

# City of Palm Springs

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Department of Vacation Rental Compliance

(Reference Ordinance No. 1918/Palm Springs Municipal Code 5.25, Vacation Rentals)

# FREQUENTLY ASKED QUESTIONS – SHORT TERM VACATION RENTALS

# Questions asked frequently by owners and agents:

# 1. Can an Owner own more than one Vacation Rental property?

Applications are no longer accepted on additional vacation rental properties; an owner may only be issued, and can only maintain, one Vacation Rental Registration Certificate at any time. (Note: multiple Registration Certificates, if issued prior to January 10, 2017, remain valid.)

# 2. Can a business apply for a Vacation Rental Certificate?

Applications are no longer accepted from a Business Entity to register as a vacation rental property. 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. (Note: Business Entities with current Registration Certificates must transfer each Vacation Rental to a natural person prior to June 1, 2018 or cease to operate the property as a Vacation Rental.) See VRCD website, including Governance and Communication Section regarding more information.

## 3. What is Home-sharing?

An owner of a property may apply for a Home-sharing Registration Certificate. This means that the owner is hosting guest stays of 28 consecutive days or less and is present during each entire stay. There is a separate application and other specific requirements for Home-sharing.

### 4. What if my Vacation Rental property has more than 4 bedrooms, am I an Estate Home?

An Estate Home means a single family dwelling with 5 or more bedrooms. There is a separate Addendum and other specific requirements when applying as an Estate Home that an owner must complete; and a one-time fee of \$133 is required to obtain the required Land Use Permit. Registration Certificates will only be issued to an Estate Home for use of 5 or 6 bedrooms, regardless of a greater number of bedrooms.

### 5. Can properties located within a homeowner's association register as a short term rental property?

Yes, but only if the owner or owner's agent provides a letter from the HOA Board of Directors or the Property Management Company (please do not provide copies of the CC&Rs), when applying for or renewing a Vacation Rental Registration Certificate, that states operating a short term vacation rental or home-share does not violate the CC&Rs.

# 6. What is required to apply for a Vacation Rental Registration Certificate?

Application requirements are addressed in PSMC Section 5.25.060. The VRCD reserves the right to deny/delay issuance of a Registration Certificate if there are outstanding permit items or fees associated with the property and due to the City of Palm Springs. Incomplete applications will not be accepted.

We recommend all applicants thoroughly read the PSMC 5.25 prior to submitting an application, and contact the VRCD with any questions.

**NEW APPLICANTS** - A complete Vacation Rental Registration Certificate Application must be submitted along with a non-refundable registration fee of \$900 annually for short term vacation rentals. (Home-sharing registration fees are \$225 annually.) A Land Use Permit is required for an Estate Home and the one-time fee is \$133. An application for a Transient Occupancy Tax (TOT) Permit is also required with a one-time non-refundable fee of \$25. All applications are on the VRCD website; once completed, the owner must sign since the owner is ultimately responsible for operation and compliance of their vacation rental property. VRCD lead time is currently approximately 45 days for processing. Advertising and operating may not occur until the VRCD notifies the applicant in writing.

<u>ANNUAL RENEWAL APPLICATIONS</u> – For all renewals of Registration Certificates beginning January 1, 2018 and going forward, applicants must complete and submit the new Registration Certificate application; copy is on the website. Please allow at least 45 days for VRCD review and processing.

### 7. Are there insurance requirements?

Yes, an Owner must carry an short term rental insurance policy or personal liability policy during the complete term of the Vacation Rental or Home-sharing Registration Certificate with a minimum limit of \$500,000 per occurrence. It is not required that the City of Palm Springs be an additional insured party on the policy. Evidence of insurance is required at time of application and renewal.

### 8. Is there a hold harmless/indemnification agreement that I am required to sign?

Yes, it is included in the application and the owner must sign it.

# 9. What is the building, fire and safety inspection?

Coming Soon - The VRCD will schedule an annual visual inspection at the vacation rental or home-sharing property at time of application or renewal. The owner, agent or a representative must be at the property during the inspection. The checklist is currently being finalized. Once finalized, it will be included on our website and the VRCD will begin scheduling these inspections.

Currently Required - Certification by a licensed electrician regarding the operability of GFI and safety of any pool and spa; this form is included on our website. It is the responsibility of the owner/agent to obtain the electrician's signature on this form and provide it at time of application and renewal. If the property is located in an HOA and the HOA is responsible for the pool and spa, the owner must include a written statement with the application or renewal that this is the case.

### 10. What operating requirements must I meet as an owner or agent?

Operating requirements are addressed in PSMC 5.25.070. Requirements include that owners must limit occupancy per guest stay as well as the number of contracts per calendar year. There are requirements for guest contracts and providing information to guests to help ensure that guests are good neighbors. This includes the owner/agent contact information 24x7, and notification that the guest may be cited or fined by the City for creating a disturbance or violating the rules and regulations. The owner/agent/representative must meet all guests in person at the Vacation Rental and Home-sharing property (or in the case of a Vacation Rental, at the owner's/agent's place of business prior to the stay or within 24 hours of arrival), and describe all rules and regulations. Obtaining signature of the Responsible Party and all guests to a statement of rules and regulations is required.

