring tourists to neighborhoods that may be underserved by hotels and therefore ordinarily do not receive tourist dollars. Airbnb recently estimated the economic impact of its visitors in Los Angeles was \$920 million in 2015, supporting 1,700 jobs.

Concerns with Short Term Rentals

Concerns regarding short-term rentals fall largely into three categories: nuisance activity, impact on the housing stock and the relationship of home-sharing to existing building and zoning codes. These issues are discussed below.

Nuisance Activities

Nuisance activities that have been reported include instances of loud noise, parties, trash, inconsiderate guests, excessive coming and going as well as the commercial use of residential

properties for private events. More broadly, some neighbors of short-term rentals feel that these activities have resulted in the loss of stable residential character as their long-term neighbors are increasingly replaced by short-term guests.

Impact on Housing Stock

Many have expressed concern regarding the potential impact of short-term rentals on the already strained housing stock of the city. The Census Bureau reports the first quarter 2016 rental vacancy rate in the Los Angeles region as 2.7%, which is currently the lowest of any major metropolitan area in the United States. To the extent rental units are removed from the long-term housing market to be used solely for short-term use, overall residential supply is reduced and the lack of housing will be exacerbated.

Many owners have an incentive to convert housing units from long-term to short-term use because, in some neighborhoods, there is a substantial financial premium to be earned from short-term rentals. Technology has allowed the easy pairing of willing hosts with willing renters leading to a situation where long-term rents are under pressure as the regular rental market increasingly competes with the short-term market. Some new multifamily developments in communities such as Hollywood have been renting brand new vacant units as short-term rentals, which reduces the normal pressure to lower the asking prices to otherwise lease up a building to long term tenants.

When units intended for long-term rental are lost or replaced as short-term rentals, this undercuts the City's housing goals, including Mayor Garcetti's 100,000 housing unit production goal by 2021. For every unit that is converted to short-term use, another unit must be created to make up for the loss. Any decrease in the supply of residential units available for the City's permanent residents may put an upward pressure on price.

As a national and local standard (reflected in LAMC 12.95.2), the housing market is deemed to have a shortage of housing units when the vacancy rate is less than 5%. Further, a vacancy rate of less than 3% is considered "severe". The General Plan, and more specifically the Housing Element, recognizes the issue of rising housing costs in Los Angeles, and its related impact on the City's most pressing issues, including homelessness, overcrowding, and reduced quality of life, traffic, and air quality.

Information consulted as part of this report suggests that there likely has been a citywide impact on rents, as the result of the increase in short-term rentals, and this impact may be more significant at the neighborhood level. Researchers found that the top nine Airbnb neighborhoods have seen rent increases more than double the city average⁴. In San Francisco, the result of lost housing units was estimated to have resulted in higher average monthly rents citywide of between \$19 and \$76 in early 2015⁵.

Another recent report from LAANE, released in August 2015, found that the percentage of hosts offering whole units had increased markedly in Los Angeles (from 48% to 64%) between October 2014 and July 2015⁶. While not all of these whole unit listings are necessarily removing housing stock, roughly 3,000 of these entire home listings, on Airbnb alone, were for more than 90 days. Other platforms, such as Home Away and VRBO, are believed to have higher percentages of entire home vacation rentals than Airbnb. The current trends shifting away from home-sharing and hosted stays add to concerns about the loss of permanent housing stock.

⁴ Samaan, Roy. 3 March 2015. <http://www.laane.org/wp-content/uploads/2015/03/AirBnB-Final.pdf>

⁵ Kusisto, Laura. *Airbnb Pushes Up Apartment Rents Slightly, Study Says*. Wall Street Journal. 20 March 2015.

⁶ Samaan, Roy. 3 March 2015. <http://www.laane.org/wp-content/uploads/2015/03/AirBnB-Final.pdf>

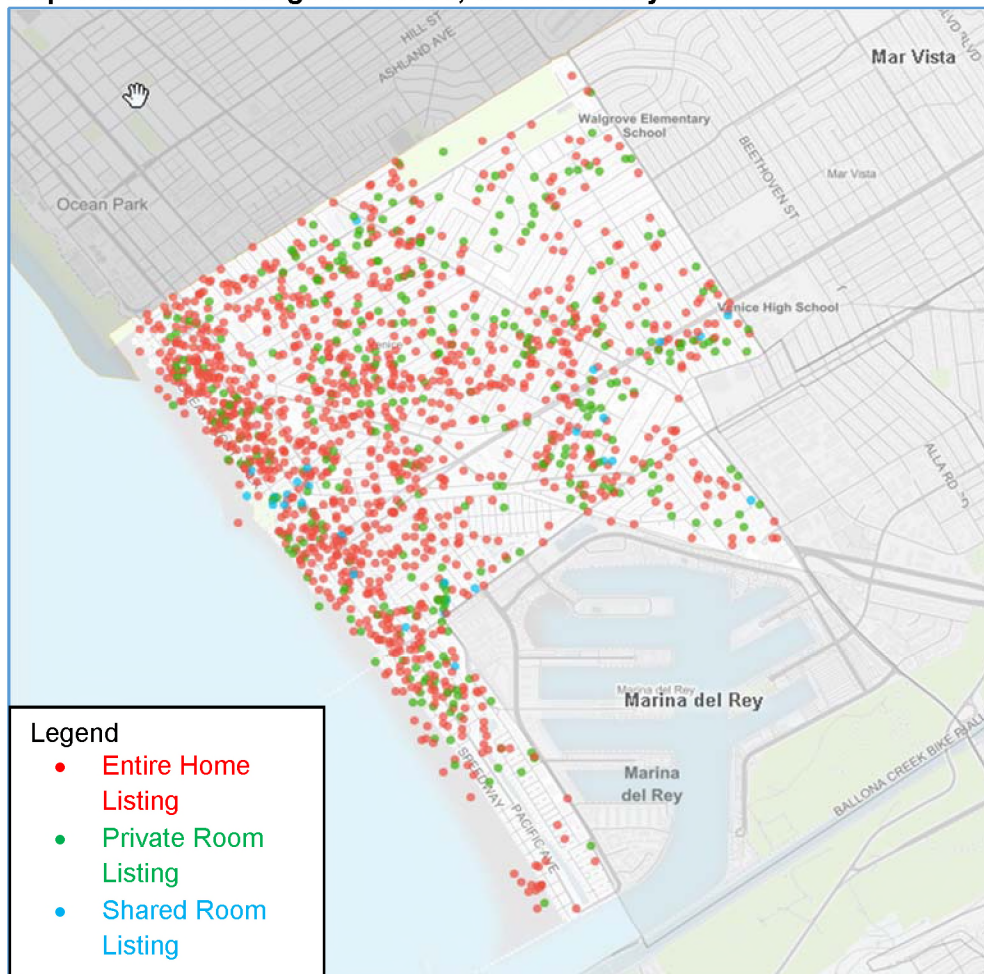
The Department has also received testimony relating to evictions of tenants based on claimed false pretense to establish a unit as a short-term rental. As a strong measure to stem any incentive for abuse, the ordinance would not permit home-sharing in units subject to the Rent Stabilization Ordinance.

Local Neighborhood Impacts

It is clear that the benefits or burdens of short-term rental is not evenly felt across Los Angeles. Large sections of the City, such as South Los Angeles or the North Valley, have little activity. Listings are largely concentrated in an arc that traverses from Venice up through West LA, Hollywood, Northeast LA and downtown. As an example of the different amount of usage, a January 2016 review of Airbnb data accessed from the website insideairbnb.com shows that Leimert Park had about 19 listings on Airbnb, while Echo Park had about 500 listings⁷.

In terms of number of listings, one of the most impacted neighborhoods is Venice. According to the same January 2016 data, Venice (an area with about 21,000 homes) had approximately 1,500 short-term rental listings available, meaning almost one in fifteen homes there is available for short-term rental. 76% of those are entire home listings (seen in red in Map 1 below), well above the City average of 60%. The average nightly rate is over \$203 and the average listing is booked 112 times a year. The top half of active listings are rented on average of 200 nights a year.

Map 1. Airbnb Listings in Venice, as of January 2016



⁷ This analysis uses insideairb.com based on data pulled from Airbnb's site in January 2016.

Consistency with the Residential Use and Character

Vacation rentals “where the occupants are primarily transient in nature” (guests stay for 30 days or less) are classified under the International Building Code (IBC) - and therefore the LA Building Code - as R-1 occupancies. This occupancy type refers to uses such as hotels, motels, boarding houses and congregate living facilities, when used by guests for less than 30 days. Short-term rental use can fall within either the boarding house or congregate living definitions, depending on their arrangement⁸. Therefore, converting a single family dwelling to a primarily transient use, in addition to triggering zoning regulations, constitutes a change in use, which would typically require plan submission, approval and inspection by the Department of Building and Safety. Section 903.2.8 of the IBC requires an automatic sprinkler system to be installed in all Group R structures.

The proposed definition of Home-Sharing would differ from a transient use in the building code and zoning code because the primary occupancy would continue to focus on long-term residential use by a single-family unit, not short-term transient guests. This is ensured by the six-month per year residency requirement, in addition to the proposed 120-day cap, which would maintain the short-term rental use as an accessory use to the main structure.

Experience of Other Cities

Many cities have adopted regulations on short-term rentals and home-sharing in the last few years. While approaches and outcomes have varied, there are several lessons to be learned from the experience of other cities. While some tourist-oriented cities (Anaheim, Big Bear and some desert cities) have chosen to embrace the practice largely without restrictions and other communities have chosen to completely ban the practice (e.g. Manhattan Beach, West Hollywood, Ojai), the majority of cities are opting for a hybrid approach, similar to the intent of the proposed ordinance.

Most applicable to Los Angeles are the experiences of cities with concerns about housing supply. While the City’s proposed ordinance has some unique features, most individual components of the proposed regulations can also be found in the laws passed by other cities. In some cases, the Department has included proposed language based on suggestions from other cities that are considering ways to improve upon current adopted regulations in those cities. Some of the most important examples are discussed below.

San Francisco

San Francisco has probably spent more time and effort on the issue of short-term rental than any other city. The City has established an Office of Short Term Rental Administration within the Planning Department staffed with six employees to enforce regulations and respond to complaints. Despite all this attention, many community members remain dissatisfied with their local ordinance. The Budget and Legislative Analyst's office, has recently issued a report with several suggestions to increase the enforceability of the ordinance.

San Francisco’s law has many similarities to Los Angeles’ proposed ordinance, but several key differences. Like the proposed Los Angeles ordinance, San Francisco's law requires hosts to register, pay transient occupancy taxes and uphold cap on rentals: 90 days within a year. One key difference is that San Francisco makes an exception to the 90 day rule when visits are “hosted” (i.e. the host is present during the stay). However well intentioned, San Francisco’s Office of Short Term Rental has said it is virtually impossible to identify a hosted stay from a

⁸ Boarding House is defined as “A building arranged or used for lodging for compensation, with or without meals, and not occupied as a single-family unit.”

Congregate Living Facility is defined as “A building or part thereof that contains sleeping units where residents share bathroom and/or kitchen facilities.”

non-hosted *stay and therefore effectively enforce the 90 day non-hosted cap*. This is an important reason why the proposed ordinance maintains a 120 day limit on all stays, both hosted and non-hosted.

The City/County of San Francisco has approved new legislation that places additional requirements on hosting platforms to verify, prior to posting online, that the listings are for spaces that are registered with the city. Second, to prevent abuse after registration, the legislation would require that hosting platforms investigate and provide details on listings that appear to be illegal, as identified by city, within one business day. While a ballot initiative on short-term rentals was defeated last year, a second ballot initiative on this topic is planned for November that would put a 75-night cap on all short-term rentals, impose fines on platforms that list unregistered units, and allow neighbors to take private legal action to enforce the ordinance and recover attorney's fees if the city is shown to have not enforce the law. A similar ballot initiative was defeated last November.

Santa Monica

In 2015, Santa Monica passed an ordinance on short-term rentals. It prohibits rentals of 30 days or less unless a primary resident is also present in the home (except during work hours, etc.), but does not limit the number of days that home-sharing may occur. Similar to the draft ordinance, Santa Monica's ordinance makes it illegal for hosting platforms to advertise an unlicensed rental and requires that platforms disclose listings to the City, including names, addresses, length of stay and amount paid.

Hosts found to be in violation have to reimburse City costs and remit illegally obtained revenue. In addition, any interested party is authorized to take private legal action to enforce the ordinance and recover attorney's fees (i.e. neighbors or affordable housing organizations). Three positions were created in the Planning and Development Services department for registering hosts and engaging in proactive short-term rental enforcement. Staff combines complaint-based information with online research to put case files together on potentially illegal listings in order to document abuse. The City periodically sends out notices of violation to both property owners and hosting platforms notifying them of listings that do not comply with the ordinance. Santa Monica officials report that owners of rental properties are typically able to gain compliance from tenants in terminating their listings and activity. Some of the platforms have been paying fines and taking down listings as well. After approximately a year of enforcement, Santa Monica officials report that the number of short-term rental listings is reportedly down about 30% from 1,400 to less than 1,000.

Sacramento

In early 2016, Sacramento's City Council approved two ordinances allowing limited short-term rentals. The ordinances require the city to notify all neighbors within 200 feet that a permit has been issued and sets a six-guest limit per rental. Each owner is required to keep a register of guests and to ensure all postings on hosting platforms are permitted residences. A short-term vacation rental may operate from a location that is not the operator's primary residence for a total of 90 days in a calendar year. After the operator exceeds 90 days in a calendar year, a conditional use permit application must be filed.

