



CITY COUNCIL STAFF REPORT

DATE: FEBRUARY 5, 2014 NEW BUSINESS

SUBJECT: VACATION RENTAL REGULATIONS AND APPROVAL OF AN AGREEMENT WITH VACATION RENTAL COMPLIANCE

FROM: David H. Ready, City Manager

BY: City Manager and Chief of Staff/City Clerk

SUMMARY

The City Council will discuss and direct staff, with regard to vacation rental regulations, and consider approval of an agreement with Vacation Rental Compliance, to provide additional services related to the vacation rentals in Palm Springs.

RECOMMENDATION:

1. Direct staff to prepare an ordinance to amend vacation rental regulations.
2. Direct staff to prepare amendments to the Comprehensive Fee Schedule for vacation rental registration and renewal.
3. Waive the requirements of PSMC Section 7.04.050 and approve Amendment No. 1 to Agreement No. A6467, with Vacation Rental Compliance for a three-year term at the stated hourly rates.

STAFF ANALYSIS:

Currently, Ordinance No. 1748, which enacted Chapter 5.25 (attached) of the Palm Springs Municipal Code, regulates vacation rental properties in the City of Palm Springs.

The City's regulations recognize that vacation rental properties provide alternate visitor lodging opportunities, enhances tourism, and provides additional Transient Occupancy Tax (TOT) revenue to the City's General Fund providing a wide-range of community services, from Police/Fire and Paramedics, to Parks and Library operations. Moreover,

Ordinance No. 1748 has important provisions that each vacation rental unit is occupied and used in a manner that is consistent with the City's regulations. The overall policy objective is to balance the concerns of stakeholders and create an approach that regulates vacation rentals ensuring they are appropriately registered with the City, do not create "nuisance" situations within neighborhoods, and that TOT payments are properly paid and collected.

Included in the current regulatory ordinance, at the suggestion of the vacation rental agency stakeholders, a "noise hotline" complaint reporting process was instituted in an effort to minimize any impact to the surrounding neighbors from vacation rental properties.

At the present time, within the City, there are approximately 1,374 properties registered as vacation rentals. Of this number, 831 are operated through vacation rental agencies and 543 are rented through individual property owners.

PROPOSED REVISIONS:

In June 2013, the Palm Springs Neighborhood Involvement Committee (PSNIC) formed a Vacation Rental Work Group. The Group was formed to review the Vacation Rental Ordinance and offer recommendations they believed would address issues that have arisen since the original ordinance was enacted. For example, a couple areas of focus have been an increase in the number of vacation rental properties and nuisance complaints on some locations.

The Vacation Rental Work Group was made up of seven individuals from neighborhood organizations and vacation rental professionals. They held several meetings to study current procedures including the "vacation rental hotline" and convened public input forums.

Ultimately, the work group made 21 recommendations, which were submitted to and approved by the PSNIC Steering Committee. In October, 2013, those recommendations (attached to this report) were forwarded to the City Manager for review.

Subsequently, the City Manager and Staff had several follow up meetings with the PSNIC Work Group, vacation rental agencies and other individuals to receive additional input and clarification of the recommendations. The City Council also created an ad hoc Subcommittee for Vacation Rentals (Councilmembers Foat and Mills), who have reviewed the PSNIC recommendations and provided their input. From these follow up meetings, and with a consensus from the PSNIC Study Group (including representatives from the vacation rental agencies), the following list is Staff's recommendations of potential modifications to the original Vacation Rental Ordinance.

Recommendations

1. Every rental requires a contract which outlines ordinance requirements
2. Minimum age of renter changed from 18 to 25
3. Local contact person must be able to respond "in person" within 45 minutes
4. Second complaint within 48 hour period requires an "in person" contact between local contact person and renter
5. Registration and Permit Fee increase - \$150 for rental companies and \$200 for individual owners – annually
6. Reaffirmation that trash collection service must be at the "walk in service" level
7. Definition of a "bedroom" for occupancy purposes (i.e., 10 ft. x 10 ft., adjacent closet, floor to ceiling walls)
8. Permit numbers will contain the letters "PS" identifying them as Palm Springs locations in all advertisements such as rental websites, etc.
9. Citations will be issued if noise exceeds decibel limits
10. Noise citations will be issued to both home occupant and owner
11. Vacation rental locations are public information – eliminate notice requirement
12. City will provide "vacant rental permit" with information for renters about policies and regulations – must be posted in the home – including occupancy limits
13. Explore use of noise decibel reading device to assist with enforcement
14. Review of policy and complaint/enforcement data in six months and report back to City Council (Council Sub-Committee Request)

ACTIONS BY CITY STAFF:

Additional actions already taken by the City in response to the PSNIC recommendations include the following:

- A contract has been executed with Vacation Rental Compliance (VRC) to enhance enforcement activities such as monitoring unlicensed rental locations, weekly reviews of "hotline" and "police" calls to identify problem locations, and advocacy work with owners/agencies and residents if problems arise.

- Vacation rental addresses and occupancy limits have been entered into the 911 Dispatch Center – Police will be able to respond to identified problem locations as a priority to assess the situation and issue citations, if warranted.
- Vacation rentals addresses have been incorporated into citywide mapping system
- Staff is reviewing vacation rental property locations with Palm Springs Disposal Services to verify compliance with solid waste collection service level requirements of “walk in service.”

OTHER CONSIDERATIONS:

In addition to input from the PSNIC Work Group and vacation rental agency stakeholders, staff has met with and received suggestions from other residents and a newly-formed Deepwell area group, “Protect Deepwell.” Attached is a list of recommendations this group has proposed for City Council consideration.

Other suggestions received included enacting a moratorium on any new vacation rental permits, creating a “distance requirement” between new permit locations, or banning such permits citywide.

During staff’s process of reviewing the Vacation Rental Ordinance, we focused our analysis on issues raised and what may be appropriate solutions to address resident concerns. What seemed to emerge is the vast number of vacation rental properties are not problematic in terms of complaints received. For example, of the 1,374 vacation rental permits currently existing below are a sampling of Police Department and Hotline noise calls at various periods in 2013.

Police Department Noise Disturbance Calls (VR=Vacation Rentals)

<u>Month (2013)</u>	<u>Total Calls</u>	<u>VR Calls</u>	<u>VR Locations</u>	<u>% VR</u>
January	256	19	15	7.42%
March	333	40	26	12.01%
November	315	28	26	8.89%

Hotline Calls

<u>Month (2013)</u>	<u>Total Calls</u>	<u>VR Calls</u>	<u>VR Locations</u>
January	4	4	4
March	28	25	18
November	20	16	11

What this seems to suggest, from a policy perspective, is that more focused enforcement and advocacy efforts toward specific locations could be effective as a remedy to neighborhood concerns. Hence, the proposed recommendations include several such focused enforcement measures. The contract with VRC will monitor both police and hotline calls on a weekly basis to identify specific problem locations as they may arise. The Police Department, Code Enforcement and VCR will coordinate a priority response effort of enforcement and advocacy to these identified locations. Additionally, at the suggestion of the Council Sub-Committee, if a noise citation is issued to a vacation rental occupant, the owner will also receive a citation. Further, the Council Sub-Committee directed staff to explore the use of "on-site noise decibel meter readers" as an additional enforcement tool. Ultimately, if a specific rental property receives four citations in a 24 month period, that location's permit is subject to suspension and revocation.

Other aspects of the revised City policy will emphasize increased information provided to vacation renters with regard to regulations and community standards. In addition to their current requirement to respond to a noise complaint, the vacation rental companies endorsed the idea of requiring that a personal contact be made to a rental location if a second complaint is received – several agencies have already committed to immediate personal contact on the first complaint received.

