



# CITY COUNCIL STAFF REPORT

DATE: February 21, 2018 NEW BUSINESS

SUBJECT: RECEIVE AND FILE AN IMPACT ANALYSIS REPORT AND PROVIDE DIRECTION RELATING TO A CITIZENS' INITIATIVE FOR THE PROHIBITION OF VACATION RENTAL OF SINGLE FAMILY RESIDENCES IN THE CITY – UPDATE ON VACATION RENTAL ORDINANCE ENFORCEMENT

FROM: David H. Ready, City Manager

BY: Office of the City Clerk

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## SUMMARY

This is a request for the City Council to receive and file an impact analysis report, update on the enforcement of the City's vacation rental ordinance, and to determine whether it desires to adopt a citizens' initiative ordinance, without alteration, or submit the question relating to the prohibition of vacation rental of single family residences to the voters if there is to be an election in this matter, it should either take place as a Special Municipal Election to be consolidated with the Statewide Primary Election in June 2018, or at the time of the next General Municipal Election, scheduled for November 2019.

## RECOMMENDATION:

1. Receive and file an Impact Analysis Report (**ATTACHMENT 1**) relating to the Citizens' Initiative for the prohibition of vacation rental of single family residences in the city, pursuant to Elections Code (EC) Section 9212, and provide direction as appropriate.
2. Receive and file an update on the enforcement of the City's vacation rental ordinance (**ATTACHMENT 2**) and provide direction as appropriate.
3. Determine whether to adopt the proposed ordinance entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE PALM SPRINGS MUNICIPAL CODE TO PROHIBIT THE VACATION RENTAL OF SINGLE FAMILY RESIDENCES IN THE CITY." (**ATTACHMENT 3**)

If the City Council adopts the proposed ordinance, that action will conclude consideration of this item. If not, the Council must either:

4. Adopt a Resolution entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DECLARING ITS INTENT TO SUBMIT TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2019, A QUESTION RELATING TO THE PROHIBITION OF VACATION RENTAL OF SINGLE FAMILY RESIDENCES IN THE CITY." (**ATTACHMENT 4**)

OR

ITEM NO. 5.B.

**ALL OF THE FOLLOWING**

- 5a. Adopt a Resolution entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 5, 2018, FOR THE SUBMISSION TO THE VOTERS A QUESTION RELATING TO THE PROHIBITION OF VACATION RENTAL OF SINGLE FAMILY RESIDENCES IN THE CITY.” **(ATTACHMENT 5)**
- 5b. Adopt a Resolution entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 5, 2018, WITH THE STATEWIDE PRIMARY ELECTION TO BE HELD ON THE SAME DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE.” **(ATTACHMENT 6)**
- 5c. Adopt a Resolution entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AUTHORIZING WRITTEN ARGUMENTS FOR OR AGAINST THE PROPOSED ORDINANCE TO PROHIBIT THE VACATION RENTAL OF SINGLE FAMILY RESIDENCES IN THE CITY; SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS REGARDING THE MEASURE AND, DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS.” **(ATTACHMENT 7)**
- 5d. Determine whether the City Council desires to designate any of its members to draft a Direct Argument for the ballot measure and any Rebuttal Argument, if needed.
- 5e. Adopt a Resolution entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, PROVIDING FOR THE FILING OF REBUTTAL ARGUMENTS FOR CITY MEASURES SUBMITTED AT MUNICIPAL ELECTIONS.” **(ATTACHMENT 8)**
- 5f. Adopt a Resolution entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET FOR FISCAL YEAR 2017-18.” **(ATTACHMENT 9)**

**BACKGROUND:**

A citizens’ initiative petition to prohibit the vacation rental of single family residences in the City of Palm Springs has qualified for placement on the ballot. On January 24, 2018, the City Council ordered a report analyzing the impacts of the initiative measure, pursuant to Elections Code (EC) 9212.

## **An Assessment of the Proposed Change in Vacation Rental Regulations**

Tourism is a significant part of Palm Springs' economy. As vacation rentals have grown in popularity, they have increased in number. There are currently 1,986 registered vacation rental and "homeshare" properties in the City. This secondary use of these residential properties, pursuant to a decision by their respective owners to secure a permit and comply with the City's ordinances, generates approximately \$7.6 million in Transient Occupancy Tax (TOT) revenue. In addition, the use and enjoyment of these properties by visitors to the City of Palm Springs has economic consequences. Evaluation of potential impacts upon tourism in the City and the local economy will help ensure that the likely results of this initiative becoming law are analyzed and understood by the City and its residents and businesses.

Pursuant to state law, the Council ordered staff to secure a report analyzing the potential economic impacts of the voter initiative proposing to prohibit short term vacation rentals in single family residences, defined as single family units on property with any R-1 classification. The City contacted six (6) economic consulting firms with a request that they submit proposals to conduct the analysis. The firms were CBRE Hotels, Pannell Kerr Forster, TXP Economic and Public Consulting, Development Management Group, Dean Runyan Associates, and Tourism Economics. Dean Runyan Associates and Tourism Economics submitted proposals for \$20,000 and \$15,000 respectively. Tourism Economics, which specializes in the economic dynamics of tourism, has over four (4) decades of experience among its principal consultants, and provided the lowest responsible bid, was selected. Tourism Economics also recently completed a similar study on the economic impacts of vacation rental visitors for the Greater Palm Springs Convention and Visitors Bureau (September 2016).

The analysis prepared by Tourism Economics evaluated how the prohibition of single family residential vacation rental units impacts the likely volume of future visitors to the City, Transient Occupancy Tax receipts, visitor spending, and associated employment, payroll, and tax receipts. The analysis involved a review of current data pertaining to vacation rentals, and a review of previous studies of tourism and vacation home impacts for Palm Springs and the Coachella Valley. The consultant utilized an Input-Output model (I-O) to measure the relationships among industries and consumers. Information produced by this model was segmented by industry—including those industries which benefit indirectly.

The employment of this methodology affords the City insight into how various industries benefit from visitor activity. For example, the I-O model tracks a visitor's expenditures at a restaurant, as well as the wages of the restaurant workers. It also tracks owner profits, capital, taxes, and suppliers. In this way, the I-O model allows measurement of the direct and indirect sales generated by a restaurant meal. The model also calculates the induced impacts of tourism. These induced impacts represent benefits to the economy as employees of tourism sectors spend their wages in the local economy, generating additional output, jobs, taxes, and wages. The source of data used by the analysis is from IMPLAN which is recognized as a standard in local level I-O models. Other types of input-

output models include the U.S. Department of Commerce, Regional Input-Output Modeling System (RIMS II), and Regional Economic Modeling, Inc. (REMI).

Key industries in Palm Springs that would be impacted by the decrease in visitors likely to arise from adoption or passage of this initiative include Finance, Insurance and Real Estate (\$69.2 million loss); Retail Trade (\$50.1 million loss); Recreation and Entertainment (\$17.4 million loss); and, Food and Beverage (\$14.5 million loss). These categories are each considered an “industry,” and are related as parts of the tourism “cluster.” Industry clusters are geographically concentrated and inter-connected by the flow of goods and services. These groups of industries drive wealth creation in a region, primarily through export of goods and services.

The report concluded that total job losses, across several industries, would be approximately 1,158 due to the loss of visitors and visitor spending. It also concluded that a total of \$35.9 million in income would be lost from the Palm Springs Economy on an annual basis. Revenue losses to the City would be approximately \$6.3 million in Transient Occupancy Tax (TOT) revenues; \$2.5 million in sales tax revenues; \$3.3 million in property tax revenues; and \$900,000 in other taxes and fees for a total of \$12.9 million.

### **Update on the City’s Vacation Rental Compliance Enforcement Efforts**

In December 2016, the City established a Vacation Rental Compliance Department which is funded by vacation rental and homeshare annual registration certificate fees. The Department is comprised of three (3) Account Clerks, three (3) Code Enforcement Officers, and two (2) Compliance Officials.

In March 2017, the City Council adopted Ordinance No. 1918 overhauling the City’s vacation rental program. Now, operating a vacation rental without a Vacation Rental Certificate carries a monetary fine of \$5,000 and permanent ineligibility of the property owner to operate a vacation rental in the City.

The Vacation Rental Compliance Department’s efforts have resulted in:

- 50% increase in administrative citations issued.
- Issued over 165 citations for illegally operating Vacation Rentals/Homeshares.
- Eight (8) Vacation Rental Certificate suspensions and two (2) Vacation Rental Certificate revocations.
- Owners of 55 properties deemed permanently ineligible to operate a vacation rental.
- Fines associated with citations total \$585,000.
- 39% decrease in complaints reported via the 24X7 Vacation Rental Hotline for Registered Vacation Rental properties.
- Average response to resolution time has improved to 23 minutes for complaints via Vacation Rental Hotline, during peak days (Thursday-Sunday).
- Increased positive feedback from residents, stakeholders, vacation rental owners, and vacation rental agents.
- Police Department involvement in vacation rental matters has decreased by 90%.

### Options Related to the Initiative Ordinance

Pursuant to EC Section 9215, the City Council must select one of the following:

- Option 1: Adopt the proposed ordinance, without alteration.
- Option 2: Pursuant to EC Section 1405(a), the election for a municipal initiative shall be held at the jurisdiction's next regular election. **In this case, the election when this initiative measure will be submitted to the voters is scheduled for November 5, 2019.**
- Option 3: Pursuant to EC Section 1405(b), the governing body may call a special election for the purpose of submitting an initiative measure to the voters. **In this case, the election when this initiative measure will be submitted to the voters is June 5, 2018.**

### FISCAL IMPACT:

It is estimated to cost \$19,000-29,000 to add the initiative measure to the ballot, regardless of whether the City Council decides to do so with respect to the scheduled November 2019 General Municipal Election, or the June 2018 Statewide Primary Election. An additional \$11,000 is estimated for the cost to translate and publish required public notices. There are insufficient funds budgeted for a special election in the adopted Fiscal Year 2017-18 Budget. Should the City Council choose to submit the initiative measure to the voters at a special election (June 2018 Statewide Primary Election), supplemental funding in the amount of \$40,000 from the undesignated fund balance is required.

  
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Anthony J. Meija, MMC  
City Clerk

  
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Edward Z. Kotkin  
City Attorney

  
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David H. Ready, Esq., Ph.D.  
City Manager

### Attachments:

1. Assessment Report from Tourism Economics
2. Update on the City's Vacation Rental Compliance Efforts
3. Ordinance – Prohibiting Vacation Rental of Single Family Residences
4. Resolution – General Election November 2019
5. Resolution – Special Election June 2018
6. Resolution – Request for Consolidation with County
7. Resolution – Priorities for Arguments
8. Resolution – Rebuttal Arguments
9. Resolution – Budget Amendment
10. Correspondence

**ATTACHMENT 1**  
**Impact Assessment Report**



# An Assessment of the Proposed Change in Vacation Rental Regulations in Palm Springs, CA

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February 2018

Prepared for:

City of  
*Palm Springs, CA*

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# 1. Introduction

# Introduction and definitions

**This study examines the proposed change to regulations governing vacation rentals in the City of Palm Springs, California.**

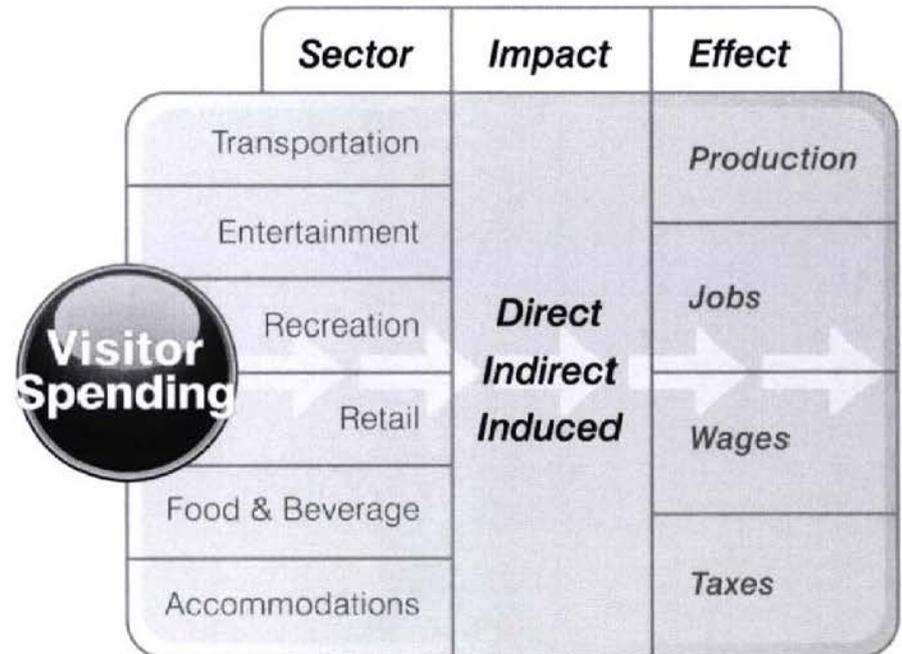
Current regulations allow the short-term vacation rental of single family dwellings in the City. The proposed change to City regulations would prohibit short-term vacation rentals in single family dwellings located on property with any R-1 zoning. The prohibition would go into effect 24 months after the adoption of the regulation change.

The City has a total of 1,986 units registered as vacation rentals and homeshares that hosted an estimated 467,000 visitors in 2017. In order to assess the potential impacts of the proposed change, this analysis estimates the number of units that would be affected by the rental prohibition, the visitor volume and direct spending associated with those units, the total economic impacts, and the impact on tax revenues generated.

Annual impacts are measured in terms of lost business sales and reduced employment, income, and tax revenues associated with fewer visitors. Total economic impacts include lower levels of direct visitor spending, and lost indirect and induced impacts. **Direct visitor spending** creates economic value in specific visitor-related sectors such as lodging, recreation, and transportation. This supports a relative proportion of jobs, wages, taxes, and GDP within each sector. **Indirect benefits** accrue to those sectors that provide goods and services as inputs into production, such as food wholesalers, utilities, and financial or legal services. **Induced benefits** are generated when employees whose incomes are driven directly or indirectly by visitors, spend a portion of that income in the local regional economy. Without the direct visitor spending, none of the indirect and induced benefits would be realized in the local economy.

How visitor spending drives employment and income in the local economy.

**Reduced visitor spending would flow through the Palm Springs regional economy and generate indirect impacts through supply chain and income effects.**



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## 2. Key Findings

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## Summary findings

The proposed change to vacation rental regulations would prohibit rentals in single family units with any R-1 zoning, which would affect nearly three-quarters of the vacation rental market.

The prohibition would likely reduce visitor volume to Palm Springs and result in lower levels of direct visitor spending.

The visitor volume associated with the units that would be affected by the policy change amounts to more than 349,000 visitors to Palm Springs, after accounting for visitors likely to shift over to hotels. The loss of these visitors would lead to a reduction in visitor spending estimated to be \$154.1 million.