New York

In 2010, New York City adopted regulations stating that most dwellings can be occupied as permanent residences only, meaning for 30 consecutive days or more. Furthermore, the law requires that tenants be present during occupation by guests and that dwellings being used for other than permanent occupation be registered with the Department of Planning. This approach makes short-term rentals illegal in New York City if permanent tenants are not present during the guest's stay.

The New York State Attorney General issued a subpoena to Airbnb in October 2013 demanding information on New York City's hosts and listings to determine those that are bypassing the city's legislation. On May 21, 2014, the state reached an agreement with Airbnb under which the company will provide data on its listings in New York City. City regulators and the Attorney General nonetheless launched a joint enforcement initiative to shut down what they are calling "illegal hotels," examining web sites operated by hosting services, videotaping properties about which complaints have been received, and potentially conducting raids. Penalties for violations can cost up to \$2,500 per day.

Portland

In 2014, Portland approved new regulations that legalized STRs in single-family homes and duplexes. Multifamily residential buildings were added in January 2015, along with significant enhancements in enforcement provisions. The new city ordinance enables the Portland Revenue Bureau to collect host names and addresses from short-term rental platforms. The ordinance also requires that companies prominently display permit numbers and refrain from advertising hosts without permits. It also gives the city authority to fine hosts and companies up to \$500 per violation.

In 2015 the City of Portland filed a \$2.5 million lawsuit against HomeAway.com for violations of the city's short-term rental code. The city accuses HomeAway.com of failing to collect hotel taxes; failing to provide names and addresses of local hosts upon request; failing to display the permit numbers for short-term rentals to demonstrate completion of health and safety inspections; and failing to register with the city within 15 days of commencing business. The case is currently ongoing.

Proposed Ordinance

In crafting the proposed ordinance, the Department considered the City Council motion, the diverse and substantive input received from stakeholders across the city, discussions with City departments, and the best practices and experiences of other cities. The main provisions of the ordinance will be placed in the Use subsection (A) of the Exception section of the Zoning Code (LAMC 12.22). The ordinance is structured according to the *following subdivisions*:

- a) Purpose
- b) Definitions for new terms such as Home-Sharing, Primary Residence, Host and Hosting Platform
- c) Process for Home-Sharing registration (including renewal, suspensions and revocations)
- d) Prohibitions
- e) Host Responsibilities
- f) Hosting Platform Responsibilities
- g) Enforcement
- h) Administration and Regulations

In addition to the main ordinance, there are several proposed amendments to other parts of the Zoning Code and Administrative Code, including sections that would:

1. Prohibit the conversion (through a Conditional Use Permit, in R4 zones and above) of residential uses to Transient structures;
2. Establish new administrative fees for home-sharing registration and Nuisance Abatement hearings regarding home-sharing;

3. Include home-sharing in the definition of hotel, and hosting platforms in the definition of a secondary operator in the TOT code; and
4. Allocate TOT monies attributable to home-sharing to the Affordable Housing Trust Fund and pro-active enforcement.

The proposed ordinance, as amended, establishes home-sharing as a legal accessory use to a primary residence. The host interested in home-sharing will need to register for the Transient Occupancy Tax (by completing a Transient Occupancy Registration Certificate) prior to registering for home-sharing. Administrative Guidelines will be established prior to the effective date of the ordinance that will lay out the registration process as well as the documents required to prove a six month residency at the address where home-sharing will occur. The City aims to create a streamlined and straightforward on-line registration process to encourage easy compliance.

The Home-Sharing application process will establish the residency requirement and include a signed affidavit that the host pledges to comply with the Home-Sharing regulations. These include restrictions on the renting of space other than those approved for residential use, a limit to 120 days each calendar year, and a requirement that no more than one property be listed for home-sharing in Los Angeles. The process will also ensure that renters have permission from their landlords for home-sharing, that units subject to the Rent Stabilization Ordinance (RSO) or dedicated affordable housing units are not proposed for home-sharing, and that units with active Orders to Comply do not engage in home-sharing.

Registration

Home-Sharing registration would be good for two years. Hosts would be permitted to renew if they are shown to have been in compliance with the provisions of the ordinance, pay a renewal fee, document any changes on their initial application, and provide records to document the number and length of each home-sharing stay during the past year. A process for suspending and revoking registrations, based on violations of the law and/or repeated nuisance activity, is outlined in the law. If there are violations, the Department may revoke authorization, or modify an approval by adding conditions using an existing Administrative Nuisance Abatement process in LAMC 12.27.1. The process provides a venue for Zoning Administrators to hear from neighbors and the accused individuals in order to fully evaluate the extent of excessive nuisances and provide for an effective solution.

Prohibitions and Enforcement

The prohibition subdivision (d) includes important regulations on the ban on advertising short-term rental listings without including a registration number, the 120 day limit and the ban on more than one set of guests (or more than one booking) at a time. These are explained further in the *Key Issues* section below.

Most hosting platforms have created ways for property addresses to be hidden until after a property has been booked. This is different than most other types of business. As such, cities across the country are realizing they require the cooperation and assistance of the entities that facilitate this activity - the hosting platforms. The City's ordinance reflects this reality, by requiring that platforms actively prevent, remove and cancel any listings they know to be illegal (those without registration numbers, those rented more than 120 days a year and/or more than one listing at multiple addresses). Beyond that, it requires that platforms provide to the City, on a monthly basis: 1) address of all sites facilitated or advertised by the Platform; 2) total number of nights that the unit was booked; and 3) amounts paid for each stay.

Platforms can be fined \$500 per day for advertising an illegal listing, \$1,000 per day for refusing (upon formal request) to provide the addresses of unregistered short term rentals to the City,

and \$1,000 per day on any refusal to submit monthly documents required for City to verify the accuracy of the Transient Occupancy Tax payment.

Key Issues

Based on public input thus far, there appears to be a fair amount of consensus on the core of the proposed ordinance: the primary residency requirement, a system of registration, and TOT collection. However, the Department has heard strong disagreement from those engaged in home-sharing on a few of the limitations that are proposed in the draft ordinance. Others, with concerns about short-term rentals, have questioned the effectiveness of enforcement. These issues will be analyzed in detail in this section of this report.

Issues Raised by Those Involved in Home-Sharing

Limitation on the Nights Home-Sharing Can Occur

Based on the number of comments received from hosts of short-term rentals during the comment period, the originally proposed 90-day limitation is a top concern from impacted hosts. Hosts claim that as long as they are living in the unit used for home-sharing as a primary resident, concerns about impact to the housing stock and significant nuisances are largely misplaced.

Many hosts have requested that the Department make a distinction between hosted stays, which many believe should not be subject to limits on the number of days, versus non-hosted stays, which could be limited. San Francisco's ordinance differentiates between hosted stays, which are unlimited and non-hosted stays, which are limited to 90 days. However, San Francisco's Planning Department has reported that it is "virtually impossible" to discern what is occurring on a night to night basis.⁹ Until the City can be assured that platforms will make basic records available, and as long as regulating agencies are limited in staff capacity to audit and confirm self-reported information, this challenge is likely to persist.

Given the challenges of differentiating between hosted and non-hosted stays, as experienced by other cities, the Department proposes to continue with a single strategy that imposes the same day limitation on hosted stays as well as non-hosted. But, in light of the fact that the new primary residence registration requirement will limit future hosts to those that are occupying their own primary residence and are therefore much more likely to primarily offer hosted stays, the Department proposes to increase the day limitation from 90 to 120 days a year. From information obtained by some of the platforms the 120 day restriction will not impact the vast majority of current hosts. For example, Airbnb issued a report on the impacts on housing in Los Angeles in September 2015 that found that 86% of entire home listings in L.A. are rented for less than 120 days a year. On the other hand, the limit on the number of permissible short-term rental nights per year would create an economic incentive to otherwise rent the unused bedroom to long-term tenants, which is advantageous to the permanent housing market and helps minimize neighborhood nuisance concerns.

Ban in Units Subject to the Rent Stabilization Ordinance (RSO)

Pursuant to the Council motion, the proposed ordinance prohibits hosts from renting units or buildings that are not their primary residence or are units covered by the RSO. The aim is to protect this critically important housing stock from possible abuse by removing any incentives to evict tenants or to convert long-term housing to short-term rentals. The RSO housing stock is particularly vulnerable to fraud or illegal evictions due to its regulations, which limit rent

⁹ Phil Matier and Andy Ross, 'No way of enforcing' Airbnb law, S.F. planning memo says. (March 22, 2015). San Francisco Chronicle.

increases and evictions of long-term tenants. There are also regulatory issues with the RSO and Ellis Act that complicate matters with their use for home-sharing.

It is believed from public testimony and analysis of current listings that the majority of short-term rental use is in single-family neighborhoods. Most rental leases in Los Angeles already ban the practice of subletting. The ordinance requires that all renters demonstrate they have explicit permission from a landlord before being allowed to register for home-sharing.

Opponents of the RSO ban state that as long as they are living in the unit subject to home-sharing there can be no abuse. Many lower-income renters of RSO units would also benefit economically from home-sharing, making their living costs more manageable. Despite these significant policy considerations, the Department is recommending retention of the ban on home-sharing in RSO units. Without a ban, tenants may be evicted based on allowable reasons such as family occupancy or significant repairs, even if the intent may be actually to open the unit to short-term rental. Once an eviction occurs, it is difficult to prove that a prior tenant was not evicted in accordance with the law. In the end, the need for an RSO ban depends on the enforcement of the ordinance and how well the process is able to disrupt illegal vacation rentals in RSO units.

Concurrent Guest Stays

The draft ordinance would not permit hosts to rent to multiple sets of guests (through multiple bookings) at the same time. This is meant to prevent the establishment of a use more akin to a boarding house or bed and breakfast, whereby multiple guests are using a property intended as a primary residence.

The originally proposed enforcement language ((6)a.(1)) may have caused confusion and concern amongst hosts on this point. It read that there could be fines imposed for “multiple listings by the same host.” The Department heard from many hosts concerned that this language would prohibit the flexibility to list different spaces on the platforms, including a primary listing for a shared space while they are home, as well as an entire home listing for when away on vacation. This was not the intent and the language has been re-worded in the proposed ordinance with more precise language intended to capture multiple illegal listings of more than one property. Multiple listings on the same property will be permitted, although they cannot be booked at the same time.

Primary Resident Requirement

The ordinance requires that any home used by home-sharing include a host who is a primary resident on that property. This is defined as having resided on the property for more than six months a year. The primary residence threshold was established as a key component of the home sharing ordinance as it serves as a means to limit the number of residential units that can be used for home-sharing to those units that are already occupied as one’s home. Limiting home sharing to units that are the host’s primary residence also ensures that the unit is not otherwise available as a full-time rental. Units that are not occupied by a primary resident are therefore presumed to be available as a year round rental. The primary residence requirement strikes a balance by allowing residents who live in their homes to participate in the home-sharing economy while protecting the vast majority of units from otherwise being removed from the year round rental market and requisitioned for the arguably more lucrative short-term rental market.

While the vast majority of people on both sides of this issue agree with the primary residence requirement, some owners of vacation rentals have expressed that they wish to be legalized as part of home-sharing as well. The vacation rental owners argue that certain neighborhoods have excess demand for tourist stays and their second homes or vacation properties serve the City well. However, it appears these neighborhoods (Venice, Hollywood Hills, etc.) have also seen

some of the worst abuses where the City has heard some of the greatest concerns with the activity. If the Commission is interested in pursuing vacation rentals where there is no permanent primary residence, the Department recommends that it be a separate process from home-sharing, such as considering an expansion of the current Conditional Use Permit for Bed and Breakfasts (which are only allowed in historically designated properties currently). Another option would be to permit the use of home sharing in units not occupied by a primary resident for a very limited number of days.

Issues Raised by Hosts and Platforms

Registration Process

Most cities with short-term rental ordinances have enacted a registration process to regulate the activity. Registration provides a method to ensure a host is a primary resident, that they can be contacted if there is a complaint, and that they otherwise meet the ordinance's regulations. Hosts have generally stated that they have no objection to registering, but have urged the City to create a simple and efficient process.

The ordinance does not specify the details of the Home-Sharing registration process, which will be further developed through administrative guidelines to be published prior to the effective date of the ordinance. However, the ordinance does specify that hosts will need to register with the Office of Finance for a Transient Occupancy Registration Certificate (TORC) prior to receiving Home-Sharing registration authorization. The current process to obtain a TORC is laid out in LAMC 21.7.6 and involves submitting a form online including some basic information such as the name of the operators and the address of the "hotel" (referring to all transient stays). The City hopes to integrate the TOT registration process as efficiently as possible with the Home-Sharing registration process, as well as explore "pass through" cooperation agreements with Platforms.

Impact on the Economy

Many hosts and platforms have argued that any limits on short-term rentals reduce economic benefits that accrue to local neighborhoods. Small businesses have commented that they appreciate the business from visitors and Airbnb claims their guests have brought \$980 million to the local economy in 2015. However, short-term rentals can only be said to increase total economic activity to the extent they induce travel that would not have been possible otherwise. The Department was not able to find any research on this point.

Any benefits to the local economy must also be weighed with losses. For example, San Francisco's economist estimated that for every long-term housing unit that disappears from the stock, there is a loss of \$250,000 to \$300,000 per year in impact to the city's economy. Those losses may outpace the money that a short-term rental remits to the city in transient occupancy taxes, plus whatever hosts earn and visitors spend.