Finally, we would like to recognize the PSNIC Work Group, vacation rental company representatives, and numerous residents of the City who have participated in and/or commented on the proposal. City staff would like to acknowledge all the work and the many hours spent by these individuals in this comprehensive review and set of recommendations.

FISCAL IMPACT:

The cost for the contract with Vacation Rental Compliance is estimated at \$80,000 per year – this amount may fluctuate after having a full year's experience of services. Additional costs related to enforcement activities from Police, Code Enforcement, Finance and other staff is estimated at approximately \$120,000 to \$150,000 annually.

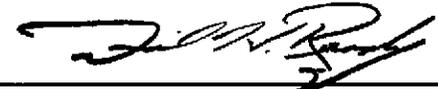
A budget transfer for the balance of this fiscal year from "continuing appropriations" will provide funding for enforcement activities. Going forward, staff will present a request to City Council to increase the Vacation Rental Annual Fee from \$60 to \$150 for rentals operated through an agency, and \$200 for rentals operated by an individual owner (to take effect after April 1, 2014). It is anticipated this level of fee increase will offset the City's costs to implement the provisions of a revised ordinance as outlined above.

In six months, at the Sub-Committee's request, a program review will be presented to City Council and will include an evaluation of cost recovery from fees.

Not affected by these recommendations is the vacation rental properties requirement to charge and remit TOT taxes to the City on a monthly basis. The TOT tax generated by vacation rental properties is approximately \$3 million annually. TOT taxes are unrestricted general fund taxes used to fund City services such as public safety, parks, the public library and other City services.



JAMES THOMPSON
Chief of Staff/City Clerk



DAVID H. READY
City Manager

Attachments:

- PSMC Chapter 5.25
- PSNIC Recommendations
- Regulation Matrix by City
- Amendment to VRC Agreement
- Protect Deepwell Recommendations



VACATION RENTAL REPORT
ATTACHMENT

P.S.M.C CHAPTER 5.25

Palm Springs Municipal Code

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Title 5 BUSINESS REGULATIONS

Chapter 5.25 VACATION RENTALS**5.25.010 Title.**

This chapter shall be referred to as the "Vacation Rental Ordinance." (Ord. 1748 § 1, 2008)

5.25.020 Findings.

The City Council finds and determines as follows:

- (a) The use of single- and multiple-family dwelling units for vacation rental lodging purposes provides alternate visitor serving lodging opportunities in the city; however, such uses in certain single-family neighborhoods may have effects that can best be addressed through an appropriate city regulatory program.
- (b) The establishment of a regulatory program for vacation rental lodging will 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) The purpose of this chapter is to establish regulations for such use of residential property thereby enabling the city to preserve the public health, safety, and welfare.
- (d) 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. (Ord. 1748 § 1, 2008)

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:

"Applicant" means the owner or in the event the vacation rental unit is covered by an exclusive listing arrangement, the agent or representative of the owner.

"City manager" means that person acting in the capacity of the city manager of the city of Palm Springs or the city manager's designee.

"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.

"Good neighbor brochure" means a document prepared by the city manager in consultation with the office of neighborhood involvement and representatives of owners that summarizes general rules of conduct, consideration, and respect, including without limitation provisions of the Palm Springs Municipal Code, that are applicable to or expected of residents of the city.

"Local contact person" means a local property manager, owner or agent of the owner, who is available twenty-four hours per day, seven days per week for the purpose of responding within forty-five 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 respond to any violation of this code.

"Owner" means the person(s) or entity(ies) that hold(s) legal and/or equitable title to a vacation rental.

"Property" means a residential legal lot of record on which a vacation rental is located.

"Responsible person" means an occupant of a vacation rental who is at least eighteen 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.

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“Vacation rental” means one or more residential dwellings, including either a single-family detached or multiple-family attached unit, or any portion of such a dwelling, rented for occupancy for dwelling, lodging, or sleeping purposes for a period of twenty-eight consecutive days or less, other than ongoing month-to-month tenancy granted to the same renter for the same unit, occupancy on a time-share basis, or a condominium hotel as defined in Ordinance No. 1521 as such ordinance may be amended from time to time.

“Vacation rental registration certificate” means an annual registration submitted to the city pursuant to this chapter. (Ord. 1748 § 1, 2008)

5.25.040 Registration certificate required.

No owner of a vacation rental shall rent that unit for a period of twenty-eight consecutive days or less without a valid vacation rental registration certificate for a vacation rental pursuant to this chapter for that unit. (Ord. 1748 § 1, 2008)

5.25.050 Agency.

(a) An owner may retain an agent or a representative to comply with the requirements of this chapter, including, without limitation, the filing of a complete vacation rental registration, the management of the vacation rental unit or units, and the compliance with the requirements of this chapter. Except as provided in subsection (b) of this section and notwithstanding any agency relationships between an owner and an agent or representative, the owner of the vacation rental unit or units shall remain responsible for compliance with the provisions of this chapter and the failure of an agent to comply with this chapter shall not relieve the owner of the owner’s obligations under the provisions of this chapter.

(b) In the event an owner enters into an exclusive listing arrangement, the vacation rental registration certificate may be secured, and the transient occupancy registration certificate requirements provided in this chapter may be performed, by the agent or representative and not by the owner. In addition, in the event an owner enters into an exclusive listing arrangement, the owner will not be required to secure a separate business license for the business of operating a vacation rental. (Ord. 1748 § 1, 2008)

5.25.060 Vacation rental registration requirements.

(a) Prior to use of a property as a vacation rental, the applicant shall register the property as a vacation rental with the city annually on a registration form furnished by or acceptable to the city manager and signed by the applicant under penalty of perjury. Each application shall contain the following information:

- (1) The name, address, and telephone number of the owner of the unit for which the vacation rental registration certificate is to be issued.
- (2) The name, address, and telephone number of the agent, if any, of the owner of the unit.
- (3) The name, address, and twenty-four-hour telephone number of the local contact person.
- (4) The address of the residential property proposed to be used as a vacation rental.
- (5) The number of bedrooms and the applicable overnight and daytime occupancy limit of the unit.
- (6) Evidence of a valid business license issued by the city for the separate business of operating vacation rentals or submission of a certificate that owner is exempt or otherwise not covered by the city’s Business Tax Ordinance (Division II, Title 3 of the Palm Springs Municipal Code) for such activity.
- (7) Evidence of a valid transient occupancy registration certificate issued by the city for the vacation rental unit.
- (8) Acknowledgement of receipt and inspection of a copy of all regulations pertaining to the operation of a vacation rental.
- (9) Such other information as the city manager deems reasonably necessary to administer this chapter.

(b) The registration of a vacation rental shall be accompanied by a fee established by resolution of the city

council, provided, however, the fee shall be no greater than necessary to defer the cost incurred by the city in administering the provisions of this section.

(c) The registration of a vacation rental shall be accompanied by proof of general liability insurance in the amount of one million dollars combined single limit and an executed agreement to indemnify, defend and save the city harmless from any and all claims and liability of any kind whatsoever resulting from or arising out of the registration of the vacation rental.

(d) A vacation rental registration certificate may be denied if a registration certificate for the same unit and issued to the same owner has previously been revoked pursuant to Section 5.25.090. The denial of a registration certificate for any reason may be appealed in accordance with to the provisions of Chapter 2.50 of the Municipal Code.

(e) Upon change of property ownership, agent, or other material facts set forth in the annual registration, a new registration for a vacation rental shall be required to continue operation of the vacation rental and within fourteen days of said change the owner or his or her agent shall submit the required registration and fee. (Ord. 1748 § 1, 2008)

5.25.070 Operational requirements and standard conditions.

(a) The owner shall use reasonably prudent business practices to ensure that the vacation rental unit complies with all applicable codes regarding fire, building and safety, health and safety, and all other relevant laws.