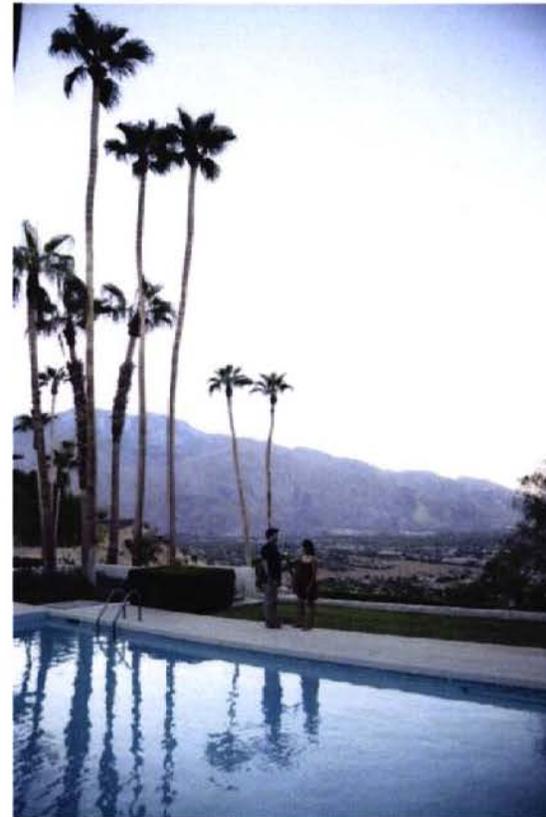
Lower levels of visitor spending would lead to negative indirect and induced impacts in the regional economy, and the total economic impact would be a loss of \$199 million annually.

Lower levels of sales would correspond to 1,158 fewer jobs and \$35.9 million in lost annual income.

Annual local revenues lost would amount to \$12.9 million.

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The prohibition of vacation rentals in single family units zoned R-1 would reduce visitor spending and all the associated benefits.



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### 3. Vacation rental trends

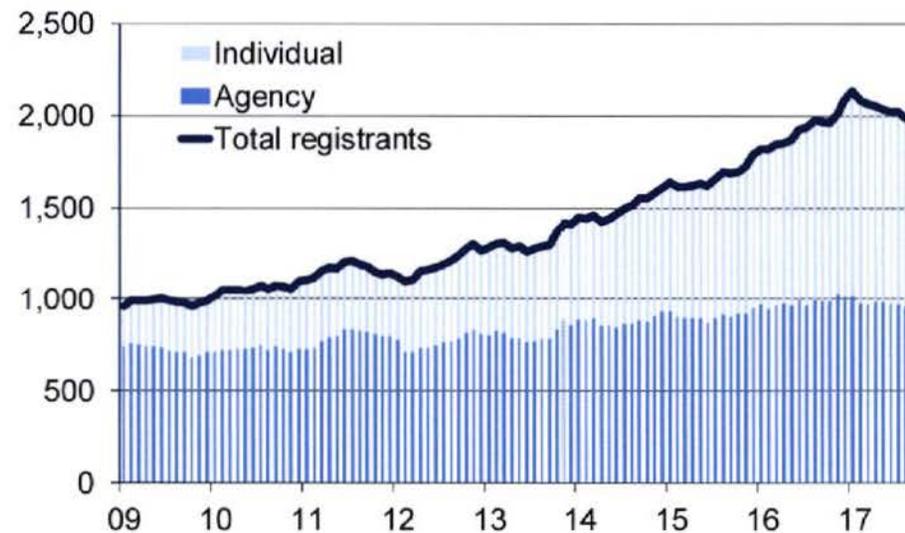
## Vacation rental registrants are on the rise

Vacation rental registrants have doubled since 2009.

In 2009, just under 1,000 units were registered as vacation rentals, with individual registrants accounting for approximately one quarter of all registrants.

During 2017, total registrant exceeded 2,000 units, and finished the year with 1,861 registrants. This rate of growth in registrants is nearly 10% per year since 2009, a doubling in eight years.

### Vacation Rental Registrants



Source: City of Palm Springs Finance and Treasury

## Individual registrants account for an increasing share

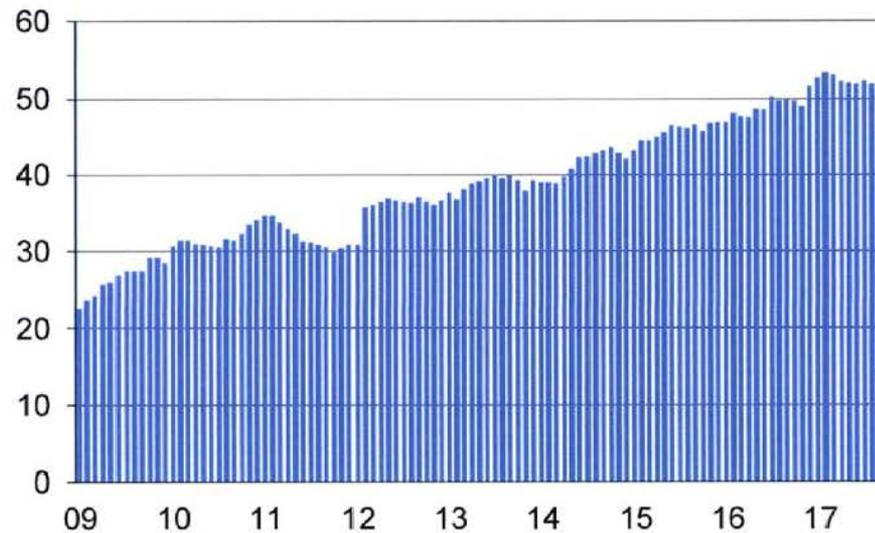
In 2009, individual registrants amounted to roughly 250, about a quarter of the total.

Total registrants grew rapidly, and individual registrants grew even faster. In 2017, individual registrants totaled over 1,000 and accounted for more than half of the total.

Individual registrants account for more than half of the total, up from about 25% in 2009.

### Share of Individuals Registrants is Increasing

Share of total, %



Source: City of Palm Springs Finance and Treasury

## Vacation rentals generate significant TOT revenues

In fiscal 2009, the City collected just under \$15 million in Transient Occupancy Tax (TOT) revenues. The vacation rental segment of the market accounted for 11.1% of total TOT, bringing in \$1.6 million.

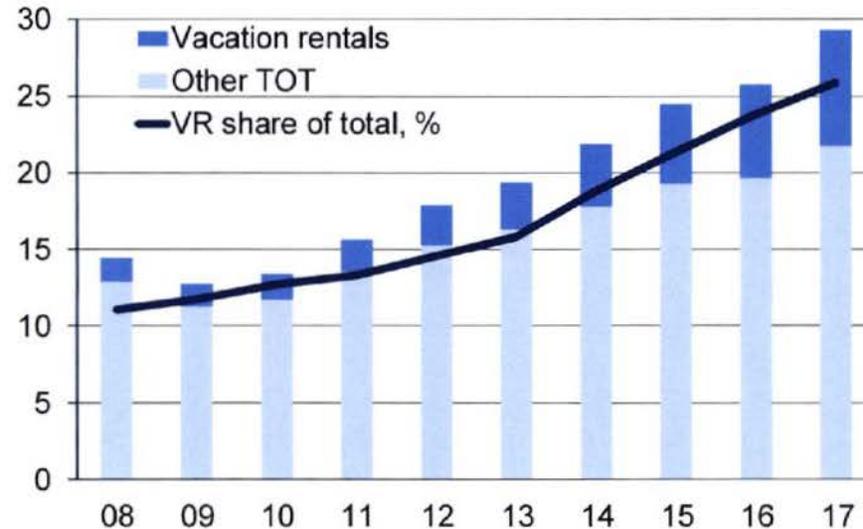
Since fiscal 2008, total TOT revenues expanded 8.2% per year on average, while TOT revenue driven by vacation rentals grew 18.9% per year.

In fiscal 2017, vacation rentals accounted for \$7.6 million in TOT revenues, or 25.8% of the total, more than doubling its share since fiscal 2008.

Vacation rentals generated \$7.6 million in Transient Occupancy Tax revenues in fiscal year 2017.

### Transient Occupancy Tax Revenues

By fiscal year, \$ millions



Source: City of Palm Springs Finance and Treasury

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## 5. The proposed change

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## The proposed change would prohibit vacation rentals in most single family units

**According to the proposed initiative, the term “vacation rental” is defined as “occupancy for dwelling, lodging, or sleeping purposes without the presence of the owner for a period of twenty-eight consecutive days or less.”**

Current city regulations prohibit the vacation rental of apartments after 1/1/2019, neither prohibit nor allow vacation rental of condo units as such, and allow the vacation rental of single family dwellings. The proposed change would maintain the prohibition on the vacation rental of apartments after 1/1/2019, allow the vacation rental of condo units, and prohibit the vacation rental of single family dwellings on property zoned R-1.

Palm Springs currently has a total of 1,986 vacation rental registrants as of the end of 2017, including 1,521 single family units, accounting for 76.6% of the total. Other registered units are condos, home shares, or multifamily units. According to City staff, approximately 96.5% of single family vacation rental registrants are zoned as R-1, meaning that nearly all would be affected by the prohibition.

This would mean that an estimated 1,468 single family units on property zoned as R-1 would be prohibited from registering as vacation rental units. This accounts for 73.9% of the current inventory of vacation rentals.

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The prohibition would reduce the inventory of available vacation rental units by about 74%.

**In order to assess the economic impact of the regulation change, visitor volume associated with the single family units that would be prohibited was estimated along with their annual spending in the Palm Springs local economy.**

The 1,468 single family units are estimated to have hosted 387,982 visitors to the City in 2017. These visitors engaged in spending across various sectors of the local economy, such as food and beverage, retail shopping, recreation, and local transportation.

It is assumed that there is likely overlap between the vacation rental market and the hotel market, and absent a vacation rental option some visitors would seek lodging in hotels. For purposes of this analysis it is assumed 10% of vacation rental visitors would shift over to hotels, and as a result their spending would not be lost from the local economy. Therefore, the estimates of visitors and visitor spending actually lost from the local economy amount to 349,183 and \$154.1 million, or 90% of the total volume and spending associated with the affected single family units. There is upside and downside risk to this assumption and actual losses to the regional economy would depend on the extent of overlap between the vacation rental and hotel markets: more overlap would translate to less losses, and less overlap between the markets would mean greater losses to the local economy.

Not incorporated into the analysis is any reduction of condo units that could be taken out of the vacation rental market due to home owners association rule changes that may come about as a result of the proposed regulation change, if it were to be adopted.

Economic impacts are reported on an annual basis and a long-term summation of potential ten-year impacts are also presented.

## Lost visitor spending

Taking most vacation rental units offline would likely result in significantly lower visitor spending.

Vacation rental visitors spend across various sectors in the local economy. Lodging and food and beverage account for more than half of direct visitor spending, followed by retail, recreation, and local transportation.

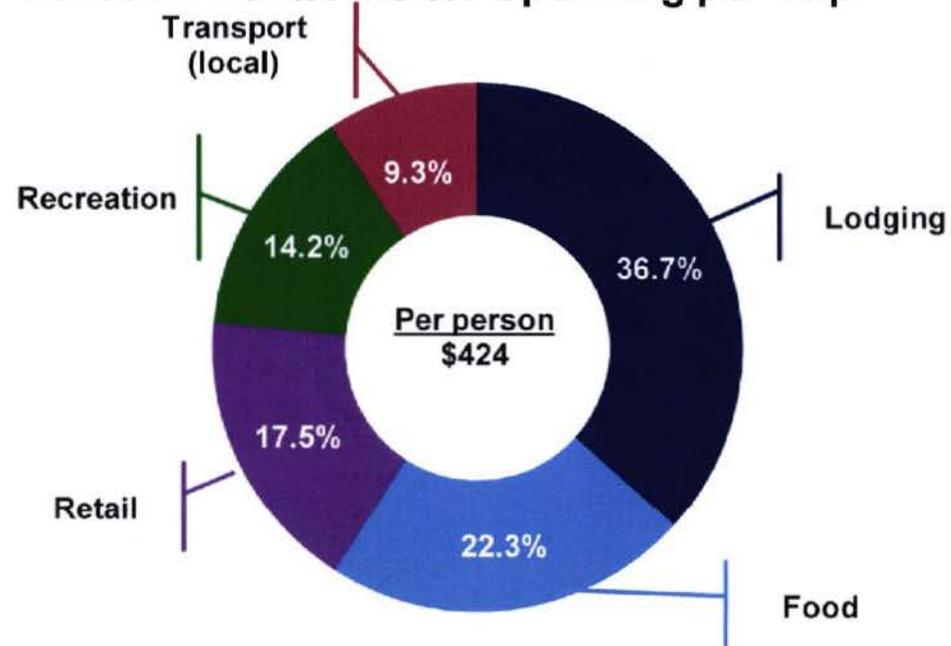
Total direct visitor spending likely to be lost from the economy would include:

- \$54.4 million in lodging
- \$33.1 million on food
- \$25.9 million retail
- \$21.0 million on recreation
- \$13.8 million on local transport

These visitors also spend on air transportation, a portion of which, \$6.0 million, stays in the local economy and generates jobs.

Total visitor spending lost from the local economy would amount to **\$154.1 million** per year.

### Vacation Rental Visitor Spending per Trip



Sources: DK Shifflet, CIS, Tourism Economics

**Key metrics: affected share of the vacation rental market**

	<b>Vacation Rental Units</b>	<b>Annual Visitor Volume:</b>	<b>Annual Direct Spending</b>
<b>Vacation Rental mkt</b>	1,986	467,094	\$206.2 million
<b>Affected SF, R-1 units</b>	1,468	387,982	\$171.2 million
<b>Lost from Economy</b>	--	349,183	\$154.1 million

Sources: CIS, D.K. Shifflet, Tourism Economics

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## 5. Economic impacts

## Total lost business sales

A total of \$154.1 million per year in direct visitor spending would be taken out of the local economy.

Fewer visitors to Palm Springs would correspond to a loss of \$154.1 million in direct visitor spending, primarily in finance, insurance, and real estate, retail, and recreation.

Adding direct, indirect, and induced impacts together, the total loss to the economy would be \$199.3 million in lost business sales annually.

