

ORDINANCE NO. 2100

AN ORDINANCE OF THE CITY OF PALM SPRINGS, CALIFORNIA, ADDING A NEW CHAPTER 5.92 TO THE PALM SPRINGS MUNICIPAL CODE STRICTLY REGULATING CO-OWNED HOUSING UNITS, DIRECTING THE PLANNING AGENCY TO STUDY PROPOSED UPDATES TO THE CITY'S TIMESHARE DEFINITIONS, AND DETERMINING SUCH ACTION TO EXEMPT FROM FURTHER ENVIRONMENTAL REVIEW PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

City Attorney's Summary

This ordinance adopts a new Municipal Code Chapter to strictly regulate certain managed co-owned housing uses and directs the Planning Department and Planning Commission to study a proposed update to the City's current definitions regarding "time-share" uses.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Regulation of Co-Owned Managed Housing. A new Chapter 5.92 (Co-Owned Managed Housing) is hereby added to the Palm Springs Municipal Code to read as set forth in Exhibit "A", attached hereto and incorporated by reference herein.

SECTION 2. Study of Updated "Timeshare" Definitions. The City's Planning Department and Planning Commission are directed to conduct a study of updating the City's current timeshare definitions contained in City ordinances, include a potential update based on the definitions set forth in Exhibit "B", attached hereto and incorporated by reference herein.

SECTION 3. CEQA. The City Council finds and determines that this Ordinance is not subject to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) pursuant to Section 15060(c)(2) and 15060(c)(3) of the State Guidelines, because this Ordinance will not result in a direct or reasonably foreseeable indirect physical change in the environment and is not a "project" as that term is defined in Section 15378 of the State Guidelines. In addition, the City Council also determines that this Ordinance consists of regulations intended to ensure that co-managed owned property use of residential property, with the strict regulations implemented by the subject ordinance, remains consistent with other residential uses of property within the City and thereby preserves the residential character of the City's residential neighborhoods as identified in the City's adopted General Plan, and its concomitant Environmental Impact Report. Thus, to the extent there is any environmental impact for the adoption of this Ordinance, the City Council finds that the Environmental Impact Report for the adopted General Plan is the controlling environmental document.

SECTION 3. Severability. The provisions of this Ordinance are severable. If any portion, section, subsection, paragraph, clause, sentence, phrase, work, or application of this Ordinance is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have adopted this Ordinance and each and every portion, section, subsection, paragraph, clause, sentence, phrase, word and application not declared invalid or unconstitutional without regard to whether any portion of this ordinance or application thereof would be subsequently declared invalid.

SECTION 4. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or a summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after its passage.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 25TH DAY OF JULY, 2024.



JEFFREY BERNSTEIN
MAYOR

ATTEST:



BRENDA PREE
CITY CLERK

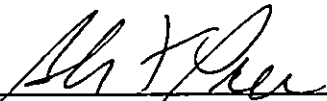
CERTIFICATION

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

I, Brenda Pree, City Clerk of the City of Palm Springs, California, do hereby certify that Ordinance No. 2100 is a full, true, and correct copy, and was introduced at a regular meeting of the Palm Springs City Council on July 9, 2024, and adopted at a regular meeting of the City Council held on July 25, 2024, by the following vote:

AYES: Councilmembers Holstege, Middleton, and Mayor Pro Tem deHarte
NOES: Councilmember Garner, Mayor Bernstein
ABSENT: None
ABSTAIN: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Palm Springs, California, this 25th day of July 2024.



BRENDA PREE, MMC, CERA
CITY CLERK

EXHIBIT "A"

"Chapter 5.92 CO-OWNED MANAGED HOUSING

5.92.010	Definitions
5.92.020	Co-owned Housing Unit Permit Required
5.92.030	Operational Standards
5.92.040	Administrative Regulations
5.92.050	Violations
5.92.060	Application to Pre-existing Co-owned Housing

Units

5.92.010 Definitions

"Guests" means any guests of an owner of a Co-owned Housing Unit who have not provided compensation to an owner for dwelling, lodging, and sleeping purposes and are present in the Co-owned Housing unit while an owner is on-site and in the home.