(b) The owner shall limit overnight occupancy of the vacation rental unit to a specific number of occupants, with the maximum number of overnight occupants as two persons within each vacation rental unit plus an amount that will not exceed two persons per bedroom within each vacation rental unit. The owner shall also limit the total daytime occupancy of the vacation rental unit to a specific number of occupants not to exceed an amount determined by adding the total overnight occupants to a number equal to fifty percent of the overnight occupants; except that two daytime occupants shall be permitted in a studio unit or such other unit that does not contain a separate bedroom. The following chart is provided as an example of how this section would be applied to specific situations:

Number of Bedrooms	Total of Overnight Occupants	Additional Daytime Occupants	Total Daytime Occupants
0	2	2	4
1	4	2	6
2	6	3	9
3	8	4	12
4	10	5	15
5	12	6	18
6	14	7	21
7	16	8	24

(c) During the term each vacation rental unit is rented, the owner, his or her agent, and/or the local contact person designated by the owner, shall be available twenty-four hours per day, seven days per week for the purpose of responding within forty-five minutes to complaints regarding the condition, operation, or conduct of occupants of the vacation rental.

(d) The owner shall use reasonably prudent business practices to ensure that the occupants and/or guests of the vacation rental unit do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate provisions of the Municipal Code or any state law.

(e) Notwithstanding the provisions of Section 11.74.043, any radio receiver, musical instrument, phonograph, loudspeaker, sound amplifier, or any machine or device for the producing or reproducing of any sound shall be conducted within an enclosed vacation rental unit.

(f) Prior to occupancy pursuant to each separate occasion of rental of a vacation rental, the owner or the owner's agent or representative shall: (1) obtain the name, address, and driver's license number of the responsible person; (2) provide a copy of the good neighbor brochure to the responsible person; and (3) require such responsible person to execute a formal acknowledgement that he or she is legally responsible for compliance of all occupants of the vacation rental or their guests with all provisions of this chapter and/or the Municipal Code. This information shall be readily available upon request of any officer of the city responsible for the enforcement of this chapter.

(g) The owner, or his or her agent, shall, upon notification that the responsible person, including any occupant and/or guest of the vacation rental unit, has created unreasonable noise or disturbances, engaged in disorderly conduct, or committed violations of provisions of the Municipal Code or any state law, shall promptly respond in a timely and appropriate manner to prevent a recurrence of such conduct by those occupants or guests. Failure of the owner or his or her agent to respond to calls or complaints regarding the condition, operation, or conduct of occupants of the vacation rental in a timely and appropriate manner shall be grounds for imposition of penalties as set forth in this chapter. It is not intended that an owner, agent, or local contact person act as a peace officer or place himself or herself in an at-risk situation. The owner, or his or her agent, shall report the name, violation, date, and time of disturbance of each responsible party involved in three or more disturbances covered by this subsection to the city manager.

(h) Trash and refuse shall not be left stored within public view, except in proper containers for the purpose of collection by the collectors and between the hours of five a.m. and eight p.m. on scheduled trash collection days. The owner of the vacation rental unit shall use reasonably prudent business practices to ensure compliance with

all the provisions of Chapter 6.04 of the Municipal Code (Waste Disposal and Diversion), and shall provide the highest level of solid waste collection service available to residential customers in the city (including without limitation “backyard collection” services or “walk-in service”) or as may otherwise be approved by the city manager.

- (i) The owner of the vacation rental unit shall post a copy of the permit and a copy of the conditions set forth in this section in a conspicuous place within the unit.
- (j) The owner shall provide each occupant of a vacation rental with the following information prior to occupancy of the unit and/or post such information in a conspicuous place within the unit:
 - (1) The name of the managing agency, agent, rental manager, local contact person, or owner of the unit, and a telephone number at which that party may be reached on a twenty-four-hour basis;
 - (2) The maximum number of overnight occupants and the maximum number of daytime occupants permitted to stay in the unit;
 - (3) The trash pick-up day and applicable rules and regulations pertaining to leaving or storing trash or refuse on the exterior of the property;
 - (4) Notification that the amplification of music outside of the dwelling unit is a violation of this chapter;
 - (5) Notification that the occupant may be cited or fined by the city and/or immediately evicted by the owner pursuant to state law, in addition to any other remedies available at law, for creating a disturbance or for violating other provisions of this chapter;
 - (6) Notification that failure to conform to the occupancy requirements of the vacation rental unit is a violation of this chapter;
 - (7) A copy of this chapter of the Palm Springs Municipal Code, as may be amended from time to time.
- (k) The use of a vacation rental unit shall not violate any applicable conditions, covenants, or other restrictions on real property.
- (l) The owner shall comply with all provisions of Chapter 3.24 of the Municipal Code concerning transient occupancy taxes, including, but not limited to, submission of a monthly return in accordance with Section 3.24.080. The monthly return shall be filed each month regardless of whether the vacation rental unit was rented or not during each such month.
- (m) A copy of the vacation rental registration, including all of the information required in Section 5.25.060 (a) (1)—(5) shall be mailed or delivered to all property owners shown on the last equalized county assessment roll and all occupants of each dwelling unit within three hundred feet of the vacation rental unit and to the office of neighborhood involvement of the city. Such information shall be provided at least annually or within fourteen days of any change of information as required pursuant to Section 5.25.060(e).
- (n) The city manager shall have the authority to impose additional standard conditions, applicable to all vacation rental units, as necessary, to achieve the objectives of this chapter. A list of all such additional standard conditions shall be maintained and on file in the office of the city clerk and such offices as the city manager designates.
- (o) The standard conditions may be modified by the city manager upon request of the owner or his or her agent based on site-specific circumstances for the purpose of allowing reasonable accommodation of a vacation rental. All requests must be in writing and shall identify how the strict application of the standard conditions creates an unreasonable hardship to a property such that, if the requirement is not modified, reasonable use of the property for a vacation rental would not be allowed. Any hardships identified must relate to physical constraints to the subject site and shall not be self-induced or economic. Any modifications of to the standard conditions shall not further exacerbate an already existing problem. (Ord. 1748 § 1, 2008)

5.25.080 Audit.

Each owner and agent or representative of any owner shall provide access to each vacation rental and any records related to the use and occupancy of the vacation rental to the city manager at any time during normal business hours, for the purpose of inspection or audit to determine that the objectives and conditions of this chapter are being fulfilled. (Ord. 1748 § 1, 2008)

5.25.090 Violations.

- (a) Any person who uses, or allows the use of, residential property in violation of the provisions in this chapter is guilty of a misdemeanor for each day in which such residential property is used, or allowed to be used, in violation of this chapter. Violations are punishable pursuant to Sections 1.01.140 and 1.01.150 and the administrative citation provisions of Chapter 1.06 of the Municipal Code, except that the fine for a first violation shall be two hundred fifty dollars and each subsequent violation shall be five hundred dollars.
- (b) Notwithstanding the provisions of Chapter 1.06, any pre-citation or courtesy notice issued for violations specified in this section may provide for a reasonable compliance date or time of less than fifteen calendar days but at least thirty minutes from the date or the time the pre-citation notice is given if, due to the nature of the violation, a shorter compliance period is necessary or appropriate, as determined in the reasonable judgment of the city official issuing the notice.
- (c) Upon the fourth or subsequent violation in any twenty-four month period, the city manager may suspend or revoke the vacation rental registration certificate for a vacation rental unit. The appeal and hearing provisions of Chapter 1.06 shall apply to any revocation or suspension of a permit.
- (d) The remedies provided for in this section are in addition to, and not in lieu of, all other legal remedies, criminal or civil, which may be pursued by the city to address any violation of this code or other public nuisance. (Ord. 1748 § 1, 2008)

5.25.100 Requirements not exclusive.

The requirements of this chapter shall be in addition to any license, permit, or fee required under any other provision of this code. The issuance of any permit pursuant to this chapter shall not relieve any person of the obligation to comply with all other provisions of this code pertaining to the use and occupancy of the vacation rental unit or the property on which it is located. (Ord. 1748 § 1, 2008)



VACATION RENTAL REPORT
ATTACHMENT

PSNIC RECOMMENDATIONS

Palm Springs Neighborhood Involvement Committee
Vacation Rental Work Group Recommendations
September 2013

Dr. David Ready, Esq., Ph.D.,
City Manager
City of Palm Springs
3200 Tahquitz Canyon Way
Palm Springs, CA 92262

Dear Dr. Ready,

In June 2013 the Palm Springs Neighborhood Involvement Committee (PSNIC) formed the Vacation Rental Work Group. While anecdotal in nature, many neighborhood organizations have seen an increase in the number and intensity of complaints regarding the operation of Vacation Rentals. The work group reviewed our existing Vacation Rental Ordinance, procedures and resources for carrying out the ordinance and the concerns of residents. We drew from the experience of professionals in the business of managing vacation rental properties and lessons learned from other Coachella Valley cities.

