

**CITY COUNCIL
CITY OF PALM SPRINGS, CALIFORNIA**



**ADJOURNED MEETING MINUTES
WEDNESDAY, NOVEMBER 30, 2016
CITY HALL COUNCIL CHAMBER**

CALL TO ORDER: Mayor Moon called the meeting to order at 5:08 p.m.

PLEDGE OF ALLEGIANCE: Mayor Moon led the Pledge.

ROLL CALL:

PRESENT: Councilmember Foat, Councilmember Kors, Councilmember Roberts, and Mayor Moon.

ABSENT: Mayor Pro Tem Mills (excused).

ALSO PRESENT: City Manager Ready, City Attorney Holland, City Clerk Thompson.

REPORT OF CLOSED SESSION: The meeting was called to order at 4:00 p.m. and the City Council recessed into Closed Session to discuss items on the posted Closed Session Agenda.

City Attorney Holland reported the City Council provided City Staff and the City Attorney direction, otherwise no reportable actions were taken.

1. UNFINISHED BUSINESS:

1.A. DISCUSSION AND INTRODUCTION OF MODIFICATIONS TO THE VACATION RENTAL ORDINANCE AND CEQA DETERMINATION, APPROVAL OF AN AMENDMENT TO THE 2016-17 ALLOCATED POSITIONS PLAN CREATING THE DEPARTMENT OF VACATION RENTAL ENFORCEMENT, APPROVAL OF A RESOLUTION MODIFYING USER FEES FOR VACATION RENTAL REGISTRATION AND ANNUAL RENEWALS, AND APPROVING AMENDMENT NO. 2 TO THE AGREEMENT WITH VACATION RENTAL COMPLIANCE:

City Clerk Thompson provided background information as outlined in the Staff Report dated November 30, 2016.

FRANK TYSEN, commented on the effects of vacation rentals to small hotels in the City of Palm Springs.

MARINA ROSSI, commented on the effects of vacation rentals to small hotels in the City of Palm Springs.

KATHY WEREMIUK, Palm Springs, stated support for the proposed ordinance and vacation rental regulations.

JIM RUTRIDGE, commented on the effects of vacation rentals to small hotels in the City of Palm Springs, and requested the City Council limit vacation rentals.

KEVEN MILLER, commented on the effects of vacation rentals to small hotels in the City of Palm Springs, and the conversion of properties to vacation rentals.

LESLIE DUNN, commented on the effects of vacation rentals to small hotels in the City of Palm Springs, and requested the restrictions on small hotels apply to vacation rentals.

HAL KEASLER, stated his opposition to changing the rules for vacation rentals.

JIM MURPHY, stated opposition to the proposed ordinance and regulations for vacation rentals.

JEFF GODTLAND, stated opposition to the proposed regulations and requested the City Council consider a separate category for condos in other zones rather than the R-1 zone.

STEPHEN ROSE, stated the ordinance is a compromise and requested a vacation rental commission be created for oversight of the regulations.

TIM ERKINS, stated his support for a ban or a cap on vacation rentals, and commented on insurance requirements.

BRIAN YAKLICH, stated his opposition to vacation rentals, and requested the City Council consider the amendments to the occupancy and vehicle limits.

MARLA MALASPINA, commented on the current effects of vacation rentals to the neighborhoods and in opposition to vacation rentals.

MIKE ZISKIND, commented on the effects of vacation rentals to small hotels, and noted his concerns over the last minute amendments to the proposed ordinance.

HUGH GLENN, commented on the regulations pertaining to LLC's and corporations, and commented on enforcement.

NORMAN SIMON, stated vacation rentals are hotels and businesses, should not be allowed in the R-1 zone, and requested an immediate moratorium.

DAVID KRAUSS, Dallas, TX, commented on the benefits of using a noise monitoring system in vacation rentals.

FRED KING, Cupertino, commented on the proposed fines, evictions, and requested a moratorium for further study.

STEPHEN EDELSTEN, Palm Springs, stated vacation rentals should not be allowed in the R-1 zone.

ROBERT FINDLEY, commented on the fees and requested the inspection include ADA compliance, noted vacation rentals are businesses and should not be allowed in the R-1 zone.

MICHAEL VALEO, Palm Springs, stated his support for the ordinance and stated the vacation rental industry and the neighbors need to work toward a solution.

ROBIN ABRAHAMMS, Palm Springs, stated enforcement should come first based on the current ordinance in place.

DIANE ROSS, Palm Springs, commented on the quality of life for residents impacted by vacation rentals, and requested the City Council consider a cap by neighborhood.

