



# Staff Report

## City Council

Cathedral City

Item No. 6.E

**Meeting Date:** September 9, 2020

**From:** Charles McClendon, City Manager

**Title:** Short-Term Vacation Rental Ordinance - Second Reading

City Council

### **RECOMMENDATION:**

To provide second reading and adopt an ordinance establishing new regulations and restrictions regarding Short-Term Vacation Rentals.

### **BACKGROUND:**

During their annual goal setting session in January 2019, the City Council developed a goal for staff to provide an update on short-term vacation rental (STVR) regulation and enforcement efforts. Staff prepared an update, which was presented to Council at study session on June 12, 2019. At that meeting Council heard from many residents of Cathedral City who expressed concern that existing STVR regulations are not working or are not being adequately enforced and that the proliferation of STVR homes is negatively affecting their quality of life. As a result, Council directed staff to prepare an ordinance for consideration implementing a moratorium on the issuance of new STVR permits. An interim urgency ordinance establishing a 45-day moratorium on new STVR permits was approved by Council on June 26, 2019. The ordinance excluded from the moratorium HOA neighborhoods that expressly allow STVR permits and allowed the renewal of then existing STVR permits. On July 24, 2019, prior to expiration of the initial 45-day moratorium, Council approved a new moratorium, with the same conditions and exclusions as the original, but with no expiration date. The moratorium action allowed the completion of processing of all then pending applications for STVR licenses.

During this same period of time, the City Manager appointed an Ad-Hoc task force to study issues related to STVR homes in neighborhoods and develop a set of recommendations to address the problems identified with a target date for completion of their tasks of early 2020. Members of the task force are:

Ed Emond-Worline, Landau Homes resident  
Teri Hargreaves, Panorama resident  
Pattie Hagedorn, Panorama resident  
Bob Ohda, La Pasada resident  
Boris Stark, STVR Management

Chris Harami, Cove resident and STVR owner  
Karyn McQueen, STVR owner  
Ryan Dame, padzu.com, STVR Management  
Amanda Hoffmann, STVR Management  
Michelle Van Sickle, Date Palm CC resident  
Conrad Corral, Cove resident and Home Sharing owner  
John Aguilar, Mayor, City Council representative

Boris Stark resigned from the task force earlier this spring and was subsequently replaced by Gennady Kolodenker, STVR owner.

Staff support to the task force was provided by:  
Charlie McClendon, City Manager  
Tami Scott, Administrative Services Director  
Robert Rodriguez, Planning and Building Director  
Dane Dickson, Police Commander  
Kevin Biersack, Accounting Manager  
Cindy Hansen, Licensing Manager  
Sandra Molina, Code Enforcement Manager  
Christina Harrison, City Clerk Office Assistant

The Task Force findings were presented to the Council in a special meeting on July 29, 2020 and Council provided direction regarding the preparation of an ordinance to implement the regulations supported by Council. The resulting ordinance was introduced and received first reading on August 26, 2020.

### **DISCUSSION:**

The first meeting of the task force was held on July 15, 2019. After introductions the members of the task force discussed specific areas where research was needed and decided to divide into three working groups for further study, Regulations, Enforcement and Density.

During late July and early August, the working groups each met, and the entire task force held their second meeting on August 12, 2019. Each of the working groups provided an update to the task force and the task force discussed ways to accommodate public input to the group. It was decided to develop a survey to be mailed to residents who live close to a STVR and to hold two public meetings to receive comments from the community. A draft survey was then developed and sent to all task force members and the working groups met again in late August and early September.

During the full task force meeting on September 9, the survey format and language were approved, and updates were received from all the working groups. Dates and locations were also approved for the two public meetings, October 1 at 6:00 pm at the library and October 19 at 10:00 am at City Hall.

The public meeting on Tuesday evening October 1 at the library was held as scheduled and was very well attended with probably more than 75 people in attendance and about 35 speakers. All comments made were noted and were shared with the task force members and with Council members.

The second public meeting was held on Saturday morning October 19 in the Council Chamber and was also very well attended. All comments made were noted and were shared with the task force members and Council members. Notes from both meetings are attached to this agenda item.