"Co-owned Housing Unit" means a residential dwelling unit, managed by a Co-owned Property Manager, and utilized for occupancy for dwelling, lodging, or sleeping purposes by up to ten owners or ten members of a Limited Liability Company that owns the dwelling unit, along with guests. The term "Co-owned Housing Unit" is not a time-share project, as defined in Palm Springs Municipal Code section 93.23.11(A), and usage of a Co-owned Housing Unit is not a time-share use. Notwithstanding the foregoing sentence, if the property is not managed by a Co-owned Property Manager or is being managed without a Co-owned Housing Unit Permit, and the use of a property otherwise meets the definition of a "timeshare" pursuant to Section 93.23.11(A), the use of that property shall be deemed a "timeshare" use, subject to the regulation and prohibition of such by the City of Palm Springs.

"Co-owned Property Manager" means a person, corporation, trust, or entity that manages a Co-owned Housing Unit, including providing cleaning services and maintenance of the co-owned housing unit, on behalf of the owners of the Co-Owned Housing Unit. The term Co-owned Property Manager does not include software used by the owners of a Co-owned Housing Unit to self-manage the co-owned housing unit.

"Co-owned Housing Unit Permit" means a permit granted to a Co-owned Property Manager for each Co-owned Housing Unit under management.

"Co-owned Housing Unit Citywide Cap" means the maximum number of Co-owned Housing Units within the City, as such cap may be established and amended from time to time by City Council. The Co-owned Housing Unit Citywide Cap is hereby set at thirty (30) Co-owned Housing Units for the period starting on the effective date of this ordinance and ending three years after the effective date of this ordinance. The City shall study the impact of Co-owned Housing Units in the City Council and may adjust the Co-owned Housing Unit Citywide Cap by ordinance or

resolution.

“Co-owned Housing Unit Neighborhood Cap” means the maximum number of Co-owned Housing Units allowed by the City Council in each Neighborhood. The Co-owned Housing Unit Neighborhood Cap is hereby set at two (2) per neighborhood. The City shall study the impact of Co-owned Housing Units in the City Council and may adjust the Co-owned Housing Unit Citywide Cap by ordinance or resolution.

“Good Neighbor Policy” is a policy that governs the operation of a Co-owned Housing Unit that summarizes general rules of conduct, occupancy limits, consideration, and respect, including, without limitation, provisions of the 5.25.030 Municipal Code applicable to, or expected of, owners and guests.

“Director” means the City of Palm Springs Director of Special Programs, or his or her designee.

“Local contact person” means a property management company, real estate broker, or agent, lawyer, or other individual that resides within 25 miles of the Co-owned Housing Unit. The local contact person must be: (1) available by telephone, or otherwise, twenty-four (24) hours per day; (2) able to respond to telephone inquiries within one (1) hour of the receipt of inquiry; (3) authorized by the owner to take remedial action when responding to any violation of this code or the Good Neighbor Policy; and (4) designated as the owner’s agent for receiving all official communications from the City.

“Neighborhood” means a City-recognized neighborhood, as set forth in Palm Springs Municipal Code Chapter [2.55](#) (Office of Neighborhoods). For those areas within the City that are not located within a City-recognized Neighborhood, the City Council may, by ordinance or resolution, determine that, for purposes of this Chapter only, such area is contained in a particular City-recognized Neighborhood, or the City Council may recognize, for purposes of this Chapter only, a new Neighborhood.

“Operating Agreement” an Agreement that determines how the Co-owned Housing Unit is used, how to divide shares, and how the costs are shared.

“Owner” means the Limited Liability Company, natural person or persons who is/are the owner of record of the Co-owned Housing Unit. The term “Owner” also includes members of the property specific Limited Liability Company, Tenancy in Common, or Real Estate Trust.