In 2007 and 2008, the city, PSNIC and many residents and professionals invested a tremendous amount of time and talent in the development of an ordinance that has become the acknowledged model for cities throughout the valley. Our goal was to identify practical improvements to our existing ordinance and procedures. By the completion of our work, we remain convinced that our Ordinance has been broadly successful. Nonetheless, with after five years of experience, it is time revisit this Ordinance and to make the modifications needed to improve its effectiveness.

The Vacation Rental Work Group was made up of individuals with first-hand rental experiences as members of neighborhood organizations, vacation rental professionals or both. Some of our members were significantly involved in the development of the 2008 ordinance and others are recent to the debate. Our members included:

- Sheila Cobrin, Vista Las Palmas
- John McCoy, Palm Springs Resort Homes & Andreas Hills Neighborhood
- Michael McLean, McLean Company Rentals
- Lisa Middleton, Chair & Tahquitz River Estates
- Laura Miller, Twin Palms
- Ron Siegel, El Mirador
- Robert Thorson, Deepwell Estates

We appreciate the assistance and support we received in our meetings from many in the City including Lee Bonno, Lt. Walter Combs, Kary Feeley, Geoffrey Keihl, Lt. Michael Kovaleff; and in particular Jay Thompson who was exceedingly thoughtful with his time and expertise. We are also appreciative of the experience we gained from Linda Taylor of the vacation rental Hotline and Robert Barrett of the City of Rancho Mirage.

Our most important finding is that the available resources within city government are inadequate to manage the task before them. This is not a criticism of the talent and commitment of the people involved. The growth of this industry and this alternative hospitality venue has not been matched by an increase in staffing, electronic tracking capability or the necessary fees to support adequate resourcing.

There are over 1300 vacation rental permits in Palm Springs, producing over \$3m annually in Transit Occupancy Taxes; and approximately \$75,000 in permit fees. There are over 1600 homes on the website Vacation Rentals By Owner (VRBO) that list Palm Springs as an address. Some of the approximately 300 Palm Springs homes on VRBO without a Palm Springs permit are inaccurate addresses and other inadvertent errors. Nonetheless, nearly everyone we spoke with is convinced there are numerous homes operating as vacation rentals in our city without proper permits. Compliance with permit-processes and tax collection requires significant resources. In Palm Springs we have dedicated only one-half time employee; and her responsibility ranges from catching permit scofflaws to managing the complaint process.

We are not aware of any off-the-shelf software solutions to track the complaint process; but today we work with a system in which some data is stored in paper files, some at the Hotline offices, some within Police Department systems and some on-line within the Finance Department. Capturing the data needed to identify and document non-compliant rentals is time consuming; and relies on multiple one-on-one contacts by one Finance Department employee.

There are issues that surfaced in our discussions that we could not identify a practical solution for that nonetheless are of growing concern and negative neighborhood impact. Most important of these is the concentration of rentals in some neighborhoods. It is becoming increasingly common in many neighborhoods for two, three, four and even five homes within a stretch of a half-dozen homes to be vacation rental properties. In Deepwell and Twin Palms there were quite striking examples of such a pattern. It is a common perception that there has been an increase in the number of investor owned homes that appear to be used exclusively as vacation rental properties. And we had reports of second-home and investment properties that appear to have been "under-water" with increasingly desperate homeowners willing to bend any rule to secure a rental.

These are circumstances that clearly impact the quality of life of surrounding neighbors. Much of the intensity of adverse attitudes towards vacation rentals in general is driven homeowners who feel themselves surrounded not by neighbors but by commercial enterprises. Cities zone properties and districts because it is preferable to segregate commercial, high occupancy and low occupancy residential properties. The occasional rental of a neighbor's home should not be remarkable; but the constant presence of commercial activity within a neighborhood of single-family residences is even in the best of circumstances an invitation for trouble.

Traditionally when we think of vacation rental troubles we think of the loud and late night party; but Palm Springs is also home to the afternoon pool party. We do not make a recommendation regarding children and pools. Many of the most intense complaints we have heard involve extremely loud behavior by children outdoors. The Good Neighbor Brochure is a helpful start and some reasonable give & take between visiting families and their neighbors would go a long way solving extremely loud play. Our enforcement efforts need to be alert for those situations when playtime becomes an untenable intrusion upon the neighbors.

We are aware that vacation rentals and special event rentals are covered by separate ordinances. While issues surrounding the two are often related, we did not spend sufficient time addressing special event rentals to make recommendations regarding them. We are nonetheless aware of increasing concerns within some neighborhoods of disruptions due to special events hosted within Palm Springs neighborhoods by and for people from outside of Palm Springs.

PSNIC recognizes that the neighborhood organizations do not have authority to act or intervene in any official capacity at any time. PSNIC and the NORGs are however an effective means of communication between residents and city officials. Concerned residents have many alternatives to communicate their concerns to city officials. Many residents have sought out their neighbors and the NORGs to help them with concerns regarding vacation rentals in their neighborhoods. While some of our recommendations that suggest PSNIC and the NORGs may play a helpful role in matters related to vacation rentals we are mindful that our role is exclusively one of aiding in communication and facilitating understanding between concerned residents and city officials.

Our Recommendations:

Permits, Fees and Contracts:

1. Every property rental should be required to have a contract between the homeowner or their representative and the guest. Those contracts should be required to be maintained by the homeowner or their representative for not less than two years; and should be available for inspection upon request by enforcement personnel of the City of Palm Springs. The contract should, at minimum, include the following:
 - a. Name, address and copy of a government issued identification of the 'Responsible Party'.
 - b. The terms and conditions of the rental.
 - c. A copy of the "Good Neighbor Brochure".
 - d. List of all guests by name.
 - e. A list of guest's vehicles.
2. The minimum age to be the 'Responsible Party' in a vacation rental agreement should be 25, not 18.
3. The definition of 'Local Contact Person' should be amended to require that the Local Contact Person is capable of responding *in person*, as necessary, within 45 minutes of the complaint.
4. The fees for a vacation rental permit should be increased from \$60 to \$150 per year.
5. In submitting a permit application to operate a vacation rental a homeowner should be required to provide evidence, such as a billing statement, that their service account with Palm Springs Disposal Services includes "backyard collection" or "walk-in service".
6. The Ordinance presently allows a maximum overnight occupancy of two people per bedroom + 2. We recommend the + 2 be eliminated and the maximum number of overnight occupants not exceed 2 x the number of bedrooms. We would continue to allow a studio without a separate bedroom to have a total of two overnight guests.
7. A definition of 'Bedroom' should be added to require a room serving as bedroom to be at least 100 square feet, with four walls that extend from the floor to the ceiling, an entry door, an exterior window and a bed. Many Palm Springs homes include dens or offices

with sofa-beds or rollout beds. Such rooms should be included within the definition of a bedroom for vacation rental purposes.