SEBASTIAN DE KLEER, Palm Springs, commented on the restrictions in the proposed ordinance to allow only one vacation rental permit.

JENNIFER COYNE, stated the proposed regulations may force her to sell her second home, which is also used as a vacation rental.

LING HWANG, stated the proposed regulations may force her to sell her second home, which is also used as a vacation rental.

NEIL WORTMAN, spoke in support of vacation rentals and the vacation rental industry.

JEREMY OGUL, Homeaway, stated the proposed regulations may constitute a ban, commented on fees and TOT collected, and requested the City Council table the item.

CHARLENE FARIS, Palm Springs, noted the effects of vacation rentals to housing that is affordable.

BRUCE CRONANER, commented on the recent series of robo calls and misinformation, and requested a homeowner bill of rights.

LISA RIDING, commented on potential fiscal impact to the City of Palm Springs.

ANGIE LENTZ, commented on health and safety of transformers.

ALDO BARONI, commented on the effects of the regulations to the business community.

TODD HOVER, commented on noise nuisance and other complaints, and requested enforcement of vacation rental regulations.

MASON FUNK, commented on the improved quality of life in neighborhoods by vacation rentals, and requested the City Council reconsider the limit of contracts.

BRIAN HARRINGTON, Palm Springs, commented on the impact of the proposed regulations for part-time residents who need to rent their home.

CHRISTOPHER HESSE, stated his opposition to the proposed regulations.

HOWARD BULLER, stated his support for the proposed regulations, support for the 28 contract limit, and requested the City Council not increase the occupancy limits.

BRADY SANDAHL, Palm Springs Chamber of Commerce, stated the Chamber does not support the proposed ordinance and regulations.

WALTER DICKINSON, recommended the City Council review the City of Santa Fe ordinance, and voiced support of the proposed ordinance.

HUGH VANCE, commented on the conflicts between the neighborhoods and the vacation rental property owners, and stated his opposition to vacation rentals.

DEAN MINERD, Palm Springs, stated the ordinance has benefits for compromise, requested enforcement, and commented on the limit of contracts.

PAUL SCHUMAKER, stated his support for the compromise ordinance but requested the City Council reconsider the number of contract limitation.

DAVID WILCOX, commented on positive impacts of vacation rentals and in opposition to the proposed regulations.

BRENDAN LENIHAN, stated the proposed regulations will limit the vacation rental industry, commented on the permit fee and the maximum number of contracts.

FRANCINE MC DOUGALL, stated her opposition to the contract limit and the limit for one property per person.

DARRYL GRACE, Vancouver, commented on the fiscal impact of the proposed regulations to the vacation rental industry.

DAVID FELTMAN, stated the vacation rental industry is being treated as outsiders with no connections to the community.

PAUL MERITT, Orange County, stated his support for the proposed regulations and commented on enforcement.

CHRIS BURK, Palm Springs, stated a compromise is needed, but the proposed ordinance, as written, is not a compromise.

DARYL TERRELL, Moreno Valley, commented on the compromise needed for the community regarding vacation rentals.

MICHAEL HUDSON, Palm Springs, stated the proposed ordinance is short-sighted and over reaching.

The City Council recessed at 6:56 p.m.
The City Council reconvened at 7:10 p.m.

BRUCE HOBAN, Palm Springs, commented on the lack of enforcement of the current ordinance.

PAUL SOKOLOFF, commented on the financial impact of the regulations to vacation rental owners and enforcement.

ED TODESCHINI, Palm Springs, commented on the impact to his house by the seven surrounding vacation rentals.

GEORGE BRAIN, Seattle, commented on the impact of the proposed regulations on condo owners and their units that are used for vacation rentals.

CONSTANCE CLARE-NEWMAN, Palm Springs, commented on the negative impacts to her property by the adjoining vacation rental.

MARSHALL GILBERT, Rancho Mirage, commented on the demographics of vacation rental owners, and the financial impact of the regulations to vacation rental owners.

MONTE GREGES, Palm Springs, commented on the negative impact to the Vista Las Palmas neighborhood due to vacation rentals.

NATE OTTO, Palm Springs, commented on the financial impact to those in industries related to tourism.

LANNY SEESE, Palm Springs, commented on the negative impact to his property due to the adjacent vacation rentals.

CHRIS SCELFO, commented on the impacts of the new regulations to his existing vacation rental.

KATY RANZONI, Palm Springs, expressed her concern about the conduct of the hotline personnel, stated the vacation rental industry has destroyed her neighborhood.

DENNIS COSTA, Palm Springs, stated the guests staying in the vacation rentals he owns are not a problem, and commented on enforcement.

DAWN RADUE, Long Beach, stated opposition to the contract limits and false complaints with the current ordinance.