During the Council study session on October 9, 2019 an update was provided on the status of the work of the task force at that time and some interim recommendations were presented. The criteria for consideration of interim recommendations were that they addressed issues of concern to the residents, they could be implemented without the need for ordinance amendments and that they could be implemented for a moderate cost as fee changes will not be implemented, if any, until the Council considers the final task force report. The following suggestions were submitted by the task force and ultimately authorized by Council:

1. **Improved screening of on-line advertisements for STVR units and immediate issuance of citations for violations.** This was addressed through the award of a contract to Deckard Technologies which was approved by Council on December 11, 2019.
2. **Use of a private security service to respond immediately to hot line calls.** This was addressed through the award of a contract to Allied Security Service, which was approved by Council on November 13, 2019. Allied also patrols other city properties and facilities to help control vandalism and other damage.

Task force members volunteered their time to compile the results of the survey conducted and the results of the survey were released to the community through the City website and Facebook page. The survey was mailed out on October 1, 2019 with a return by date of October 15, 2019. The results were released to the community on February 12, 2020.

Prior to the corona virus pandemic, the task force continued to meet monthly with meetings held on October 14, 2019, November 19, 2019, January 13, 2020, February 10, 2020 and March 9, 2020. Meetings were then placed on hold due to the pandemic. So that the task force could continue to work through all of the recommendations and suggestions received from the community, task force members, the public meetings and the survey, a working group was appointed to go through all the documents provided to the task force and sort them into a listing of possible recommendations. The report of the working group, with 91 recommendations, was then shared with the full task force on June 5, 2020 and members were asked to provide a response with their "vote" on each of the recommendations. The full task force met together again via Zoom on June 29 and spent almost four hours going through the recommendations. A second video meeting was held on July 2 for about two and a half additional hours to complete the review of the recommendations.

The task force was unable to settle on a single set of recommendations that the entire group could endorse, although some of the individual regulatory suggestions did receive unanimous support. The ultimate task force recommendation on all the items will be reviewed and summarized in the following sections of this report. Council held a special

study session meeting on July 29, 2020 to review the task force recommendations and to provide guidance on what should be included in the new STVR ordinance which is attached and will be introduced and considered for first reading at this meeting. Council direction on each section or items considered is also included in the following sections of this report.

## **PRIMARY ISSUE 1 – Does Cathedral City continue to allow STVRs?**

### **Recommendation 1 – Continuance of STVRs in Cathedral City or a Phase Out –**

This is the key consideration to the entire issue and this item was presented to the Council during the study session on March 11, 2020.

- The initial recommendation to prohibit STVRs in R1/R2 zones with two exceptions was presented as Proposal #2 in the Density Subcommittee Report at the Council Study Session. The two exceptions:

- STVRs may continue operating in Home Sharing situations. (See Home Sharing Recommendation #4 for details.)

- Full Home STVRs may continue in HOAs, community associations or developments with CC&Rs that allow them.

- It was further recommended that the prohibition be extended to ALL residential zones with the same two exceptions.

- Adopt a phase-out transition period - a number of years for Owners to repurpose their property by converting their property into long-term rental property, reside in the property or sell.

**Council Direction** – Council supported including a phase-out provision in the ordinance. A two-year phase-out is included.

Staff and the City Attorney recommended the City opt to treat all licensees who will be subject to the phase out as if they have an economic hardship. Therefore, instead of having a one-year phase out with an optional one-year extension based on particularized hardship, the City determined that a uniform two year phase out is more equitable, feasible to implement, and in the best interest of the City. The uniform two-year phase out is included in the ordinance.

### **Recommendations 2,3, and 4 – Details of a Phase-Out Transition**

In the event the City Council adopts the recommendation to phase-out STVRs in residential zones, while still allowing them for Home Sharing and in HOAs and community associations or developments with CC&Rs that allow them, the period of time from the effective date of the new Ordinance to the sunset date when STVRs in residential zones terminate (the “transition phase”) shall include the following provisions:

- STVRs will be divided into two different types:
  - Full Home STVRs; and,
  - Home Sharing STVRs.
- On the established termination date all STVRs within residential zones will be prohibited, EXCEPT:
  - Home Sharing; and
  - HOAs with CC&Rs or other community associations or developments with CC&Rs that allow them.

