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City Attorney's Impartial Analysis
Measure C
Prohibition of Vacation Rental of Single Family Residences

A group of private individuals presented a petition with enough signatures to qualify Measure C for placement on the ballot. If adopted, Measure C would modify the City of Palm Springs' regulations for "Vacation Rentals," prohibiting the vacation rental of single family residences in all "single family residential," or "R-1" zones. A vacation rental is the rental of a residential property for a period of twenty-eight (28) days or less. The City has regulated vacation rental since 2008. The City Council adopted the most recent revision to the vacation rental ordinance in 2017.

If passed, Measure C's prohibition of single family residences as vacation rentals would become effective in 2020, twenty-four (24) months after Measure C's effective date. Measure C would also maintain the City's existing prohibition on the vacation rental of apartments, but would allow condominiums, with homeowner association approval, as vacation rentals.

There is a conflict within Measure C as drafted by the proponents about whether "Homesharing," like vacation rental, will be prohibited or remain legal for R-1 single family residences. Homesharing occurs when a residential property owner lives at the residence and rents a portion of his/her home to another person for twenty-eight (28) days or less.

If the voters adopt Measure C, the City Council cannot change or amend its provisions. Measure C could only be amended or repealed through an election or legal action.

Passage of Measure C will eliminate an estimated 82% of all vacation rentals in the City. If the conflicting part of Measure C prohibiting homesharing of single family residences is enforced, that estimated number increases to 85%. The fiscal impact of Measure C passage will be the City's annual loss of an estimated \$6,500,000 in transient occupancy tax revenue, permit fees and enforcement-generated revenue. Measure C passage would leave the City unable to fund vacation rental enforcement at or near present levels, and result in the termination of the City's Vacation Rental Compliance Department as it currently operates.



Edward Z. Kotkin, March 8, 2018
Palm Springs City Attorney

The above is an impartial analysis of Measure C. A complete copy of the proposed ordinance appears on the City's website at www.palmspringsca.gov. If you want a copy of the proposed ordinance, please call (760) 323-8204 and a copy will be mailed at no cost to you.