The City has also heard testimony from workers who fear the loss of their jobs as a result of the ordinance. House cleaning workers for vacation rentals fear they may lose their job if enforcement is enhanced, while hotel workers fear the same if there are not strong protections against illegal short term rentals. A 2016 report by CBRE has shown that the Los Angeles region has the highest rate of "hotel penetration" by Airbnb than any other market¹⁰. That is, the amount of revenue earned through Airbnb as a percentage of total hotel room revenue is higher than any other market. Researchers at Boston University published a 2016 paper analyzing the impact of Airbnb listings on nightly hotel prices in Austin, Texas and found that a 10% increase in Airbnb listings is associated with a statistically significant .34 percent decrease in hotel

¹⁰CBRE. *The Sharing Economy Checks In: An Analysis of Airbnb in the United States*. February 2016.

revenues, with lower budget hotels most affected. Therefore, while citywide impacts on net jobs are likely to be minimal, different sectors may be impacted differently.

Privacy

Some hosts have expressed concerns regarding the public availability of information regarding their home-sharing activity/business. For example, hosts have written that they “don’t feel comfortable knowing that information about how often and how much income I earn from home sharing could be available to anyone who asks.” As written, the ordinance would obtain information on the number of nights rented as home-sharing when the platforms provide this data to the City, as well as when hosts provide information at the time of renewal. This requirement is largely a repetition of existing Transient Occupancy Tax law, whereby all “hotel” operators (broadly defined) must provide monthly statements to City regarding total rents charged and received (LAMC 21.7.7) as part of the reporting and remitting regulations. Given the nature of home-sharing, the additional requirement to include total number of days rented appears reasonable and necessary to ensure proper collection and remittance of the TOT, as well as ensure enforcement of the ordinance’s provisions. However, to address privacy and safety concerns, the proposed ordinance includes revised language that information on stays submitted by platforms and hosts will not be made publicly available. This exemption will not apply to information on any application form for home-sharing, which is considered a public record and placed in a public case file. This is the same for any business in the City seeking to operate with a permit or approval anywhere in the City.

Key Issues Raised by Those with Concerns about Home-Sharing

Loss of Residential Character

The City has heard from many residents who are concerned by the presence of short-term rentals in their neighborhood. Many feel short-term rentals constitute a commercial and/or transient activity, which should not be legalized in any form in the City.

Residential zones are intended to create, maintain and promote residential neighborhoods. However, in Los Angeles, like most cities, they also allow for some nonresidential uses to the extent they maintain the overall image and character of the residential neighborhood. For example, the zoning code permits accessory uses “customarily incidental” to the main uses in single-family residential zones, including Accessory Living Quarters (which are meant as a place for the homeowner’s guests to stay temporarily) as well as certain home occupation uses.

The Home-Sharing Ordinance defines home-sharing as *accessory use* to a primary residence. The ordinance’s primary residence requirement (which requires at least six-month per year residency), along with the 120 day annual limit, ensures that home-sharing remains subservient to the main use as a long-term residential structure. When used for home-sharing, the home maintains its residential qualities, such as sleeping and eating, etc. The ordinance also includes a prohibition on non-residential uses altogether, including but not limited to, sales or exchange of products, events that charge a fee, or the promotion, display or servicing of any product conducted on the premises.

Health and Safety

The ordinance requires a host to provide on-site fire extinguishers, smoke detectors, carbon monoxide detectors and information related to emergency exit routes and a local emergency contact person. It also includes a clause that precludes home-sharing in any multi-unit building with “an open Order to Comply or other code violation...” (unless it can be shown to be unrelated to the activity). This would require the compliance with any potential code violations before home-sharing can begin or resume.

Some cities such as Portland and Austin have required a full inspection as part of the permit process, in order to ensure the safety of the space. The ordinance does not include this provision primarily based on a concern that an inspection requirement would add a significant barrier towards registration, which undercuts a primary aim of the ordinance. For many online platforms, it is also important to acknowledge that the safety and well-being of guests is already partially supported by the guests' access to information and reviews of the hosts. As bookings (and therefore revenues) are largely based on positive reviews from past guests, hosts are incentivized to provide safe and clean accommodations.

Party Houses and Other Nuisances

Properties being rented on a short-term basis are ripe for becoming venues for parties. The Department received considerable testimony about homes turning into "party houses", which keep neighbors up at night and cause a neighborhood nuisance. On April 29, 2016 the Office of City Attorney released a report, Council File No. 12-1824, on the broader subject of "party houses", as the activity takes place in both short-term and long-term residential homes. The primary residence requirement helps alleviate many concerns about the inappropriate and disruptive use of a property. Most "party houses" have been reported to be non-owner occupied. As mentioned above, the ordinance also includes a ban on commercial activities, including "events that charge a fee." In addition, regular noise and use regulations remain in force.

To some extent, concerns about parties, noise, trash and parking would appear to be associated primarily with non-hosted stays in vacation rentals. When problems do occur as a result of home-sharing, contacting the on-site owner/host can normally resolve the problem. Similarly, the primary residence requirement alleviates the concern about the loss of long-term neighbors in certain impacted areas.

Enforcement

Current Enforcement

LADBS is responsible for code enforcement in single-family homes, and the Housing and Community Investment Department (HCID) is responsible for multi-family properties. Current violators are subject to the same fines and penalties established in the LAMC with regard to other types of code violations. Additional fines and penalties specific to home-sharing activity are included in the draft ordinance and may be established by the Council.

By its nature, effective enforcement of codes relating to uses like short-term rentals is a difficult task. Compliance is currently based primarily on complaints. When inspectors arrive, there are usually few tell-tale signs of any violation. If no one opens the door or is uncooperative, there may be little visual evidence to warrant an enforcement order. While some operators are unsophisticated, others are highly savvy and may instruct guests on how respond to inspections. The financial temptation created by short-term rentals creates an incentive to flout local regulations and the temporary and hidden nature of the use makes it difficult to spot.

As of August 25, 2015 HCID has received and investigated 52 complaints regarding STRs on multi-family properties, mostly in CD 4 and CD 11, and found 16 properties with violations. Twenty-two had no evidence of an STR and fourteen are scheduled for inspection, are pending research, or are being monitored. LADBS has not formally tracked short-term rental complaints, but officials estimate receiving approximately a dozen or more per year specifically related to this issue. LADBS has investigated several cases in Venice and Silver Lake and has issued citations for related violations.

If a property owner ignores enforcement orders to comply, the matter is referred to the Office of City Attorney to take further action. These referrals require evidence of a transaction to prove that an unlawful act has taken place, which may include taking witness statements, issuing subpoenas, or engaging in undercover transactions.

Proposed Enforcement

A primary goal of the proposed ordinance is to create the regulatory framework and tools needed to increase effective enforcement against illegal short-term rentals. It introduces a number of prohibitions that do not exist today and allows for an array of tools to be used in enforcing the law. Today, successful enforcement is significantly hampered because nearly all short-term rentals and home-sharing activities violate existing codes. The proposed ordinance allows enforcement agencies to draw a clearer distinction between “bad actors” and legitimate, beneficial home-sharing.

A critical provision of the ordinance requires the registration number to be provided on each piece of advertising. This enables the City and the public to easily determine whether a listing/rental is approved or not.

The City’s enforcement agencies can then use information systems to track listings without registration numbers or those exceeding the annual limit on rental activity and link violations to each property. Enforcement of minor penalties could occur using the enforcement agency’s existing processes, or new tools such as the Administrative Citation Enforcement (ACE) program could be used to “write tickets” on listing infractions. Repeated or egregious violations could result in the modification or revocation of a home-sharing registration in the manner prescribed in the Administrative Nuisance Abatement program Section 12.27.1. This process allows for a due process and quasi-public hearing with a Zoning Administrator, if requested.

However, there are several barriers to enforcement. First, unless there has been a complaint against a specific property, it is difficult to determine the address from an illegal online listing alone (unless it includes a registration number). Second, it is not clear who exactly is responsible for the rental, usually either the property owner or a tenant. Third, compliance with limits on the number of days permitted to be rented for short-term use each year are difficult to verify. Fourth, it will take significant resources and coordination to do the type of pro-active enforcement of online listings that is envisioned to be needed under the ordinance. In such scenarios, the City lacks an easy and direct method for determining if a listing is legitimate, who is responsible and whether a complaint’s allegations of short term rental violations at a specific address correspond to listings on a platform. According to other cities, hosting platforms have generally not been very cooperative without legal and/or regulatory consequences.

To address these critical issues, the ordinance proposes a system whereby platforms must verify compliance with the registration requirements by actively preventing or canceling any non-permitted listings, particularly those that can be easily identified (such as those without registration numbers). This requirement is similar to what Portland and Santa Monica have currently, as well as what Seattle and San Francisco are currently proposing. The ordinance also lays out a system whereby the City will request information on particular listings believed to be non-compliant, from hosting platforms, which must then either provide contact information or directly contact the hosts regarding the potential violation. In addition, the ordinance requires monthly reporting of short-term rental activity on each Platform, including address, registration number and the number of nights booked during the period. Therefore, the City will be able to track properties across platforms to prevent non-compliance on the 120 day provision. Hosts are also required to maintain records for three years of nightly bookings, which are available for viewing, upon request of the Office of Finance. If it is suspected that a host is renting for more than the allotted 120 days, then these records could be requested. The City can then immediately assess tax and penalties based on known violations. Much of this framework is based on existing Transient Occupancy Tax regulations on transient operators, as found in Article 1.7 of the LAMC.

In addition to the provisions in the ordinance, the Department proposes an administrative system whereby:

- Upon enactment of this ordinance, the City (or a qualified consultant) shall begin to actively monitor hosting platform listings to ensure that they are only listing home-sharing units that have registered with the City.
- The City (or qualified consultant) shall complete a comprehensive review of active Platform listings and produce an inventory of potentially non-compliant listings discovered during the review
- Subsequent reviews of hosting platforms shall occur at least quarterly
- The City shall, upon completion of a hosting platform review or discovery of a potentially non-compliant listing, immediately provide notice by electronic mail of all listings that do not have valid registration number or are otherwise not in compliance with this Chapter. These notices shall also be provided to property owners and the Office of City Attorney.
- For each listing that a hosting platform fails to provide with the requested information within 21 City business days of the notice being sent by the City, the hosting platform shall be subject to the administrative penalties and enforcement provisions of this Chapter, including but not limited to payment of civil penalties of up to \$1,000 per day until the hosting platform complies with subsection (Q)(2).

Because of the nature of short-term rentals, the ordinance envisions a new way for the public to contact the City regarding potentially illegal short-term rentals - likely a dedicated email monitored by short-term rental enforcement staff who will be able to take the appropriate follow-up steps to verify compliance. This will allow the complaint process to be more easily integrated with the registration database. Residents who are disturbed by illegal listings will also continue to be able to utilize the existing channels, including using 311 or the enforcement agency's code enforcement system (online and phone).

Finally, it is worth noting that education is probably the easiest, cheapest and least adversarial way to increase compliance. The City plans to work with platforms to making sure they are partners in getting the word out on the new regulations.

Private Right of Action

Many opponents of short-term rentals have commented that, if a home-sharing ordinance is to pass, it should include a "private right of action," which refers to someone's legal ability to enforce statute's provisions through litigation. A private right of action can only be used when language is included in a statute. In practice, the right would allow neighbors to sue other neighbors for violations of the proposed ordinance. San Francisco's short-term rental law includes a limited private right of action, only available to certain housing-related non-profits, and only when the City has been documented as being unable to enforce the existing laws.

However, a right of private action would be unprecedented in the City of Los Angeles' zoning code, and an existing remedy is already in place under the Professional Business Practices code, which allows one to take action when one is actually harmed by an illegal/nuisance land use. The Department recommends that this issue be revisited in a year's time, only if City enforcement has proven to be ineffective.

FINDINGS

General Plan/Charter Findings

City Charter Section 556

In accordance with Charter Section 556, the proposed ordinance is in substantial conformance with the purpose, intent and provisions of the General Plan in that it would further accomplish the following goals, objectives and policies of the General Plan outlined below.

General Plan Framework Findings

The proposed ordinance will meet the intent and purposes of the General Plan Framework Element to encourage the creation of housing opportunities for households of all types and income levels, while at the same time preserving the existing residential neighborhood stability of residentially zoned neighborhoods. Home-sharing, as an accessory use to primary residences, furthers those goals as they increase the utilization of empty space within homes to assist with housing costs without significantly changing neighborhood character. In particular, the ordinance would further the intent and purpose of the Framework Element of the following relevant Goals and Objectives:

The proposed ordinance is consistent with Land Use Goal LU-4, which seeks to preserve and enhance the residential character of existing neighborhoods, and furthers Land Use Policy LU-4.2, which seeks to create convenient supporting services and alternative residential types when they meet standards for development that protect neighborhood character.

The ordinance requires that home-sharing only occur in structures approved for residential use. Allowing for limited short-term accommodation of guests as an accessory use to dwelling units is an activity that is incidental and accessory to the primary residential use. Residents have always hosted guests from out of town in extra rooms, for short or long term periods. The charging of rent, in and of itself, is not any different from what occurs in almost one-third of the City's single-family residential zones, which are currently renter-occupied. In the Los Angeles Zoning Code, short term rentals of less than 30 days are already permitted through a CUP in Bed and Breakfast establishments, which may be located in any zone. Other accessory uses, such as Accessory Living Quarters, already permit the short-term stay of guests in residential zones.

As the definition states, home-sharing is considered an accessory use to a (primary) residence. As such, the dwelling unit is already used for sleeping, cooking, eating, and living. The unit may be considered a residential dwelling regardless of whether its renters are primarily short term or long term or whether it is vacant most of the time. Granted, short term rentals also have commercial characteristics in terms of providing lodging for a fee. However, as a fundamentally residential use, home-sharing is consistent with the General Plan Land Use categories that allow residential uses within the range of uses.