- Until the sunset date existing STVR permits in residential zones may be renewed if otherwise qualified, UNLESS:
  - There has been a change of title; or
  - If the existing permit is revoked.
- The moratorium on the issuance of new STVRs, except for Home Sharing and HOAs or other community associations or developments with CC&Rs remains in place during the transition period.
- Hardship extensions (optional): Full Home STVR permit extensions may be requested past the sunset date if this provision is determined by the City Attorney as legally necessary and the City Council deems it appropriate to implement. The purpose is to give a Full Home STVR Owner the opportunity to request reasonable additional time to operate as a STVR, if necessary, to recoup reasonable investment made for short term rental use.
  - The City Council should adopt a policy detailing the process for applying for and deciding applications for hardship extensions. The City Council may also establish fees for processing hardship extension application and appeals.
  - Hardship extensions are not for an indefinite period of time.
  - Upon the conclusion of the hardship extension period the terminating Full Home STVR shall cease and its license terminates.
- Any and all new STVR operational code requirements shall apply to all existing STVR permits within 30 days of the new Ordinance going into effect. The City shall notify all current STVR permit holders of the new operational Ordinance provisions. The City reserves the right to modify operational requirements including discontinuing the issuance of STVR permits.

Additionally, during the phase-out period there should be a required Declaration of Non-Short-Term Rental Status Form. The suggestion is that the City adopt a form to use during the transition phase. In this form the Owner declares under penalty of perjury that he/she no longer owns the property or is no longer renting it as a short-term rental, or that the manager no longer manages the property.

Home Sharing STVRs -

- Home Sharing STVRs are allowed in all residential zones and in HOAs and community associations or developments with CC&Rs which allow STVRs.
  - Property must be the Owner's primary or principal residence, and the Owner may only have one primary or principal residence. Owner must sign an affidavit under penalty of perjury declaring the property is his/her primary residence.
    - Owner must be present on site during the rental period.
    - Home Sharing requires a business license and STVR permit.
    - ADUs (casitas) that are permitted on or after 1/1/2020: The Owner may not reside in the main house and rent the casita as a STVR. This is a new state law.
    - ADUs (casitas) that were permitted before 1/1/2020: The Owner may reside in the main house and rent the casita as a STVR subject to the occupancy rules.

**Council Direction** – Council supported an exemption allowing STVRs in HOA communities that explicitly allow them and also supported the Home Sharing exception. These provisions are included in the ordinance.

## **PRIMARY ISSUE 2 – What Changes to Regulations are Recommended?**

Regardless of their position on the issue of retaining or phasing-out STVRs, there is strong support from the task force for some changes to the regulations contained in the municipal code. The following proposals received **unanimous** support from the task force:

### **Recommendation 5 - Definitions – Apartments** [CCMC 3.24.011 \(B\)](#)

**Revise** the definition to read: “Apartment” means **(a)** a residential unit in a multi-family development of two (2) dwelling units where both dwelling units are rented or leased for occupancy as a residence for individual families, and **(b)** a residential unit in a multi-family development of three (3) or more dwelling units.

### **Recommendation 6 - Definitions – Applicant** [CCMC 3.24.011 \(B\)](#)

**Revise** the definition of “Applicant” to specify only the Owner and strike the additional language which includes an owner's authorized agent or representative, to read “Applicant” means the owner of the vacation rental unit.

### **Recommendation 8 - Definitions - Multi-family Rental Housing** [CCMC 3.24.011 \(B\)](#)

**Add:** “Multi-family Rental Housing” means any complex, structure or a portion of a structure used and/or designed as rental dwellings for two or more families living independently of each other. Includes: duplexes, triplexes, fourplexes, apartments; townhouse development (three or more attached single-family dwellings where no unit is located over another unit); and senior citizen multi-family housing.