5.92.020 Co-owned Housing Unit Permit Required

- (a) The occupancy of a Co-owned Housing Unit without a Co-owned Housing Unit Permit is prohibited.
- (b) Prior to the dwelling’s occupancy as a Co-owned Housing Unit, and annually thereafter, a Co-owned Property Manager shall obtain a permit for each Co-owned Housing Unit in the City.
- (c) The City shall not issue a new Co-owned Housing Unit Permit for a property unless the property has a recorded purchase price greater than two (2) times

of the then median housing price, measured at the date that the application for the Co-owned Housing Unit is deemed complete.

- (d) The City shall not issue a new Co-owned Housing Unit Permit for a property in any Neighborhood in which the VR Neighborhood Percentage Cap, as outlined in Palm Springs Municipal Code Chapter 5.25 has been exceeded.
- (e) Prior to, and as a condition precedent to, the City's issuance of a Co-owned Housing Unit Permit, a Co-owned Property Manager shall submit an affidavit, signed under penalty of perjury, declaring that all owners of the Co-owned Housing Unit have adopted a Good Neighbor Policy, which shall be binding on the Owner(s) of the Co-owned Housing Unit for so long as the property is used as a Co-Owned Housing Unit, and which must contain the following requirements:
 - (1) Noise: Occupants of the Co-owned Housing Unit shall comply with all provisions of the City's Noise Ordinance, Palm Springs Municipal Code Chapter 11.74.
 - (2) Parking: Occupants of the Co-owned Housing Unit shall comply with all provisions of the City's parking regulations applicable to residential units. In addition, all owners and guests of Co-owned Housing Units shall park their vehicles on the property of the Co-owned Housing Unit whenever sufficient parking space is available at the property.
 - (3) Trash: Trash and refuse shall not be left stored within public view, except in proper containers for the purpose of collection by the authorized collectors and between the hours of five a.m. and eight p.m. on scheduled trash collection days. The Owner of the Co-owned unit shall use reasonably prudent property ownership/management practices to ensure compliance with all the provisions of Chapter [6.04](#) of the Municipal Code (Waste Disposal and Diversion), and shall provide "walk-in service".
 - (4) Occupancy Limits: The maximum number of occupants shall be no more than two (2) persons per bedroom within the Co-owned Housing Unit, plus any minor children (defined for purposes of this Chapter as age 12 or under).
 - (5) Home Repairs & Maintenance: Property repairs and maintenance (external and internal), garden and yard maintenance, and pool cleaning and maintenance shall be prohibited between the hours of 5:00 pm on Friday through 8:00 am on Monday, except in the case of an emergency or the occurrence of an unexpected event that reasonably warrants a more timely or immediate response.

(6) Legal Compliance: All Owners must comply with the provisions of this Chapter 5.92 of the Palm Springs Municipal Code

- (f) A Co-owned Property Manager applying for a Co-owned Housing Unit Permit must provide evidence of a valid business license issued by the City for the separate business of operating Co-owned Housing Units or submission of a certificate indicating that the Owner is exempt or otherwise not covered by the City's Business Tax Ordinance (Palm Springs Municipal Code, Title 3, Division II) for such activity. The Co-owned Property Manager shall maintain such license in good standing, including timely payment of the applicable business license tax, for so long as the Co-owned Property Manager provides management services within the City.
- (g) The City shall not issue a Co-owned Housing Unit Permit for a property that is within 500 feet of the outer property line of any other Co-owned Housing Unit.
- (h) The City shall not issue any new Co-owned Housing Unit Permit for any property that previously had a Vacation Rental permit revoked in the 24-month period prior to the acquisition of that property by the Owner.
- (i) The City shall not issue a Co-owned Housing Unit Permit for a property unless the owner obtains the following insurance coverage: (i) a policy of fire and casualty insurance covering the property and personal property in the Co-owned Housing Unit in an amount equal to the full replacement value of the property and the estimated value of the personal property in the Co-owned Housing Unit; and (ii) a policy of general liability insurance that include liabilities arising from usage of the Co-owned housing Unit by all owners and guests, with limits of liability not less than \$2,000,000. The owner shall maintain such policy for so long as the property is used as a Co-owned Housing Unit.
- (j) The Co-owned Housing Unit Permit shall be subject to renewal annually pursuant to procedures provided by the Director. Unless so renewed, the Co-owned Housing Unit Permit shall expire one (1) year following the date of its last issuance.
- (k) The Director shall process applications for Co-owned Housing Unit permits in the order in which complete applications therefore are received by the Special Programs department.
- (k) Fees for a Co-owned Housing Unit Permit will be established by resolution of the City Council and shall not exceed \$5,000.
- (l) A Co-Owned Property Manager shall at all times comply with the following minimum requirements and management regulations:
 - (1) A Co-Owned Property Manager must identify a local contact person. The name, physical address, email address, and telephone number