SUSAN ST. LOUIS, Palm Springs, stated the ordinance is punitive to all others and not just owners who are compliant.

JEFF DOBSON, Palm Springs, commented on TOT taxes and stated the distinction between short-term and long-term rentals.

FELICIA NEWMAN, Palm Springs, commented on the upgrades to the home she purchased and the economic impact of owner occupied homes.

BRYAN SCHOPP, Palm Springs, stated the City has not researched the complaints.

MATT BECHSTEIN, Palm Springs, stated opposition to the proposed ordinance as drafted, commented on the contract limits, proposed a summer recess, and the potential loss of vacation rentals.

STEVEN WOLFE, Palm Springs, commented on the impact of the proposed regulations on condo vacation rental owners.

EDUARDO WELTER, Los Angeles, commented on the economic benefit to his employees from his vacation rental, commented on screening, and stated he would be forced to sell his home.

JIM MADAFFER, San Diego, questioned if the meeting complied with the Brown Act.

RODOLFO CASTILLO, Palm Springs, requested the City Council consider retaining the current ordinance and enhancing enforcement.

MICHAEL SYLVESTER, commented on impact to vacation rental owners, the regulations for LLC's, and the maximum occupancy.

The City Council Subcommittee, Councilmember Roberts and Councilmember Kors, provided background information as outlined in the Staff Report dated November 30, 2016.

The City Council reviewed the proposed ordinance and its components, and discussed and/or commented on the following: ownership by a natural person or trust or LLC, one financial interest in a vacation rental, permit renewals must be executed by the owner, the number of allowable contracts per year.

The City Council recessed at 9:34 p.m.
The City Council reconvened at 9:52 p.m.

The City Council continued deliberations on the proposed ordinance and its components including: the increase in penalties and fines, the maximum allowable guests, the estate allowance, inspections, 30 minute response time by owner, contract or contract abstract submitted to the City in advance, interior signage, HOA certification, clustering of vacation rentals, permit numbers on advertising, revocations, grandfathering, disclosure of ownership, suspension and false complaints.

ACTION: 1) Waive the reading of the text and introduce by title for first reading Ordinance No. 1907, "AN ORDINANCE OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING AND RESTATING CHAPTER 5.25 OF THE PALM SPRINGS MUNICIPAL CODE RELATING TO VACATION RENTALS," *amending the ordinance as follows:*

i) *Section 5.25.020(a) to read: The primary use of single-family and multi-family dwelling units in the City of Palm Springs is the provision of permanent housing for residents of the City who live and work in the City. Vacation Rentals and Homesharing are not uses specifically recognized in the City's Zoning Ordinance, nor are these uses identified as uses permitted in single-family or multi-family zones. Vacation Rentals and Homesharing are similar in character and use as hotels and other commercial short term uses and can only be permitted in single-family or multi-family zones if such uses are ancillary and secondary to the residential use of property.*

ii) *Section 5.25.020(b) to read: Incidents involving excessive noise, disorderly conduct, vandalism, overcrowding, traffic congestion, parking congestion, and the accumulation of refuse, require response from police, fire, paramedic, and other City services associated with this secondary, ancillary, commercial use escalates the demand for City services, create adverse impacts in the residential areas of the City, and adversely affects the City's residential neighborhoods. Vacation Rentals and Homesharing use in residential neighborhoods may have effects that can best be addressed through an appropriate city regulatory program.*

iii) *Section 5.25.020(c) to read: The purpose of this Chapter is to establish a regulatory program for Vacation Rental and Homesharing lodging, with appropriate standards that regulate vacation rental of residential property, minimize adverse effects of vacation rental uses on surrounding residential neighborhoods, ensure that vacation rentals and homesharing are ancillary and secondary uses of residential property consistent with the provisions of the City's Zoning Ordinance, preserve the character of neighborhoods in which Vacation Rental and Homesharing uses occur, and provide an administrative procedure to preserve existing visitor serving opportunities and increase and enhance public access to areas of the City and other visitor destinations.*

iv) *Section 5.25.020(e) to read: The adoption of a comprehensive code to regulate issuance of, and attach conditions to, vacation rental certificates for Vacation Rental and Homesharing lodging within single-family residential neighborhoods and the related use of residential property preserves the public health, safety, and welfare. This Chapter provides a permitting process and imposes operational requirements*

consistent with the ancillary and secondary status of Vacation Rentals and Homesharing, for the purpose of minimizing the potential adverse impacts of transient uses on residential neighborhoods.

v) *Definition of "Business Entity" to read: "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.*