### **Recommendation 9 - Definitions – Occupant** [CCMC 3.24.011 \(B\)](#)

**Add:** “Occupant” is defined as a person of **ANY** age.

The City Attorney has included the following definition: ““Occupant” means an individual of any age that is present on the property during the duration of the short-term vacation rental contracted stay. Persons hired by the owner to perform bona fide cleaning, maintenance, landscaping, construction, repair or similar services on the Property will not be considered to be occupants, provided said persons are solely engaged in unrelated activities. Occupant also includes the primary residents of a dwelling who remain on the property during the duration of a home share.

### **Recommendation 11 - Definitions - Responsible Person - Minimum Rental Age** [CCMC 3.24.011 \(B\)](#)

**Revise** the definition to add the text in bold print - “Responsible Person” means a STVR occupant who is at least **25 years of age** and who is legally responsible for ensuring that all occupants of the STVR unit and/or their guests comply with all applicable laws, rules and regulations pertaining to the use and occupancy of the STVR unit. **The Responsible person must be present at the STVR property during the rental period.**

The City Attorney has included the following definition: ““Responsible person” means an occupant of a short term vacation rental who is at least twenty-five years of age and who is legally responsible for ensuring that all occupants of the short term vacation rental comply with all applicable laws, rules and regulations pertaining to the use and occupancy of the subject short term vacation rental unit.

The requirement that the responsible person must be present at the STVR during the duration of the rental period has been included in the operational conditions of the ordinance.

**Recommendation 12 - Definitions - Vacation Rental Unit - Infrequent Use Provision**  
[CCMC 3.24.011 \(B\)](#)

**Revise the text** of the second sentence as follows: The term "vacation rental unit" **shall** include any private dwelling house or other individually owned single-family dwelling house unit rented only occasionally (infrequently) and incidentally to the normal occupancy by the owner or his or her family; (**and delete** the remaining text beginning with “provided” and ending with “rental.”)

The City Attorney has modified the definition as follows: “Short term vacation rental or STVR” means any residential dwelling, including, without limitation, a single-family detached or multiple-family attached unit, condominium, duplex, triplex, quadraplex, mobile home or house trailer, or other similar structure or portion thereof, and shall further include any space, lot, area, or site in any trailer court, campsite, park, or lot where a trailer, recreational vehicle, mobile home, motor home or any other conveyance, or any portion of such dwellings, rented for occupancy, dwelling, lodging, or sleeping purposes, for a period of thirty consecutive calendar days or less, counting portions of calendar days as full days use. The term “short term vacation rental” shall include the rental for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days use, of any private dwelling house or other individually owned single-family dwelling house unit rented only occasionally (infrequently) and incidentally to the normal occupancy by the owner or tenant(s), but does not include the use of a lodging facility, hotel, motel or to a timeshare subject to chapter 9.92.

**Recommendation 13 - Permit Application - Owner signature required**  
[CCMC 3.24.011 \(D\)\(1\)](#)

**Amend** - The Owner, **not** the Owner’s authorized agent or representative, is required to obtain a STVR permit and must execute the initial and all renewal STVR permit applications.

**Recommendation 14 - Permit Application - Language Pertaining to Failure to Obtain Permit** [CCMC 3.24.011 \(D\)\(1\)](#)

**Amend** to include the following: “Failure to obtain an initial vacation rental unit permit or renewal permit before renting and/or advertising the vacation rental unit shall immediately result in all fines, penalties and other remedies as provided in this Chapter including but not limited to denial or revocation of the permit.”

The City Attorney added the following language: “Failure to obtain an initial permit or renewal permit before renting and/or advertising the short term vacation rental shall

result in fines, penalties and other remedies as provided in this chapter, including but not limited to future denial.”

