



## CITY COUNCIL STAFF REPORT

DATE: JULY 13, 2016

SUBJECT: PROPOSED URGENCY ORDINANCE EXTENDING URGENCY ORDINANCE NO. 1891 PROHIBITING THE RENTAL OF APARTMENTS AS VACATION RENTALS TO DECEMBER 31, 2016.

FROM: David H. Ready, City Manager

BY: City Clerk and City Attorney

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### SUMMARY

The City Council will consider adopting an urgency ordinance to extend Ordinance No. 1891, to December 31, 2016, prohibiting the rental of apartments as vacation rentals.

### RECOMMENDATION:

Adopt Urgency Ordinance No. \_\_\_\_\_, "AN URGENCY ORDINANCE OF THE CITY OF PALM SPRINGS, CALIFORNIA, EXTENDING URGENCY ORDINANCE NO. 1891 PROHIBITING THE RENTAL OF APARTMENTS AS VACATION RENTALS TO DECEMBER 31, 2016."

### STAFF ANALYSIS:

The City currently allows and has adopted extensive regulations for vacation rental properties. On April 20, 2016, the City Council adopted Ordinance No. 1891, prohibiting the rental of apartments as vacation rentals. Ordinance No. 1891 expires on July 31, 2016. The proposed ordinance extends the prohibition for apartments to December 31, 2106.

The proposed extension continues to allow an apartment, or an apartment unit, as a vacation rental, for any unit had a valid vacation rental certificate issued prior the adoption of the Urgency Ordinance.

The proposed extension would go into effect immediately and requires a 4/5 vote of the City Council for adoption.


ITEM NO. 1.D.

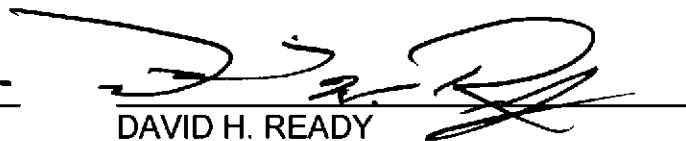
ONE-PS has recommended the City Council prohibit apartments or apartment units from being used for vacation rentals, the extension of time is necessary for the City Council Subcommittee and City Staff to perform a comprehensive review of all vacation rental regulations and other recommendations submitted by ONE-PS and other organizations.


The proposed extension of Ordinance No. 1891, does not prohibit the rental of apartments for short-term rentals for less than 28 consecutive days.

FISCAL IMPACT:

Loss of Vacation Rental fees and Transient Occupancy Tax that could be generated by the conversion and rental of apartments to vacation rental units for less than 28-days.

  
\_\_\_\_\_  
JAMES THOMPSON  
Chief of Staff/City Clerk

  
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DAVID H. READY  
City Manager

  
\_\_\_\_\_  
DOUGLAS C. HOLLAND  
City Attorney

Attachments:  
Extension Urgency Ordinance  
Ordinance No. 1891

ORDINANCE NO. \_\_\_\_\_

AN URGENCY ORDINANCE OF THE CITY OF PALM SPRINGS, CALIFORNIA, EXTENDING URGENCY ORDINANCE NO. 1891 PROHIBITING THE RENTAL OF APARTMENTS AS VACATION RENTALS TO DECEMBER 31, 2017.

**City Attorney Summary**

*This Urgency Ordinance extends Urgency Ordinance No. 1891 to December 31, 2016, which prohibits the conversion of apartments (as defined) to vacation rentals in the City, excepting apartments covered by vacation rental certificates issued prior to April 15, 2016. This Ordinance goes into effect upon adoption by 4/5ths vote.*

**The City Council of the City of Palm Springs finds:**

A. On April 20, 2016 the City Council, by unanimous vote, adopted Urgency Ordinance No. 1891, amending Palm Springs Municipal Code Sections 5.25.020 and 5.25.030 and added Section 5.25.075, prohibiting the rental of apartments as vacation rentals.

B. Urgency Ordinance No. 1891 expires on July 31, 2016, unless otherwise extended by the City Council.

C. The City Council reaffirms its previous findings and purposes in enacting and implementing Urgency Ordinance No. 1891 prohibiting the rental of apartments, or any portion thereof, for rental for 28 consecutive days or less.

**The City Council of the City of Palm Springs, California, ordains:**

SECTION 1. Section 6 of Ordinance No. 1891 is amended to read.

The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law, and this Ordinance shall take effect immediately and shall expire on December 31, 2016.

SECTION 2. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law, and this Ordinance shall take effect immediately.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 13<sup>th</sup> DAY OF JULY, 2016.

\_\_\_\_\_  
ROBERT MOON, MAYOR

ATTEST:

\_\_\_\_\_  
JAMES THOMPSON, CITY CLERK

CERTIFICATION

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

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Urgency Ordinance No. \_\_\_\_\_ is a full, true and correct copy, and was introduced and adopted at a regular meeting of the Palm Springs City Council on the 13<sup>th</sup> day of July, 2016, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
JAMES THOMPSON, CITY CLERK  
City of Palm Springs, California

ORDINANCE NO. 1891

AN URGENCY ORDINANCE OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING SECTIONS 5.25.020 AND 5.25.030 OF, AND ADDING SECTION 5.25.075 TO, THE PALM SPRINGS MUNICIPAL CODE PROHIBITING THE RENTAL OF APARTMENTS AS VACATION RENTALS.