Housing Element 2013-2021

The ordinance furthers the aim of preserving housing stock (Objective 1.2) through its focus on new ways to enforce the current bans on vacation rentals, the ban on conversions of units subject to the RSO to short-term rentals as well as the proposed prohibition on conversions of apartment buildings to Transient Occupancy Residential Structures. The Housing Element also calls for amending the zoning code to facilitate innovative housing models to make housing more affordable, including shared housing and congregate housing (Program 67). The Home-Sharing ordinance will allow thousands of Angelenos to efficiently use space in their homes to afford the cost of housing. As such, the ordinance furthers the following Housing Element policies:

1.1.1 Expand affordable homeownership opportunities and support current homeowners in retaining their homeowner status.

1.2.1 Facilitate the maintenance of existing housing in decent, safe and healthy condition.

1.2.2 Encourage and incentivize the preservation of affordable housing, including non-subsidized affordable units, to ensure that demolitions and conversions do not result in the net loss of the City's stock of decent, safe, healthy or affordable housing.

1.4.1 Streamline the land use entitlement, environmental review, and building permit processes, while maintaining incentives to create and preserve affordable housing.

City Charter Section 558(b)(2)

In accordance with Charter Section 558(b)(2), the adoption of the proposed ordinance would be in conformity with public necessity, convenience, general welfare and good zoning practice. The ordinance would align the City with many cities across the country that have recognized the need for new regulations regarding the fast expanding use of residential spaces for short-term rentals. Current regulations simply do not differentiate between the sharing of one's own primary residence (home-sharing) and the conversion or rental of otherwise vacant units for short-term rental (vacation rental). This needlessly stifles efficient use of residential space and prevents hosts from sharing their home on occasion to help afford housing cost. The lack of current regulations specific to this new use also makes enforcement very difficult. A new regulatory framework is needed to adapt to the sharing economy, including new tools to enforce regulations against vacation rentals. The ordinance would limit home-sharing to 120 days per year, which ensures the primary use of any residential structure used for this purpose would remain as a long-term residential structure (and not transient), thereby protecting residential areas from uses that are primarily transient in nature.

City Charter Section 559

In accordance with Charter Section 559, and in order to ensure the timely processing of this ordinance, the City Planning Commission authorizes the Director of Planning to approve or disapprove for the Commission any modification to the subject ordinance as deemed necessary by the Office of City Attorney. In exercising that authority, the Director must make the same findings as would have been required for the City Planning Commission to act on the same matter. The Director's action under this authority shall be subject to the same time limits and shall have the same effect as if the City Planning Commission had acted directly.

CEQA Findings

The proposed ordinance qualifies under the "common sense" CEQA exemption pursuant to CEQA Guidelines Section 15061(b)(3) and 15060(c)(2), which provides that, where it can be seen with certainty that there is no possibility that a project may have a significant effect on the environment, the project is not subject to CEQA. CEQA only applies to projects that have the potential for causing a significant effect on the environment - either through a direct impact or reasonably, foreseeable indirect impact. The proposed ordinance does not have that possibility.

Direct impacts of the ordinance on the environment will be minor. It is not expected to prompt any new development or direct physical effects. The expected result of the ordinance is fewer intensive short-term rental operations in vacation rentals compared to what currently exists in the City, along with better regulations governing the sharing of one's own home for short-term rentals. Both results are unlikely to create a foreseeable physical impact on the environment as total tourist trips to the City of Los Angeles are not expected to change noticeably as a result of the ordinance. A more complete analysis of the potential impact of the ordinance on the environment is included as Exhibit B.

As set forth above, the City believes the “common sense” exemption is most appropriate for this project. However, in case there is a challenge to this project and a court disagrees, the City has prepared a Negative Declaration for this project (Exhibit B.2).

PUBLIC HEARING AND COMMUNICATIONS

There has been an exceptional amount of public input and communications on this issue, including prior to the proposed ordinance being drafted. Three “community listening sessions” were held in Mar Vista, North Hollywood and the downtown area in late September and early October 2015. Approximately 600-700 persons showed up to the three meetings, which featured a brief staff presentation and the opportunity to provide written or oral comments on the topic. The Department also provided boards for attendees to mark their support or disagreement for about 20 regulatory ideas other cities have used in regulating short-term rentals.

The majority of speakers at the listening sessions were “hosts” currently engaged in home-sharing, who spoke about their positive experiences. Many credited short-term rental income with providing meaningful assistance during difficult financial times or otherwise having a positive impact on their lives. They stated that the practice enhances local economic development, can help the City with needed revenues and poses little to no impact on their neighborhoods. On the other hand, the City heard testimony about lives and communities who have been negatively impacted by short-term rentals. Neighbors expressed concern about commercial activities and nuisance in residential areas as well as the loss of housing stock. Issues regarding safety in multiple-family buildings, over-concentration of units and “party houses” were other frequent complaints.

Also during this early period, the Department also distributed a brief questionnaire to neighborhood groups, interested parties and meeting attendees. The questionnaire attempted to gauge public attitudes towards short-term rentals as well ask about several specific regulatory approaches. Approximately 1,300 responses were received in just over two weeks.

While in the process of drafting the ordinance, the Department met with groups opposed to, and in favor of, short-term rentals, including community organizations, representatives of several hosting platforms and hotel and tourism organizations. Staff also researched the regulations and experiences of many other comparable cities, spoke to key experts in different cities and consulted various academic reports and studies that have been published in the past year.

The proposed ordinance was released on April 15, 2016. More than 2000 written and oral responses have been received in response to the draft, including comments received at the May 21, 2016 staff public hearing. The public hearing featured 289 speakers, including approximately 43 generally supportive and 41 (largely hosts) with concerns. The majority are from hosts with concerns about some of the limitations (mostly the 90 day limit and the ability to rent more than one space at a time), privacy, and ease of registration. The second largest number of comments came from those who prefer the practice to remain unpermitted. The third largest grouping came from supporters of the ordinance, which included many community and nonprofit organizations concerned about the impacts of unregulated short-term rentals. The remainder came from neighborhood council or other groups/individuals with suggestions to improve the ordinance. The main issues mentioned in the public comment period are discussed individually in the *Key Issues* section.

Changes from the April 15th draft ordinance to the proposed June 14th ordinance (Exhibit A)

Significant changes from the April 15th draft ordinance are listed below for the public. Please also consult the tracked change version of the proposed ordinance in Exhibit A.

1. Clarifies that notwithstanding any code provision to the contrary, home-sharing shall be permitted in accordance with the ordinance 12.22 A.31 (c)(2)(b)
2. Clarifies that a major purpose of the ordinance is to protect housing stock
3. Clarifies that home-sharing may occur in a structure approved for residential use.
4. Clarifies that properties converted from units subject to the RSO ordinance to single family homes are not eligible until five years after the conversion.
5. States that, to the extent permitted by law, the records submitted by hosts and hosting platforms per certain provisions, shall be redacted to protect personal information.
6. Adds that if any property has an open Order to Comply as a result of code violations, home-sharing cannot occur until it has been resolved.
7. Increases the number of days hosts are able to operate Home-Sharing rentals during the year was from 90 to 120.
8. Clarifies that hosting platforms assume the same duties and liabilities as the Host when it is assigned the functions or responsibilities regarding the collection and remittance of the Transient Occupancy Tax.
9. Clarifies it is not a violation for hosts to maintain more than one listing at any given time (however they may not be booked at the same time).
10. Ensures that the regulations and terminology used by the proposed ordinance (Host, Home-Sharing and Hosting Platform) are in accordance with the Transient Occupancy Tax code (Article 1.7 of the LAMC)
11. Clarifies that certain hosting platform responsibilities for sharing information are dependent upon being designated a secondary operator pursuant to Article 1.7 of the LAMC .
12. Changes from 100% to 95% the percentage of TOT attributable to short-term rental that would accrue to the Affordable Housing Trust Fund.
13. Additional minor technical or clarification changes

Next Steps

The scope and breadth of the City's activities regarding short-term rentals and home-sharing cannot be distilled solely in an ordinance. To be a successful policy, the Department recommends that the following additional steps be implemented within the next year:

- Establish registration protocols and administrative guidelines
- Begin education campaign regarding the ordinance with public, preferably in cooperation with the hosting platforms
 - Establish proactive enforcement program, either through third party consultants or staffing
 - Evaluate the program and return to the City Planning Commission and Council with any adjustments necessary to ensure the success of the program.

EXHIBIT A: Proposed Ordinance

CPC-2016-1243-CA
June 23, 2016

ORDINANCE NO. _____

An ordinance amending Sections 12.03, 12.22, 12.24, 19.01 and 21.7.2 of the Los Angeles Municipal Code; and amending Section 5.522 of the Charter and Administrative Code, imposing regulations to permit sharing of one’s primary residence as a short-term rental, establishing an application fee and administrative fines for Home-Sharing, and directing Transient Occupancy Taxes derived from Home-Sharing to the Affordable Housing Trust Fund.

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

Section 1. The definition of Accessory Use in Section 12.03 of the Los Angeles Municipal Code is amended to include:

The use of a Primary Residence for the purposes of Home-Sharing shall be considered accessory to a residential use.

Section 2. The definition of Home-Sharing is added to Section 12.03 of the Los Angeles Municipal Code to read:

HOME-SHARING. An accessory use of a Host’s Primary Residence for the purposes of providing temporary lodging, for compensation, for periods of 30 consecutive days or less.

Section 3. Section 12.22 A of the Los Angeles Municipal Code is added to read as follows:

31. Home-Sharing. Notwithstanding any other provisions of this article to the contrary, and in all zones wherein residential uses are permitted by right, the following shall apply:

(a) Purpose. The purpose of this Subdivision is to allow for the efficient use and sharing of residential structures without detracting from residential character or the City’s housing stock.

(b) Definitions. When words are capitalized in this Subdivision they refer to defined terms in the Municipal Code, including this section as well as 12.03, 21.7.2 and 151.02. For the purposes of this Subdivision, the following words and phrases are defined:

- (1) **HOME-SHARING HOSTING PLATFORM.** An entity that facilitates Home-Sharing through advertising, match-making or any other means and from which the Platform derives revenues, including, but not limited to, booking fees or advertising revenues, from providing or maintaining the marketplace.
- (2) **HOST.** An individual who has the legal right to rent his/her Primary Residence for Home-Sharing under this Subdivision.

- (3) **PRIMARY RESIDENCE** The sole property on which the Host conducts Home-Sharing and in which the Host resides at least 6 months of the year.

(c) Home-Sharing Registration

- (1) **Application.** To register for Home-Sharing, a Host shall file an application with the Department of City Planning on a form provided by the Department, and shall include all information required by the instructions on the application and the guidelines adopted by the Director of Planning. Any filing fees required under Section 19.01 E. shall be included with the application. Beyond basic information needed to verify the identification of the Host and his or her Primary Residence, the application shall also include information for a local responsible contact person, a list of all Hosting Platforms to be used and the portion of the unit to be used for Home-Sharing.
- (2) **Eligibility Requirements:** The following requirements must be met at the time of Home-Sharing registration:
- (a) The Host must obtain a Transient Occupancy Registration Certificate from the Office of Finance.
 - (b) Home-Sharing may only be authorized and take place in the Primary Residence approved for residential use.
 - (c) Renters or lessees of units may not engage in Home-Sharing without prior written approval by the Landlord. If a renter or owner is subject to the rules of a lease agreement, homeowner's or condo association, or any other legal contract, allowance to engage in Home-Sharing through this subsection shall not be inferred to grant any permission that invalidates provisions in those documents.
 - (d) Renters of units subject to the Rent Stabilization Ordinance may not engage in Home-Sharing.
 - (e) Any multi-unit buildings, used for Home-Sharing, shall not have any open Orders to Comply or any other code violation that is the subject of enforcement or criminal proceedings, unless the violation is completely unrelated to the safety or habitability of the space being used for Home-Sharing, as determined by the agency which issued the order.
 - (f) No Person may apply for, or obtain, more than one Home-Sharing registration, or otherwise operate more than one Home-Sharing unit or guest room, in the City of Los Angeles.
- (3) **Expiration and Renewal.** A Home-Sharing registration is valid for a maximum of two years from the date of issuance. It may not be transferred and is valid only at the original Home-Sharing site. A Home-Sharing registration may be renewed bi-annually if the Host meets the renewal requirements including: (1) pays the renewal

fee; (2) is deemed to have been in substantial conformance with the provisions of this Subdivision for the past two years; (3) documents and provides any changes that have occurred to the information on the current Home-Sharing application; and 4) submits Home-Sharing records described in Subsection (e) 2 for the last two years to demonstrate compliance with this Subdivision as part of the renewal. These records will not be made public. Without a renewal application submitted within 2 years to the date of the issuance of the Home-Sharing registration, or prior renewal, a registration is considered null and void.

- (4) **Suspensions and Revocations.** Notwithstanding any other provision of this Code to the contrary, the Director may require the modification, discontinuance or revocation of Home-Sharing approval if it is found that violations of this section have occurred, in addition to any other city, state, or federal regulation, ordinance or statute. Home-Sharing may not occur while an Order to Comply issued by an enforcement agency remains open. Otherwise, the Director shall give notice to the record owner and lessee(s) of the real property affected to appear at a public hearing at a time and place fixed by the Director and show cause why the Home-Sharing approval should not be modified, discontinued, or revoked pursuant to section 12.27.1 (B). If a registration is revoked, the Host must wait at least three years before they can apply and/or register for Home-Sharing again.

(d) Prohibitions.