**Recommendation 15 - Permit Application - Local Contact Person information**

[CCMC 3.24.011 \(D\)\(2\)\(c\)](#)

Change the text:

**From:** The name, address, and twenty-four-hour telephone number of the local contact person;

**To:** The name, address, and telephone number of the local contact person **available** twenty-four hours/day;

**Recommendation 16 - Permit Application - HOA and Community Association CC&R Revisions** [CCMC 3.24.011 \(D\)\(3\)](#)

In existing code change the text "units" to "properties"; and add at the end: “For any community or association where the CC&Rs change to either allow or not allow such vacation rentals, the community or association must inform the City.”

**Recommendation 18 - Permit Application - Safety Inspection - Bedrooms**

[CCMC 3.24.011 \(D\)\(5\)](#)

**Add:** City inspections shall include verification of the legal number of bedrooms. The Building Department will provide the inspector with the number of legal permitted bedrooms in City and/or County records in advance of any safety inspection. If there is a discrepancy with the initial permit application, the permit shall be denied. If additional bedrooms were added without a City building permit after the initial STVR permit was approved, the permit shall be permanently revoked. Effective this date and forward, there will be verification a garage has not been converted into unpermitted bedroom living space.

The City Attorney has added the following language: “The permit application shall be accompanied by a consent to inspection form signed by the owner of the property by which the owner agrees and consents to the following inspection: ...(2) A health and safety inspection shall include verification of the number of bedrooms that were originally permitted and authorized under the original certificate of occupancy for the unit on the property. The city shall also verify that no space has been converted into a bedroom living space without all required permits.”

**Recommendation 19 - Permit Application - Safety Inspection – Pool**

[CCMC 3.24.011 \(D\)\(5\)](#)

**Add:** If the STVR has a privately owned pool or spa, the permit application and renewal must be accompanied by a pool electrical compliance form as provided by the City.

A City inspector shall review and add or modify any item related to pool/spa electrical form as necessary to comply with applicable codes.

The City Attorney added the following language: “If the short term vacation rental has a privately owned pool or spa, the city inspector shall confirm compliance with the uniform swimming pool, spa and hot tub code as adopted pursuant to chapter 8.32 unless such concurrent authority is prohibited by the uniform swimming pool, spa and hot tub code or any other applicable statutes, codes, rules and/or regulations.”



**Recommendation 20 - Permit Application - Safety Inspection - STVR Inspection**

[CCMC 3.24.011 \(D\)\(5\)](#)

Revise the home inspection form to substantially include all of the elements from the form used in Palm Springs. An additional pool item to be added to the #12 pool section is: “no overhead lights allowed over pools or spas”.

This will be an internal policy change.

**Recommendation 21 - Permit Application - Application Information Updates**

[CCMC 3.24.011 \(D\)\(8\)](#)

Revise to read: “Within fourteen days of a change of property ownership, change of owner’s agent or representative, or any other change in material facts pertaining to the information contained in the vacation rental unit permit application, the owner shall submit an application and requisite application fee for a new vacation rental unit permit, which must be obtained prior to continuing to rent the subject unit as a vacation rental. Changes to the Owner’s mailing and email addresses and change of the Local Contact Person may be done by email to the City in a format required by the City and shall not require an application for a new vacation rental permit.

**Recommendation 23 - Permit Application - Cancel Permit** [CCMC 3.24.011 \(D\)](#)

If the STVR is sold (and escrow has closed), otherwise disposed of, or after an event that results in the unit no longer in use as a short term vacation rental, the Owner or his or her agent or a representative shall within seven (7) days cancel the permit (in a manner as described by the City) AND delete any and all advertisements of the unit.

The City Attorney added the following language: “If the short term vacation rental is sold, otherwise disposed of, or after an event that results in the property no longer in use as a short term vacation rental, the owner of his or her agent or representative shall within seven days cancel the permit and delete any and all advertisements of the STVR.”

**Recommendation 24 - Permit Application - Certificate of Occupancy**

[CCMC 3.24.011 \(D\)](#)

Any newly constructed dwelling applying for a STVR permit must be accompanied by a completed and approved Certificate of Occupancy.