Complaint & Violation Processes:

8. Notwithstanding the responsibilities of the Police Department, all other enforcement activity for the Vacation Rental Ordinance should be relocated from Finance to an enforcement function such as Code Enforcement.
9. Those who fail to take out a proper permit are presently subject to a 'courtesy notice', an obligation to take out a permit and to pay an estimated TOT on an estimated calculation of unpaid TOT. This may be a sufficient response to the clearly inadvertent minor omission; but for some it is an incentive to defer their obligations until they are caught. We encourage consultation with the City Attorney to craft a penalty for failure to take out a permit and make timely payments of TOT that is an effective deterrent to non-compliance. It should be more costly for those who do not comply with our laws than for those who do.
10. Our permit numbers should include the letters 'PS' as this will help distinguish them from other valley city permit numbers in advertising. We should remind our permit holders that their ads are required to include their permit numbers; but after a reasonable time for ads to be updated with permit numbers we should begin to apply violation fines to those advertisements that do not include a permit number. The fine for failing to have a permit should be greater than the fine for failing to include a permit number in advertising.
11. As is current procedure, the Hotline should not under any circumstances share the name or identification of a complainant with the homeowner or their representative. Complainants to the Hotline should *not* be required to identify themselves. However, complainants should be offered the opportunity to identify themselves; assured that their identity will be revealed to no one other than as necessary to the police department; and that those who do identify themselves will be offered the opportunity to receive a follow-up phone call from the Hotline and/or the City.
12. The second or any subsequent complaint regarding the same home within 24 hours of the first complaint must include a face-to-face discussion of the complaint between the 'Local Contact Person' and the 'Responsible Party'.
13. Where there has been a failure on the part of the owner and or their professional representative to timely and adequately respond to a complaint that results in a response by the Police Department the City Administration should have the administrative discretion to charge the homeowner for the police time spent on the matter.
14. The city's practice of issuing of a courtesy notice for first violations of the ordinance should be re-visited. We appreciate the need to be welcoming and appreciate that many violations of the ordinance are by well-intentioned individuals. Administrative discretion to respond to such inadvertent errors should be maintained. Nonetheless, we are also witness to individuals taking calculated advantage of our practices. To act as a sufficient deterrent to non-compliance our enforcement penalties need to be more certain, more swift and more costly.
15. We should explore the feasibility of use of the "Palm Springs At Your Service" application for the reporting of vacation rental complaints. To be a functional alternative for reporting complaints it is critical that complaints made on "Palm Springs At Your Service" be able to be received and acted on 24/7.
16. The Complaint Log process needs software upgrading. Software system upgrades are an essential step in the management of the over-all vacation rental program. Notwithstanding

a broader system upgrade, the current Complaint Log should be amended to easily allow identification of the following:

- a. Date & Time of the Complaint
 - b. Description of the Complaint
 - c. Name of the 'Local Contact Person' contacted by the Hotline & the name of the firm if a professional agent or representative of the owner.
 - d. The time of the response by the Local Contact Person.
 - e. Description of the action taken by the Local Contact Person, including whether the Local Contact Person spoke by phone or in person with the 'Responsible Party' or another guest. An observation of the scene by the Local Contact Person that does not include a conversation with the guests should clearly note that no conversations took place.
 - f. If the Police were contacted, a description of the contact with the police and a brief description of their involvement.
 - g. We believe the word 'Resolved' should be used with caution in describing complaint interventions. Resolved implies that an effective action to cease the activity that precipitated the complaint has been taken. What is ordinarily known is whether or not a complaint received a timely response and a description of what was seen or said by the Local Contact Person and promised by the guests. It is difficult to know whether an intervention was effectively resolved without subsequently consulting with the complainant.
17. The last sentence of Ordinance 5.25.070 (g) related to the reporting to the City Manager of a 'Responsible Party' involved in three or more disturbances should be deleted. It is well intentioned but has proven to be unworkable and unenforceable. The police department is in the best position using other statutes and ordinances to respond to the most disruptive and non-compliant guests in our City.

Noise Issues:

18. The existing Ordinance 5.25.070 (e) prohibiting sound amplification *outdoors* should be retained.
19. From 10:00 pm to 7:00 am, sound amplification *indoors* should be prohibited.

Notification:

20. Section 5.25.070 (m) relating to the requirement that residences within 300 feet of a vacation rental should be notified of the rental should be deleted. This section is well intentioned, but it is impractical and if acted on would impose an enormous burden of City time and expense. We suggest instead the following:
 - a. Vacation Rental permits are public records. Therefore anyone seeking to identify vacation rentals may do so by making a public records request to receive a copy of all current vacation rental permits. It would be very helpful if such records were cross-referenced by street address.
 - b. The Office of Neighborhood Involvement and Department of Finance should work with PSNIC to provide to those neighborhood organizations that request it a periodic citywide listing of vacation rental properties and periodic copies of the citywide Vacation Rental Complaint Log. Those NORGs that based on local circumstances need to be particularly attuned to the vacation rentals in their

neighborhoods can use the list and log to work with enforcement officials to identify problematic rentals and alert the City of apparent un-permitted rentals.

Education & Outreach:

21. PSNIC should build upon the work done by neighborhoods such as Deepwell and Twin Palms to better educate their members regarding the Vacation Rental Ordinance and proper complaint procedures. It is clear to us that many in our neighborhoods are ill informed on how to make a complaint to the Hotline; or are too intimidated and fearful of retaliation to make a complaint. The result is an individual who is often angry and frustrated, but with grievances that lack the specificity and timeliness necessary for resolution. The members of this work group are committed to working with PSNIC to help each NORG that wants to improve the understanding of its members.

We appreciate the opportunity to provide our experience and insight into this important program for our City. We look forward to working with you and others in helping to make Vacation Rentals and on-going and attractive hospitality option for guests to and residents of Palm Springs.

Respectfully Submitted,

Sheila Cobrin
John McCoy
Michael McLean
Lisa Middleton
Laura Miller
Ron Siegel
Robert Thorson

CC: Mayor Steve Pougnet
Councilmember Ginny Foat
Councilmember Rick Hutcheson
Councilmember Paul Lewin
Mayor Pro Tem Chris Mills

Appendix:



VACATION RENTAL REPORT
ATTACHMENT

CITY ORDINANCE COMPARISON

	<i>Rancho Mirage</i>	<i>Palm Desert</i>	<i>La Quinta</i>	<i>Indio</i>	<i>Cathedral City</i>	<i>Palm Springs</i>
MIN AGE REQUIREMENT FOR RESPONSIBLE PERSON	21 years old	21 years old	18 years old	18 years old	21 years old	18 YEARS OLD
TOT RATE	TOT TAX IS 10% on any rental under 28 days	TOT TAX IS 9% on any rental under 27 days	TOT TAX IS 10% on any rental under 30 days	TOT TAX IS 10% on any rental under 30 days	TOT TAX IS 12% on any rental under 28 days	TOT TAX IS 11.5% on any rental under 28 days
VACATION RENTAL PERMIT/REGISTRATION FEES	ANNUAL REGISTRATION OF \$100 PER PROPERTY AND AN ANNUAL BUSINESS LICENSE OF \$31 UNTIL OWNER SURPASSES 3 PROPERTIES	ANNUAL REGISTRATION OF \$26 NO ADDITIONAL FEES	ANNUAL REGISTRATION OF \$25 PER PROPERTY AND AN ANNUAL BUSINESS LICENSE OF \$19 PER PROPERTY	ANNUAL REGISTRATION OF \$60 AND AN ANNUAL BUSINESS LICENSE OF \$121 PER PROPERTY	ANNUAL REGISTRATION OF \$60 PER PROPERTY AND ANNUAL BUSINESS LICENSE OF \$55 PER PROPERTY	REGISTRATION OF \$60 PER PROPERTY AND A ONE TIME \$25 TOT PERMIT FEE. BUSINESS LICENSE REQUIRED IF OWNER HAS MORE THAN THREE PROPERTIES
INFORMATION REQUIRED ON VACATION RENTAL CERTIFICATE APPLICATION	1. NAME, ADDRESS, PHONE NUMBER OF OWNER 2. NAME AND PHONE NUMBER OF LOCAL CONTACT 3. ADDRESS OF RENTAL PROPERTY 4. NUMBER OF BEDROOMS 5. DAY AND NIGHT OCCUPANCY LIMITS 6. PERMIT NUMBER	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM AND ALSO PROOF OF GENERAL LIABILITY INSURANCE OF ONE MILLION DOLLARS
DEFINITION OF A BEDROOM	SEPARATE ROOM, 4 WALLS FROM FLOOR TO CEILING, 100 SQUARE FEET AND A BUILT IN CLOSET	NO DEFINITION	NO DEFINITION	NO DEFINITION	NO DEFINITION	NO DEFINITION
ON SITE PARKING RESTRICTIONS	NONE	ALL PARKING ON-SITE, NO STREET PARKING ALLOWED	NONE	NONE	NONE	NONE

OUTSIDE NOISE	NO DEVICES OR EQUIPMENT THAT PRODUCE SOUND CAN BE USED OUTSIDE FROM 10:00PM TO 10:00AM	SAME AS RM	NO DEVICES OR EQUIPMENT THAT PRODUCE SOUND CAN BE USED OUTSIDE FROM 10:00PM TO 1:00PM		NO DEVICES OR EQUIPMENT THAT PRODUCE SOUND CAN BE USED OUTSIDE FROM 10:00PM TO 8:00AM	NO OUTSIDE ELECTRONICALLY PRODUCED SOUND IS ALLOWED NO MATTER WHAT TIME OF DAY
HOW TO REPORT A VACATION RENTAL PROBLEM	HOTLINE CADENCE COMMUNICATION	HOTLINE CADENCE COMMUNICATION	HOTLINE CADENCE COMMUNICATION	HOTLINE CADENCE COMMUNICATION	HOTLINE CADENCE COMMUNICATION	HOTLINE CADENCE COMMUNICATION
INFORMATION REQUIRED FROM RESPONSIBLE PERSON BEFORE OCCUPY RENTAL	1. OBTAIN NAME ADDRESS AND GOV. ISSUED ID. 2. GIVE A COPY OF GOOD NEIGHBOR BROCHURE 3. RECEIVE AKNOWLEDGEMENT THE HE OR SHE IS LEAGALLY RESPONSIBLE FOR COMPLIANCE WITH CITY ORDINANCE 4. RECORDS MUST BE KEPT FOR 3 YEARS	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM

INFORMATION GIVEN TO "RESONSIBLE PERSON" BEFORE THEY OCCUPY THE RENTAL UNIT.	NOT SPECIFIED	EACH OCCUPANT MUST BE GIVEN: 1. NAME AND PHONE NUMBER OF LOCAL CONTACT 2. MAXIMUM NUMBER OF DAY AND NIGHT GUESTS 3. TRASH PICKUP DAY 4. COPY OF CITY NOISE REGULATIONS 4. NOTIFICATION OF POSSIBLE FINES AND CITATION FOR LOUD OR UNRULY PARTIES OR GATHERINGS	NOT SPECIFIED	NOT SPECIFIED	NOT SPECIFIED	SAME AS PD, ALSO NOTIFICATION THAT NO OUTSIDE MUSIC IS ALLOWED
AVAILABILITY AND RESPONSE TIME FOR LOCAL CONTACT	AVAILABLE 24 HOURS/7 DAYS A WEEK, 45 MIN RESPONSE TIME	AVAILABLE 24 HOURS/7 DAYS A WEEK, 60 MIN RESPONSE TIME	AVAILABLE 24 HOURS/7 DAYS A WEEK, 45 MIN RESPONSE TIME	AVAILABLE 24 HOURS/7 DAYS A WEEK, 45 MIN RESPONSE TIME	AVAILABLE 24 HOURS/7 DAYS A WEEK, 45 MIN RESPONSE TIME	AVAILABLE 24 HOURS/7 DAYS A WEEK, 45 MIN RESPONSE TIME
AFTER HOTLINE NOTIFICATION LOCAL CONTACT MUST:	RESPOND WITHIN 45 MINUTES TO HALT OR PREVENT RECURRENCE OF CONDUCT	RESPOND WITHIN 60 MINUTES TO HALT OR PREVENT RECURRENCE OF CONDUCT	RESPOND WITHIN 45 MINUTES TO HALT OR PREVENT RECURRENCE OF CONDUCT	RESPOND WITHIN 45 MINUTES TO HALT OR PREVENT RECURRENCE OF CONDUCT	RESPOND WITHIN 45 MINUTES TO HALT OR PREVENT RECURRENCE OF CONDUCT	RESPOND WITHIN 45 MINUTES TO HALT OR PREVENT RECURRENCE OF CONDUCT
FAILURE OF LOCAL CONTACT TO RESPOND IN REQUIRED TIME WILL RESULT IN :	OWNER WILL BE SUBJECT TO ADMINISTRATIVE FINE	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM
ACTION TAKEN AFTER REPEATED VIOLATIONS	AFTER 3 OR MORE VIOLATIONS CITY MANAGER MAY REVOKE PERMIT	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM

TRASH REQUIREMENTS	MUST BE STORED OUT OF SIGHT IN PROPER CONTAINERS	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM	ORDINANCE REQUIRES "HIGHEST LEVEL OF SERVICE" TRASH PICKUP
POSTING OF RENTAL PERMIT/ GOOD NEIGHBOR BROCHURE	VACATION RENTAL PERMIT MUST BE POSTED IN RENTAL AND A COPY OF GOOD NEIGHBOR BROCHURE MUST BE GIVEN TO RESPONSIBLE PERSON	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM	COPY OF PERMIT MUST BE POSTED IN CONSPICUOUS PLACE WITHIN UNIT
POSTING OF PERMIT NUMBER ON ALL ADVERTISEMENTS	PERMIT NUMBER MUST APPEAR ON ANYTHING THAT PROMOTES THE AVAILABILITY OR EXISTENCE OF THE VACATION UNIT	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM
VIOLATIONS	CITY MANAGER CAN IMPOSE ADDITIONAL USE CONDITIONS ON RENTAL TO ENSURE VIOLATIONS ARE AVOIDED	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM
CITY DEPARTMENT THAT ISSUES CITATIONS	CODE COMPLIANCE	CODE COMPLIANCE	CODE COMPLIANCE	CODE COMPLIANCE	CODE COMPLIANCE	FINANCE