- (1) No Person shall advertise, undertake, maintain, authorize, book or facilitate any renting to Transient guests in a manner that does not comply with this Subdivision.
- (2) No Person shall advertise any Home-Sharing activity without a City issued Home-Sharing registration number included on a visible location on the advertisement.
- (3) No Person shall operate Home-Sharing for more than 120 days each calendar year.
- (4) A second dwelling unit on a single-family zoned lot may not be used for Home-Sharing, unless it is the Primary Residence of a Host.
- (5) No Person shall offer or engage in Home-Sharing in any part of the property not approved for residential use, including but not limited to, a vehicle parked on the property, a storage shed, recreation room, trailer or garage or any temporary structure like a tent.
- (6) A Host may maintain multiple listings on a Hosting Platform, however, only one listing may be booked at any given time.
- (7) A Host may not rent all or a portion of his home for the purposes of Home-Sharing to more than one group of guests, under more than one booking, at any given time.
- (8) Home-Sharing is not permitted in units that are subject to affordable housing covenants, are in units subject to the Rent Stabilization Ordinance, and/or are income-restricted under City, state, or federal law.

- (9) Properties that are converted from units subject to the RSO ordinance to single family homes are not eligible for Home-Sharing until five years after the property has been converted to the single family home.
- (10) Non-residential uses shall not be permitted, including but not limited to, sales or exchange of products, events that charge a fee, or the promotion, display or servicing of any product is conducted on the premises.
- (11) No Persons shall advertise Home-Sharing on a Hosting Platform not included on the Home-Sharing registration form without prior noticing of the Department of City Planning and amending of the Home-Sharing application form.

(e) Host Requirements

- (1) A Host shall be responsible for any nuisance violations, as described in LAMC section 12.27.1.B, arising at a property during Home-Sharing activities.
- (2) The Host shall keep and preserve, for a period of three years, all records as may be necessary to determine the amount of such tax as he may have been liable for the collection of and payment to the City, including the number and length of each Home-Sharing stay, and the price paid for each stay. The Office of Finance shall have the right to inspect these records at all reasonable times. Hosts shall provide a copy of the records from the last two years to the Department of City Planning at the time of renewing the Home-Sharing registration.
- (3) The Host shall fully comply with all the requirements of LAMC Article 1.7 (Transient Occupancy Tax) and successor sections.
- (4) A Host shall provide and maintain fire extinguishers, smoke detectors, carbon monoxide detectors and information related to emergency exit routes and emergency contact information.

(f) Hosting Platform Requirements.

- (1) Actively prevent, remove and cancel any illegal listings and bookings of short term rentals including where a listing has been offered: without a Home-Sharing registration number; by a Host who has more than one listing in the City of Los Angeles; or, for a rental unit that exceeds 120 days in a calendar year.
- (2) In cases where advertisements appear on Hosting Platforms that are not in compliance with this Subdivision, work with the Department of City Planning to identify contact information and investigate and resolve any violations. This includes contacting the alleged violator, particularly in cases where the City is unable to locate them, and instructing them to apply for Home-Sharing. If the Home-Sharing registration is not applied for within 21 days of the notice, the listing shall be removed from the Hosting Platform.
- (3) Provide to the Department of City Planning, within 45 days of the effective date of this Ordinance, contact information for an employee or representative that will respond to requests for information or verification of violations of this section. Hosting Platforms established after the effective date, provide this information prior to facilitating Home-Sharing or renting to Transient guests.

- (4) Provide to the Department of City Planning and Office of Finance, on a monthly basis, a log in an electronic format, including the Home-Sharing registration number, address of all sites maintained, authorized, facilitated or advertised by the Hosting Platform for Transient use during the period, the total number of nights that the residential unit was occupied during the period and the amounts paid for each stay. If the Hosting Platform does not have the technical capability to collect such information, it shall provide written documentation to the City of Los Angeles within 75 days of adoption of this Ordinance that it either does not participate in the booking of Home-Sharing or provide alternative methods to comply with the intent of this provision, to the satisfaction of the Department of City Planning. This information will not be made publicly available.
- (5) If a Host assigns its functions or responsibilities regarding the collection and remittance of the Transient Occupancy Tax to a Hosting Platform, the Platform and the Host shall have the same duties and liabilities as the Host, including but not limited to the collection and remittance of the tax to the City on a monthly basis.

(g) Enforcement of Violations. Any Person violating this Subdivision shall be guilty of a misdemeanor and or civil remedies provided for by this code, at law or in equity, or any combination of these.

- (1) The provisions in this subsection shall be in addition to any criminal, civil or other legal remedy established by law that may be pursued to address violations of this Subdivision. The selection of the appropriate remedies lies within the sole discretion of the issuing Department and, as applicable, by the City Attorney, and shall be consistent with the purpose and intent of this Article.
- (2) Any person who has failed to comply with the provisions of this Subdivision may be subject to the provisions of Section 11.00 of this Code. The Owner of the property in violation may be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.
- (3) The Administrative Citation Enforcement (ACE) program in Article 1.2 of this Chapter may be utilized to issue administrative citations and fines pursuant to this section.
- (4) The Director may require the modification, discontinuance, or revocation of any Home-Sharing registration in the manner prescribed in the Administrative Nuisance Abatement program Section 12.27.1
- (5) The Director shall have the authority to prescribe additional conditions and standards of operation for any Home-Sharing that may require additional conditions to avoid nuisance conditions or violations of this section.
- (6) Violation or failure to comply shall constitute a violation of this chapter and shall be subject to the same penalties as any other violation of this chapter, except as follows:
 - a. Hosting Platform
 1. \$500 Fine per day for advertising a listing in violation of this Section, including but not limited to listings without a City Home-Sharing

registration number, multiple listings across more than one property by the same Host or, a listing where the Host's home address does not match the listing location, and any listings rented for more than 120 days a calendar year.

2. \$1,000 Fine per day on any refusal to provide the addresses of un-registered short term rentals to the City.
3. \$1000 Fine per day on any refusal to submit monthly documents required for City to verify the accuracy of the City's Transient Occupancy Tax.

b. Property Owner and/or Host

1. A minimum \$200 Fine, or two times the nightly Rent charged, whichever is greater, per day, for advertising a residence for the purposes of Home-Sharing without compliance with this Subdivision.
2. \$2,000 Fine per day for Home-Sharing beyond the 120 day limit in a year.
3. For the purposes of establishing an Administrative Violation under the Administrative Citation Enforcement program for the Transient use of buildings, structures, or land for which approval are required but were not obtained, the Administrative Fine levied shall be in the amounts described in LAMC section 11.2.04 (a)(2). If no approval could have been obtained and no variance was sought, the Administrative Fine levied shall be at four times (4x) the amounts in that section. The square footage for the use in violation shall be the amount of indoor space to which the Transient guests have access. If the square footage is unable to be ascertained, it shall be assumed to be between 500 and 2,500 square feet.

(h) Administration and Regulations. City Departments and Agencies may promulgate regulations, which may include but are not limited to application requirements, interpretations, conditions, reporting requirements, enforcement procedures, and disclosure requirements, to implement the provisions of this Chapter. No Person shall fail to comply with any such regulation.

(FROM THIS POINT FORWARD ALL UNDERLINED TEXT IS NEW CODE AND ~~STRIKEOUT~~ IS DELETED)

Section 4. Section 12.24 to read as follows:

W. Authority of the Zoning Administrator for Conditional Uses/Initial Decision.

24. Hotels.

(a) Hotels (including motels), apartment hotels, transient occupancy residential structures, or hostels in the CR, C1, C1.5, C2, C4, and C5 Zones when any portion of a structure proposed to be used as a hotel (including a motel), apartment hotel, transient occupancy residential structure or hostel is located within 500 feet of any A or R Zone. Approval of a conversion from another residential use to a Transient Occupancy Residential Structure under this paragraph shall not be permitted.

(b) Hotels (including motels), apartment hotels, transient occupancy residential structures or hostels, in the M1, M2 and M3 Zones when more than half of the lot on which the use is located is in the CR, C1, C1.5, C2, C4, C5 or CM Zones. In approving a request for a use in the M1, M2 and M3 Zones, the Zoning Administrator, in addition to the findings otherwise required by this section, shall also find that approval will not displace viable industrial uses. Approval of a conversion from another residential use to a Transient Occupancy Residential Structure under this paragraph shall not be permitted.

(c) Hotels, motels, apartment hotels, transient occupancy residential structures and hotels in the R4 or R5 Zones, unless expressly permitted by Sections 12.11 or 12.12. In the R5 Zone, incidental business may be conducted, but only as a service to persons living there, and provided that the business is conducted within the main building, that the entrance to the business is from the inside of the building and that no sign advertising the business is visible from outside the building. If the proposed use is to be established by the conversion of an existing residential use, then a relocation assistance plan shall be drawn up and approved in a manner consistent with Section 12.95.2G. Approval of a conversion from another residential use to a Transient Occupancy Residential Structure under this paragraph shall not be permitted.

Section 5. Section 19.01, Section P is amended and Section Z of is added to read:

P. Modifications or Discontinuance of Use Pursuant to Nuisance Abatement Proceedings.

[FILING FEE]

Type of Application	Fee
Home-Sharing Administrative Hearing	\$TBD

Z. Home-Sharing Registration Application Fee.

[FILING FEE]

<u>Type of Application</u>	<u>Fee</u>
<u>Home-Sharing Application</u> <u>(Section 12.22)</u>	<u>\$TBD</u>

Section 6: Section 21.7.2 of the Los Angeles Municipal Code is amended to read as follows:

SEC. 21.7.2. DEFINITIONS.

Except where the context otherwise requires, the definitions given in this section govern the construction of this article.

(b) Hotel. "Hotel" means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, Home-Sharing, motel, studio, hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, or other similar structure or portion thereof, and shall further include any trailer court, camp, park or lot where trailer spaces, or combinations of such spaces and trailers, including mobile homes, are occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes.

(f) **Operator.** (Amended by Ord. No. 176,005, Eff. 7/7/04.) "Operator" means the 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, lessee, mortgagee in possession, licensee or any other capacity. The owner or proprietor who is primarily responsible for operation of the hotel shall be deemed to be the principal operator. If the principal operator performs or assigns its functions, in whole or in part, through a managing agent, a booking agent, a room seller or room reseller, or any other agent or contractee, including but not limited to Hosting Platforms, on-line room sellers, on-line room resellers, and on-line travel agents, of any type or character other than an employee, those persons shall be deemed to be secondary operators.

Section 7: Chapter 122 of the Administrative Code is amended to read as follows:

Sec. 5.522. Creation and Administration of the Affordable Housing Trust Fund

(h) Ninety-five percent of transient occupancy taxes equal to the amount which would be derived from a transient occupancy tax received by the City, which are attributable to any Transient use other than a hotel, motel, apartment hotel or hostel, shall be placed in the fund.

EXHIBIT B:
Environmental Clearance

B1: Statutory Exemption
B2: Negative Declaration

CPC-2016-1243-CA
June 23, 2016

CEQA NARRATIVE

Home-Sharing Ordinance CPC-2016-1243-CPC

Project Description

An ordinance amending Sections 12.03, 12.22, 12.24, 19.01 and 21.7.2 of the Los Angeles Municipal Code; and amending Section 5.522 of the Charter and Administrative Code, imposing regulations to permit sharing of certain primary residences as short-term rentals, establishing an application fee and administrative fines for Home-Sharing, and directing Transient Occupancy Taxes derived from Home-Sharing to the Affordable Housing Trust Fund.

Summary

The proposed ordinance qualifies under the “common sense” CEQA exemption pursuant to CEQA Guidelines Section 15061(b)(3) and 15060(c)(2), which provides that, where it can be seen with certainty that there is no possibility that a project may have a significant effect on the environment, the project is not subject to CEQA. CEQA only applies to projects that have the potential for causing a significant effect on the environment - either through a direct impact or reasonably, foreseeable indirect impact. The proposed ordinance does not have that possibility.

Direct impacts of the ordinance on the environment will be minor as it is not expected to spur any new development or direct physical effects. The City reasonably expects that implementation of the ordinance will result in fewer primary residences being offered for short-term rentals compared to what currently exists in the City, and better regulation of the activity of sharing certain primary residences for short-term rentals. Both results are unlikely to create a foreseeable physical impact on the environment.

Current Environment

For the purpose of CEQA, the analysis of potential environmental impacts from a “project” is based upon a comparison of the potential impacts of a project with the baseline. The baseline is generally the existing conditions at the time the City commences the environmental review of the project (CEQA Guidelines, section 15125(a)). This is the case even when the existing conditions are the result of prior illegal activities, including of zoning and building code violations (See *Riverwatch v. County of San Diego* (1999) 76 Cal.App.4th 1428, 1452-1453, *Citizens for East Shore Park v. State Lands Commission* (2011) 202 Cal.App.4th 549, 559-560.).

Short-term rentals have a strong and fast-growing presence in many neighborhoods of the City, despite their current illegality in all but a few cases (legal Bed and Breakfasts or Transient Occupancy Residential Structures). The staff report cites two recent estimates that have put the total market at about 20,000 active short-term rental listings in the City. The figure has been increasing fast over the last few years (likely doubling every 12-16 months).

The City has gathered some basic information on guest stays using Airbnb, which is the largest platform facilitating short-term rentals in the City. Based on a Department analysis of a “data

scrape” of Airbnb information for the City in late 2015, roughly 15% of Airbnb users rent their units for more than 120 days a year, nearly 40% of hosts have multiple listings and almost 60% of listings are of whole units. More recently Airbnb released figures that show 84% of Airbnb hosts in Los Angeles are sharing their permanent home, and the typical Airbnb listing in Los Angeles is rented 62 nights per year. Over 560,000 total guests stayed with Airbnb hosts in Los Angeles in 2015, with an average number of 2.2 guests per trip and an average length of stay of 4.5 days. These figures likely represent about 65% of the total short-term rental market.