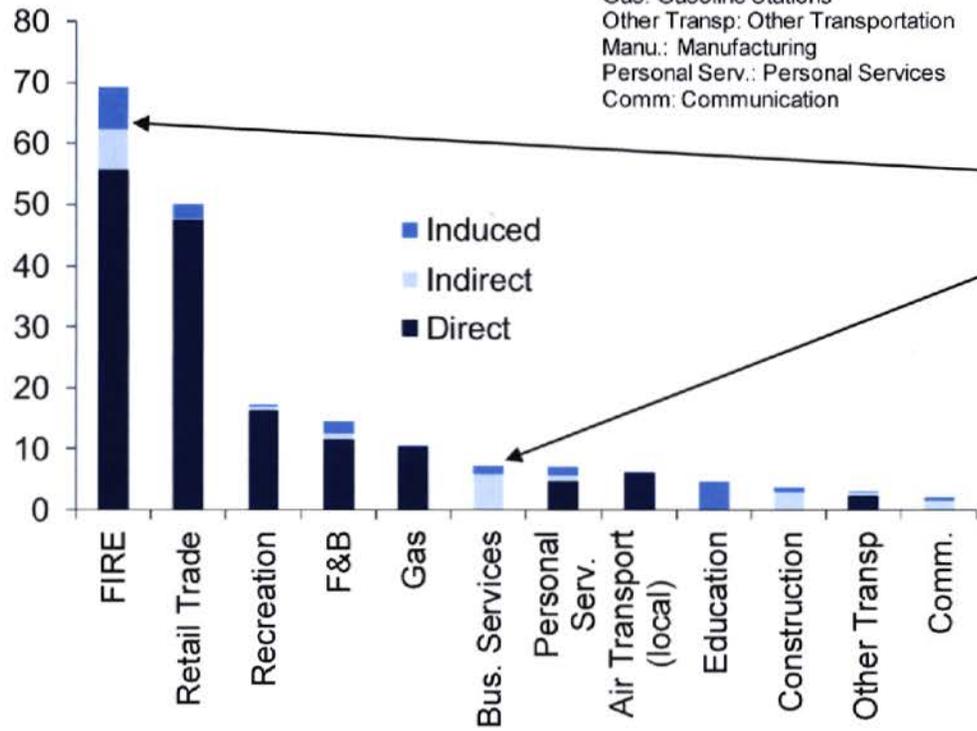
<b>Gross Output (Business Sales) Impacts</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Agriculture, Fishing, Mining	-	0.1	0.1	0.2
Construction and Utilities	-	2.8	0.8	3.6
Manufacturing	-	0.4	0.2	0.6
Wholesale Trade	-	0.5	0.6	1.1
Air Transport (local)	6.0	0.1	0.1	6.2
Other Transport	2.2	0.6	0.2	3.0
Retail Trade	47.5	0.2	2.4	50.1
Gasoline Stations	10.4	0.0	0.2	10.6
Communications	-	1.5	0.4	2.0
Finance, Insurance and Real Estate	55.6	6.6	6.9	69.2
Business Services	-	5.8	1.3	7.1
Education and Health Care	-	0.0	4.5	4.5
Recreation and Entertainment	16.3	0.7	0.5	17.4
Lodging	-	0.2	0.2	0.4
Food & Beverage	11.5	1.1	1.9	14.5
Personal Services	4.7	1.0	1.3	7.0
Government	-	1.3	0.6	1.9
<b>TOTAL</b>	<b>154.1</b>	<b>22.9</b>	<b>22.3</b>	<b>199.3</b>

\* Direct sales include cost of goods sold for retail sectors

# Lost sales by industry

Indirect impacts would come primarily in finance, real estate, and insurance, and business services.

**Lost Gross Output**  
\$ million



F&B: Food and Beverage  
 FIRE: Finance, Insurance, Real Estate  
 Bus. Services: Business Services  
 Gas: Gasoline Stations  
 Other Transp: Other Transportation  
 Manu.: Manufacturing  
 Personal Serv.: Personal Services  
 Comm: Communication

Significant indirect losses

## Employment impacts

Lower levels of sales would correspond to 1,158 fewer jobs in Palm Springs.

Lower levels of visitors spending would sustain the equivalent of 808 fewer direct jobs. There is likely variation surrounding the jobs impact since employers could adjust payrolls and maintain staffing levels in some cases. While all of these jobs may not actually be lost in the economy, the estimate provides an order of magnitude impact on jobs proportionate to the reduced level of business sales.

Direct impacts would come primarily in retail, recreation, and food and beverage.

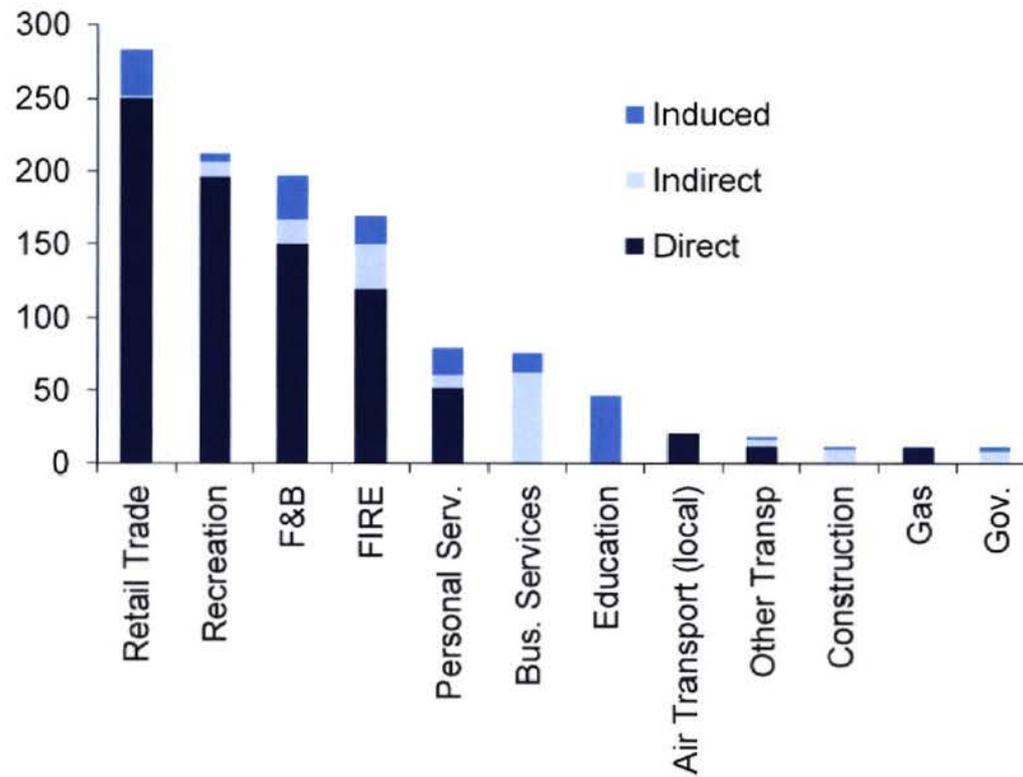
Including indirect and induced jobs, the total jobs impact in Palm Springs would be 1,158 jobs potentially lost after prohibiting vacation rentals in single family R-1 units.

<b>Employment Impact</b>				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	1	1	2
Construction and Utilities	-	9	2	11
Manufacturing	-	2	1	3
Wholesale Trade	-	3	3	6
Air Transport (local)	20	-	-	20
Other Transport	11	5	2	18
Retail Trade	250	2	31	283
Gasoline Stations	10	-	1	11
Communications	-	8	2	10
Finance, Insurance and Real Estate	120	30	19	169
Business Services	-	62	14	76
Education and Health Care	-	-	46	46
Recreation and Entertainment	196	10	6	212
Lodging	-	2	2	4
Food & Beverage	150	17	30	197
Personal Services	51	10	18	79
Government	-	8	3	11
<b>TOTAL</b>	<b>808</b>	<b>169</b>	<b>181</b>	<b>1,158</b>

## Employment impacts by industry

Indirect and induced impacts would occur across sectors.

Employment Impacts



## Income impacts

Lower levels of visitor spending would drive fewer jobs and less income earned.

Direct income earned would be \$21.9 million lower annually. This includes income earned at restaurants, retail shops, and other businesses where vacation rentals visitors spend.

Indirect impacts would include a loss of \$6.9 million in indirect income, and \$7.2 million in induced income benefits that would not be realized.

The total impact on income earned in Palm Springs would be a loss of \$35.9 million per year.

A total of \$35.9 million in income would be lost from the Palm Springs economy on an annual basis.

<b>Labor Income Lost</b>				
<b>(US\$ Million)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Agriculture, Fishing, Mining</b>	-	0.0	0.0	0.1
<b>Construction and Utilities</b>	-	0.7	0.2	0.9
<b>Manufacturing</b>	-	0.1	0.0	0.1
<b>Wholesale Trade</b>	-	0.2	0.2	0.4
<b>Air Transport (local)</b>	1.1	0.0	0.0	1.1
<b>Other Transport</b>	0.8	0.3	0.1	1.2
<b>Retail Trade</b>	6.7	0.1	1.0	7.8
<b>Gasoline Stations</b>	0.5	0.0	0.1	0.6
<b>Communications</b>	-	0.3	0.1	0.4
<b>Finance, Insurance and Real Estate</b>	2.4	0.9	0.5	3.8
<b>Business Services</b>	-	2.3	0.5	2.9
<b>Education and Health Care</b>	-	0.0	2.5	2.5
<b>Recreation and Entertainment</b>	4.8	0.2	0.1	5.2
<b>Lodging</b>	-	0.1	0.1	0.1
<b>Food &amp; Beverage</b>	3.3	0.4	0.7	4.5
<b>Personal Services</b>	2.2	0.5	0.6	3.4
<b>Government</b>	-	0.7	0.2	0.9
<b>TOTAL</b>	<b>21.9</b>	<b>6.9</b>	<b>7.2</b>	<b>35.9</b>

## Impact on tax revenues

A total of \$12.9 million in local tax a fee revenues would be lost per year.

Vacation rental visitors and their spending generate significant tax revenues. A total of \$12.9 million in local revenues would be lost if single family vacation rentals were prohibited.

Local tax revenues lost would include \$2.5 million in sales tax, \$6.3 million in Transient Occupancy Tax (TOT) revenues, \$3.3 million in property tax, and \$0.9 million in other taxes and fees such as permitting and licensing.

Property tax impacts are calculated proportional to the reduction in sales in the economy. While these taxes may still be paid in the near-term, property owners would have to make up for lost sales in order to do so.

<b>Annual Tax Revenues Lost</b>	
<b>\$ millions</b>	<b>Amount</b>
<b>Local taxes</b>	
Sales tax	2.5
Lodging (TOT)	6.3
Property	3.3
Other excise and fees	0.9
<b>Total local revenues</b>	<b>12.9</b>

## Long-term impacts

If the prohibition of vacation rentals is ongoing the long-term losses to the economy would accumulate.

Assuming just 3% growth per year, the 10-year cumulative losses to the Palm Springs economy would be significant.

A total of \$1.8 billion in direct visitor spending would be taken out of the economy, more than \$2.3 billion in total business sales lost, more than \$411.9 million in lost income, and more than \$148.2 million in lost local revenues.

<b>Long-term Impacts</b>	
	<b>10-Year Cumulative Impact</b>
Direct spending (mils)	\$ 1,766.8
Total business sales (mils)	\$ 2,285.3
Income (mils)	\$ 411.9
Local tax (mils)	\$ 148.2

Note: Assumes 3% growth per year

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## 5. Data Sources and Methods

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## Methods and data sources

Estimates of the economic impact of vacation rental visitors to Palm Springs, and the losses likely to be incurred if the proposed regulations change is adopted, were based on several sources:

- Visitor profile data and spending estimates produced by the Greater Palm Springs CVB.
- Volume and segmentation data from DK Shifflet and Associates, a consumer research firm.
- Smith Travel Research (STR) data on the hotel sector, including supply, demand, revenues, average rates, and occupancy rates.
- Data on Transient Occupancy Tax (TOT) for Palm Springs were available from the City and from Visit California.

Key metrics incorporated into the analysis based on survey data include an average length of stay of 5.1 days and average party size of 5.4, based on data rental contracts data maintained by City staff in the Vacation Rentals department.

A total effective local sales tax rate of 2.5% was used and includes Measure J and Measure D rates, and a TOT rate of 11.5% was incorporated. Property tax and other revenues were estimated in proportion to total sales.

This analysis is based on previous work completed on behalf of the Palm Springs CVB, including overall economic impact analyses of the broader tourism industry in the Greater Palm Springs region, and an analysis of the vacation rentals segment of the market, also for the Greater Palm Springs region. In these studies, total visitor volume and spending were estimated based on survey work completed by DK Shifflet and Associates, and the survey firm CIS, along with additional data sources such as city level TOT, data covering the city hotel markets in Greater Palm Springs including metrics on room demand and supply, room revenues, occupancy rates, and average room rates.

These previous analyses provide context for this assessment of vacation rentals in the City of Palm Springs and many of the estimates in this report were generated by sharing down from totals for the broader Greater Palm Springs Region, which includes nine cities.

An IMPLAN input-output (I-O) model was constructed for Riverside County. The model traces the flow of visitor-related expenditures through the local economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges. Adjustments were made to model output to ensure the capture of indirect economic impacts in the city only, and not a wider geographic area.

The IMPLAN model uses industry averages for gross output, value added, and income, based on data from various government sources, such as the Bureau of Economic Analysis and the Bureau of Labor Statistics. The I-O model accounts for inter-industry relationships and captures how much additional demand in supplier industries results from additional final demand in a directly affected industry.

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## About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of tourism dynamics with rigorous economics in order to answer the most important questions facing destinations, developers, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, tourism forecasting models, tourism policy analysis, and economic impact studies.

With over four decades of experience of our principal consultants, it is our passion to work as partners with our clients to achieve a destination's full potential.

Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics enjoys a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of 30 highly-experienced professional economists; a dedicated data analysis team; global modeling tools, and a range of partner institutions in Europe, the US and in the United Nations Project Link. Oxford Economics has offices in London, Oxford, Dubai, Philadelphia, and Belfast.