associated with any Co-Owned Property Manager and local contact person shall be provided to the City in writing, and written notice of any change to the foregoing shall be provided to the City within three (3) calendar days following any change.

- (2) All Co-Owned Property Managers and each individual owner shall be required to sign a sworn affidavit agreeing and acknowledging that short-term rentals are prohibited in the Co-owned Housing Unit.
- (3) A Co-Owned Property Manger must ensure that each Co-owned Housing Unit managed by the Manager is governed by an Operating Agreement.
- (4) A Co-Owned Property Manager must provide the Director, at the written request of the Director, with a copy of the Operating Agreement. Such copy shall be provided to the Director within three (3) calendar days following the Director's written request.
- (4) Within three (3) calendar days after a request by the Director, the Co-owned Property Manager must provide the name and contact information of any Owner that was residing at the Co-owned Housing Unit during a time period when the Director alleges a violation of this Chapter has occurred.
- (5) A Co-Owned Property Manager must provide or contract for the provision of yard maintenance services, including landscaping, weed control, and irrigation to a level that is consistent with the level of landscaping and maintenance on adjoining and nearby properties.
- (6) A Co-Owned Property Manager must provide or contract for the provision of structural maintenance of any buildings on the property.
- (7) A Co-Owned Property Manager must provide or contract for the provision of routine upkeep, including painting and repair, to a level that is consistent with the level of maintenance on adjoining or nearby properties.
- (8) A Co-Owned Property Manager must require the Co-Owners and guests of any Co-owned Housing Unit adopt and adhere to the Good Neighbor Policy described in section 5.92.020(e).
- (9) Within three (3) calendar days after a written request by the Director, the Co-owned Property Manager must provide documentation demonstrating that the Co-owned Property Manager has complied with the requirements of this subsection.

5.92.030 Operational Standards

- (l) No Co-owned Housing Unit shall be used as Vacation Rental or for Homesharing.
- (m) No weddings or commercial events shall be conducted at a Co-owned Housing Unit.

- (n) 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 a fully enclosed Co-owned Housing Unit and shall not be audible at the property line of the Co-owned Housing Unit.
- (o) No Co-owned Housing Unit shall be used by any guest(s) without a co-owner present.

5.92.040 Administrative Regulations

The City Manager shall have the authority to establish administrative rules and regulations, which may include, but are not limited to, registration conditions, property valuation determinations, reporting requirements, inspection frequencies, enforcement procedures, disclosure requirements, or insurance requirements, consistent with the provisions of this Chapter, for the purpose of implementing, interpreting, clarifying, carrying out, furthering, and enforcing the requirements and the provisions of this Chapter. No person shall fail to comply with any such regulation. A copy of such administrative rules and regulations shall be maintained on file in the Office of the City Clerk.

