

# **EXHIBIT I**

City and County of San Francisco, Board of SupervisorsJune 7, 2016 Meeting TranscriptAdministrative Code - Short Term Residential Rentals and Hosting Platforms**Transcript Range from 43:00 to 55:52**

	<b>Begin Transcription 43:00</b>
Clerk	Item 42 was considered by the Government Audit and Oversight Committee at a regular meeting on Thursday, June 2 <sup>nd</sup> and was forwarded to the Board as a committee report and was recommended as amended with the same title. It is an Ordinance to amend the administrative code to revise the residential unit conversion ordinance to require hosting platforms to verify that a residential unit is on the City registry prior to the listing; to require hosting platforms to respond to notices and requests for information; to provide for civil administrative and criminal penalties against hosting platforms; for violations of the residential unit conversion ordinance and to affirm the planning department's determination.
President Breed	Supervisor Wiener, you have an Amendment?
Farrell	President, President Breed.
President Breed	Supervisor?
Farrell	Sorry before we begin any deliberations, I would like to ask to be recused from this Item as well for the same reasons as the resolution on short term rentals a few weeks ago.
President Breed	OK, Supervisor Farrell would like to be excused. Is there a motion? Moved by Supervisor Campos, seconded by Supervisor Mar. Colleagues can we take this without objection? Without objection, you are excused Supervisor Farrell. Supervisor Wiener? Oh I'm sorry. Supervisor Campos?
Campos	Thank you Madam President. I think it's only appropriate given the historic nature of today that I am wearing a lei as I'm talking about this piece of legislation which has been a long time, long time coming. I want to thank my co-sponsor, Supervisor Peskin. I want to thank a very broad Coalition that includes a very diverse group of people who normally are not on the same side of this type of an issue. But how we got here is after a long fight including a pretty, I think, difficult fight at the ballot and what we decided to do in thinking about how to address the problems that clearly remain on this issue is to present, as we have presented, a pretty modest and a pretty simple proposal that essentially tries to preserve San Francisco's housing. This legislation, in a very simple way mandates web platforms that engage in short term rentals support, not hinder, the enforcement of our short term rental law. Again, as I repeatedly have

	<p>said it is not about changing the current law, it's simply about enforcing that law and that's what Supervisor Peskin and I have put forward. I also want to thank Supervisor Mar and Supervisor Avalos for the co-sponsorship. This proposal mandates that hosting platforms like Airbnb verify that a host has registered with the City before advertising their short term rental on its website. If a hosting platform fails to do so, the platform itself will be penalized for up to \$1,000 a day. While the current law has set rules for hosts stipulating that all hosts must register with the City, more than 75% of Airbnb, 7,000 plus hosts in San Francisco have, in fact, not registered. In fact, we have only received 1800 applications since the launch of the program and that's essentially 26% of the 7,000 Airbnb hosts that we know of. Short rental certificates that have been issued are 1,324 or 18.9% of the 7,000 hosts with Airbnb. Last year's budget analyst report found that Airbnb alone has taken up to 2,000 entire units of housing, 2,000 completely off the market. This is why we need to bring the hosting platforms into compliance. The one thing from our prospective that has been missing in the existing Airbnb short term rental law, is corporate accountability. The weakness of the law is that corporate accountability is essentially non-existent. It's not surprising given that the corporation that ultimately controls a large part of the market is the one that actually wrote the law as we know it. I've met with many home sharers and let me say once again, as we have repeatedly said, Supervisor Peskin and I, throughout this process, we support causal hosts. Mom and pop hosts will not be impacted in any way because of this law. We are simply focusing the law and enforcement on the corporations. I want to address a couple of misconceptions about the legislation. Some have claimed that the legislation would force platforms to police short term rentals. That could not be farther from the truth. If you're a rental car agency and you have to make sure that person that you rent that vehicle to actually has a license before you rent them a car. That's exactly what we're asking the short term rental platforms to do here. Second, I'm a huge supporter of internet freedom and we work carefully not only with the city attorney but also with online advocacy groups to make sure that this legislation passes legal muster. Again, I want to thank the broad range of the people who have formed this coalition. Again, my co-sponsor Supervisor Peskin and his Chief of Staff, Sunny Angulo, the Tenants' Union, Local 2, CCHO, Tenants Together, The San Francisco Apartments Association, Senior Disability Action, Share Better Housing Rights Committee and many, many more. I also want to thank the City Attorney, especially Robb Kapla, for the phenomenal work that they have done and I especially want to highlight the incredible work over the years on this issue from Carolyn Goossen in my office. And I don't know if Carolyn is in the room but we would not be able to be here today without Carolyn. With that, before I turn it over to colleagues and hear other comments, I do have a final point to make and it's by way of a question. If I may through the Chair, I would like to ask a question if I may to the City Attorney through Deputy City Attorney Jon Givner. Mr. Givner, through the Chair, a number of people have been raising concerns in the press about the Communications Decency Act. Can you explain how we have addressed that issue and how you feel about the legality of what we are putting before this body today?</p>
<p>Givner</p>	<p>Deputy City Attorney Jon Givner. First of all, Supervisor, as we do any time members of the public threaten litigation to challenge any of the ordinances proposed before this</p>