Proposed Ordinance

The proposed ordinance includes new regulations to enable the legalization of a portion of the short-term rentals already in existence. In addition, the short-term rentals permitted by this ordinance will be subject to an enhanced regulatory environment. As set forth in the staff report, the ordinance includes the following key provisions:

1. All short-term rentals must be registered with the City.
2. Only primary residences may be shared as short-term rentals.
3. Primary residences that are subject to the City’s Rent Stabilization Ordinance are prohibited as shared short-term rentals.
4. No primary residence may be shared as a short-term rental for more than 120 days per year.
5. Full-time vacation rentals are prohibited.

In addition, the ordinance includes additional enforcement tools and resources, including setting aside 5% of the anticipated revenue from the Transient Occupancy Tax (likely to be at least \$500,000 per year), which could be used to enforce the provisions of the ordinance¹. (see the *Enforcement* section in the staff report).

Analysis

The City’s analysis shows, consistent with other studies that many of the short-term rental *listings* are for shared housing or part-time single-listings. However, the greatest amount of short-term rental activity (or total bookings) involve the full-time rental of entire single family residences (i.e. vacation rentals.) Fully 35% of Airbnb revenues are from hosts with multiple listings entire single family residences. While reliable numeric break-downs according to the ordinance’s provisions are not available, it appears the ordinance would have its greatest impact on the more active and intensively used listings, specifically the full-time “short-term” rental of single family residences as vacation rentals.

Stays in residential short-term rentals may occur at the expense of occupancies at typical hotels, motels and bed and breakfasts. Therefore any change to the regulatory environment must consider the impact on hotel and motel occupancy rates. The best research the City has located regarding the relationship between hotels and Airbnb is based on a study of Austin, TX. While the study found a significant relationship between hotel revenues and Airbnb, it found a

¹ Final decisions on year-to-year funding are made by the City Council separate from this ordinance.

near-zero impact on occupancy rates, which is more relevant for assessing environmental impacts. Specifically, the study found that a 10% increase in Airbnb listings is associated with a .0005 percent decrease in hotel occupancy rates. This is in line with current information in Los Angeles, where demand for hotel rooms has increased significantly in recent years, despite the ascendance of short-term rentals. Given this, if a 20-40% reduction in short-term activity were to occur, as is reasonably be estimated, changes in hotel occupancy rates would barely register (an estimated .001-.002 percent increase). This .001 to .002 percent projected increase compares to an increase in occupancy rate of about 4.7% recorded in Los Angeles County through March 2016. Based on the current number of 2.6 million nights booked in hotel rooms in the Los Angeles-Long Beach region², this would equate to an increase of between 2,600 and 5,200 guest stays in hotel rooms per year. The impacts on hotels are thereby considered negligible.

In the longer run, Airbnb may be seen to also affect the hotel industry's investment decisions. However, the opposite has appeared to be true. Currently, during a time of rapid increase in short-term rentals, hotel development is undergoing a significant increase. In January 2016, the Los Angeles Tourism and Convention Board reported that approximately 14,650 new rooms in development in 83 hotels were under development. Given past behavior of the hotel industry in constructing a significant number of hotels during a time when short-term rentals have been fast increasing, the ordinance is not likely to influence decisions on whether to construct a new hotel or not. The increase in hotel development will help more than absorb the largely insignificant increase in hotel occupancy rates associated with the ordinance.

One way to get a better sense of potential effects is to look at the results in a city that adopted similar regulations. Santa Monica passed an ordinance about a year ago that features important similarities to the proposed ordinance - in terms of requiring registration numbers, placing responsibility on both hosts and platforms to enforce the law. Total short-term listings in the city are believed to have dropped from about 1,400 listings to less than 1,000 in the course of about a year's time (a decline of 30%) The reduction of online listings in Santa Monica is due in large part to the staff resources devoted to pro-active enforcement. The proposed ordinance contemplates the availability of TOT resources (five percent of the total derived from short-term rentals) to hire a team of staff persons and/or invest in a technological solution. However, any final decision on expenditure of resources will be taken by the City Council in the future.

Today, there is very little effective enforcement against short-term rentals, most of whom are believed to be operating in violation of current zoning regulations. Therefore, if someone is interested in renting out residential space on an online hosting platform, they are unlikely to wait until a new regulatory system is put in place to engage in such activities. They are already engaging in short term rental activities.

As such, the proposed ordinance would not likely induce any new short-term rental to take place. The City expects many owners of the few thousand homes that are ineligible for Home-

² Bank of America/Meryll Lynch. Lodging. October 2015. *Airbnb: Deep dive with data from AirDNA*.

Sharing will re-evaluate their choice of renting units as a short-term rental business. Many are likely to end their activities, leading to a net reduction in short-term rental activity. Any reduction in short-term rental activity is likely to reduce any environmental impacts from a CEQA point of view.

At the more local level, the impact on the residential environment is also likely to be minimal regardless of the exact magnitude of the change. With the regulations set forth by the Home-Sharing ordinance, the operation of Home-Sharing uses would be similar to the operation of a regular occupied home in any residential neighborhood. In fact, often times a bedroom or unit being used exclusively for short-term rental is likely to be used less intensely than a full-time, long-term occupied bedroom or unit. However, in other cases, spaces used for short-term rentals would be vacant. Again, countervailing trends are likely to balance out.

Given the credible evidence currently available, it appears reasonable to believe that the growth rates of short-term rentals will slow considerably and that the number of short-term rentals should decline from the current level. However, noticeable change to the physical environment is not likely not occur either way. If short-term rentals drop, some percentage of long-term rental may increase and vice-versa (in addition to the projected slight increase in hotel room stays). In the end the balance of forces - likely fewer short-term rental usage versus potentially higher impacts associated with some amount of reversion to long-term rental uses - is likely to roughly balance out and lead to almost no perceivable environmental impact.

EVALUATION

Summary

The above analysis concludes that short-term rental activity is likely to slow or decline as a result of the ordinance for the following reasons: (1) the ordinance as currently proposed permits only residential units used as primary residences to be used as short-term rentals; (2) ordinance prohibits residential units subject to the City's rent stabilization ordinance from use as short-term rentals; (3) the ordinance permits an individual or entity to list only one unit or single family residence as a short-term rental; and (4) the ordinance requires that all short-term rentals be registered with the City. These regulations will necessarily limit the units available to be used as short-term rentals and may discourage individuals that are currently listing units or residences as short-term rentals from continuing to do so because of the registration requirement and the additional regulations. Reductions in the number of short-term rentals should be more pronounced in areas with greater concentrations of entire residences that are listed as short-term rentals. This appears to be in areas with the highest demand, such as Venice, Hollywood and Silverlake. The proposed ordinance amends Sections 12.03, 12.22 and 12.24 of the zoning code and will be applicable to all parcels in which residential uses are permitted or currently exist.

Below is a discussion of potential impacts in each environmental topic area. In most cases, impact areas are not impacted at all, or only tangentially. In cases where there may be a potential effect, the net result would be minor. As a result, the preliminary study finds no potential impacts.

This evaluation is a programmatic review of the impact of short-term rentals on residential neighborhoods.

Aesthetics

The Home-Sharing ordinance would only affect the use of a residential building and not its physical shape or size. The analysis of the short-term rental market in Los Angeles indicates that, if anything, the ordinance is likely to reduce the amount of such activity in Los Angeles. There should be no more exterior lighting than if not used for home-sharing.

Mitigation Measures: None.

Conclusion: No impact to aesthetics.

Agriculture & Forestry Resources

The amendment will not result in the loss or conversion of any Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. No loss of forest land or conversion of forest land to non-forest use will occur.

Mitigation Measures: None.

Conclusion: No impact to agricultural resources.

Air Quality

The proposed amendment will not obstruct the implementation of SQAMD plans, nor will it violate any air quality standard or contribute substantially to an existing or projected air quality violation. As no construction is proposed, it will not result in the cumulative net increase of any criteria pollutant for which the project region is non-attainment, expose sensitive receptors to pollutants, or create objectionable odors. Any future development and resulting structures would be subject to the same building and environmental review process that currently exists and impacts to sensitive receptors and the creation of objectionable odors would be subject to subsequent environmental review and analyzed during the application process.

Mitigation Measures: None.

Conclusion: No impact to air quality.

Biological Resources

The proposed text amendment will not impact state or federally listed species, riparian habitat, wetlands, sensitive natural communities, migratory fish or wildlife species, adopted Habitat Conservation Plan, Natural Community Plan, trees, or marine animals. No construction is proposed as part of this amendment. Future development projects will be subject to subsequent environmental review and will be evaluated for potential impacts to biological resources.

Mitigation Measures: None.

Conclusion: No impact to biological resources.

Cultural Resources

The proposed amendment only pertains to the use of an existing residential property and in no way grants approval of physical changes to a structure. Although it may be possible for a vacation rental permit to be granted for a historic property, any external changes would be subject to the policies of the City's Historic Preservation Overlay Zone Ordinance or the Cultural Heritage Ordinance. The Home-Sharing ordinance applies to existing homes in established residential neighborhoods and would therefore not have the potential to destroy a unique paleontological resource or disturb any human remains. Future development projects will be subject to subsequent environmental review and will be evaluated for potential impacts to cultural resources.

Mitigation Measures: None

Conclusion: No impact to cultural resources.

Geology & Soils

The use of an existing home for Home-Sharing would not increase the potential to expose more people to strong seismic ground shaking, ground failure, or landslides than that of the existing single family uses. All homes constructed in the recent past have required soils reports and foundation plans that respond to the regional soils and potential for ground shaking.

Mitigation Measures: None.

Conclusion: No impact to geology and soils.

Greenhouse Gas Emissions

The amendment will not cause an increase in cumulative greenhouse gas emissions nor will it conflict with an applicable plan, policy, or regulation adopted for the purposes of reducing greenhouse gases. Any future structures and uses would be subject to the application review process that currently exists.

Mitigation Measures: None

Conclusion: No impact to greenhouse gas emissions.

Hazards & Hazardous Materials

Home-Sharing use of existing single dwellings would not involve the routing or transport, use or disposal of hazardous materials. There are no known residential sites within the City that are listed on a hazardous materials site. There are no residential sites within the airport land use plan boundaries in the City. Therefore there is no potential for a vacation rental property to be located within the airport land use boundary. The proposed uses will have no impact to any emergency response plan for emergency evacuation plan above that of an existing single family residence. The potential for wildland fires does not exist as the vacation rental uses will be conducted only at existing developed residential locations.

Mitigation Measures: None.

Conclusion: No impacts to hazards or hazardous materials.

Hydrology & Water Quality

The Home-Sharing Ordinance affects use of existing structures that have been previously permitted. These residential sites will not affect run-off or surface water body. Therefore, there is no potential for future significant and different impacts on hydrology and water quality. Impacts on hotels are considered to be negligible.

Mitigation Measures: None.

Conclusion: No impacts to hydrology and water quality

Land Use & Planning

The Home-Sharing Ordinance does not conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project. General plan and zoning consistency is addressed in detail in this report.

Mitigation Measures: None.

Conclusion: No impacts to land use & planning

Mineral Resources

The Home-Sharing Ordinance will have no effect on mineral resources locally or regionally, either in availability or future value. No loss or use of known mineral resources will occur.

Mitigation Measures: None.

Conclusion: No impacts to mineral resources

Noise

The Home-Sharing Ordinance does not expose additional persons to, or generate, excess noise levels. The ordinance should reduce the number of large vacation rentals often used for parties and other gatherings in short-term rentals, as these uses are not normally someone's primary residence. This should reduce exposure or generation of excess noise. The ordinance will also have a hotline for complaints, which will be able to be used for home-sharing, in the event of excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies. Impacts on hotels are considered to be negligible.

Mitigation Measures: None.

Conclusion: No impacts to noise

Population & Housing

The Home-Sharing ordinance will not induce substantial population growth in an area, either directly or indirectly. The ordinance would not result in any new development and is likely to slow or reduce the amount of short-term rental activity in residences. It will not result in the construction of any new homes or businesses. As such, it will also not result in the net loss of any existing housing units affordable to very low- or low-income households (as defined by federal and/or City standards), through demolition, conversion, or other means. The prohibition

on RSO and Transient Occupancy Residential Structures, on top of the proposed enforcement tools, are important assurances that greater protections will be in place.

Mitigation Measures: None.

Conclusion: No impacts to hazards or public services

Public Services

The home-sharing ordinance would not adversely impact response time on any street intersections with a level of service (LOS) of E or F. The ordinance does not create a net increase in trips to Los Angeles. Trips may slightly increase in some areas and decrease in others, but generally commercial areas with hotels are likely to see more activity. Hotels tend to be located downtown and the LA basin, in general - in areas well-served by freeways and public transit (and therefore relatively low regional vehicle miles travelled).

Mitigation Measures: None.

Conclusion: No impacts to public services

Recreation

The proposed ordinance would not increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated.

Mitigation Measures: None.

Conclusion: No impacts to recreation

Transportation & Traffic

The ordinance would not cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections). As the ordinance is projected to have a negligible to insignificant impact on hotel occupancy, traffic impacts are also considered to be negligible. The most impacted streets for short-term rentals in Los Angeles now may have a three to four active listings within a quarter-mile or so. These are not sufficient numbers to cause a significant diversion or shift in traffic patterns. Also, as mentioned under public services above, guest stays will be more likely to occur in areas with low regional vehicles mile travel and better public transportation access than most residential structures used as vacation rentals.

Utilities & Service Systems

The proposed ordinance will not violate any water or wastewater treatment requirements or contribute substantially to wastewater generation. As no construction is proposed, it will not result in a need for new water or wastewater treatment facilities. Any future development and resulting structures would be subject to the same building and environmental review process that currently exists. Additionally, as the ordinance will likely result in less short-term rentals, the utilities and services impacts will likely be lowered.