5.92.050 Violations

- (a) Any person who violates a provision of this Chapter is subject to criminal sanctions and administrative penalties pursuant to Chapter 1.06 of this Code and the specific penalties as provided in this Chapter. Any person who uses, or allows, or causes, the use of property in violation of the provisions in this Chapter is guilty of a misdemeanor for each day in which such property is used, caused to be used, or allowed to be used, in violation of this Chapter. Except as specifically set forth differently below, an administrative citation issued pursuant to Chapter 1.06 for a first violation shall be five hundred dollars (\$500.00) and each subsequent violation shall be one thousand (\$1,000.00) dollars. Each administrative citation for a violation of any provision of this Chapter may be levied or assessed against the Co-Owner(s), the Co-Owned Property Manager, or guest, or all of them, depending on who is responsible for committing, causing, or permitting such violation to occur. Upon the issuance of a third administrative citation for any violation of this Chapter, the City Manager may suspend or revoke the Co-owned Managed Housing Permit.
- (b) Any Co-owned Property Manager who manages a Co-owned Housing Unit without obtaining a Co-owned Property Management Permit is subject to criminal sanctions and administrative penalties pursuant to Chapter 1.06 of this Code. An administrative citation issued pursuant to Chapter 1.06 for a first violation shall be five thousand dollars (\$5,000.00) and each subsequent violation shall be one thousand (\$10,000.00) dollars.
- (c) Any Co-owned Property Manager or any other person that uses, causes to be used, or allows to be used, a Co-owned Housing Unit as a Vacation Rental or for Homesharing is subject to criminal sanctions and administrative penalties

pursuant to Chapter 1.06 of this Code. An administrative citation issued pursuant to Chapter 1.06 for a first violation of this subsection (c) shall be five thousand dollars (\$5,000.00) and each subsequent violation shall be ten thousand (\$10,000.00) dollars.

- (d) Any owner of a Co-owned Housing Unit who violates, causes to violate, or allows a violation, of any ordinance related to noise, nuisance, parking, trash, occupancy limits, or the prohibition of weddings or commercial events, shall be punishable by administrative fines and/or remedies as specified in the provisions of the Municipal Code. An administrative citation issued pursuant to Chapter 1.06 for a first violation under this subdivision (d) shall be two thousand five hundred dollars (\$2,500.00), five thousand (\$5,000) for a second violation in any 12-month period, and \$10,000 for a third, and any subsequent violation in any 12-month period.
- (e) Any person who fails to pay any fine, fee or charge provided in this Chapter within the time required, shall pay a penalty in the amounts established by the City Council by resolution. Such penalty may also include interest, at the rate of 10% per annum, from the date on which the fine, fee or charge became due and payable to the City until the date of payment.
- (f) The filing of knowingly false claims against a Co-owned Property Manager and/or Co-owned Housing Unit is prohibited. An administrative citation issued pursuant to Chapter 1.06 for a first violation of this subsection (f) shall be five thousand dollars (\$5,000.00) and each subsequent violation shall be ten thousand (\$10,000.00) dollars.
- (g) Notwithstanding any provision contained in chapter 1.06 to the contrary, no pre-citation or courtesy notice shall be required prior to the issuance of any citation or administrative penalty pursuant to this Chapter.

5.92.060 Application to Pre-existing Co-owned Housing Units

Any Co-owned Housing Unit in which in which an interest was sold prior to March 10, 2022 shall be subject to the regulatory provisions of this ordinance.”

EXHIBIT "B"
PROPOSED UPDATE TO TIMESHARE DEFINITIONS

Section 93.23.11(A) of the Palm Springs Municipal (Zoning) Code is hereby amended to read as follows:

"93.23.11 Use or Occupancy of Land on a "Time-Share" Basis.

A. Definitions.

For the purposes of this section, the following terms shall have the following meanings:

"Time-share interest" means the right to exclusively occupy a time-share property for a period of time on a recurring basis pursuant to a time-share plan, regardless of whether or not such right is coupled with a property interest in the time-share property or a specified portion thereof.

"Time-share plan" means any arrangement, plan, scheme, or similar device, whether by membership agreement, bylaws, shareholder agreement, partnership agreement, sale, lease, deed, license, right to use agreement, or by any other means, whereby a purchaser, in exchange for consideration, receives the right to exclusive use of an accommodation or accommodations, whether through the granting of ownership rights, possessory rights or otherwise, for a period of time less than a full year during any given year, on a recurring basis for more than one year, but not necessarily for consecutive years.

"Time-share project" means a property consisting of one or more accommodations subject to the same time-share plan, together with any other property or rights to property appurtenant to those accommodations.

"Time-share use" means the use of one or more accommodations or any part thereof, as a time-share property pursuant to a time-share plan."