**ATTACHMENT 2**  
**Vacation Rental Compliance Enforcement Update**

# DEPARTMENT OF VACATION RENTAL COMPLIANCE

February 21, 2018



# DEPARTMENT OF VACATION RENTAL COMPLIANCE TEAM

- ❖ 2 Compliance Officials
- ❖ 3 Office Team Members
  - ❖ Application processing
  - ❖ Citation management
- ❖ 3 Field Code Officers
  - ❖ First Responders to 24/7 Hotline calls
  - ❖ **Response time** to complaints **cut in half** during peak hours
  - ❖ **Reduced police** involvement at Vacation Rentals by **90%**
  - ❖ Investigation of illegal Vacation Rentals/Homeshares



# COMPLIANCE EFFORTS

- ❖ Since April 16, 2017:
  - ❖ Implemented Ordinance No.1918 and its comprehensive requirements
  - ❖ Continually educated community, real estate professionals, Vacation Rental/Homeshare owners and agents
  - ❖ Hosted collaborative monthly stakeholder meetings
  - ❖ Developed user friendly website as a valuable resource
  - ❖ Maintained and published weekly Hotline Reports and quarterly statistics for transparency



## ENFORCEMENT EFFECTIVENESS

- ❖ April 16, 2017 – December 31, 2017:
  - ❖ **Suspended 8** Vacation Rental Registration Certificates for 2 years
  - ❖ **Owners of 55 Properties deemed** permanently ineligible to operate a VR
  - ❖ **Permanently revoked 2** Vacation Rental Registration Certificates
  - ❖ **Issued over 165** citations for illegally operating Vacation Rentals/Homeshares
  - ❖ **Issued over 330 total** citations (180 citations issued in same period of 2016)
  - ❖ **Fines** associated with citations total **\$585,000**
  - ❖ **Volume of Hotline Calls** on Registered Vacation Rentals decreased by 39%

### OTHER DATA

- ❖ December 2016 - total 1,967 Registered Vacation Rentals/Homeshares
- ❖ December 2017 - total 1,986 Registered Vacation Rentals/Homeshares
- ❖ Vacation Rental TOT - Fiscal Year 2016 to 2017 - **\$7.58 Million**

**ATTACHMENT 3**  
**Ordinance – Initiative Measure**

ORDINANCE NO. \_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE PALM SPRINGS MUNICIPAL CODE TO PROHIBIT THE VACATION RENTAL OF SINGLE FAMILY RESIDENCES IN THE CITY

**CITY ATTORNEY'S SUMMARY**

*Under Chapter 5.25 of the Palm Springs Municipal Code, the term "vacation rental" is generally defined as occupancy for dwelling, lodging, or sleeping purposes without the presence of the Owner for a period of twenty-eight (28) consecutive days or less. Chapter 5.25 of the Code (i) prohibits the vacation rental of apartments, in the City, effective January 1, 2019, (ii) neither prohibits nor allows the vacation rental of condominiums as a separate category of residence, (iii) allows the vacation rental of single family dwellings, subject to certain limitations. This Initiative Measure modifies the definition of "apartment," and creates new definitions of the terms "condominiums" and "single family residences." The Initiative Measure maintains the prohibition on the vacation rental of apartments in the City, effective January 1, 2019, permits the vacation rental of condominiums, but amends Chapter 5.25 of the Code to prohibit the vacation rental of single family residences (defined as single family dwelling units located on property zoned R-1-B, R-1-A, R-1-C, R-1-D, R-1-AH, or any other R-1 classification) in the City. This new prohibition against vacation rental of all single family residences shall be effective twenty-four (24) months after the Initiative Measure's effective date.*

*In the event the Initiative Measure is adopted by the voters, the provisions of Chapter 5.25 expressly amended by the Initiative Measure can only be amended or repealed by a vote of the City at a special or general election.*

WHEREAS, pursuant to Article 1, of Chapter 3, of Division 9, of the California Elections Code, on November 20, 2017, an initiative petition was received proposing amendments to the Palm Springs Municipal Code to prohibit the vacation rental of single family residences in the City; and

WHEREAS, the Charter of the City of Palms Springs, Section 501(g), designates the City Clerk as the election official for the City of Palm Springs; and

WHEREAS, the City Clerk examined and/or caused the counting and examination by means of a 100% verification process of the signatures on said petition; and

WHEREAS, the number of valid signatures required to qualify said petition is 3,786, and the number of valid signatures on said petition was 4,601; and

WHEREAS, California Election Code Section 9215 requires that when a petition has been filed with the City, signed by more than ten percent (10%) of the number of registered voters of the City, it must be enacted by the legislative body of the City or submitted to a vote of the people; and

WHEREAS, pursuant Election Code § 9215(a) the City Council of the City of Palm Springs has determined to enact said initiative petition; and

WHEREAS, Election Code § 9215(a) states "Adopt the ordinance, *without alteration*, at the regular meeting at which the certification of the petition is presented, or within 10 days after it is presented;" therefore, this ordinance language has been adopted without alteration and exactly as shown in the initiative petition; and

WHEREAS, these foregoing recitals are not incorporated into this ordinance and serve only for reference purposes.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS ORDAINS:

**SECTION 1: Business Regulations Code Amendment.** Sections 5.25.020, 5.25.030 and 5.25.075 of Chapter 5.25 of the Palm Springs Municipal Code are hereby amended to read in their entirety as set forth below with changes shown in ~~strikeout~~ and underline:

**A. Section 5.25.020 of Chapter 5.25 of the Palm Springs Municipal Code is hereby amended in its entirety to read as follows:**

**"5.25.020 Findings.**

The City Council finds and determines as follows:

- (a) The primary use of single-family and multi-family dwelling units in the City of Palm Springs is the provision of permanent housing for full time and part time residents of the City who live and/or work in the City. Vacation Rentals and Homesharing are not uses specifically recognized in the City's Zoning Ordinance, nor are these uses expressly identified as uses permitted in single-family or multifamily zones. Vacation Rental and Homesharing are similar in character and use as hotels and other commercial short term uses and can only be permitted in ~~Single-Family or~~ multi-family zones if such uses are ancillary and secondary to the multi-family residential use of property. This Ordinance confirms Vacation Rentals and Homesharing as ancillary and secondary uses ~~of~~ for privately owned individual multi-family dwelling units, including without limitation Condominiums, and prohibits them for R-1 zoned Single Family and rental Apartment residential property in the City.
  
- (b) The purpose of this Chapter is to establish a regulatory program for short term Vacation Rental and Homesharing lodging, with appropriate standards that regulate vacation rental of residential property, minimize adverse effects of Vacation Rental uses on surrounding residential neighborhoods, ensure that

~~vacation rental~~ Vacation Rentals and Homesharing are ancillary and secondary uses of privately owned multi-family residential dwelling units, including without limitation Condominium units, consistent with the provisions of the City's Zoning Ordinance, preserve the character of neighborhoods in which Vacation Rental and Homesharing uses occur, and provide an administrative procedure to preserve existing visitor serving opportunities and increase and enhance public access to areas of the City and other visitor destinations.

- (c) Limiting Vacation Rental and Homesharing lodging to ~~Single Family~~ privately owned multi-family dwelling units, including without limitation Condominium units subject to the regulations provided in this Chapter and prohibiting Vacation Rental in rental Apartments and but allowing Homesharing lodging in R-1 Single Family residences will safeguard, preserve, and protect residential housing stock in the City.
- (d) The adoption of a comprehensive code to regulate issuance of, and attach conditions to, Registration Certificates for Vacation Rental and Home Sharing lodging in privately owned multi-family residential dwelling units and to Registration Certificates for Homesharing lodging within Single Family residential neighborhoods and for rental Apartments and the related use of residential property preserves the public health, safety, and welfare. This Chapter provides a permitting process and imposes operational requirements consistent with the ancillary and secondary status of Vacation Rentals and Homesharing, for the purpose of minimizing the potential adverse impacts of transient uses in R-1 Single Family residential neighborhoods.
- (e) This Chapter is not intended to regulate hotels, motels, inns, time-share units, or non-vacation type rental arrangements including, but not limited to lodging houses, rooming houses, convalescent homes, rest homes, halfway homes, or rehabilitation homes."

**B. Section 5.25.030 of Chapter 5.25 of the Palm Springs Municipal Code is hereby amended in its entirety to read as follows:**

**"5.25.030 Definitions.** For purposes of this Chapter, the following words and phrases shall have the meaning respectively ascribed to them by this Section:

"Apartment" means (a) a residential unit subject to rent or lease by the owner of in a multi-family development structure of two (2) dwelling units where both dwelling units are rented or leased for occupancy as a residence for individual families, and (b) a residential unit subject to rent or lease by the owner of in a multi-family development structure of three (3) or more dwelling units. A privately owned individual dwelling unit in a Condominium project or other multi-family development shall not constitute an "Apartment."

"Applicant" means the Owner.

"Bedroom" means an area of a Vacation Rental normally occupied and being heated or cooled by any equipment for human habitation, which is 120 square feet and greater in size, consists of four walls to the ceiling, at least one of which is located along an exterior wall with a window, and contains a built-in closet.

"Business Entity" means a corporation, partnership, or other legal entity that is not a natural person or a personal or family trust or a limited liability company consisting solely of natural persons.

"Change of Property Ownership" means the transfer of title from one person to another.

"Cluster or Compound" means any two or more Vacation Rentals that operate on a unified or shared basis where residents of such Vacation Rentals have exclusive access to more than one Vacation Rental and/or the facilities of such Vacation Rentals, including by way of example, a swimming pool, tennis court, or cooking facilities.

"Condominium unit" means an individual dwelling unit in a multi-family structure that is individually owned, where each owner receives a recordable deed to each individual unit purchased, including the right to sell or mortgage each unit and sharing in joint ownership of any common grounds and passageways.

"Contract" means an agreement or evidence of any tenancy that allows or provides for the Vacation Rental of property.

"Daytime occupancy" means the hours between 10:00 am and 10:00 pm.

"Daytime occupants" mean the guests who may occupy a Vacation Rental during a daytime occupancy.

"Enforcement Official" means the City Manager, the Police Chief, the Fire Marshall, the Building Official, or one or more of their respective designees.

"Exclusive listing arrangement" means a written agreement between an Owner and an agent or representative where the agent or representative has the sole and exclusive right to rent or lease a Vacation Rental unit to any person and the Owner is prohibited from renting or leasing the Vacation Rental unit except through the Owner's agent or representative.

"Estate Home" means a Single Family dwelling with five or more bedrooms located on property zoned ~~R-1-B, R-1-A, R-1-AH,~~ or G-R-5."

"Good cause" for the purposes of denial, suspension, revocation, imposition of conditions, renewal, and reinstatement of a Vacation Rental Registration Certificate, means (1) the Applicant, Owner, the Owner's Agent, or the Local Contact Person has failed to comply with any of the terms, conditions, or provisions of this Chapter or any relevant provision of this Code, State law, or any rule or regulation promulgated thereunder; (2) the Applicant, Owner, Owner's Agent, or Local Contact Person has failed to comply with any special conditions that were placed upon the Vacation Rental Registration Certificate by the Enforcement Official; or (3) the Vacation Rental has been operated in a manner that adversely affects the public health or welfare or the safety of the immediate neighborhood in which the Vacation Rental is located.

"Good Neighbor Brochure" means a document prepared by the Enforcement Official that summarizes general rules of conduct, consideration, and respect, including without limitation provisions of the Palm Springs Municipal Code applicable to or expected of guests to the City.

"Homeshare Interest" means a portion of an Owner's home that is subject to homesharing as provided in this Chapter.

"Homesharing" means an activity whereby the Owner hosts visitors in the Owner's home, for compensation, for periods of twenty-eight (28) consecutive days or less, while the Owner lives on-site and in the home, throughout the visitor's stay.

"Hotline" means the telephonic service operated by or for the City for the purpose of receiving complaints regarding the operation of any Vacation Rental and the forwarding of such complaints to the appropriate city enforcement officials or, if applicable, the Local Contact Person. For the purposes of this Chapter, the term "Hotline" also includes any contact in person or by telephone, email, and digital or electronic communication, or correspondence of any kind to and/or from any Enforcement Official.

"Local contact person" means the Owner, a local property manager, or agent of the Owner, who is available twenty-four hours per day, seven days per week for the purpose of responding in-person within thirty (30) minutes to complaints regarding the condition, operation, or conduct of occupants of the Vacation Rental, or any agent of the Owner authorized by the Owner to take remedial action and who responds to any violation of this code.

"Owner" means the natural person or persons who is/are the owner of record of the Property. The term "Owner" also includes a personal or family trust consisting solely of natural persons and the trustees of such trust or a limited liability company and the members of such company, insofar as the disclosure requirements pursuant to Section 5.25.085 are satisfied. The term "Owner" does not include a Business Entity.

"Property" means a privately owned multi-family residential legal lot of record, including without limitation Condominiums, on which a Vacation Rental is located.

"Rental Term" means the period of time a Responsible Person rents or leases a Vacation Rental.

"Responsible Person" means an occupant of a Vacation Rental who is at least twenty-five (25) years of age and who shall be legally responsible for compliance of all occupants of the unit and/or their guests with all provisions of this Chapter and/or this code.

"Single Family Residence" means a Single Family dwelling unit located on property zoned R-1-B, R1-A, R-1-B, R-1-C, R-1-D or R-1-AH or any other R-1 classification."

"Third Quarter" means the entire months of July, August, and September in one calendar year.

"Vacation Rental" means an Single-Family individually rented unit in a multi-family structure, including without limitation Condominium units, or any portion thereof, utilized for occupancy for dwelling, lodging, or sleeping purposes without the Owner being present for a period of twenty-eight (28) consecutive days or less, other than ongoing month-to-month tenancy granted to the same renter for the same unit, occupancy of a time-share basis, or a Condominium hotel as defined in Section 91.00.10 of this Code. The term "Vacation Rental" is synonymous with "short term rental" and "transient use" and does not include homesharing.

"Vacation Rental Registration Certificate" or "Registration Certificate" means the annual permit and/or a registration for a Vacation Rental or a Homeshare Interest issued by the City pursuant to this Chapter."

**C. Section 5.25.075 of Chapter 5.25 of the Palm Springs Municipal Code is hereby amended in its entirety to read as follows:**

**"5.25.075 Specific Prohibitions.**

- (a) No person or entity shall offer or provide a Single Family Residence or an a rental Apartment, or any portion thereof, for rent for 28 consecutive days or less to any person.
- (b) No person or entity shall maintain any advertisement of a Vacation Rental that is in violation of any provision of this Chapter.
- (c) No person, including without limitation, the owner of a Single Family Residence or the owner of a rental Apartment structure, an a rental Apartment manager, or a representative of the rental Apartment owner or manager, shall evict any tenant or otherwise terminate a lease for the purpose of converting an a rental Apartment to a Vacation Rental or in anticipation of converting an a rental

Apartment to a Vacation Rental. In addition to any other remedy provided under the Palm Springs Municipal Code, failure to comply with this provision may be asserted as an affirmative defense in an action brought by or on behalf of the owner of a Single Family Residence or an owner of a rental Apartment structure, rental Apartment manager, or representative to recover possession of the unit. Any attempt to recover possession of a unit in violation of this Ordinance shall render the rental Apartment structure owner, rental Apartment manager, or representative liable to the tenant for actual or punitive damages, including damages for emotional distress, in a civil action for wrongful eviction. The tenant may seek injunctive relief and money damages for wrongful eviction and the prevailing party in an action for wrongful eviction shall recover costs and reasonable attorneys' fees.

- (d) The provisions of Subsection (a) of this Section shall not apply to or be enforced against any person or entity who rents an a rental Apartment or portion thereof pursuant to a valid vacation Registration Certificate issued prior to April 15, 2016 for the period of time between April 15, 2016 through January 1, 2019. The purpose of this deferral of the enforcement of the provisions of this Section is for persons or entities issued valid vacation registration certificates prior to April 15, 2016 to be afforded a reasonable opportunity to recoup costs reasonably invested for Vacation Rental use of rental Apartments and which may not have been recouped during the period of Vacation Rental use of the rental Apartment and which cannot be recouped once the Vacation Rental use is terminated.
- (e) The provisions of Subsection (a) of this Section, Subsection 5.25.040(b) [limits on number of units], and Subsection 5.25.070(b) [limits on number of Contracts] shall also not apply to any building in which an Apartment is located that meets all requirements of an R-1 occupancy under the City's building and fire code and for which such Apartment has a valid Vacation Rental Registration Certificate issued prior to April 15, 2016.
- (f) The provisions of Subsection (a) of this Section shall not apply to or be enforced against any person or entity who rents a Single Family Residence or portion thereof pursuant to a valid Vacation Registration Certificate issued prior to the effective date of this ordinance for a period of twenty-four months. The purpose of this deferral of the enforcement of the provisions of this Section is for persons or entities issued valid vacation registration certificates prior to the effective date of this ordinance to be afforded a reasonable opportunity to recoup costs reasonably invested for Vacation Rental use of Single Family residences and which may not have been recouped during the period of Vacation Rental use of the Single Family residence and which cannot be recouped once the Vacation Rental use is terminated.