Mitigation Measures: None.

Conclusion: No impacts to recreation

CONCLUSION

Based upon the information currently available regarding the current usage of short-term rentals in the City of Los Angeles and the effect on Santa Monica's short-term rentals after it adopted an ordinance that includes similar regulations and restrictions as those included in the proposed ordinance, as well as the other information set forth above, in the staff report related to this ordinance and the substantial evidence contained in the whole of the record of proceedings, the City has determined that it can be seen with certainty that there is no possibility the adoption and enforcement of this ordinance may have a significant effect on the environment.

CITY OF LOS ANGELES

OFFICE OF THE CITY CLERK
 ROOM 360, CITY HALL
 LOS ANGELES, CALIFORNIA 90012

**CALIFORNIA ENVIRONMENTAL QUALITY ACT
 INITIAL STUDY
 AND CHECKLIST**
 (Article IV B City CEQA Guidelines)

LEAD CITY AGENCY City of Los Angeles Department of City Planning	COUNCIL DISTRICT All	DATE June 14, 2016
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RESPONSIBLE AGENCIES

PROJECT TITLE/NO. Home Sharing Ordinance CPC-2016-1243-CA	CASE NO. ENV-2016-1277-ND
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PREVIOUS ACTIONS CASE NO. N/A	<input type="checkbox"/> DOES have significant changes from previous actions. <input checked="" type="checkbox"/> DOES NOT have significant changes from previous actions.
---	---

PROJECT DESCRIPTION:

Home Sharing Ordinance establishes regulatory framework to permit sharing of primary residences.

ENVIRONMENTAL SETTING:

City of Los Angeles

PROJECT LOCATION

City of Los Angeles

PLANNING DISTRICT All	STATUS: <input type="checkbox"/> PRELIMINARY <input checked="" type="checkbox"/> PROPOSED <u>June 2016</u> <input type="checkbox"/> ADOPTED
---------------------------------	---

EXISTING ZONING N/A	MAX. DENSITY ZONING N/A	<input checked="" type="checkbox"/> DOES CONFORM TO PLAN <input type="checkbox"/> DOES NOT CONFORM TO PLAN <input type="checkbox"/> NO DISTRICT PLAN
PLANNED LAND USE & ZONE N/A	MAX. DENSITY PLAN N/A	
SURROUNDING LAND USES N/A	PROJECT DENSITY N/A	

DETERMINATION (To be completed by Lead Agency)

On the basis of this initial evaluation:

I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions on the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

I find the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

I find the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

SIGNATURE

TITLE

EVALUATION OF ENVIRONMENTAL IMPACTS:

- 1) A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.
- 4) “Negative Declaration: Less Than Significant With Mitigation Incorporated” applies where the incorporation of a mitigation measure has reduced an effect from “Potentially Significant Impact” to “Less Than Significant Impact.” The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section XVII, “Earlier Analysis,” cross referenced).
- 5) Earlier analysis must be used where, pursuant to the tiering, program EIR, or other CEQA

process, an effect has been adequately analyzed in an earlier EIR, or negative declaration. Section 15063 (c)(3)(D). In this case, a brief discussion should identify the following:

- a) Earlier Analysis Used. Identify and state where they are available for review.
- b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
- c) Mitigation Measures. For effects that are “Less Than Significant With Mitigation Measures Incorporated,” describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.

- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated
- 7) Supporting Information Sources: A sources list should be attached, and other sources used or individuals contacted should be cited in the discussion.
- 8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project’s environmental effects in whichever format is selected.
- 9) The explanation of each issue should identify:
 - a. The significance criteria or threshold, if any, used to evaluate each question; and
 - b. The mitigation measure identified, if any, to reduce the impact to less than significance.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a “Potentially Significant Impact” as indicated by the checklist on the following pages.

- | | | |
|---|--|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agricultural and Forestry Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology/Soils |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology/Water Quality |
| <input type="checkbox"/> Land Use/Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population/Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Transportation/Traffic | <input type="checkbox"/> Utilities/Service Systems | <input type="checkbox"/> Mandatory Findings of Significance |

INITIAL STUDY CHECKLIST (To be completed by the Lead City Agency)

BACKGROUND

PROPONENT NAME	PHONE NUMBER
City of Los Angeles Department of City Planning	213.978.2666

PROPONENT ADDRESS

200 N. Spring St. Los Angeles, CA 90012

AGENCY REQUIRING CHECKLIST

City of Los Angeles Department of City Planning

DATE SUBMITTED

June 14, 2016

PROPOSAL NAME (If Applicable)

Home-Sharing Ordinance

 ENVIRONMENTAL IMPACTS

(Explanations of all potentially and less than significant impacts are required to be attached on separate sheets)

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
I. AESTHETICS. Would the project:				
a. Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
II. AGRICULTURE AND FOREST RESOURCES. In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:				
a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
e. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
III. AIR QUALITY. Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a. Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
IV. BIOLOGICAL RESOURCES. Would the project:				
a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
corridors, or impede the use of native wildlife nursery sites?				
e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

V. CULTURAL RESOURCES: Would the project:

a. Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Disturb any human remains, including those interred outside of dedicated cemeteries (see Public Resources Code, Ch. 1.75, §5097.98, and Health and Safety Code §7050.5(b))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Cause a substantial adverse change in the significance of a site, feature, place, cultural landscape, sacred place, or object with cultural value to a California Native American Tribe that is listed or determined eligible for listing on the California register of historical resources, listed on a local historical register, or otherwise determined by the lead agency to be a tribal cultural resource?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

VI. GEOLOGY AND SOILS. Would the project:

a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury or death involving:				
i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii. Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii. Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv. Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
b. Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

VII. GREENHOUSE GAS EMISSIONS. Would the project:

a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

VIII. HAZARDS AND HAZARDOUS MATERIALS. Would the project:

a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

IX. HYDROLOGY AND WATER QUALITY. Would the project:

a. Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
i. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j. Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
X. LAND USE AND PLANNING. Would the project:				
a. Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XI. MINERAL RESOURCES. Would the project:				
a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XII. NOISE. Would the project result in:				
a. Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XIII. POPULATION AND HOUSING. Would the project:

a. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XIV. PUBLIC SERVICES. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

a. Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XV. RECREATION.

a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XVI. TRANSPORTATION/TRAFFIC. Would the project:

a. Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
---	--------------------------	--------------------------	--------------------------	-------------------------------------

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?				
b. Conflict with an applicable congestion management program, including, but not limited to, level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XVII. UTILITIES AND SERVICE SYSTEMS. Would the project:

a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE.

a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>



DISCUSSION OF THE ENVIRONMENTAL EVALUATION (Attach additional sheets if necessary)

PREPARED BY	TITLE	TELEPHONE #	DATE
William Hsu	Planning Assistant		June 14, 2016

ENVIRONMENTAL IMPACT ANALYSIS

1. AESTHETICS

a) Would the project have a substantial adverse effect on a scenic vista?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There will be no changes to a structure's physical shape or size nor would it create any physical changes to the environment. Therefore, no impact on a scenic vista will result.

b) Would the project substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It does not include scenic resources within a state scenic highway. No impact related to the ordinance will occur.

c) Would the project substantially degrade the existing visual character or quality of the site and its surroundings?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. The existing visual character or quality of the site and its surroundings will not be impacted.

d) Would the project create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It will not introduce new sources of substantial light or glare. No impact related to this issue would occur.

2. AGRICULTURE AND FORESTRY RESOURCES

a) Would the project convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It will not impact or convert any farmland to non-agricultural use. Therefore, no impacts related to this issue would occur.

b) Would the project conflict with existing zoning for agricultural use, or a Williamson Act Contract?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It will not change any land zoned for agricultural use, and the site is not under a Williamson Act Contract. Thus, there is no conflict with existing zoning for agricultural use, or a Williamson Act Contract. Therefore, no impacts related to this issue would occur.

c) Would the project conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220[g]), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104 [g])?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It will not change any land zoned as forest land or timberland. Therefore, no impacts related to this issue would occur.

d) Would the project result in the loss of forest land or conversion of forest land to non-forest use?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It does not propose changes to any forest land. Therefore, no impacts related to this issue would occur.

e) Would the project involve other changes in the existing environment, which due to their location or nature, could result in conversion of Farmland, to non-agricultural use?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. No agricultural uses are included as part of the project. Therefore, no impacts related to this issue would occur.

3. AIR QUALITY

a) Would the project conflict with or obstruct implementation of the applicable air quality plan?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It will not conflict or obstruct implementation of applicable air quality plan.

b) Would the project violate any air quality standard or contribute substantially to an existing or projected air quality violation?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It will not violate air quality standards or contribute substantially to an existing or projected violation. The time limit on home-sharing will likely lower existing emissions.

c) Would the project result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions, which exceed quantitative threshold for ozone precursors)?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It will not generate or emit any criteria pollutant. No related impacts would occur.

d) Would the project expose sensitive receptors to substantial pollutant concentrations?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It will not generate or emit any criteria pollutant. No related impacts would occur.

e) Would the project create objectionable odors affecting a substantial number of people?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There is no creation of objectionable odors and therefore no impact.

4. BIOLOGICAL RESOURCES

a) Would the project have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulation, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur, which will not impact or modify any habitats. Therefore, no impacts related to this issue would occur.

b) Would the project have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur, which will not impact or modify any riparian habitats. Therefore, no impacts related to this issue would occur.

c) Would the project have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur, which will not impact or modify any wetlands. Therefore, no impacts related to this issue would occur.

d) Would the project interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur, which will not impact or modify any wildlife corridors. Therefore, no impacts related to this issue would occur.

e) Would the project conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur, which will not conflict with existing policies protecting biological resources. Therefore, no impacts related to this issue would occur.

f) Would the project conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It is not subject to a Habitat Conservation Plan, a Natural Community Conservation Plan, or other such plan. Therefore, the project would not conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan, and no impacts related to this issue would occur.

5. CULTURAL RESOURCES

a) Would the project cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?

No Impact. State CEQA Guidelines Section 15064.5 defines an historical resource as: 1) a resource listed in or determined to be eligible by the State Historical Resources Commission for listing in the California Register of Historical Resources; 2) a resource listed in a local register of historical resources or identified as significant in a historical resource survey meeting certain state guidelines; or 3) an object, building, structure, site, area, place, record or manuscript which a lead agency determines to be significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of California, provided that the lead agency's determination is supported by substantial evidence in light of the whole record. A project-related significant adverse effect would occur if a project were to adversely affect a historical resource meeting one of the above definitions. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. No historic structures will be affected by the ordinance. The ordinance is not proposing any physical changes. Thus, the ordinance would not cause a substantial adverse change in the significance of a historical resource as defined in §15064.5. Therefore, no impacts related to historical resources would occur as a result of the ordinance.

b) Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to 15064.5?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. No grading or excavation is proposed. Therefore, no impacts related to this issue would occur.

c) Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. No grading or excavation is proposed. Therefore, no impacts related to this issue would occur.

d) Would the project disturb any human remains, including those interred outside of formal cemeteries?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. No grading or excavation is proposed. Therefore, no impacts related to this issue would occur.

6. GEOLOGY AND SOILS

a) Would the project expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:

(i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. All homes constructed in the recent past have required soils reports and foundation plans that respond to the regional soils and potential for ground shaking, and all structures comply with seismic building standards.

(ii) Strong seismic ground shaking?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It would not increase the potential to expose more people to strong seismic ground shaking than that of the existing single family uses. All homes constructed in the recent past have required soils reports and foundation plans that respond to the regional soils and potential for ground shaking, and all structures comply with seismic building standards.

(iii) Seismic-related ground failure, including liquefaction?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It would not increase the potential to expose more people to strong seismic ground failure than that of the existing single family uses. All homes constructed in the recent past have required soils reports and foundation plans that respond to the regional soils and potential for ground shaking, and all structures comply with seismic building standards.

(iv) Landslides?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It would not increase the potential to expose more people to landslides than that of the existing single family uses. All homes constructed in the recent past have required soils reports and foundation plans that respond to the regional soils and potential for ground shaking, and all structures comply with seismic building standards.

b) Would the project result in substantial soil erosion or the loss of topsoil?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. No physical changes to the environment are proposed and no effects on soil erosion or loss of topsoil are anticipated to occur. Therefore, no impacts related to this issue would occur.

c) Would the project be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. All homes constructed in the recent past have required soils reports and foundation plans that respond to the regional soils and potential for ground shaking, and all structures comply with seismic building standards. Therefore, no related impacts would occur.

d) Would the project be located on expansive soil, as identified on Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. All homes constructed in the recent past have required soils reports and foundation plans that respond to the regional soils and potential for ground shaking, and all structures comply with seismic building standards. Therefore, no related impacts would occur.

e) Would the project have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Existing residences are connected to the City's existing sewer system and would not require the use of septic tanks or alternative wastewater disposal systems. Thus, the Project would not result in any impacts related to soils that are incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater. Therefore, no impacts related to this issue would occur.

7. GREENHOUSE GAS EMISSIONS

a) Would the project generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. This will not add car trips, and it will not cause an increase in cumulative greenhouse gas emissions.

b) Would the project conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It will not conflict with an applicable plan, policy, or regulation adopted for the purposes of reducing greenhouse gases.