**City Attorney Summary**

*This Urgency Ordinance amends the City's Vacation Rental ordinance to prohibit the conversion of apartments (as defined) to vacation rentals in the City, excepting apartments covered by vacation rental certificates issued prior to April 15, 2016. This Ordinance goes into effect upon adoption by 4/5ths vote.*

**The City Council of the City of Palm Springs finds:**

- A. The City Council of the City of Palm Springs has adopted a Land Use Element and a Housing Element of its General Plan. The Land Use Element sets forth policies and goals toward the protection of land use planning that is protective of the social impacts of land uses and the Housing Element sets forth the City's policies and goals towards providing a supply and range of housing opportunities throughout the City.
- B. The City Council has expressed concern regarding the potentially adverse impacts that the conversion of rental apartment units to vacation rental uses may have on the City's rental housing stock and resident socio-economic population mix.
- C. There is a current and immediate threat to the public health, safety, and welfare because conversions of apartment units to vacation rentals could displace apartment residents and drive these residents out of Palm Springs, eroding the City's resident socio-economic population mix but also adversely impact City business that rely on residents in that mix as a valuable employee pool.
- D. The City Council specifically finds there is a reasonable relationship between the conversion of apartment units to vacation rentals and the diminution in the supply of housing affordable to low income families by eliminating units formerly affordable to low income families will create undue hardships for low income residents displaced by the conversion to vacation rentals and will otherwise adversely affect the availability and cost of housing affordable to low income families throughout the City.
- E. The purpose of this ordinance is to (1) ensure a reasonable balance in the availability of rental and ownership housing in the City and to maintain opportunities for individual choice in the tenure, type, cost, and location of housing; (2) maintain an adequate supply of housing affordable to low income residents; and (3) avoid displacement of and undue hardship to residents of the City who may be required to

move from the community due to a shortage of low income housing caused in part by conversions of apartment units to vacation rentals.

**The City Council of the City of Palm Springs, California, ordains:**

**SECTION 1.** Section 5.25.020 of the Palm Springs Municipal Code is amended to read:

**5.25.020 Findings.**

The City Council finds and determines as follows:

- (a) The use of single-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) Limiting Vacation Rental lodging to single-family dwelling units and prohibiting Vacation Rental lodging in multi-family or apartments will preserve and protect residential housing stock in the City.
- (d) The purpose of this Chapter is to establish regulations for Vacation Rental lodging within single-family residential neighborhoods and the related use of residential property thereby enabling the City to preserve the public health, safety, and welfare.
- (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.

**SECTION 2.** Section 5.25.030 of the Palm Springs Municipal Code is amended to add the following definitions and amend the definition of "Vacation Rental:"

"Apartment" means a residential unit in a multi-family development of two (2) or more dwelling units where each unit is rented or leased for occupancy as a residence for one individual or family.

"Single-family dwelling" means a detached building designed primarily for the use of a single family and no portion which is to be rented out separately.

"Vacation Rental" means a single-family dwelling, or any portion thereof, 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 of a time-share basis, or a condominium hotel as defined in Ordinance No. 1521 as such ordinance may be amended from time to time.

**SECTION 3.** Section 5.25.075 is added to the Palm Springs Municipal Code to read:

**5.25.075 Specific Prohibitions.**

- (a) No person or entity shall offer or provide an 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 rental that is in violation of any provision of Chapter 5.25 of this Code.
- (c) No person, including without limitation, an apartment owner, an apartment manager, or a representative of the apartment owner or manager, shall evict any tenant or otherwise terminate a lease for the purpose of converting an apartment to a vacation rental or in anticipation of converting an 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 apartment owner, 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 apartment owner, 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.

**SECTION 4.** The provisions of this Ordinance shall not apply to any person or entity who rents an apartment or portion thereof pursuant to a valid vacation rental certificate issued prior to April 15, 2016.

**SECTION 5.** In the event any term or provision of this Ordinance is to any extent invalid or incapable of being enforced, such term or provision shall be excluded to the extent such invalidity, illegality, or unenforceability and all other terms and provisions shall remain in full force and effect.

**SECTION 6.** The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law, and this Ordinance shall take effect immediately and shall expire on July 31, 2016.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 20<sup>th</sup> DAY OF APRIL, 2016.



ROBERT MOON, MAYOR

ATTEST:



JAMES THOMPSON, CITY CLERK

CERTIFICATION

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

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Urgency Ordinance No. 1891 is a full, true and correct copy, and was introduced and adopted at a regular meeting of the Palm Springs City Council on the 20<sup>th</sup> day of April, 2016, by the following vote:

- AYES: Councilmember Foat, Councilmember Kors, Councilmember Roberts, Mayor Pro Tem Mills, and Mayor Moon.  
NOES: None.  
ABSENT: None.  
ABSTAIN: None.



JAMES THOMPSON, CITY CLERK  
City of Palm Springs, California

04/26/2016