# 11. What are the Good Neighbor Brochure and the City Manager's Statement Rules and Regulations?

The Good Neighbor Brochure and Statement of Rules and Regulations can be found on our website. The owner/agent/representative must provide these to the guests and obtain signatures of all guests on the Statement of Rules and Regulations. Copies of these must be posted in the vacation rental and home-sharing property, and maintained in the owner's/agent's records for 4 years. If a City responder to a Hotline call arrives at the vacation rental or home-share property, the responder may ask the guest to see the signed copy of the Statement of Rules and Regulations.

### 12. What are the posting requirements?

The Good Neighbor Brochure and the signed Statement of Rules and Regulations must be posted on the inside of the front door and the primary door to the backyard, or in a conspicuous location near each such door. The Registration Certificate must also be posted by the front door. Conspicuous placement helps remind guests of the rules and regulations, including outdoor music and noise restrictions.

## 13. Are there occupancy limits or other guest stay restrictions?

Yes, the occupancy limits are below.

Number of Bedrooms	Total of Overnight Occupants **	Total Daytime Occupants (Plus 4)
1	2	6
2	4	8
3	6	10
4	8	12
5*	10	14
6*	12	16

<sup>\*</sup>Estate Home (unique category of short term vacation rental)

### 14. Are there parking/car or trash requirements for a short term vacation rental?

Yes, one car per bedroom is permitted; parking must be in accordance with the applicable PSMC and not block traffic, driveways, etc.

Trash may not be left in public view, except on designated pick up day and in proper containers. Owners are required to upgrade trash service to "walk up" with PSDS, and this will occur when the Registration

<sup>\*\*</sup> Overnight occupancy also allows for two (2) minors age twelve (12) and under.

# 15. What happens if a Hotline call is made regarding my registered property?

The City of Palm Springs has a 24 x 7 Hotline that is managed by the VRCD. Anyone experiencing a disturbance coming from a Vacation Rental or Home-sharing property may call. The caller is not required to identify themselves. The caller may give the responder permission to access their yard on arrival to better assess the situation, and/or may request that the responder call and let them know the resolution.

City responders will generally not make contact with the guest unless there is a violation or if the responder needs more information to determine what is occurring at the property. If there is a violation, a citation will be issued. Citations issued to the guest will count against the total number of violations for the Vacation Rental or Home-sharing property/owner. The owner/agency will be contacted by the VRCD in such cases. In the event the VRCD requires assistance at a Vacation Rental, the local contact person must respond in person to the property within 30 minutes. Hotline calls, responses and resolution are recorded and weekly reports are included on the VRCD website.

# 16. What if I am an Owner/Agent and I believe a neighbor calls the Hotline unnecessarily or is targeting my home?

The filing of knowingly false claims against a Vacation Rental or the guests staying in a Vacation Rental is prohibited, and punishable by administrative fines pursuant to Chapter 1.06 of the PSMC. Volume of calls, nature of calls and response data is monitored by the VRCD to ensure the City resources are being allocated appropriately.

# 17. Are there restrictions on the number of days or contracts that a Vacation Rental property can operate?

There is no restriction on the number of days. However, no more than thirty two (32) contracts for Vacation Rental use of a property is allowed in any calendar year; and an additional four (4) contracts may occur in July, August and September. For the first year a Vacation Rental Registration Certificate is in effect the contract limit will be prorated.

# 18. What are the Family and Friends requirements?

An owner may identify 5 persons who may occupy the Vacation Rental unit at no cost and without requiring the presence of the owner on the premises during the stay; this is for the purpose of not including their guest stays in the contract count/limit. However, all occupants at a Vacation Rental property without the owner present must always comply with Vacation Rental rules. The owner will provide the list at the time of application and at time of renewal if there are changes; no changes will be permitted otherwise. The Family and Friends list form is on the VRCD website. See VRCD website, including Governance and Communication Section regarding more information.

### 19. How do I submit my contract summary to the City?

The VRCD has developed a simple on line tool that is accessible on the website. There is one form for agencies to complete and another form for owners to complete. A copy of the guest contract is not required. The VRCD will use this contract summary information to maintain a count of the guest stays against PSMC limits. See VRCD website, including Governance and Communication Section regarding more information.

# 20. How do I pay Transient Occupancy Taxes (TOT) to the City of Palm Springs?

TOT payments of 11.5% are required to be reported and paid monthly, even if there was no guest activity or payment received in that period. Currently, these cannot be paid or reported on line, and must be timely mailed to the City of Palm Springs. The TOT reporting form is on the VRCD website. Please call 760-323-8226 with any questions on completion and submittal of this form.

# 21. Advertising a Vacation Rental or Home-sharing property.

As of September 1, 2017, owners must include their City ID number on all advertising in the property description or other prominent area. Format must be *The City of Palm Springs ID #* (followed by the number). The City ID number is identified on your Registration Certificate. It is different from your TOT number. See VRCD website, including Governance and Communication Section regarding more information.

# 22. What are the penalties for violations of the Ordinance and may I appeal a citation?

Section 5.25.090 addresses penalties. There is an appeal process for citations (PSMC 1.06) and suspensions, revocations, and denials of Registration Certificates (PSMC 2.50). Estate Homes also are addressed at the Planning Commission with respect to a third violation in a twenty four (24) month period. See VRCD website, including Governance and Communication Section regarding more information.