- (g) The provisions of Subsection (a) of this Section, Subsection 5.25.040(b) [limits on number of units], shall also not apply for a period of twenty-four months after the effective date of this ordinance to any Single Family Residence that meets all requirements of an R-1 occupancy under the City's building and fire code and for which such Single Family Residence has a valid Vacation Rental Registration Certificate issued prior to the effective date of this ordinance.

## **SECTION 2. Severability**

- A. In interpreting this initiative measure or resolving any ambiguity thereof, the City Council and all other City entities charged with implementing or enforcing this initiative measure or any part of it, as well as any reviewing court, shall interpret this initiative measure in the manner which most vigorously and effectively accomplishes its purposes and operative provisions.
- B. If any portion of this initiative measure is hereafter determined to be invalid by a court of competent jurisdiction, all remaining portions of this initiative measure shall remain in full force and effect. Each section, subsection, sentence, phrase, part or portion of this initiative measure would have been adopted and passed irrespective of the fact that any one or more sections, subsections, sentences, phrases, parts or portions be declared invalid or unconstitutional.

## **Section 3. Implementation**

- A. On the effective date of this initiative measure as provided by California law (the "Effective Date"), all provisions this initiative measure are inserted into and become part of the City of Palm Springs Code.
- B. No provision of the City of Palm Springs Code that is inconsistent with this initiative measure shall be enforced after the Effective Date.
- C. Adoption of this initiative measure is essential to the preservation of the quality of life, property values and the health, safety and general welfare interests of residents and property owners within the City.

## **Section 4. Amendment and Repeal**

This initiative measure and all of its provisions may be amended or repealed only by a majority vote of the electorate.

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ROBERT MOON, MAYOR

ATTEST:

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ANTHONY J. MEJIA, MMC  
CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, ANTHONY J. MEJIA, City Clerk of the City of Palm Springs, hereby certify that Ordinance No. \_\_\_\_\_ is a full, true, and correct copy, and was adopted at a regular meeting of the City Council held on the 21<sup>st</sup> day of February, 2018, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:  
RECUSED:

---

ANTHONY J. MEJIA, MMC  
CITY CLERK

**ATTACHMENT 4**  
**Resolution – General Municipal Election**

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DECLARING ITS INTENT TO SUBMIT TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION SCHEDULED TO BE HELD ON TUESDAY, NOVEMBER 5, 2019, A QUESTION RELATING TO THE PROHIBITION OF VACATION RENTAL OF SINGLE FAMILY RESIDENCES IN THE CITY**

WHEREAS, pursuant to authority provided by statute a petition has been filed with the legislative body of the City of Palm Springs, signed by at least ten (10%) percent of the voters of the City, according to the last report of registration by the county elections official to the Secretary of State, to submit a proposed ordinance amending the Palm Springs Municipal Code to prohibit the vacation rental of single family residences in the city; and

WHEREAS, the City Clerk's Office, with assistance from the Riverside County Registrar of Voters examined the records of registration and ascertained that pursuant to California Elections Code (EC) Section 9215 the petitions are signed by the requisite number of voters, and has so certified; and

WHEREAS, on January 24, 2018, the City Council accepted, received, and filed the Certificate of Sufficiency of Initiative Petition for the prohibition of vacation rental of single family residences in the City and ordered a report on the initiative measure pursuant to Election Code Section 9212; and

WHEREAS, the City Council has not voted in favor of the adoption of the foregoing ordinance; and

WHEREAS, the City Council's usual practice is not to place a matter on the November ballot for a General Municipal Election until it actually calls the election in June of the applicable year.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** The City Council intends to submit the proposed ordinance to the voters at the General Municipal Election, scheduled to be held on November 5, 2019, in accordance with Election Code Section 1405(a).

**SECTION 2.** The City Clerk is instructed and directed to return to the City Council at the appropriate time for the purpose of calling and giving notice of a General Municipal Election, scheduled to be held on November 5, 2019, and to place the initiative measure on said ballot.

SECTION 3. The text of the proposed ordinance to be submitted to the voters is attached hereto as Exhibit "A."

SECTION 4. The City Clerk of the City of Palm Springs shall certify to the passage and adoption of this resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

\_\_\_\_\_  
DAVID H. READY, CITY MANAGER

ATTEST:

\_\_\_\_\_  
ANTHONY J. MEJIA, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, ANTHONY J. MEJIA, City Clerk of the City of Palm Springs, hereby certify that Resolution No. \_\_\_\_\_ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on the 21<sup>st</sup> day of February, 2018, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
ANTHONY J. MEJIA, CITY CLERK

ORDINANCE NO. \_\_\_\_

AN INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

In accord with applicable California law and Section 803 of the Charter of the City of Palm Springs, the People of the City of Palm Springs hereby ordain as follows:

**SECTION 1: Business Regulations Code Amendment.** Sections 5.25.020, 5.25.030 and 5.25.075 of Chapter 5.25 of the Palm Springs Municipal Code are hereby amended to read in their entirety as set forth below with changes shown in ~~strikeout~~ and underline:

**A. Section 5.25.020 of Chapter 5.25 of the Palm Springs Municipal Code is hereby amended in its entirety to read as follows:**

**"5.25.020 Findings.**

The City Council finds and determines as follows:

- (a) The primary use of single-family and multi-family dwelling units in the City of Palm Springs is the provision of permanent housing for full time and part time residents of the City who live and/or work in the City. Vacation Rentals and Homesharing are not uses specifically recognized in the City's Zoning Ordinance, nor are these uses expressly identified as uses permitted in single-family or multifamily zones. Vacation Rental and Homesharing are similar in character and use as hotels and other commercial short term uses and can only be permitted in ~~Single-Family or~~ multi-family zones if such uses are ancillary and secondary to the multi-family residential use of property. This Ordinance confirms Vacation Rentals and Homesharing as ancillary and secondary uses of for privately owned individual multi-family dwelling units, including without limitation Condominiums, and prohibits them for R-1 zoned Single Family and rental Apartment residential property in the City.
- (b) The purpose of this Chapter is to establish a regulatory program for short term Vacation Rental and Homesharing lodging, with appropriate standards that regulate vacation rental of residential property, minimize adverse effects of Vacation Rental uses on surrounding residential neighborhoods, ensure that ~~vacation rental~~ Vacation Rentals and Homesharing are ancillary and secondary uses of privately owned multi-family residential dwelling units, including without limitation Condominium units, consistent with the provisions of the City's Zoning Ordinance, preserve the character of neighborhoods in which Vacation Rental and Homesharing uses occur, and provide an administrative procedure to preserve existing visitor serving opportunities and increase and enhance public access to areas of the City and other visitor destinations.

- (c) Limiting Vacation Rental and Homesharing lodging to ~~Single Family~~ privately owned multi-family dwelling units, including without limitation Condominium units subject to the regulations provided in this Chapter and prohibiting Vacation Rental in rental Apartments ~~and~~ but allowing Homesharing lodging in R-1 Single Family residences will safeguard, preserve, and protect residential housing stock in the City.
- (d) The adoption of a comprehensive code to regulate issuance of, and attach conditions to, Registration Certificates for Vacation Rental and Home Sharing lodging in privately owned multi-family residential dwelling units and to Registration Certificates for Homesharing lodging within Single Family residential neighborhoods and for rental Apartments and the related use of residential property preserves the public health, safety, and welfare. This Chapter provides a permitting process and imposes operational requirements consistent with the ancillary and secondary status of Vacation Rentals and Homesharing, for the purpose of minimizing the potential adverse impacts of transient uses in R-1 Single Family residential neighborhoods.
- (e) This Chapter is not intended to regulate hotels, motels, inns, time-share units, or non-vacation type rental arrangements including, but not limited to lodging houses, rooming houses, convalescent homes, rest homes, halfway homes, or rehabilitation homes.”

**B. Section 5.25.030 of Chapter 5.25 of the Palm Springs Municipal Code is hereby amended in its entirety to read as follows:**

**"5.25.030 Definitions.** For purposes of this Chapter, the following words and phrases shall have the meaning respectively ascribed to them by this Section:

"Apartment" means (a) a residential unit subject to rent or lease by the owner of in a multi-family development structure of two (2) dwelling units where both dwelling units are rented or leased for occupancy as a residence for individual families, and (b) a residential unit subject to rent or lease by the owner of in-a multi-family development structure of three (3) or more dwelling units. A privately owned individual dwelling unit in a Condominium project or other multi-family development shall not constitute an "Apartment."

"Applicant" means the Owner.

"Bedroom" means an area of a Vacation Rental normally occupied and being heated or cooled by any equipment for human habitation, which is 120 square feet and greater in size, consists of four walls to the ceiling, at least one of which is located along an exterior wall with a window, and contains a built-in closet.

"Business Entity" means a corporation, partnership, or other legal entity that is not a natural person or a personal or family trust or a limited liability company consisting solely of natural persons.

"Change of Property Ownership" means the transfer of title from one person to another.

"Cluster or Compound" means any two or more Vacation Rentals that operate on a unified or shared basis where residents of such Vacation Rentals have exclusive access to more than one Vacation Rental and/or the facilities of such Vacation Rentals, including by way of example, a swimming pool, tennis court, or cooking facilities.

"Condominium unit" means an individual dwelling unit in a multi-family structure that is individually owned, where each owner receives a recordable deed to each individual unit purchased, including the right to sell or mortgage each unit and sharing in joint ownership of any common grounds and passageways.

"Contract" means an agreement or evidence of any tenancy that allows or provides for the Vacation Rental of property.

"Daytime occupancy" means the hours between 10:00 am and 10:00 pm.

"Daytime occupants" mean the guests who may occupy a Vacation Rental during a daytime occupancy.

"Enforcement Official" means the City Manager, the Police Chief, the Fire Marshall, the Building Official, or one or more of their respective designees.

"Exclusive listing arrangement" means a written agreement between an Owner and an agent or representative where the agent or representative has the sole and exclusive right to rent or lease a Vacation Rental unit to any person and the Owner is prohibited from renting or leasing the Vacation Rental unit except through the Owner's agent or representative.

"Estate Home" means a Single Family dwelling with five or more bedrooms located on property zoned ~~R-1-B, R-1-A, R-1-AH,~~ or G-R-5."

"Good cause" for the purposes of denial, suspension, revocation, imposition of conditions, renewal, and reinstatement of a Vacation Rental Registration Certificate, means (1) the Applicant, Owner, the Owner's Agent, or the Local Contact Person has failed to comply with any of the terms, conditions, or provisions of this Chapter or any relevant provision of this Code, State law, or any rule or regulation promulgated thereunder; (2) the Applicant, Owner, Owner's Agent, or Local Contact Person has failed to comply with any special conditions that were placed upon the Vacation Rental Registration Certificate by the Enforcement Official; or (3) the Vacation Rental

has been operated in a manner that adversely affects the public health or welfare or the safety of the immediate neighborhood in which the Vacation Rental is located.

"Good Neighbor Brochure" means a document prepared by the Enforcement Official that summarizes general rules of conduct, consideration, and respect, including without limitation provisions of the Palm Springs Municipal Code applicable to or expected of guests to the City.

"Homeshare Interest" means a portion of an Owner's home that is subject to homesharing as provided in this Chapter.

"Homesharing" means an activity whereby the Owner hosts visitors in the Owner's home, for compensation, for periods of twenty-eight (28) consecutive days or less, while the Owner lives on-site and in the home, throughout the visitor's stay.

"Hotline" means the telephonic service operated by or for the City for the purpose of receiving complaints regarding the operation of any Vacation Rental and the forwarding of such complaints to the appropriate city enforcement officials or, if applicable, the Local Contact Person. For the purposes of this Chapter, the term "Hotline" also includes any contact in person or by telephone, email, and digital or electronic communication, or correspondence of any kind to and/or from any Enforcement Official.

"Local contact person" means the Owner, a local property manager, or agent of the Owner, who is available twenty-four hours per day, seven days per week for the purpose of responding in-person within thirty (30) minutes to complaints regarding the condition, operation, or conduct of occupants of the Vacation Rental, or any agent of the Owner authorized by the Owner to take remedial action and who responds to any violation of this code.

"Owner" means the natural person or persons who is/are the owner of record of the Property. The term "Owner" also includes a personal or family trust consisting solely of natural persons and the trustees of such trust or a limited liability company and the members of such company, insofar as the disclosure requirements pursuant to Section 5.25.085 are satisfied. The term "Owner" does not include a Business Entity.

"Property" means a privately owned multi-family residential legal lot of record, including without limitation Condominiums, on which a Vacation Rental is located.

"Rental Term" means the period of time a Responsible Person rents or leases a Vacation Rental.

"Responsible Person" means an occupant of a Vacation Rental who is at least twenty-five (25) years of age and who shall be legally responsible for compliance of all occupants of the unit and/or their guests with all provisions of this Chapter and/or this code.

"Single Family Residence" means a Single Family dwelling unit located on property zoned R-1-B, R-1-A, R-1-B, R-1-C, R-1-D or R-1-AH or any other R-1 classification."

"Third Quarter" means the entire months of July, August, and September in one calendar year.

"Vacation Rental" means an Single-Family individually rented unit in a multi-family structure, including without limitation Condominium units, or any portion thereof, utilized for occupancy for dwelling, lodging, or sleeping purposes without the Owner being present for a period of twenty-eight (28) consecutive days or less, other than ongoing month-to-month tenancy granted to the same renter for the same unit, occupancy of a time-share basis, or a Condominium hotel as defined in Section 91 .00.10 of this Code. The term "Vacation Rental" is synonymous with "short term rental" and "transient use" and does not include homesharing.

"Vacation Rental Registration Certificate" or "Registration Certificate" means the annual permit and/or a registration for a Vacation Rental or a Homeshare Interest issued by the City pursuant to this Chapter."

**C. Section 5.25.075 of Chapter 5.25 of the Palm Springs Municipal Code is hereby amended in its entirety to read as follows:**

**"5.25.075 Specific Prohibitions.**

- (a) No person or entity shall offer or provide a Single Family Residence or an a rental Apartment, or any portion thereof, for rent for 28 consecutive days or less to any person.
- (b) No person or entity shall maintain any advertisement of a Vacation Rental that is in violation of any provision of this Chapter.
- (c) No person, including without limitation, the owner of a Single Family Residence or the owner of a rental Apartment structure, an a rental Apartment manager, or a representative of the rental Apartment owner or manager, shall evict any tenant or otherwise terminate a lease for the purpose of converting an a rental Apartment to a Vacation Rental or in anticipation of converting an a rental Apartment to a Vacation Rental. In addition to any other remedy provided under the Palm Springs Municipal Code, failure to comply with this provision may be asserted as an affirmative defense in an action brought by or on behalf of the owner of a Single Family Residence or an owner of an a rental Apartment structure, rental Apartment manager, or representative to recover possession of the unit. Any attempt to recover possession of a unit in violation of this Ordinance shall render the rental Apartment structure owner, rental Apartment manager, or representative liable to the tenant for actual or punitive damages, including damages for emotional distress, in a civil action for wrongful eviction. The tenant may seek injunctive relief and money damages for wrongful eviction and the

prevailing party in an action for wrongful eviction shall recover costs and reasonable attorneys' fees.