8. HAZARDS AND HAZARDOUS MATERIALS

a) **Would the project create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?**

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It does not involve routine transport, use, or disposal of hazardous materials. Therefore, no impacts related to this issue would occur.

b) **Would the project create significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?**

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It does not involve release of hazardous materials. Therefore, no impacts related to this issue would occur.

c) **Would the project emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?**

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It does not involve emission or handling of hazardous materials. Therefore, no impacts related to this issue would occur.

d) **Would the project be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?**

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There are no known residences located in a hazardous materials site. Therefore, no impacts related to this issue would occur.

e) **For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?**

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There are no known residences located within the airport land use plan boundaries in the City. Therefore, no impacts related to this issue would occur.

f) **For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?**

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There are no known residences located within the vicinity of a private airstrip in the City. Therefore, no impacts related to this issue would occur.

g) Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. No aspects of the ordinance would inhibit access to hospitals, emergency response centers, school locations, communication facilities, highways and bridges, or airports. Thus, no impacts related to this issue would occur.

h) Would the project expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There is no increased potential to risks involving wildland fires. Therefore, no impacts related to this issue would occur.

9. HYDROLOGY AND WATER QUALITY

a) Would the project violate any water quality standards or waste discharge requirements?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore, it would have no impact on water quality standards or waste discharge and would not violate any water quality standards or waste discharge requirements.

b) Would the project substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore, it would have no impact on groundwater supplies.

c) Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner, which would result in substantial erosion or siltation on- or off-site?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore, it would have no impact on existing drainage patterns.

d) Would the project create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore, it would have no

impact on runoff water which would exceed the capacity of existing or planned stormwater drainage systems.

e) Would the project otherwise substantially degrade water quality?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore, it would have no impact on water quality.

f) Would the project place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore, no impacts related to this issue would occur.

g) Would the project place within a 100-year flood hazard area structures which would impede or redirect flood flows?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore, no impacts related to this issue would occur.

h) Would the project expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There is no potential to increase risk involved with flooding. Therefore, no impacts related to this issue would occur.

i) Would the project expose people or structures to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There is no potential to increase risk involved with seiche, tsunami, or mudflow. Therefore, no impacts related to this issue would occur.

10. LAND USE AND PLANNING

a) Would the project physically divide an established community?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There will be no physical division of an established community. Therefore no related impacts would occur.

b) Would the project conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There would be no conflict with any applicable land use plan, policy, or regulation. Therefore no related impacts would occur.

c) Would the project conflict with any applicable habitat conservation plan or natural community conservation plan?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore, it would not conflict with any applicable habitat conservation plan or natural community conservation plan, and impacts related to this issue would occur.

11. MINERAL RESOURCES

a) Would the project result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Thus, it would not result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state. Therefore, no impacts related to issue would occur.

b) Would the project result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Thus, it would not result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan. Therefore, no impacts related to issue would occur.

12. NOISE

a) Would the project result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?

Less than Significant Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There is a potential decrease in number of vacation rentals which could lead to the possible decrease in noise levels.

b) Would the project result in exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There is no potential for exposure to groundborne vibration or noise. Therefore, no impacts related to issue would occur.

c) Would the project result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?

Less than Significant Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There is a potential decrease in number of vacation rentals which could lead to the possible decrease in noise levels.

d) Would the project result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?

Less than Significant Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There is a potential decrease in number of vacation rentals which could lead to the possible decrease in noise levels.

e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There are no known residences located an airport land use plan in the City Therefore, the ordinance would not expose people residing or working in the Project area to excessive noise levels and no impact would occur.

f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There are no known residences located within the vicinity of a private airstrip in the City. Therefore, the ordinance would not expose people residing or working in the Project area to excessive noise levels and no impact would occur.

13. POPULATION AND HOUSING

a) Would the project induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There is no potential for inducing population growth. Therefore no related impacts would occur.

b) Would the project displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore, it would not displace any existing housing, necessitating the construction of replacement housing elsewhere.

c) Would the project displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore, it would not displace any residents, necessitating the construction of replacement housing elsewhere.

14. PUBLIC SERVICES

a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered government facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objective for any of the following public services:

(i) Fire protection?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

(ii) Police protection?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

(iii) Schools?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

(iv) Parks?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

(v) Other public facilities?

Libraries

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

15. RECREATION

a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

16. TRANSPORTATION AND TRAFFIC

a) Would the project conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There is no conflict with applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system. Therefore no related impacts would occur.

b) Would the project conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the count congestion management agency for designated roads or highways?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There is no conflict with applicable congestion management programs. Therefore no related impacts would occur.

c) Would the project result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Thus, the ordinance would not result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks. Therefore, no impacts related to this issue would occur.

d) Would the project substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. There is no proposed changes for roadway designs or incompatible uses. Therefore no related impacts would occur.

e) Would the project result in inadequate emergency access?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

f) Would the project conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

17. UTILITIES AND SERVICE SYSTEMS

a) Would the project exceed wastewater treatment requirements of the applicable regional water quality control board?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

b) Would the project require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It does not propose construction of new water or wastewater treatment facilities or expansion of existing facilities. Therefore no related impacts would occur.

c) Would the project require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It does not propose construction of new storm water drainage facilities or expansion of existing facilities. Therefore no related impacts would occur.

d) Would the project have significant water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

e) Would the project result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

f) Would the project be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. Therefore no related impacts would occur.

g) Would the project comply with federal, state, and local statutes and regulations related to solid waste?

No Impact. The Home-Sharing ordinance only affects the use of existing residential structures in established neighborhoods and no new developments will occur. It affects existing residences which complies with all applicable federal, state, and local statutes and regulations related to solid waste generation, and no significant impacts related to this issue would occur.

18. MANDATORY FINDINGS OF SIGNIFICANCE

a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?

No Impact. For the reasons stated in this Initial Study, the Home-Sharing ordinance would not have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory.

b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?

No Impact. For the reasons stated in this Initial Study, the Home-Sharing ordinance would not potentially result in any significant impacts would not have the potential to contribute to significant cumulative impacts.

c) Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?

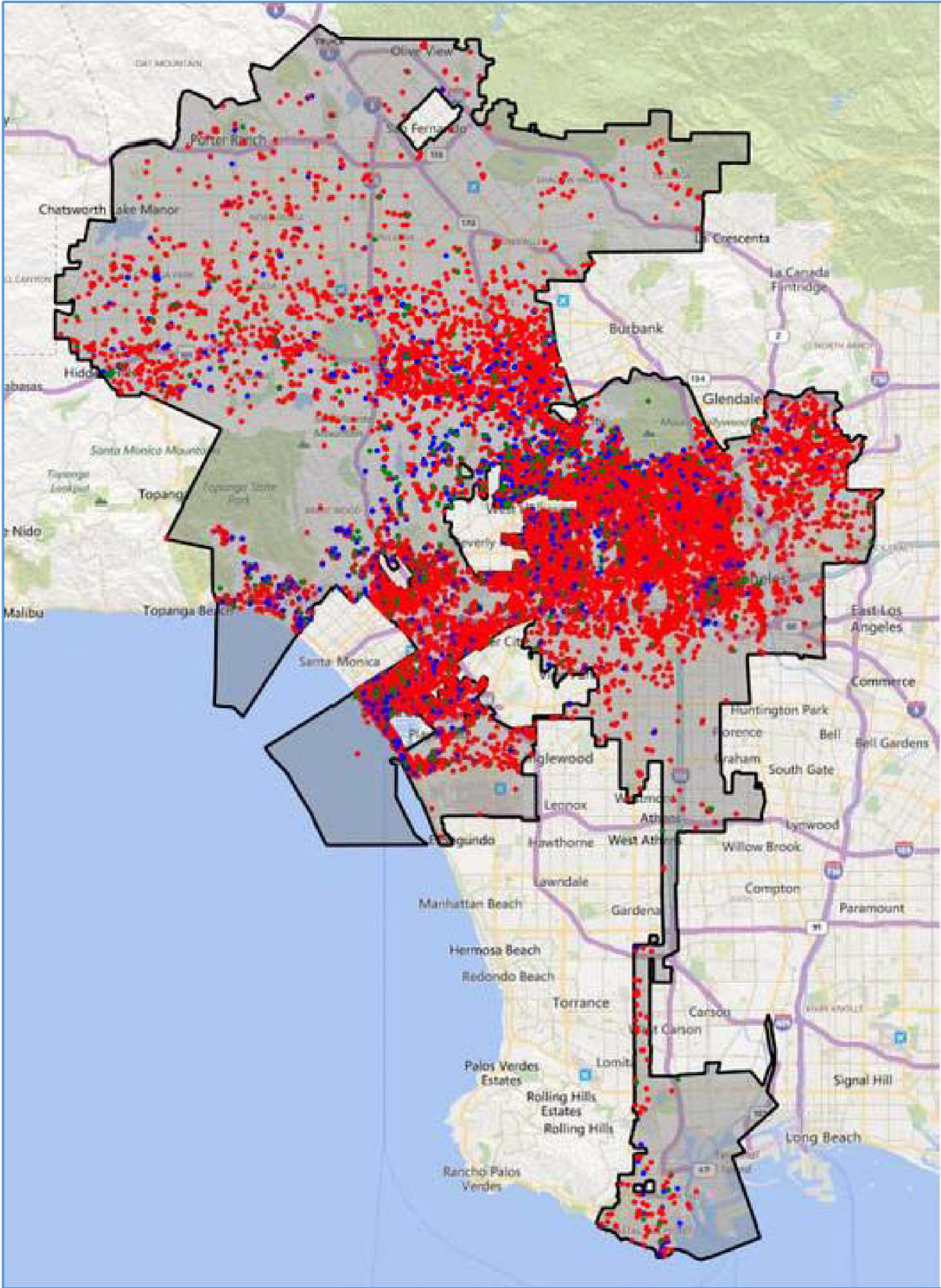
No Impact. For the reasons stated in this Initial Study, the Home-Sharing ordinance would not potentially cause substantial adverse effects on human beings, either directly or indirectly.

EXHIBIT C:

Map

CPC-2016-1243-CA
June 23, 2016

Exhibit C – Map of Short-Term Rental Listings In Los Angeles
CPC-2016-1243-CA



Source: Hostcompliance.com proprietary data, June 2016

EXHIBIT D: Comparison of Other Cities

CPC-2016-1243-CA
June 23, 2016

Exhibit D - Comparison of the Short-Term Rental Laws in Other Cities
CPC-2016-1243-CA – June 14, 2016

City	Primary Residence Only?	Host Registration Required?	Reg. Fee	Registration Number on Permit?	Days/Year Permitted	Host Requirements	Platform Requirements?	Other Provisions
Los Angeles (proposed June 14 th ordinance)	Y – must live there 6 months of the year	Y	Y (TBD)	Y	120	Responsible for nuisance activities; Maintain records for 3 years; Present them for renewal; Maintain safety equipment and provide local contact person information	Must prevent/cancel illegal listings; Must provide monthly data (addresses, nights rented) - unless exempt; Must provide contact person	Ban in units subject to the Rent Stabilization Ordinance (RSO) Unit must not be subject to a current Order to Comply from an enforcement agency Remove the current ability to convert an apartment building into a Transient Occupancy Residential Structure (i.e. short term rental use)
Malibu	N	Y (except Airbnb users)	\$25 (TOT)	N	Unlimited	Pay TOT	Subject to subpoena for host data	
Sacramento	N (but limited to 90 days)	Y		N	90 if not primary resident	Keep a register of guests; Ensures all listings are in permitted residences		Neighbor notification within 200 feet Consent of property owner; Six-guest limit No weddings, events, fundraisers, etc.
San Francisco	Y - must live there 9 months of the year	Y	\$50	Y	90 for entire home; Unlimited if host is present	Maintain records for 2 years	Platforms now responsible for verifying and preventing illegal listings	Private Right of (legal) by housing non-profits allowed; Liability insurance required Established new multi-agency short term rental office
San Jose	N	Y			180 for entire home; Unlimited if host is present			
Santa Monica	Y; host must be present	Y	None	Y	Unlimited if host is present. Zero days if unhosted	Illegal to advertise an unlicensed rental	Report quarterly to the City (address, nights, name)	Private right of legal action authorized Specialized enforcement employees
Portland	Y - must live there 9 months	Y (2 years)	\$100 (MF)/ \$178 (SF)	Y	Technically not a limit on stays, but host cannot be gone for more than 3 months (95 days)	Safety self-certify checklist for smoke detectors, etc.	Ensure that hosts are licensed (\$500/day); and permit the city to request listing information Platforms; Collect taxes	Renting 3-5 bedrooms is a CUP Requires landlord's written permission In MF buildings, limited to 1 unit or 25% (w/ever greater)
Nashville	N	Y		N	Three Types 1) owner occupied, 2) non-owner occupied, 3) non-owner occupied multi-family)	Must rent to a single party of individuals		One year waiting period for Permit if caught operating without one Permit revocations if 3 complaints Occupancy caps (4 sleeping rooms x 2 persons ea + 4 more = 12 people max)
Austin	Not if owner occupied	Y (12 mo.)	\$285(incl ude \$50 noticing fee)	Y	Depends on type of short-term rental permit: Type 1) owner occupied SF homes; 2) vacation rentals/2nd homes; 3) multi-family buildings.	Home must be inspected (allows third party)		Over-Concentration Limits (3% of Census Tract); Neighbor Notification
Palm Springs	N	Y	\$225	Y	Unlimited	Host or agent must be able to respond quickly to a notice of disturbance/violation	No	Occupancy Limits = 2 + 2/bedroom (5 additional day guests allowed)
New York City	Y	N	N/A	N/A	Unlimited if host is present. Zero days unhosted.	Be present at residence	Airbnb was subpoenaed by NY Attorney General for listings data	29 member special short-term rental enforcement task force - with both proactive and complaint-based staff including a a "certified database administrator

Please Note: The list of regulations for every city is not intended to be exhaustive. Also, most cities with short-term rental ordinances require payment of the "hotel tax," require the issuance of a business license and include a unique set of administrative fines.