	<p>Board, we have advised you confidentially regarding the legal issues. But generally following your direction, we drafted this ordinance in order to avoid the Communications Decency Act issue that has been raised publicly that you mention. Essentially, the ordinance does not regulate the content that host post on the website opposing platforms. Rather, the ordinance merely regulates the business activities of those platforms that engage in booking services.</p>
Campos	<p>Thank you Mr. Givner and again thank you to the City Attorney for the amazing work that they have done on this. So with that colleagues I respectfully ask for your support. We believe that this is a pretty modest piece of legislation and this is one of those things where we should not be fighting about this and my hope is that we have as much support on this Board as possible. Thank you.</p>
President Breed	<p>Thank you Supervisor Campos. Supervisor Wiener.</p>
Wiener	<p>Thank you very much, Madam President. I'll be supporting this legislation today. As I have said many times, we need improved enforcement and I think, although I know there are potentially some legal issues here, it's a step in the direction of more enforcement. I do want to note a couple of things. Well one thing in particular. I do not agree with the . . . I think sometimes the characterization we hear that . . . that no one is registering. The fact is and we heard this . . . as you know colleagues I hold a quarterly oversight hearing on short term rental enforcement at the Land Use and Transportation Committee and what we saw in the last presentation from the Office of Short Term Rental is that we are seeing an acceleration of registrations. Last year unfortunately was a partially lost year because given that basically immediately after we have adopted the legislation at issue, it was announced that it was a failure within like 3 or 4 weeks and Prop F shortly thereafter was proposed. And so not surprisingly, a lot of hosts decided that they were not going to run ahead and register when they wouldn't . . . didn't even know what the rules were going to be. Once Prop F was defeated by the voters, and since then we have seen an acceleration in the number of hosts registering. It has been a steady increase and it has been a significant increase compared to what it was before. When you have this many hosts, it's not going to happen overnight but we are moving in a positive direction. With that said, improved enforcement is a good thing. We need to enforce the law. I do have an amendment which I have shared with Supervisor Peskin, Supervisor Campos, which we have distributed. One is a technical amendment on page 4, line 8, adding the words, "Providing reservation and payment services for a listing of." This is recommended by the City of Attorney, a technical amendment. The amendment that I'm also proffering directs the Office of Short Term Rentals to both promulgate rules and regulations to simplify and streamline the host registration process and also within 45 days of the effective date of the legislation to report back to the Board of Supervisors with recommendations about how the registration process can be improved, expedited, streamlined, made simpler, made more user friendly. The process right now is quite cumbersome for many hosts, especially when you talk about hosts that are only engaging in short term rentals for say a few days a year or a week or two a year, is a big process to go through for not doing very much short term renting. And so in order</p>

	to get those numbers up and to keep that momentum, we need to make the process more streamlined, less cumbersome and so I, I . . . the legislation, the amendment I'm proposing would direct the Office of Short Term rentals to come back to us and to say or tell us what regulations they've issued to try to improve the process and if we need to do legislation to make it a more streamlined process to recommend to us how to proceed. And so that is the amendment that I make and that is my motion.
President Breed	Thank you. Supervisor Wiener has made a motion to amend and the amendments have been circulated. They have been seconded by Supervisor Campos. Colleagues can we take the amendment without objection? Without objection, the amendment passes. Alright seeing no other names on the roster, Madam Clerk can you please call the roll on the item.
Clerk	On item 42 as amended. Supervisor Yee.
Yee	Aye.
Clerk	Yee, Aye. Supervisor Avalos.
Avalos	Aye.
Clerk	Avalos, Aye. Supervisor Breed.
President Breed	Aye.
Clerk	Breed, Aye. Supervisor Campos.
Campos	Aye.
Clerk	Campos, Aye. Supervisor Cohen. Cohen, Aye. Supervisor Kim. Kim, Aye. Supervisor Mar.
Mar	Aye.
Clerk	Mare, Aye. Supervisor Peskin.
Peskin	Aye.
Clerk	Peskin, Aye. Supervisor Tang.
Tang	Aye.
Clerk	Tang Aye. Supervisor Wiener.
Wiener	Aye.

Clerk	Wiener, Aye. There are 10 Aye's.
President Breed	The ordinance as amended passes unanimously on the first reading.
	<b>End Transcription 55:52</b>