



City of Palm Springs VACATION RENTAL ADMINISTRATIVE PROCEDURE

SUBJECT: No Covenants or Other Deed Restrictions on Vacation Rental or Homeshare Properties

I. Purpose

To clarify and facilitate compliance with, and enforcement of Ordinance Number 1918, Palm Springs Municipal Code 5.25.060(a)(12), with respect to written acknowledgement that there are no covenants or other deed restrictions on the property than prohibit or limit the use of the property as a Vacation Rental or Homeshare.

II. Application

Palm Springs Municipal Code (PSMC) Section 5.25.070(t) authorizes the City Manager to establish administrative rules and regulations for the purpose of implementing, interpreting, clarifying, carrying out, furthering and enforcing the requirements of the provisions of PSMC Chapter 5.25.

Ordinance Number 1918 was drafted taking into specific consideration that many private communities have CC&Rs that set forth the requirements and limitations regarding what homeowners can and cannot do with their property. Specifically, section 5.25.060(a)(12) requires that an applicant, at the time of an initial application or renewal application for a Registration Certificate for a property, must provide written acknowledgement that there are no covenants or other deed restrictions on the property that prohibit or limit the use of the property in question as a Vacation Rental.

CC&Rs are a binding contract between homeowners and their respective associations. As such, they have priority over the City's Ordinance Number 1918 with respect to how properties may be used. This Administrative Regulation ensures that the PSMC will not conflict with any community's CC&Rs, requiring owners to provide written notice to a Vacation Rental Compliance Official (VCRO) when covenants or other deed restrictions change, so as to prohibit Vacation Rental or Homesharing under Ordinance 1918, during the time when an owner holds a Registration Certificate, *i.e.*, when Vacation Rental or Homesharing that had previously been permitted is no longer allowed.

This Administrative Regulation is issued as an interim matter. The issue addressed pursuant to this regulation will be the subject of an amendment to Chapter 5.25.

This Administrative Regulation also applies to Homeshare properties pursuant to PSMC 5.25.078(a)(6).

III. Procedure

- A. Any new or renewal application for the use of a property subject to CC&Rs or other deed restrictions as a Vacation Rental or Homeshare must include a dated letter, on official letterhead, from the governing board of the Homeowner's Association or from the associated Management Company. That letter must state that, there are no covenants or other deed

restrictions on the property in question that prohibit or limit the use of that property as a Vacation Rental or Homeshare, as applicable.

- B. A copy of the CC&Rs is not acceptable to meet the official letter requirement; however, the VRCO may request the owner provide the CC&Rs for review at any time.
- C. In the event that a community's CC&Rs or other governing documents are legally amended, changed or replaced to prohibit or limit the use of the property with a Registration Certificate from operating as a Vacation Rental or Homeshare, it is the responsibility of the owner of the property in question to, within thirty (30) calendar days of any such amendment, change, or replacement, to bring this matter to the attention of the VRCO by providing written notification.
- D. Following review and confirmation by the VCRO that a community's CC&Rs or other governing documents limit the use of the property, such that holding a Registration Certificate is inconsistent with the CC&Rs or governing documents, the Registration Certificate will be immediately revoked. Any monies paid by the Owner to obtain the Registration Certificate are not refundable.
- E. Revocation of the Registration Certificate pursuant to this regulation does not in itself deem the owner(s) ineligible to apply for another Registration Certificate for the same property at a later date if all application requirements can be met, and including a reversal of a previous prohibition in the CC&Rs or other governing documents.
- F. Owner shall timely report and pay all transient occupancy taxes due for Vacation Rental or Homeshare activity through the Registration Certificate revocation date. In the event that Owner fails to provide written notice to the VRCO within thirty (30) days of any amendment, change or replacement that would render the Registration Certificate revocable as defined in this regulation, the VRCO will issue the Owner(s) an administrative citation pursuant to PSMC 5.25.090(a), and applicable fines shall be assessed against the owner as stated below.

For every guest stay at the property that occurs after an amendment, change or replacement, absent notice to the VRCO as required by this regulation: (i) first violation - \$500; (ii) second and subsequent violations \$1,000, up to a total not to exceed five thousand dollars (\$5,000).

- G. Revocation of a Registration Certificate pursuant hereto may be appealed in accordance with PSMC 2.50.

IV. Effective Date

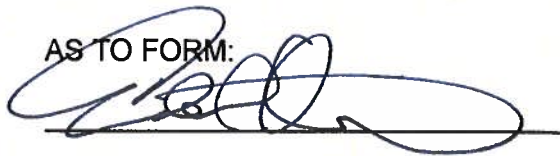
This Administrative Regulation shall be effective on 3/1/2018.

APPROVED:



DAVID H. READY,
City Manager, Esq. Ph.D.

AS TO FORM:



EDWARD Z. KOTKIN
City Attorney