**Recommendation 26 - Permit Application - Hold Harmless Agreement**

[CCMC 3.24.011 \(D\)](#)

Each application shall contain an executed indemnification and hold harmless agreement in a form approved by the City Attorney agreeing to indemnify, save, protect, hold harmless, and defend the City of Cathedral City, the City Council of the City of Cathedral City, individually and collectively, and the City of Cathedral City representatives, officers, officials, employees, agents and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgements, penalties, causes of action, losses, liabilities, or costs at any time received, incurred or accrued as a result of, or arising out of Owner’s, or Authorized Agents or Representative or Local Contact Person actions or inaction in the operation, occupancy use and/or maintenance of the Property.

**Recommendation 31** - Permit Application – **Photo** [CCMC 3.24.011 \(D\)](#)

Require a photo of the front of the STVR property be included with any new or renewed STVR permit application. The minimum size shall be 4" x 5". The photo may be taken by the City inspector.

**Recommendation 32** - Permit Application - **Suggested Language To Add To Permit Applications** [CCMC 3.24.011 \(D\)](#)

Language should be added to the Permit Application to the effect that the Permit is subject to any further changes to the Municipal Code as may be enacted by the City Council from time to time.

**Recommendation 35** - Operational Requirements - **Occupancy Limits - Home Sharing** [CCMC 3.24.011 \(E\)\(3\)](#)

**Home Sharing** STVRs: 2 per BR, max. 4 people, Children under three excluded from the total.

The City Attorney recommends maintaining the same occupancy limits for both STVRs and home sharing. The ordinance occupancy limits are the same for both.

**Recommendation 40** - Operational Requirements - **Ads - Display Permit #** [CCMC 3.24.011 \(E\)\(8\)](#)

The STVR Permit Number must be prominently and legibly included in the **first line** of the property description text of any STVR advertisement in the following format: "City of Cathedral City STVR Permit #" followed by the unique STVR Permit Number.

**Recommendation 43** - Operational Requirements - **TOT - Record Keeping duties** [CCMC 3.24.011 \(E\)\(9\)](#)

**Revise to Include:** The Owner shall maintain for a period of three years records in such form as the tax administrator may require to determine the amount of TOT owed to the city. The tax administrator shall have the right to inspect such records at all reasonable times. Such records shall be maintained at the Owner's premises or shall be available for **delivery to the tax administrator within 14 days after request**.

If advertising on an online platform and such platform provides monthly statements to an Owner, the monthly statements shall be attached to the monthly TOT reports.

**Recommendation 47** - Operational Requirements - **Operating Includes Advertising** [CCMC 3.24.011 \(E\)](#)

**"Operation"** of a vacation rental includes but is not limited to any one or more of the following:

- Advertisement of the property means on any web based advertising, hosting platform, print media, bulletin, signage, radio, television or on any other medium for the purposes of promoting interest in, testing the market for, or soliciting the occupancy of a property for a period of 30 consecutive days or less.
- An Owner, agent or other representative of the owner has an interest in rental, exchange, trade, gift, or grant of a guest stay at a property of less than 30 consecutive days or less.
- An Owner, agent or other representative of the owner interacts with another party, whether directly or indirectly, through personal or digital/electronic

contact with the intent to provide availability of the property for occupancy of 30 days or less, or to complete a rental and/or reservation of the property for future occupancy of 30 days or less.

**Recommendation 50 - Operational Requirements – Parking** [CCMC 3.24.011 \(E\)](#)

Restrict parking in front of mailboxes.

**Recommendation 51 - Operational Requirements - Prohibited Uses**

[CCMC 3.24.011 \(E\)](#)

The following shall not be used for short term rentals:

- Structures not built for habitable use such as but not limited to tents, trailers, tree houses, garage, storage shed.
- Mobile homes which are situated on leased space within a mobile home park, unless permitted by the owner of the leased space.
- Temporary occupancy vehicles, also known as recreational vehicles which include motorhomes, travel trailers, truck campers, camping trailers, park trailers, fifth-wheel travel trailers, house cars, trailer coaches, slide-in campers, trunk campers, tent trailers, with or without a motor.
- Publicly owned single-family residential dwellings, condominiums, multifamily rental housing and those dwellings that are subject to affordable housing covenants imposed or required by the city or any of its affiliated agencies.
- Multi-family rental housing.
- Balcony, patio, or other outdoor area of a short-term vacation rental ("outdoor area") if such rental does not occur in connection with the rental of the remaining residence or dwelling unit to which the outdoor area is attached.