<p>ADMINISTRATIVE CITATION</p>	<p>ISSUED IF ANY VIOLATION OF THE ORDINANCE: 1ST \$500 2ND \$750 3RD \$1000, FINES FOR RENTING WITHOUT A PERMIT: 1ST \$1000, 2ND \$1500, 3RD \$2500</p>	<p>ISSUED IF ANY VIOLATION OF THE ORDINANCE: 1ST \$250 2ND \$500 3RD \$1000, FINES FOR RENTING WITHOUT A PERMIT: 1ST \$1000, 2ND \$1500, 3RD \$2500 **ALL NEWLY REGISTERED RENTALS MUST FILL OUT TOT RETURNS FOR THE PRIOR THREE YEARS</p>	<p>FINES AS OUTLINED IN CHAPTER 1.09 OF THE MUNICIPAL CODE</p>	<p>ANY VIOLATIONS ARE CONSIDERED A MISDEMEANOR, PUNISHABLE AS SET FORTH IN THE INDIO MUNICIPAL CODE</p>	<p>ADMINISTRATIVE CITATION IS ISSUED IF ANY VIOLATION OF THE ORDINANCE: 1ST \$100 2ND \$250 3RD \$500</p>	<p>ANY PERSON WHO USES OR ALLOWS THE USE OF RESIDENTIAL PROPERTY IN VIOLATION OF THE PROVISIONS OF THE ORDINANCE IS GUILTY OF A MISDEMEANOR. 1ST VIOLATION IS A "COURTESY CITATION" 2ND \$250 3RD \$500 FOR OPERATING WITHOUT A PERMIT: OPERATOR WILL RECEIVE A COURTESY NOTICE, THEN MUST TAKE OUT A PERMIT, PAY ESTIMATED UNPAID TOT</p>
<p>INFRACTION CITATION</p>	<p>ANY PERSON CONVICTED OF AN INFRACTION SHALL FOR EACH SEPARATE VIOLATION, BE SUBJECT TO: 1ST CITATION \$500 2ND CITATION \$750 3RD \$1000 4TH \$1500. FINES FOR OPERATING WITHOUT RENTAL PERMIT: 1ST \$1000 2ND \$1500 3RD \$2000 4TH \$5000</p>	<p>SAME AS RM</p>	<p>ANY INDIVIDUAL CONVICTED OF A CIVIL FINE IS SUBJECT TO A FINE OF: 1ST \$250 2ND \$500 3RD \$750 4TH \$1000</p>	<p>SAME AS RM</p>	<p>SAME AS RM</p>	<p>NONE</p>

INFRACTION CITATION ISSUED ON SAME DAY AS ADMINISTRATIVE CITATION	YES	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM	NONE
CONTACTS	CINDY GOSSELIN - CONTRACTOR - VACATION RENTAL COMPLIANCE	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM	SAME AS RM

COMPARISON OF OCCUPANCY REQUIREMENTS

RANCHO MIRAGE			PALM DESERT			LA QUINTA			INDIO			CATHEDRAL CITY			PALM SPRINGS		
BEDROOMS	OVERNIGHT	DAYTIME	BEDROOMS	OVERNIGHT	DAYTIME	BEDROOMS	OVERNIGHT	DAYTIME	BEDROOMS	OVERNIGHT	DAYTIME	BEDROOMS	OVERNIGHT	DAYTIME	BEDROOMS	OVERNIGHT	DAYTIME
0-STUDIO	2	8	0-STUDIO	2	4	0-STUDIO	2	8	0-STUDIO	2	8	0-STUDIO	2	8	0-STUDIO	2	4
1	2	8	1	2	4	1	2	8	1	2	8	1	2	8	1	4	6
2	4	8	2	4	8	2	4	8	2	4	8	2	4	8	2	6	9
3	6	12	3	6	12	3	6	12	3	6	12	3	6	12	3	8	12
4	8	16	4	8	16	4	8	16	4	8	16	4	8	16	4	10	15
5	10	18	5	10	20	5	10	18	5	10	18	5	10	18	5	12	18
6	12	18	6	12	20	6	12	20	6	12	20	6	12	18	6	14	21
7	14	18	7	14	20	7	14	20	7	14	18	7	14	18	7	16	24
Overnight (10:01pm - 6:59am) Daytime (7:00am-10:00pm)			Overnight (10:01pm - 10:00am)			Overnight (10:01pm - 6:59am) Daytime (7:00am-10:00pm)			Only overnight restrictions, two persons per bedroom plus a number that will not exceed two persons per bedroom. No daytime occupancy restrictions.			Overnight (10:01pm - 6:59am) Daytime (7:00am-10:00pm)					



VACATION RENTAL REPORT
ATTACHMENT

VRC CONTRACT AMENDMENT

AMENDMENT NO. 1 TO CONSULTING SERVICES AGREEMENT
Vacation Rental Compliance

This Amendment No. 1 to the Consulting Services Agreement ("Amendment") is made and entered into this 5TH day of February, 2014, by and between the City of Palm Springs, California, a California Charter City ("City"), and Vacation Rental Compliance, ("Consultant").

RECITALS

A. City and Consultant have entered into a Consulting Services Agreement, for the services of vacation rental ordinance compliance and enforcement ("Agreement").

B. City and Consultant are agreeable to modifying certain terms and conditions to the Agreement pursuant to the terms of this Amendment.

AGREEMENT

In consideration of the promises and covenants contained in this Amendment and other good and valuable consideration, the City and the Consultant agree:

SECTION 1. Section 4.4 of the Agreement (titled "Term"), is amended to read:

4.4 Term. Unless earlier terminated in accordance with Section 4.5 of this Agreement, this Agreement shall continue in full force and effect for a period of three (3) years commencing on January 2, 2014, and ending on January 2, 2017, unless extended by mutual written agreement of the parties.

SECTION 2. Exhibit A (titled Scope of Services/Work including Schedule of Fees and Schedule of Performance) are hereby superseded in their entirety and replaced with Exhibit A Scope of Services and Compensation, attached hereto and incorporated herein.

SECTION 3. City and Consultant agree that the terms of the Agreement, shall remain unchanged and in full force and effect, except as specifically provided in this Amendment.

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[SIGNATURES ON THE FOLLOWING PAGE]

In witness whereof, City and Consultant have executed and entered into this Amendment as of the date first written above.

CITY OF PALM SPRINGS,
A California Charter City

CONSULTANT
Vacation Rental Compliance

David H. Ready, City Manager

Cindy Gosselin, President/CEO

ATTEST:

APPROVED AS TO FORM:

James Thompson, City Clerk

Douglas C. Holland, City Attorney

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EXHIBIT "A"

**CONSULTANT'S
SCOPE OF SERVICES/WORK**

Including,

Schedule of Fees

And

Schedule of Performance

SCOPE OF WORK

Vacation Rental Compliance is to provide contact services to enforce the Vacation Rental Regulations and laws:

- Identify properties and rental agencies that are not registered or have a business license.
- Contact those identified properties and rental agencies and bring them into compliance.
- Coordinate with Finance all new registered properties and all properties that exit the program.
- Prepare files for all new registrations and issue permits.
- Prepare rental agency billings for renewal.
- Keep an excel worksheet with all properties cross-referenced to their on-line registration ID.
- Contact properties who still have not posted their TOT permit on their advertisement.
- Investigate any leads from the public regarding possible unregistered vacation rentals.
- Work with Code Compliance to issue citations to those individuals who refuse to comply.
- Review all calls received by Cadence Communications and Palm Springs Police Department and work with Code Compliance and the Police department to identify violations and issue the proper citations.
- Review TOT files and identify properties who have reported "zero collected" TOT for over two years and compare that to the information compiled on the Owner's website – this is useful for future audits of "by owner" vacation rentals.
- Prepare the following reports:
 1. Prepare/update log of phone calls received by Cadence Communication and Palm Springs Police Department by property, indicating the reason for the call and how it was resolved.
 2. Keep master list of properties current.
 3. Prepare phone list and submit to Cadence Communication once a week.

- Advocacy work with community, property owners and rental agencies as necessary and or required.
- Attend stakeholder meetings, City Council Sub-Committee and City Council meetings, and other meetings as required.
- Assist in the development of vacation rental ordinance and regulation amendments, and modification to the current vacation rental processes as necessary.
- Other tasks and duties related to vacation rental compliance as requested by the contract officer.

