

EXHIBIT B - FINDINGS

ENVIRONMENTAL FINDINGS

In accordance with the California Environmental Quality Act (CEQA), this ordinance meets the criteria of a Categorical Exemption pursuant to CEQA Guidelines Section 15301 (Existing Facilities), because allowing Vacation Rentals to operate in the City represents, at most, a negligible expansion of an existing use. Furthermore, there is no substantial evidence demonstrating that an exception to a categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies.

Impacts of the Vacation Rentals 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 the proposed ordinance will limit the amount of Vacation Rentals such that any potential impacts on the environment will be less than significant. The proposed ordinance will result in allowing and better regulating a currently prohibited yet ongoing activity of renting non-primary residences on a short-term basis. These results are unlikely to result in a reasonably foreseeable direct or indirect impact on the environment.

Approval of the project is supported by the Negative Declaration and Categorical Exemption (ENV-2019-7046-ND, ENV-2019-7375-CE) prepared for this project. The Negative Declaration concludes that, the proposed Vacation Rentals Ordinance could not have a significant effect on the environment, and therefore, an Environmental Impact Report is not required.

The Negative Declaration was published in the Los Angeles Times on December 19, 2019, opening a 30 day period to receive comments. It reflects the lead agency's independent judgment and analysis. On the basis of the whole of the record before the lead agency, including any comments received, the lead agency finds that there is no substantial evidence that the proposed ordinance will have a negative effect on the environment.

LAND USE FINDINGS

In accordance with Charter Section 556, the proposed ordinance is in substantial conformance with the purposes, intent, and provisions of the General Plan.

The proposed ordinance is in substantial conformance with the purposes, 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 "clear and consistent rules governing both public and private sector development" to "expand economic opportunity and protect the character of residential neighborhoods." By creating a legal means for short-term rentals to operate in non-primary residences (Vacation Rentals), the City is establishing clear and consistent rules to regulate this market. Prior to this ordinance, Vacation Rentals were prohibited, however it is widely acknowledged that they operated in the City in the absence of enforcement mechanisms. In addition to establishing clear rules for regulating Vacation Rentals, the proposed ordinance also utilizes and enhances the enforcement mechanisms that have been established by the City's

Home Sharing Ordinance that became effective in July 2019, and regulates short-term rentals in primary residences.

The ordinance would further the intent and purpose of the Framework Element of the following relevant Goals and Objectives:

Due to provisions in the ordinance specifically pertaining to reducing the possibility for nuisance violations to occur, and to minimize the disruptions to the residential character of neighborhoods, 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 contains standards to regulate outdoor noise, limit the occupancy of rooms in Vacation Rentals, and restrict the number of nights Vacation Rentals can be rented to just 30, in order to ensure Vacation Rentals operate in a manner consistent with their residential surroundings. Because of these provisions, along with corresponding fines and penalties for violating these provisions, the Vacation Rentals ordinance demonstrates consistency with Land Use Goal LU-4.

The ordinance allows Vacation Rentals to occur only in structures defined as Dwelling Units. The charging of rent, in and of itself, is similar to what occurs in almost one-third of the City's single-family residential zones, which are currently renter-occupied, in addition, to multi-family residential zones in the City. The Zoning Code already permits short-term rentals through a CUP in Bed and Breakfast establishments, which may be located in any zone.

The proposed ordinance contains standards that are intended to make Vacation Rentals function indistinguishably from proximate residential units. Limits on the number of nights a Vacation Rental may be rented, as well as operational standards regarding the number of people who may stay in each habitable room, prohibitions on noise amplifying equipment and outdoor congregations of large groups of people all help to ensure Vacation Rentals maintain the character of residential neighborhoods they're in. As a fundamentally residential use, Vacation Rentals are consistent with the General Plan Land Use categories that allow residential uses within the range of uses.

Housing Element 2013-2021

The Vacation Rentals ordinance will allow up to 3,625 Angelenos to generate income on properties they occupy at least part of the year, but otherwise sit vacant. This income can be used to help complete necessary repairs and keep the properties in decent, healthy condition, which owners will be inclined to do to keep the unit attractive and rentable. Additionally, the proposed ordinance contains myriad provisions to protect affordable housing. Rent stabilized units, as well as those protected by federal, state, or local housing covenants are all prohibited to be used as Vacation Rentals under the proposed ordinance. Buildings that have been removed from the rental market via the Ellis Act in the previous seven years are also prohibited from being used as Vacation Rentals, so as to ensure that the ordinance does not result in the loss of housing in this way. While the proposed ordinance allows short-term rentals in non-primary residences, it eliminates the potential for affordable housing to be lost as a result of Vacation Rental activity. As such, the ordinance furthers the following Housing Element policies:

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

Policy 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.

In accordance with City Charter Section 558(b)(2), the proposed ordinance is in substantial conformance with public necessity, convenience, general welfare and good zoning practice.

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 responds to an expressed interest in allowing short-term rentals in non-primary residences while incorporating myriad provisions that protect the supply and affordability of housing and the character of existing residential neighborhoods. Some of these provisions include restrictions on the types of buildings that may be used for Vacation Rentals, caps on the number of Vacation Rentals available citywide and in certain geographies within the City to limit the concentration of Vacation Rentals, a limitation on the number of permits that any individual or entity may obtain, operational standards for Vacation Rentals, and requirements that owners and hosts must comply with. Current regulations prohibit non-primary housing units to be used as Vacation Rentals. This needlessly stifles efficient use of residential space when the owner periodically stays out of town and is not occupying the residence. A new regulatory framework is needed to adapt to the sharing economy, including new tools to enforce responsible and reasonable Vacation Rental policies.