The City Attorney added accessory dwelling units to the list above with an exception for those constructed prior to January 1, 2020 in accordance with state law.

**Recommendation 58 - Operational Requirements - Subletting Prohibited**

[CCMC 3.24.011 \(E\)](#)

The renter or lessee of a Long-Term rental property shall not obtain a STVR permit and is prohibited from using the property as a STVR.

No person who has rented a short-term vacation rental shall sublet such dwelling unit, or any portion thereof, to any other person or entity.

**Recommendation 61 - Violations, Notices, Etc. - Ordinance & Resolution Clean-up**

[CCMC 3.24.011 \(G\)](#)

STVR fines be moved out of the current [Resolution \(2017-10\)](#) document and placed in a new separate section within the STVR Ordinance - perhaps as section (H).

NOTE – Staff explained that in general the City is moving toward having fines in a resolution rather than embedded in the ordinance. The task force felt this was ok as long as the STVR webpage, application materials and other resources include the fine information.

The City Attorney and staff agreed fines shall be established by resolution of City Council. A companion measure on the current agenda provides for the fine resolution.

**Recommendation 62 - Violations, Notices, Etc. - Ordinance & Resolution Clean-up**

[CCMC 3.24.011 \(G\)\(5\)](#)

The “60 days” provision stated in (a) CCMC 3.24.011 (G)(5) and (b) in the [Resolution # 2017-10](#) - Section 2 both need to be removed as that was only applicable to 60 days after Ordinance 792 was passed (4/12/2017).

**Recommendation 64 - Violation Fine - Failure to Obtain A Permit**

[CCMC 3.24.011 \(G\)](#) (new) replaces [Resolution 2017-10 Section 2 #1](#),

Applies to [CCMC 3.24.011 \(G\)\(5\)](#) and [CCMC 3.24.011 \(D\)\(1\)](#)

Update [Resolution 2017-10](#) - STVR Fees & Fines - Section 2 (1):

Change the fine for operating w/o a permit from "**may be fined**" up to five thousand dollars (\$5,000)" to "**will be fined**" five thousand dollars (\$5,000).

The City Attorney and staff agreed fines shall be established by resolution of City Council. A companion measure on the current agenda provides for the fine resolution.

**Council Direction** – All the provisions listed above, which received unanimous support from the task force were also supported by Council and are included in the proposed ordinance.

**Other Recommended Changes to the Regulations –**

In addition to those discussed above, which received unanimous support from the task force, several additional recommendations received **majority, but not unanimous, support** from the task force.

**Recommendation 10 - Definitions – Owner - [CCMC 3.24.011 \(B\)](#)**

**Revise** the definition to read: “Owner” means the natural person or persons who is/are the owner(s) of record of the property. The term “Owner” shall also include a personal or family trust and the trustee of such trust. Owner does not include a business entity including limited liability corporations (LLC), corporations, partnerships, or other entity that is not a natural person.

The City Attorney recommended the language stay the same.

**Recommendation 27 - Permit Application – Insurance - [CCMC 3.24.011 \(D\)](#)**

The STVR owner must provide proof of commercial insurance that covers the rental of the home as a STVR with limits as may be established by the City Manager from time to time. Proof of insurance shall be provided at the time of both initial and renewal permit issuance and shall remain in effect for the duration of the annual permit. Failure to maintain commercial property insurance shall result in immediate suspension of the STVR permit. The City must be included as an additionally named insured.

The requirement to name the City as an additional insured has been removed.

**Recommendation 28 - Permit Application - Owner Affidavit Required**

[CCMC 3.24.011 \(D\)](#)

Both the Business license and STVR permit applications (new and renewals) shall include an affidavit **signed by the Owner under penalty of perjury** stating that all the information in the application is correct and that the Owner maintains full responsibility that the STVR shall be advertised, rented, operated, and maintained in compliance with the STVR Ordinance and all other Municipal Codes.