- (d) The provisions of Subsection (a) of this Section shall not apply to or be enforced against any person or entity who rents an a rental Apartment or portion thereof pursuant to a valid vVacation Registration Certificate issued prior to April 15, 2016 for the period of time between April 15, 2016 through January 1, 2019. The purpose of this deferral of the enforcement of the provisions of this Section is for persons or entities issued valid vacation registration certificates prior to April 15, 2016 to be afforded a reasonable opportunity to recoup costs reasonably invested for Vacation Rental use of rental Apartments and which may not have been recouped during the period of Vacation Rental use of the rental Apartment and which cannot be recouped once the Vacation Rental use is terminated.
- (e) The provisions of Subsection (a) of this Section, Subsection 5.25.040(b) [limits on number of units], and Subsection 5.25.070(b) [limits on number of Contracts] shall also not apply to any building in which an Apartment is located that meets all requirements of an R-1 occupancy under the City's building and fire code and for which such Apartment has a valid Vacation Rental Registration Certificate issued prior to April 15, 2016.
- (f) The provisions of Subsection (a) of this Section shall not apply to or be enforced against any person or entity who rents a Single Family Residence or portion thereof pursuant to a valid Vacation Registration Certificate issued prior to the effective date of this ordinance for a period of twenty-four months. The purpose of this deferral of the enforcement of the provisions of this Section is for persons or entities issued valid vacation registration certificates prior to the effective date of this ordinance to be afforded a reasonable opportunity to recoup costs reasonably invested for Vacation Rental use of Single Family residences and which may not have been recouped during the period of Vacation Rental use of the Single Family residence and which cannot be recouped once the Vacation Rental use is terminated.
- (g) The provisions of Subsection (a) of this Section, Subsection 5.25.040(b) [limits on number of units], shall also not apply for a period of twenty-four months after the effective date of this ordinance to any Single Family Residence that meets all requirements of an R-1 occupancy under the City's building and fire code and for which such Single Family Residence has a valid Vacation Rental Registration Certificate issued prior to the effective date of this ordinance.

## **SECTION 2. Severability**

- A. In interpreting this initiative measure or resolving any ambiguity thereof, the City Council and all other City entities charged with implementing or enforcing this initiative measure or any part of it, as well as any reviewing court, shall interpret this initiative measure in the manner which most vigorously and effectively accomplishes its purposes and operative provisions.
- B. If any portion of this initiative measure is hereafter determined to be invalid by a court of competent jurisdiction, all remaining portions of this initiative measure shall remain in full force and effect. Each section, subsection, sentence, phrase, part or portion of this initiative measure would have been adopted and passed irrespective of the fact that any one or more sections, subsections, sentences, phrases, parts or portions be declared invalid or unconstitutional.

## **Section 3. Implementation**

- A. On the effective date of this initiative measure as provided by California law (the "Effective Date"), all provisions this initiative measure are inserted into and become part of the City of Palm Springs Code.
- B. No provision of the City of Palm Springs Code that is inconsistent with this initiative measure shall be enforced after the Effective Date.
- C. Adoption of this initiative measure is essential to the preservation of the quality of life, property values and the health, safety and general welfare interests of residents and property owners within the City.

## **Section 4. Amendment and Repeal**

This initiative measure and all of its provisions may be amended or repealed only by a majority vote of the electorate.

**ATTACHMENT 5**  
**Resolution – Special Municipal Election**

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 5, 2018, FOR THE SUBMISSION TO THE VOTERS A QUESTION RELATING TO THE PROHIBITION OF VACATION RENTAL OF SINGLE FAMILY RESIDENCES IN THE CITY**

WHEREAS, pursuant to authority provided by statute a petition has been filed with the legislative body of the City of Palm Springs, signed by at least ten (10%) percent of the voters of the City, according to the last report of registration by the county elections official to the Secretary of State, to submit a proposed ordinance amending the Palm Springs Municipal Code to prohibit the vacation rental of single family residences in the city; and

WHEREAS, the City Clerk's Office, with assistance from the Riverside County Registrar of Voters examined the records of registration and ascertained that pursuant to California Elections Code (EC) Section 9215 the petitions are signed by the requisite number of voters, and has so certified; and

WHEREAS, on January 24, 2018, the City Council accepted, received, and filed the Certificate of Sufficiency of Initiative Petition for the prohibition of vacation rental of single family residences in the City and ordered a report on the initiative measure pursuant to Election Code Section 9212; and

WHEREAS, the City Council has not voted in favor of the adoption of the foregoing ordinance; and

WHEREAS, the City Council is authorized and directed by statute to submit the proposed ordinance to the voters.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** That pursuant to the requirements of the laws of the State of California relating to charter cities, there is called and ordered to be held in the City of Palm Springs, California, on Tuesday, June 5, 2018, a Special Election for the purpose of submitting the following proposed question:

**MEASURE \_\_: PROHIBITION OF VACATION RENTAL OF SINGLE FAMILY RESIDENCES IN THE CITY OF PALM SPRINGS**

Shall the ordinance, prohibiting the vacation rental of single family residences in the city, be adopted?	Yes
	No

SECTION 2. That the proposed complete text of the ordinance submitted to the voters is attached hereto as Exhibit A.

SECTION 3. That the vote requirement for the measure to pass is a majority (50% + 1) of the total number of valid ballots cast and counted.

SECTION 4. The ballots to be used at the election shall be in form and content as required by law.

SECTION 5. The City Clerk is authorized, instructed and directed to coordinate with the County of Riverside Registrar of Voters to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 6. The polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, pursuant to EC Section 10242, except as provided in EC Section 14401.

SECTION 7. That in all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 8. That notice of the time and place holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 9. The City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

SECTION 10. The City Clerk of the City of Palm Springs shall certify to the passage and adoption of this resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

\_\_\_\_\_  
DAVID H. READY, CITY MANAGER

ATTEST:

\_\_\_\_\_  
ANTHONY J. MEJIA, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, ANTHONY J. MEJIA, City Clerk of the City of Palm Springs, hereby certify that Resolution No. \_\_\_\_\_ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on the 21<sup>st</sup> day of February, 2018, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
ANTHONY J. MEJIA, CITY CLERK

ORDINANCE NO. \_\_\_\_

AN INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

In accord with applicable California law and Section 803 of the Charter of the City of Palm Springs, the People of the City of Palm Springs hereby ordain as follows:

**SECTION 1: Business Regulations Code Amendment.** Sections 5.25.020, 5.25.030 and 5.25.075 of Chapter 5.25 of the Palm Springs Municipal Code are hereby amended to read in their entirety as set forth below with changes shown in ~~strikeout~~ and underline:

**A. Section 5.25.020 of Chapter 5.25 of the Palm Springs Municipal Code is hereby amended in its entirety to read as follows:**

**"5.25.020 Findings.**

The City Council finds and determines as follows:

- (a) The primary use of single-family and multi-family dwelling units in the City of Palm Springs is the provision of permanent housing for full time and part time residents of the City who live and/or work in the City. Vacation Rentals and Homesharing are not uses specifically recognized in the City's Zoning Ordinance, nor are these uses expressly identified as uses permitted in single-family or multifamily zones. Vacation Rental and Homesharing are similar in character and use as hotels and other commercial short term uses and can only be permitted in ~~Single Family or~~ multi-family zones if such uses are ancillary and secondary to the multi-family residential use of property. This Ordinance confirms Vacation Rentals and Homesharing as ancillary and secondary uses of for privately owned individual multi-family dwelling units, including without limitation Condominiums, and prohibits them for R-1 zoned Single Family and rental Apartment residential property in the City.
- (b) The purpose of this Chapter is to establish a regulatory program for short term Vacation Rental and Homesharing lodging, with appropriate standards that regulate vacation rental of residential property, minimize adverse effects of Vacation Rental uses on surrounding residential neighborhoods, ensure that ~~vacation rental~~ Vacation Rentals and Homesharing are ancillary and secondary uses of privately owned multi-family residential dwelling units, including without limitation Condominium units, consistent with the provisions of the City's Zoning Ordinance, preserve the character of neighborhoods in which Vacation Rental and Homesharing uses occur, and provide an administrative procedure to preserve existing visitor serving opportunities and increase and enhance public access to areas of the City and other visitor destinations.

- (c) Limiting Vacation Rental and Homesharing lodging to ~~Single Family~~ privately owned multi-family dwelling units, including without limitation Condominium units subject to the regulations provided in this Chapter and prohibiting Vacation Rental in rental Apartments ~~and~~ but allowing Homesharing lodging in R-1 Single Family residences will safeguard, preserve, and protect residential housing stock in the City.
- (d) The adoption of a comprehensive code to regulate issuance of, and attach conditions to, Registration Certificates for Vacation Rental and Home Sharing lodging in privately owned multi-family residential dwelling units and to Registration Certificates for Homesharing lodging within Single Family residential neighborhoods and for rental Apartments and the related use of residential property preserves the public health, safety, and welfare. This Chapter provides a permitting process and imposes operational requirements consistent with the ancillary and secondary status of Vacation Rentals and Homesharing, for the purpose of minimizing the potential adverse impacts of transient uses in R-1 Single Family residential neighborhoods.
- (e) This Chapter is not intended to regulate hotels, motels, inns, time-share units, or non-vacation type rental arrangements including, but not limited to lodging houses, rooming houses, convalescent homes, rest homes, halfway homes, or rehabilitation homes."

**B. Section 5.25.030 of Chapter 5.25 of the Palm Springs Municipal Code is hereby amended in its entirety to read as follows:**

**"5.25.030 Definitions.** For purposes of this Chapter, the following words and phrases shall have the meaning respectively ascribed to them by this Section:

"Apartment" means (a) a residential unit subject to rent or lease by the owner of in a multi-family development structure of two (2) dwelling units where both dwelling units are rented or leased for occupancy as a residence for individual families, and (b) a residential unit subject to rent or lease by the owner of in a multi-family development structure of three (3) or more dwelling units. A privately owned individual dwelling unit in a Condominium project or other multi-family development shall not constitute an "Apartment."

"Applicant" means the Owner.

"Bedroom" means an area of a Vacation Rental normally occupied and being heated or cooled by any equipment for human habitation, which is 120 square feet and greater in size, consists of four walls to the ceiling, at least one of which is located along an exterior wall with a window, and contains a built-in closet.

"Business Entity" means a corporation, partnership, or other legal entity that is not a natural person or a personal or family trust or a limited liability company consisting solely of natural persons.

"Change of Property Ownership" means the transfer of title from one person to another.

"Cluster or Compound" means any two or more Vacation Rentals that operate on a unified or shared basis where residents of such Vacation Rentals have exclusive access to more than one Vacation Rental and/or the facilities of such Vacation Rentals, including by way of example, a swimming pool, tennis court, or cooking facilities.

"Condominium unit" means an individual dwelling unit in a multi-family structure that is individually owned, where each owner receives a recordable deed to each individual unit purchased, including the right to sell or mortgage each unit and sharing in joint ownership of any common grounds and passageways.

"Contract" means an agreement or evidence of any tenancy that allows or provides for the Vacation Rental of property.

"Daytime occupancy" means the hours between 10:00 am and 10:00 pm.

"Daytime occupants" mean the guests who may occupy a Vacation Rental during a daytime occupancy.

"Enforcement Official" means the City Manager, the Police Chief, the Fire Marshall, the Building Official, or one or more of their respective designees.

"Exclusive listing arrangement" means a written agreement between an Owner and an agent or representative where the agent or representative has the sole and exclusive right to rent or lease a Vacation Rental unit to any person and the Owner is prohibited from renting or leasing the Vacation Rental unit except through the Owner's agent or representative.

"Estate Home" means a Single Family dwelling with five or more bedrooms located on property zoned ~~R-1-B, R-1-A, R-1-AH,~~ or G-R-5."

"Good cause" for the purposes of denial, suspension, revocation, imposition of conditions, renewal, and reinstatement of a Vacation Rental Registration Certificate, means (1) the Applicant, Owner, the Owner's Agent, or the Local Contact Person has failed to comply with any of the terms, conditions, or provisions of this Chapter or any relevant provision of this Code, State law, or any rule or regulation promulgated thereunder; (2) the Applicant, Owner, Owner's Agent, or Local Contact Person has failed to comply with any special conditions that were placed upon the Vacation Rental Registration Certificate by the Enforcement Official; or (3) the Vacation Rental

has been operated in a manner that adversely affects the public health or welfare or the safety of the immediate neighborhood in which the Vacation Rental is located.

"Good Neighbor Brochure" means a document prepared by the Enforcement Official that summarizes general rules of conduct, consideration, and respect, including without limitation provisions of the Palm Springs Municipal Code applicable to or expected of guests to the City.

"Homeshare Interest" means a portion of an Owner's home that is subject to homesharing as provided in this Chapter.

"Homesharing" means an activity whereby the Owner hosts visitors in the Owner's home, for compensation, for periods of twenty-eight (28) consecutive days or less, while the Owner lives on-site and in the home, throughout the visitor's stay.

"Hotline" means the telephonic service operated by or for the City for the purpose of receiving complaints regarding the operation of any Vacation Rental and the forwarding of such complaints to the appropriate city enforcement officials or, if applicable, the Local Contact Person. For the purposes of this Chapter, the term "Hotline" also includes any contact in person or by telephone, email, and digital or electronic communication, or correspondence of any kind to and/or from any Enforcement Official.

"Local contact person" means the Owner, a local property manager, or agent of the Owner, who is available twenty-four hours per day, seven days per week for the purpose of responding in-person within thirty (30) minutes to complaints regarding the condition, operation, or conduct of occupants of the Vacation Rental, or any agent of the Owner authorized by the Owner to take remedial action and who responds to any violation of this code.

"Owner" means the natural person or persons who is/are the owner of record of the Property. The term "Owner" also includes a personal or family trust consisting solely of natural persons and the trustees of such trust or a limited liability company and the members of such company, insofar as the disclosure requirements pursuant to Section 5.25.085 are satisfied. The term "Owner" does not include a Business Entity.

"Property" means a privately owned multi-family residential legal lot of record, including without limitation Condominiums, on which a Vacation Rental is located.

"Rental Term" means the period of time a Responsible Person rents or leases a Vacation Rental.

"Responsible Person" means an occupant of a Vacation Rental who is at least twenty-five (25) years of age and who shall be legally responsible for compliance of all occupants of the unit and/or their guests with all provisions of this Chapter and/or this code.

"Single Family Residence" means a Single Family dwelling unit located on property zoned R-1-B, R-1-A, R-1-B, R-1-C, R-1-D or R-1-AH or any other R-1 classification."

"Third Quarter" means the entire months of July, August, and September in one calendar year.