CITY REQUIREMENTS

Following are the work requirements agreed upon by the City:

- Workstation at City Hall – Computer, City email address, and phone needed for compliance efforts.
- Review all current registered properties' work folders to help populate our cross-reference worksheet.
- List of all currently registered properties and all licensed rental agencies.
- Access to Metroscan.
- Remote access to city email – VPN is preferred.
- Ability to call in and access phone messages.
- Access to one specified Code Compliance Officer – this is critical to the success of the program.

SCHEDULE OF FEES

Fixed hourly rate is \$60.00 per hour, not including travel time.

SCHEDULE OF PERFORMANCE

Perform all tasks by the mutually-agreed upon schedule.



VACATION RENTAL REPORT
ATTACHMENT

PROTECT DEEPWELL RECOMMENDATIONS

Protect Deepwell

Grassroots Advocacy

1175 E. Cactus Road, Palm Springs, CA 92264 Phone 760-409-5950

ProtectDeepwell@gmail.com

Tom Stansbury, Chair

Recommendations for enhancement of the Vacation Rental Ordinance

We appreciate all the hard work that has already been done by Council, PSNIC and City staff to enhance enforcement of the vacation rental ordinance. The following are several additional recommendations that are designed to be more pro-active in nature. We believe that, while each of these is a small measure, each would have a very positive impact on improving the vacation rental problems extant throughout the City, while having no impact on income or tax collection.

- **Delete the provision for "+2".** The present system of allowing + 2 encourages over-occupancy, which further exacerbates noise and parking problems. No hotel would deliberately allow over-occupancy, and the City should not encourage this at vacation rentals either. Deletion of the + 2 was part of the original PSNIC VR Workgroup recommendations that were subsequently approved by the voting members of PSNIC. But it our understanding that it has been removed from the current recommendations.
- **Require face-to-face contact on the first complaint.** Property manager should be responsible to make face-to-face contact on the first complaint (Vacation Palm Springs already does this). If manager doesn't physically go to property, how can they know what is actually going on there, and how can any citation be given on the first offense as is the new policy? The current recommendation of face-to face on the 2nd complaint would render the provision of citing on the first violation meaningless. There cannot be enforcement if there is no one there to witness the violation. In addition, a physical presence and face-to-face discussion upon the first complaint would substantially reduce the likelihood of subsequent complaints. Isn't that really what we all (including property managers) want?

***An alternate to face-to-face contact on first complaint** would be to reduce the required response time on first-complaint to 15 minutes. A phone call to the responsible party would not take 45 minutes to complete. If manager is unable to reach the responsible party by phone, then a quick call back from the manager to the hotline would allow the original 45 minutes to complete a face-to-face contact at the house.

- **Disconnect outdoor speakers.** Since outdoor amplified music is not permitted under any circumstances in vacation rentals, all outdoor speakers should be required to be disconnected during rental periods. This would eliminate any possibility that guests would use them, and thereby reduce the number of complaints.
- **Clarification of language regarding outdoor amplified sound.** If the original intent was to have no amplified sound audible outdoors (or at the property line), then the ordinance language could easily be re-written to clarify this point. For example, does amplified sound produced inside the house come under this provision? This should be clarified so that the rules are clear to everyone.

Protect Deepwell

Precedents: Limits to Vacation Rentals in Residential Neighborhoods

Many popular vacation destinations have created ordinances that forbid or limit short term vacation rentals in residential neighborhoods. These are enacted to protect the residential neighborhoods and preserve homeowner rights to the peaceful enjoyment of their homes.

As is well stated by the "resort dwellings" ordinance in the City of Venice, Florida, "City Council finds that resort dwelling rental activities in single-family neighborhoods affects the character and stability of a residential neighborhood. The home and its intrinsic influences are the foundation of good citizenship. The intent of these regulations is to prevent the use of single family residences for transient purposes in order to preserve the residential character of single-family neighborhoods."

The following are some examples of successful best practices:

Carmel by the Sea

No home or subordinate unit may be rented for less than 30 consecutive days.

Maui County, Hawaii

Transient vacation rentals allowed only within certain business zoning districts and certain designated "destination resort areas".

Santa Fe, New Mexico

Limits "up to 350" short term rental permits for residential properties.

Mendocino County, California

Requires county to maintain a ratio of "thirteen (13) long term residential dwelling units to one(1) single unit rental or vacation home rental".

Canon Beach, Oregon

Maintains a 92 permit cap on the number of transient rental permits that will be issued by the city. Each has a five year permit . Upon expiration or sale of property, a new permit is granted based on lottery.

San Luis Obispo, California

Vacation rental ordinance determines that "(No) residential vacation rental shall be located within 200 linear feet of a parcel on the same block on which is located any residential vacation rental or other type of visitor-servicing accommodation that is outside of the Commercial land use category."

It is clear that communities that have a commitment to the health and well being of residential neighborhoods have and can enact ordinances to protect residents. Examples above are a few of the models available. We trust that the City of Palm Springs will demonstrate the same commitment to protecting tax paying residents by eliminating or limiting transient vacation rentals in residential neighborhoods.

Meeting with David Ready
Transient Vacation Rentals in Residential Neighborhoods
1/28/14

Like most residents, we chose Deepwell 15 years ago because it was a quiet, residential neighborhood. I assumed my right to the peaceful enjoyment of my home.

NEIGHBORHOOD IMPACT. As you know, 1 out of every 7 houses in Deepwell is now a transient vacation rental house. More on the way. The character of the neighborhood has been eroded and the impact is corrosive. There is more noise, more cars on streets, more strangers speeding through our residential neighborhood.

I'm extremely disappointed by the lack of City oversight and management of this issue. It's obvious from looking at the complaint to fine ratio that this issue has been severely neglected for years.

HOSPITALITY INDUSTRY IMPACT. In addition to harming neighborhoods, this proliferation of short-term rentals deprives hotels and inns of possible customers. This is a key industry sector and, like neighborhoods, deserves support from the City.

IDEAL: FORBID TRANSIENT RENTALS IN RESIDENTIAL NEIGHBORHOODS. I would like to see an ordinance forbidding short-term vacation rentals in residential neighborhoods. If not forbid, significantly limit amount of transient rentals in residential neighborhoods. There are significant precedents: Carmel, Maui County, Santa Fe, Mendocino County, Canon Beach, OR, Mammoth Lakes and San Luis Obispo (see attached). Many of my neighbors agree with this position.

PROPOSED ORDINANCE: I understand that work has been done to strengthen the current ineffectual ordinance. I'm glad to see the following:

- Minimum age of 25
- Specific definition of bedroom
- Limit occupancy to 2x bedrooms
- In person response of Local Contact (LC)
- Code Enforcement monitoring
- No Courtesy Warning

Needs change or specificity:

- No exterior sound amplification allowed at any time
- Tenant should sign acknowledgement that they are responsible for compliance (RM)
- Specify time frame of response by LC
- Face to face discussion on first complaint
- Second complaint in 24 hours grounds for fine or eviction
- Failure of Local Contact to respond, homeowner WILL be charged for police time
- Report to City Manager after 3 or more disturbances (RM)
- Maximum number of daytime occupants should not exceed bedroom determined occupancy
- Specify: City Manager or designee impose additional use conditions after violations
- Any violation of ordinance is grounds for suspension (RM)
- Increase penalties to \$500 first violation, \$750 second citation, \$1000 for third and subsequent violations (RM)

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Transient Vacation Rentals in Residential Neighborhoods

EVALUATION OF NEW ORDINANCE:

As you know, the success of any ordinance or organization is based on clearly stated ground rules, consistent monitoring and accountability.

Who will provide active monitoring of the new ordinance? What metrics will be used to measure success or failure? How often will this data be monitored by City Manager and Council? Will the data be available to citizen groups?

Thank you for agreeing to review the success of the new ordinance in 6 weeks. We look forward to a more peaceful Deepwell.

Ellen Lockert