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

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

viii) *Section 5.25.040(b) to read: A Vacation Rental Registration Certificate shall not be issued to any Business Entity. A natural person shall only be issued, and can only maintain, one Vacation Rental Registration Certificate at any time. Renewals of Vacation Rental Registration Certificates issued on or after November 24, 2016 to a Business Entity shall terminate on March 1, 2017; a renewal of a second Vacation Rental Registration Certificate, or more, issued to a natural person shall terminate on March 1, 2017. Notwithstanding any provision to the contrary in Subsection (a) or this Subsection (b) of this Section, any natural person who has a financial interest in two or more Vacation Rentals subject to current and valid Vacation Rental Registration Certificates as of November 30, 2016, may continue to operate and maintain no more than two (2) such Vacation Rentals so long as such Vacation Rentals are operated and maintained in full compliance with this Chapter.*

ix) *Section 5.25.070(b) to provide for 32 Contracts, and for designation of five persons.*

x) *Section 5.25.070(c) to read: The Owner shall limit overnight occupancy of the Vacation Rental unit to a specific number of occupants,*

with the maximum number of occupants as no more than two (2) persons per bedroom within each Vacation Rental unit and a maximum of no more than eight (8) persons total within the Vacation Rental unit, except that Owner may allow up to two (2) minor children, age 12 or under, to occupy the Vacation Rental in addition to the maximum number of occupants otherwise provided in this Subsection. The number of bedrooms in a Vacation Rental shall be verified by the Enforcement Official using County Assessor and/or City Building records, prior to the issuance of a certificate. 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 the total number of daytime occupants shall not exceed twelve (12) persons. No more than one (1) automobile per bedroom shall be allowed to park on the street for each Vacation Rental unit and no more than two (2) additional automobiles may be parked in the street during daytime occupancy for daytime occupants. Advertising and/or renting one or more Vacation Rentals as part of a cluster or compound is prohibited.

xi) Section 5.25.070(h) modifying "rental agreement" to "written contract."

xii) Section 5.25.070(i) to read: 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, and when requested by the City Enforcement Official, evict one or more of the guests. For the purpose of this Subsection and Subsection (j) below, the phrase "in a timely and appropriate manner" shall mean in-person contact within thirty (30) minutes for any call from the Enforcement Official or Hotline.

xiii) Add to Section 5.25.070(l) to post signage on the inside of each entry door or in a conspicuous location near each entry door.

xiv) Amend Section 5.25.070(t) to read: Owner shall procure, maintain, and pay premiums for commercial insurance policies that cover short term rental of property with minimum limits as may be established by the City Manager from time to time.

xv) Adding a new Section 4 to the ordinance to read: Any valid rental agreement for a Vacation Rental, entered into between an Owner or an Agent with a renter and the renter has paid a deposit for such rental prior

to November 30, 2016, shall be deemed consistent with the provisions of this Ordinance so long as such rental agreement and the Vacation Rental complies with the requirements of the Palm Springs Municipal Code in effect on November 30, 2016.

2) Adopt Resolution No. 24137, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING AMENDMENT NO. 1 TO THE ALLOCATED POSITIONS AND COMPENSATION PLAN FOR FISCAL YEAR 2016-17, ADOPTED BY RESOLUTION NO. 24033; 3) Adopt Resolution No. 24138, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, MODIFYING USER FEES FOR THE VACATION RENTAL REGISTRATION AND RENEWAL FEES AND AMENDING THE COMPREHENSIVE FEE SCHEDULE ADOPTED BY RESOLUTION NO. 23854; and 4) Approve Amendment No. 2 to the Agreement with Vacation Rental Compliance extending the agreement to June 30, 2018, and modifying certain terms. A6467. **Motion Councilmember by Kors, seconded by Councilmember Roberts, and carried 3-1-1 on a roll call vote.**

AYES: Councilmember Kors, Councilmember Roberts, and Mayor Moon.

NOES: Councilmember Foat.

ABSENT: Mayor Pro Tem Mills.

COUNCILMEMBER COMMENTS, REQUESTS, AND REPORTS: None.

ADJOURNMENT: The City Council adjourned at 11:12 p.m. to the next regular meeting Wednesday, December 7, 2016, at 6:00 p.m. Council Chamber, City Hall, preceded by Closed Session, Small Conference Room, City Hall, 3200 East Tahquitz Canyon Way, Palm Springs.

**APPROVED BY A MOTION OF THE CITY COUNCIL OF THE PALM SPRINGS
THIS 4TH DAY OF JANUARY, 2017.**



ROBERT MOON, MAYOR

ATTEST:



KATHLEEN D. HART, MMC
INTERIM CITY CLERK