"Vacation Rental" means an Single-Family individually rented unit in a multi-family structure, including without limitation Condominium units, or any portion thereof, utilized for occupancy for dwelling, lodging, or sleeping purposes without the Owner being present for a period of twenty-eight (28) consecutive days or less, other than ongoing month-to-month tenancy granted to the same renter for the same unit, occupancy of a time-share basis, or a Condominium hotel as defined in Section 91 .00.10 of this Code. The term "Vacation Rental" is synonymous with "short term rental" and "transient use" and does not include homesharing.

"Vacation Rental Registration Certificate" or "Registration Certificate" means the annual permit and/or a registration for a Vacation Rental or a Homeshare Interest issued by the City pursuant to this Chapter."

**C. Section 5.25.075 of Chapter 5.25 of the Palm Springs Municipal Code is hereby amended in its entirety to read as follows:**

**"5.25.075 Specific Prohibitions.**

- (a) No person or entity shall offer or provide a Single Family Residence or a rental Apartment, or any portion thereof, for rent for 28 consecutive days or less to any person.
- (b) No person or entity shall maintain any advertisement of a Vacation Rental that is in violation of any provision of this Chapter.
- (c) No person, including without limitation, the owner of a Single Family Residence or the owner of a rental Apartment structure, an a rental Apartment manager, or a representative of the rental Apartment owner or manager, shall evict any tenant or otherwise terminate a lease for the purpose of converting a rental Apartment to a Vacation Rental or in anticipation of converting a rental Apartment to a Vacation Rental. In addition to any other remedy provided under the Palm Springs Municipal Code, failure to comply with this provision may be asserted as an affirmative defense in an action brought by or on behalf of the owner of a Single Family Residence or an owner of a rental Apartment structure, rental Apartment manager, or representative to recover possession of the unit. Any attempt to recover possession of a unit in violation of this Ordinance shall render the rental Apartment structure owner, rental Apartment manager, or representative liable to the tenant for actual or punitive damages, including damages for emotional distress, in a civil action for wrongful eviction. The tenant may seek injunctive relief and money damages for wrongful eviction and the

prevailing party in an action for wrongful eviction shall recover costs and reasonable attorneys' fees.

- (d) The provisions of Subsection (a) of this Section shall not apply to or be enforced against any person or entity who rents an a rental Apartment or portion thereof pursuant to a valid vacation Registration Certificate issued prior to April 15, 2016 for the period of time between April 15, 2016 through January 1, 2019. The purpose of this deferral of the enforcement of the provisions of this Section is for persons or entities issued valid vacation registration certificates prior to April 15, 2016 to be afforded a reasonable opportunity to recoup costs reasonably invested for Vacation Rental use of rental Apartments and which may not have been recouped during the period of Vacation Rental use of the rental Apartment and which cannot be recouped once the Vacation Rental use is terminated.
- (e) The provisions of Subsection (a) of this Section, Subsection 5.25.040(b) [limits on number of units], and Subsection 5.25.070(b) [limits on number of Contracts] shall also not apply to any building in which an Apartment is located that meets all requirements of an R-1 occupancy under the City's building and fire code and for which such Apartment has a valid Vacation Rental Registration Certificate issued prior to April 15, 2016.
- (f) The provisions of Subsection (a) of this Section shall not apply to or be enforced against any person or entity who rents a Single Family Residence or portion thereof pursuant to a valid Vacation Registration Certificate issued prior to the effective date of this ordinance for a period of twenty-four months. The purpose of this deferral of the enforcement of the provisions of this Section is for persons or entities issued valid vacation registration certificates prior to the effective date of this ordinance to be afforded a reasonable opportunity to recoup costs reasonably invested for Vacation Rental use of Single Family residences and which may not have been recouped during the period of Vacation Rental use of the Single Family residence and which cannot be recouped once the Vacation Rental use is terminated.
- (g) The provisions of Subsection (a) of this Section, Subsection 5.25.040(b) [limits on number of units], shall also not apply for a period of twenty-four months after the effective date of this ordinance to any Single Family Residence that meets all requirements of an R-1 occupancy under the City's building and fire code and for which such Single Family Residence has a valid Vacation Rental Registration Certificate issued prior to the effective date of this ordinance.

**SECTION 2. Severability**

- A. In interpreting this initiative measure or resolving any ambiguity thereof, the City Council and all other City entities charged with implementing or enforcing this initiative measure or any part of it, as well as any reviewing court, shall interpret this initiative measure in the manner which most vigorously and effectively accomplishes its purposes and operative provisions.
- B. If any portion of this initiative measure is hereafter determined to be invalid by a court of competent jurisdiction, all remaining portions of this initiative measure shall remain in full force and effect. Each section, subsection, sentence, phrase, part or portion of this initiative measure would have been adopted and passed irrespective of the fact that any one or more sections, subsections, sentences, phrases, parts or portions be declared invalid or unconstitutional.

**Section 3. Implementation**

- A. On the effective date of this initiative measure as provided by California law (the "Effective Date"), all provisions this initiative measure are inserted into and become part of the City of Palm Springs Code.
- B. No provision of the City of Palm Springs Code that is inconsistent with this initiative measure shall be enforced after the Effective Date.
- C. Adoption of this initiative measure is essential to the preservation of the quality of life, property values and the health, safety and general welfare interests of residents and property owners within the City.

**Section 4. Amendment and Repeal**

This initiative measure and all of its provisions may be amended or repealed only by a majority vote of the electorate.

**ATTACHMENT 6**  
**Resolution – Request to Consolidate with County**

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 5, 2018, WITH THE STATEWIDE PRIMARY ELECTION TO BE HELD ON THE SAME DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE

WHEREAS, the City Council of the City of Palm Springs called a Special Municipal Election to be held on June 5, 2018, for the purpose of submitting to the voters the question relating to the prohibition of vacation rental of single family residences in the city; and

WHEREAS, it is desirable that the Special Municipal Election be consolidated with the Statewide Primary Election to be held on the same date and that within the city the precincts, polling places and election officers of the two elections be the same, and that the County Election Department of the County of Riverside canvass the returns of the Special Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of California Elections Code (EC) Section 10403, the Board of Supervisors of the County of Riverside is hereby requested to consent and agree to order the consolidation of the Special Municipal Election with the Statewide Primary Election to be held on Tuesday, June 5, 2018 for the purpose of submitting to the voters a question relating to the prohibition of vacation rental of single family residences in the city.

SECTION 2. That a measure is to appear on the ballot as follows:

**MEASURE \_\_: PROHIBITION OF VACATION RENTAL OF SINGLE FAMILY RESIDENCES IN THE CITY OF PALM SPRINGS**

Shall the ordinance, prohibiting the vacation rental of single family residences in the city, be adopted?	Yes
	No

SECTION 3. That the proposed complete text of the ordinance submitted to the voters is attached as Exhibit A.

SECTION 4. That the vote requirement for the measure to pass is a majority (50%+1) of the total number of valid ballots cast and counted.

SECTION 5. That the County Election Department is authorized to canvass the returns of the Special Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of the ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating statewide or special election.

SECTION 6. That the Board of Supervisors is requested to issue instructions to the County Elections Department to take any and all steps necessary for the holding of the consolidated election.

SECTION 7. That the City of Palm Springs recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

SECTION 8. The City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the County Election Department of the County of Riverside.

SECTION 9. The City Clerk of the City of Palm Springs shall certify to the passage and adoption of this resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

\_\_\_\_\_  
DAVID H. READY, CITY MANAGER

ATTEST:

\_\_\_\_\_  
ANTHONY J. MEJIA, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, ANTHONY J. MEJIA, City Clerk of the City of Palm Springs, hereby certify that Resolution No. \_\_\_\_\_ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on the 21<sup>st</sup> day of February, 2018, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

ANTHONY J. MEJIA, CITY CLERK

ORDINANCE NO. \_\_\_\_

AN INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

In accord with applicable California law and Section 803 of the Charter of the City of Palm Springs, the People of the City of Palm Springs hereby ordain as follows:

**SECTION 1: Business Regulations Code Amendment.** Sections 5.25.020, 5.25.030 and 5.25.075 of Chapter 5.25 of the Palm Springs Municipal Code are hereby amended to read in their entirety as set forth below with changes shown in ~~strikeout~~ and underline:

**A. Section 5.25.020 of Chapter 5.25 of the Palm Springs Municipal Code is hereby amended in its entirety to read as follows:**

**"5.25.020 Findings.**

The City Council finds and determines as follows:

- (a) The primary use of single-family and multi-family dwelling units in the City of Palm Springs is the provision of permanent housing for full time and part time residents of the City who live and/or work in the City. Vacation Rentals and Homesharing are not uses specifically recognized in the City's Zoning Ordinance, nor are these uses expressly identified as uses permitted in single-family or multifamily zones. Vacation Rental and Homesharing are similar in character and use as hotels and other commercial short term uses and can only be permitted in ~~Single Family or~~ multi-family zones if such uses are ancillary and secondary to the multi-family residential use of property. This Ordinance confirms Vacation Rentals and Homesharing as ancillary and secondary uses of for privately owned individual multi-family dwelling units, including without limitation Condominiums, and prohibits them for R-1 zoned Single Family and rental Apartment residential property in the City.
  
- (b) The purpose of this Chapter is to establish a regulatory program for short term Vacation Rental and Homesharing lodging, with appropriate standards that regulate vacation rental of residential property, minimize adverse effects of Vacation Rental uses on surrounding residential neighborhoods, ensure that ~~vacation rental~~ Vacation Rentals and Homesharing are ancillary and secondary uses of privately owned multi-family residential dwelling units, including without limitation Condominium units, consistent with the provisions of the City's Zoning Ordinance, preserve the character of neighborhoods in which Vacation Rental and Homesharing uses occur, and provide an administrative procedure to preserve existing visitor serving opportunities and increase and enhance public access to areas of the City and other visitor destinations.

- (c) Limiting Vacation Rental and Homesharing lodging to ~~Single Family~~ privately owned multi-family dwelling units, including without limitation Condominium units subject to the regulations provided in this Chapter and prohibiting Vacation Rental in rental Apartments ~~and~~ but allowing Homesharing lodging in R-1 Single Family residences will safeguard, preserve, and protect residential housing stock in the City.
- (d) The adoption of a comprehensive code to regulate issuance of, and attach conditions to, Registration Certificates for Vacation Rental and Home Sharing lodging in privately owned multi-family residential dwelling units and to Registration Certificates for Homesharing lodging within Single Family residential neighborhoods and for rental Apartments and the related use of residential property preserves the public health, safety, and welfare. This Chapter provides a permitting process and imposes operational requirements consistent with the ancillary and secondary status of Vacation Rentals and Homesharing, for the purpose of minimizing the potential adverse impacts of transient uses in R-1 Single Family residential neighborhoods.
- (e) This Chapter is not intended to regulate hotels, motels, inns, time-share units, or non-vacation type rental arrangements including, but not limited to lodging houses, rooming houses, convalescent homes, rest homes, halfway homes, or rehabilitation homes."

**B. Section 5.25.030 of Chapter 5.25 of the Palm Springs Municipal Code is hereby amended in its entirety to read as follows:**

**"5.25.030 Definitions.** For purposes of this Chapter, the following words and phrases shall have the meaning respectively ascribed to them by this Section:

"Apartment" means (a) a residential unit subject to rent or lease by the owner of in a multi-family development structure of two (2) dwelling units where both dwelling units are rented or leased for occupancy as a residence for individual families, and (b) a residential unit subject to rent or lease by the owner of in-a multi-family development structure of three (3) or more dwelling units. A privately owned individual dwelling unit in a Condominium project or other multi-family development shall not constitute an "Apartment."

"Applicant" means the Owner.

"Bedroom" means an area of a Vacation Rental normally occupied and being heated or cooled by any equipment for human habitation, which is 120 square feet and greater in size, consists of four walls to the ceiling, at least one of which is located along an exterior wall with a window, and contains a built-in closet.

"Business Entity" means a corporation, partnership, or other legal entity that is not a natural person or a personal or family trust or a limited liability company consisting solely of natural persons.

"Change of Property Ownership" means the transfer of title from one person to another.

"Cluster or Compound" means any two or more Vacation Rentals that operate on a unified or shared basis where residents of such Vacation Rentals have exclusive access to more than one Vacation Rental and/or the facilities of such Vacation Rentals, including by way of example, a swimming pool, tennis court, or cooking facilities.

"Condominium unit" means an individual dwelling unit in a multi-family structure that is individually owned, where each owner receives a recordable deed to each individual unit purchased, including the right to sell or mortgage each unit and sharing in joint ownership of any common grounds and passageways.

"Contract" means an agreement or evidence of any tenancy that allows or provides for the Vacation Rental of property.

"Daytime occupancy" means the hours between 10:00 am and 10:00 pm.

"Daytime occupants" mean the guests who may occupy a Vacation Rental during a daytime occupancy.

"Enforcement Official" means the City Manager, the Police Chief, the Fire Marshall, the Building Official, or one or more of their respective designees.

"Exclusive listing arrangement" means a written agreement between an Owner and an agent or representative where the agent or representative has the sole and exclusive right to rent or lease a Vacation Rental unit to any person and the Owner is prohibited from renting or leasing the Vacation Rental unit except through the Owner's agent or representative.

"Estate Home" means a Single Family dwelling with five or more bedrooms located on property zoned ~~R-1-B, R-1-A, R-1-AH,~~ or G-R-5."

"Good cause" for the purposes of denial, suspension, revocation, imposition of conditions, renewal, and reinstatement of a Vacation Rental Registration Certificate, means (1) the Applicant, Owner, the Owner's Agent, or the Local Contact Person has failed to comply with any of the terms, conditions, or provisions of this Chapter or any relevant provision of this Code, State law, or any rule or regulation promulgated thereunder; (2) the Applicant, Owner, Owner's Agent, or Local Contact Person has failed to comply with any special conditions that were placed upon the Vacation Rental Registration Certificate by the Enforcement Official; or (3) the Vacation Rental

has been operated in a manner that adversely affects the public health or welfare or the safety of the immediate neighborhood in which the Vacation Rental is located.

"Good Neighbor Brochure" means a document prepared by the Enforcement Official that summarizes general rules of conduct, consideration, and respect, including without limitation provisions of the Palm Springs Municipal Code applicable to or expected of guests to the City.

"Homeshare Interest" means a portion of an Owner's home that is subject to homesharing as provided in this Chapter.

"Homesharing" means an activity whereby the Owner hosts visitors in the Owner's home, for compensation, for periods of twenty-eight (28) consecutive days or less, while the Owner lives on-site and in the home, throughout the visitor's stay.

"Hotline" means the telephonic service operated by or for the City for the purpose of receiving complaints regarding the operation of any Vacation Rental and the forwarding of such complaints to the appropriate city enforcement officials or, if applicable, the Local Contact Person. For the purposes of this Chapter, the term "Hotline" also includes any contact in person or by telephone, email, and digital or electronic communication, or correspondence of any kind to and/or from any Enforcement Official.

"Local contact person" means the Owner, a local property manager, or agent of the Owner, who is available twenty-four hours per day, seven days per week for the purpose of responding in-person within thirty (30) minutes to complaints regarding the condition, operation, or conduct of occupants of the Vacation Rental, or any agent of the Owner authorized by the Owner to take remedial action and who responds to any violation of this code.

"Owner" means the natural person or persons who is/are the owner of record of the Property. The term "Owner" also includes a personal or family trust consisting solely of natural persons and the trustees of such trust or a limited liability company and the members of such company, insofar as the disclosure requirements pursuant to Section 5.25.085 are satisfied. The term "Owner" does not include a Business Entity.

"Property" means a privately owned multi-family residential legal lot of record, including without limitation Condominiums, on which a Vacation Rental is located.

"Rental Term" means the period of time a Responsible Person rents or leases a Vacation Rental.

"Responsible Person" means an occupant of a Vacation Rental who is at least twenty-five (25) years of age and who shall be legally responsible for compliance of all occupants of the unit and/or their guests with all provisions of this Chapter and/or this code.

"Single Family Residence" means a Single Family dwelling unit located on property zoned R-1-B, R-1-A, R-1-B, R-1-C, R-1-D or R-1-AH or any other R-1 classification."

"Third Quarter" means the entire months of July, August, and September in one calendar year.

"Vacation Rental" means an Single-Family individually rented unit in a multi-family structure, including without limitation Condominium units, or any portion thereof, utilized for occupancy for dwelling, lodging, or sleeping purposes without the Owner being present for a period of twenty-eight (28) consecutive days or less, other than ongoing month-to-month tenancy granted to the same renter for the same unit, occupancy of a time-share basis, or a Condominium hotel as defined in Section 91 .00.10 of this Code. The term "Vacation Rental" is synonymous with "short term rental" and "transient use" and does not include homesharing.

"Vacation Rental Registration Certificate" or "Registration Certificate" means the annual permit and/or a registration for a Vacation Rental or a Homeshare Interest issued by the City pursuant to this Chapter."

**C. Section 5.25.075 of Chapter 5.25 of the Palm Springs Municipal Code is hereby amended in its entirety to read as follows:**

**"5.25.075 Specific Prohibitions.**

- (a) No person or entity shall offer or provide a Single Family Residence or a rental Apartment, or any portion thereof, for rent for 28 consecutive days or less to any person.
- (b) No person or entity shall maintain any advertisement of a Vacation Rental that is in violation of any provision of this Chapter.
- (c) No person, including without limitation, the owner of a Single Family Residence or the owner of a rental Apartment structure, an a rental Apartment manager, or a representative of the rental Apartment owner or manager, shall evict any tenant or otherwise terminate a lease for the purpose of converting an a rental Apartment to a Vacation Rental or in anticipation of converting an a rental Apartment to a Vacation Rental. In addition to any other remedy provided under the Palm Springs Municipal Code, failure to comply with this provision may be asserted as an affirmative defense in an action brought by or on behalf of the owner of a Single Family Residence or an owner of an-a rental Apartment structure, rental Apartment manager, or representative to recover possession of the unit. Any attempt to recover possession of a unit in violation of this Ordinance shall render the rental Apartment structure owner, rental Apartment manager, or representative liable to the tenant for actual or punitive damages, including damages for emotional distress, in a civil action for wrongful eviction. The tenant may seek injunctive relief and money damages for wrongful eviction and the

prevailing party in an action for wrongful eviction shall recover costs and reasonable attorneys' fees.

- (d) The provisions of Subsection (a) of this Section shall not apply to or be enforced against any person or entity who rents an a rental Apartment or portion thereof pursuant to a valid vacation Registration Certificate issued prior to April 15, 2016 for the period of time between April 15, 2016 through January 1, 2019. The purpose of this deferral of the enforcement of the provisions of this Section is for persons or entities issued valid vacation registration certificates prior to April 15, 2016 to be afforded a reasonable opportunity to recoup costs reasonably invested for Vacation Rental use of rental Apartments and which may not have been recouped during the period of Vacation Rental use of the rental Apartment and which cannot be recouped once the Vacation Rental use is terminated.
- (e) The provisions of Subsection (a) of this Section, Subsection 5.25.040(b) [limits on number of units], and Subsection 5.25.070(b) [limits on number of Contracts] shall also not apply to any building in which an Apartment is located that meets all requirements of an R-1 occupancy under the City's building and fire code and for which such Apartment has a valid Vacation Rental Registration Certificate issued prior to April 15, 2016.
- (f) The provisions of Subsection (a) of this Section shall not apply to or be enforced against any person or entity who rents a Single Family Residence or portion thereof pursuant to a valid Vacation Registration Certificate issued prior to the effective date of this ordinance for a period of twenty-four months. The purpose of this deferral of the enforcement of the provisions of this Section is for persons or entities issued valid vacation registration certificates prior to the effective date of this ordinance to be afforded a reasonable opportunity to recoup costs reasonably invested for Vacation Rental use of Single Family residences and which may not have been recouped during the period of Vacation Rental use of the Single Family residence and which cannot be recouped once the Vacation Rental use is terminated.
- (g) The provisions of Subsection (a) of this Section, Subsection 5.25.040(b) [limits on number of units], shall also not apply for a period of twenty-four months after the effective date of this ordinance to any Single Family Residence that meets all requirements of an R-1 occupancy under the City's building and fire code and for which such Single Family Residence has a valid Vacation Rental Registration Certificate issued prior to the effective date of this ordinance.

## **SECTION 2. Severability**

- A. In interpreting this initiative measure or resolving any ambiguity thereof, the City Council and all other City entities charged with implementing or enforcing this initiative measure or any part of it, as well as any reviewing court, shall interpret this initiative measure in the manner which most vigorously and effectively accomplishes its purposes and operative provisions.
- B. If any portion of this initiative measure is hereafter determined to be invalid by a court of competent jurisdiction, all remaining portions of this initiative measure shall remain in full force and effect. Each section, subsection, sentence, phrase, part or portion of this initiative measure would have been adopted and passed irrespective of the fact that any one or more sections, subsections, sentences, phrases, parts or portions be declared invalid or unconstitutional.

## **Section 3. Implementation**

- A. On the effective date of this initiative measure as provided by California law (the "Effective Date"), all provisions this initiative measure are inserted into and become part of the City of Palm Springs Code.
- B. No provision of the City of Palm Springs Code that is inconsistent with this initiative measure shall be enforced after the Effective Date.
- C. Adoption of this initiative measure is essential to the preservation of the quality of life, property values and the health, safety and general welfare interests of residents and property owners within the City.

## **Section 4. Amendment and Repeal**

This initiative measure and all of its provisions may be amended or repealed only by a majority vote of the electorate.

**ATTACHMENT 7**  
Resolution – Priority for Arguments and  
Impartial Analysis

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AUTHORIZING WRITTEN ARGUMENTS FOR OR AGAINST THE PROPOSED ORDINANCE TO PROHIBIT THE VACATION RENTAL OF SINGLE FAMILY RESIDENCES IN THE CITY; SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS REGARDING THE MEASURE AND, DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS

WHEREAS, a Special Municipal Election is to be held in the City of Palm Springs, California, on June 5, 2018, at which time there will be submitted to the voters the following proposed measure:

**MEASURE \_\_: PROHIBITION OF VACATION RENTAL OF SINGLE FAMILY RESIDENCES IN THE CITY OF PALM SPRINGS**

Shall the ordinance, prohibiting the vacation rental of single family residences in the city, be adopted?	Yes
	No

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That the City Council affirms for measures placed on the ballot by petition, the persons filing an initiative petition, pursuant to California Elections Code (EC) Section 9282(a) may file a written argument in favor of the ordinance, not exceeding 300 words, and the legislative body may submit an argument against the ordinance.

SECTION 2. That the City Council authorizes the following member(s) of its body:

- \_\_\_\_\_ (Mayor Against)
- \_\_\_\_\_ (Mayor Pro Tem Against)
- \_\_\_\_\_ (Council Member Against)
- \_\_\_\_\_ (Council Member Against)
- \_\_\_\_\_ (Council Member Against)

to file a written argument Against Measure as specified above not exceeding 300 words, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California. The arguments may be changed or withdrawn until and including March 5, 2018, 6:00 p.m., the date fixed by the City Clerk after which no arguments for or against

the measure may be submitted to the City Clerk. A primary argument may not be signed by more than five (5) authors.

The arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument. The arguments shall be accompanied by the "Form of Statement to be Filed by Author(s) of Argument."

SECTION 3. That the City Council directs the City Clerk to transmit a copy of the measure to the City Attorney, unless the organization or salaries of the Office of the City Attorney are affected.

- a. The City Attorney shall prepare an impartial analysis of the measure not exceeding five hundred (500) words showing the effect of the measure on the existing law and the operation of the measure. If the measure affects the organization or salaries of the Office of the City Attorney, the City Clerk shall prepare the impartial analysis.
- b. The analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the City.
- c. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-point type, the following: "The above statement is an impartial analysis of Ordinance or Measure \_\_\_. If you desire a copy of the ordinance or measure, please call the election official's office at (760) 323-8204 and a copy will be mailed at no cost to you."
- d. The impartial analysis shall be filed by March 5, 2018, 6:00 p.m., the date set by the City Clerk for the filing of primary arguments

SECTION 4. The City Clerk of the City of Palm Springs shall certify to the passage and adoption of this resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

\_\_\_\_\_  
DAVID H. READY, CITY MANAGER

ATTEST:

\_\_\_\_\_  
ANTHONY J. MEJIA, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, ANTHONY J. MEJIA, City Clerk of the City of Palm Springs, hereby certify that Resolution No. \_\_\_\_\_ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on the 21<sup>st</sup> day of February, 2018, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
ANTHONY J. MEJIA, CITY CLERK

**ATTACHMENT 8**  
**Resolution – Rebuttal Arguments**

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
PALM SPRINGS, CALIFORNIA, PROVIDING FOR THE  
FILING OF REBUTTAL ARGUMENTS FOR CITY  
MEASURES SUBMITTED AT MUNICIPAL ELECTIONS**

WHEREAS, a Special Municipal Election is to be held in the City of Palm Springs, California, on June 5, 2018, at which time there will be submitted to the voters the following measure:

**MEASURE \_\_: PROHIBITION OF VACATION RENTAL OF SINGLE FAMILY  
RESIDENCES IN THE CITY OF PALM SPRINGS**

Shall the ordinance, prohibiting the vacation rental of single family residences in the city, be adopted?	Yes
	No

WHEREAS, Section 9285 of the Elections Code of the State of California authorizes the City Council, by majority vote, to adopt provisions to provide for the filing of rebuttal arguments for City measures submitted at municipal elections.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to Sections 9285 of the Elections Code of the State of California, when the Elections Official has selected the arguments for and against the measure which will be printed and distributed to the voters, the Elections Official shall send a copy of an argument in favor of the proposition to the authors of any argument against the measure and a copy of an argument against the measure to the authors of any argument in favor of the measure immediately upon receiving the arguments.

The author or a majority of the authors of an argument relating to a city measure may prepare and submit a rebuttal argument not exceeding 250 words or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument. A rebuttal argument may not be signed by more than five authors.

The rebuttal arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers, not more than 10 days after the final date for filing direct arguments. The rebuttal arguments shall be accompanied by a "Form of Statement to be Filed by Author(s) of Argument."

Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

SECTION 2. That all previous resolutions providing for the filing of rebuttal arguments for city measures are repealed.

SECTION 3. That the provisions of Section 1 shall apply only to the election to be held on June 5, 2018, and shall then be repealed.

SECTION 4. The City Clerk of the City of Palm Springs shall certify to the passage and adoption of this resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

\_\_\_\_\_  
DAVID H. READY, CITY MANAGER

ATTEST:

\_\_\_\_\_  
ANTHONY J. MEJIA, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, ANTHONY J. MEJIA, City Clerk of the City of Palm Springs, hereby certify that Resolution No. \_\_\_\_\_ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on the 21<sup>st</sup> day of February, 2018, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
ANTHONY J. MEJIA, CITY CLERK

**ATTACHMENT 9**  
**Resolution – Budget Amendment**

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET FOR FISCAL YEAR 2017-18.

WHEREAS, Resolution No. 24238 approving the Budget for the Fiscal Year 2017-2018 was adopted on June 7, 2017; and

WHEREAS the City Manager has recommended, and the City Council desires to approve, certain amendments to said budget.

NOW THEREFORE THE CITY COUNCIL DETERMINES, RESOLVES AND APPROVES AS FOLLOWS: that the Director of Finance is authorized to record inter-fund cash transfers as required in accordance with this Resolution, and Resolution No. 24238, adopting the Budget for Fiscal Year 2017-18 is hereby amended as follows:

SECTION 1. ADDITIONS

Fund	Activity	Account	Amount
001	1150	43860	\$40,000

Purpose: Special Municipal Election consolidated with Statewide Primary Election of June 5, 2018 for submission of a citizens' initiative relating to the prohibition of vacation rental of single family residences in the city.

SECTION 2. SOURCE

Fund	Activity	Account	Amount
001	Fund Balance Reserve	29301	\$40,000

\_\_\_\_\_  
DAVID H. READY, CITY MANAGER

ATTEST:

\_\_\_\_\_  
ANTHONY J. MEJIA, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, ANTHONY J. MEJIA, City Clerk of the City of Palm Springs, hereby certify that Resolution No. \_\_\_\_\_ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on the 21<sup>st</sup> day of February, 2018, by the following vote:

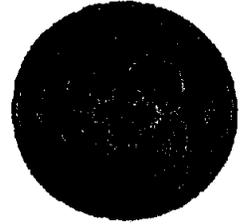
AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

ANTHONY J. MEJIA, CITY CLERK

**ATTACHMENT 10**  
Correspondence

# AGUA CALIENTE BAND OF CAHUILLA INDIANS



PLANNING & DEVELOPMENT DEPARTMENT

CONSTRUCTION DIVISION • ECONOMIC DEVELOPMENT DIVISION

PLANNING & NATURAL RESOURCES DIVISION • TRIBAL HISTORIC PRESERVATION OFFICE

**Attachment 10**

February 6, 2018

HAND DELIVERED

David Ready, City Manager  
CITY OF PALM SPRINGS  
3200 Tahquitz Canyon Way  
Palm Springs, California 92262

**RE: Initiative to ban vacation rentals in the City of Palm Springs**

Dear Mr. Ready,

The Tribal Council of the Agua Caliente Band of Cahuilla Indians reviewed the above referenced Initiative at its meeting on February 6, 2018 and strongly objects to a complete ban on vacation rentals, which includes Allotted Trust land.

The Tribe is concerned that this ban is an onerous and unnecessary restriction of the use of Allotted Trust land that will further restrict allottees from achieving "highest and best use" of their trust land. The complete prohibition of vacation rentals in R1 zones is an extreme action that will likely only serve to drive this activity "underground".

Please contact me should you have any questions at 760-699-6960.

Respectfully submitted,

Thomas J. Davis, AICP  
Chief Planning & Development Officer  
**AGUA CALIENTE BAND  
OF CAHUILLA INDIANS**

C: Tribal Council  
John Plata