This is being added internally to the permit application.

**Recommendation 29 - Permit Application - Ownership Requirement - One Person Per STVR - [CCMC 3.24.011 \(D\)](#)**

An Owner shall not have any financial interest in more than one STVR. An Owner shall only be issued and can only maintain one STVR permit at any time within Cathedral City. If the home is in an HOA or community association or development that has CC&Rs that allow STVRs upon approval by the HOA an Owner may have more than one STVR license/permit. During the phaseout period, if any, an existing Owner with multiple STVR permits may continue operating those STVRs.

The ordinance does not include this provision since it would only apply during the phase-out period and is therefore, unnecessary. After the phase-out STVRs will only be allowed in HOA communities who can choose to allow multiple ownership at their discretion. Homeshares by definition must be owner occupied which precludes multiple ownership.

**Recommendation 30 - Permit Application - Permit Denial - [CCMC 3.24.011 \(D\)](#)**

A short-term rental permit application **shall be denied** for any of the following reasons:

- If, at the time the short-term rental permit application is being submitted, the City has commenced any code compliance proceedings against the Owner with respect to any building, structure, use or land use in Cathedral City.
- If the applicant has had a prior short-term rental permit suspended or revoked or has been cited for violating any provision of the code for any STVR property in Cathedral City.
- If the applicant is delinquent in the payment of any outstanding fees, assessments or taxes owed to the City related to any property located in the City that is owned by the applicant or is not current in submitting any monthly transient occupancy tax return forms due to the city pursuant to Section [CCMC 3.24.080](#) of this code.
- If there is credible evidence that there are any private governing documents, including, without limitation, conditions, covenants and restrictions (“CC&Rs”) that are valid and enforceable pursuant to the Davis-Stirling Common Interest Development Act, as set forth in California Civil Code Section 4000 et seq., which prohibit the use of such Owner’s single-family dwelling or condominium for short-term rental purposes as defined in this chapter.
- If the applicant fails to provide any of the required application information described in this section.

The City Attorney modified language and added the following:

- If the short-term vacation rental or home sharing is to be conducted on a property where such use is prohibited under section 5.96.050(P).
- If the applicant fails to provide any of the required application information described in this section.

**Recommendation 33 - Permit Renewal - Denial for filing untimely application and payment of fees - [CCMC 3.24.011 \(D\)](#)**

If a **renewal application** is not submitted and the fees not paid by the expiration date of the **existing permit**, the STVR shall cease operating and the STVR permit shall be revoked.

The City Attorney added the following language: “If a renewal application is not submitted and the fees not paid by the expiration of the existing permit, the owner shall have thirty days to come into compliance with all provisions in this chapter.”

**Recommendation 37 - Operational Requirements - Amplified Music –**  
[CCMC 3.24.011 \(E\)\(5\)](#)

**Revise to add:** Restrict amplified music outside at all times day or night. Restrict amplified music inside that can be heard from the property line at all times day or night.

The City Attorney added the following language: “Any machine, device or equipment that amplifies music inside any short-term vacation rental shall not be heard beyond the property line of the short term vacation rental at all times.”

**Recommendation 39 - Operational Requirements – Trash -** [CCMC 3.24.011 \(E\)\(7\)](#)

Require licensed STVRs have walk up trash service for trash cans as well as require a total of two regular trash cans and two recycling cans.

The City Attorney added the following language: “Permitted short term vacation rental properties shall have walk up trash service for trash cans and are further required to have a total of two regular trash cans and two recycling trash cans.”

**Recommendation 42 - Operational Requirements - Ads - Info to Be Included**  
[CCMC 3.24.011 \(E\)\(8\)](#)

**Revise & Add:** The following shall be clearly identified in any advertisement: (1) maximum overnight occupancy of the STVR unit; (2) **requirements for compliance with the city’s noise and music standards and regulations;** (3) **permitted # of cars;** (4) **a statement that the STVR unit occupants shall respect the neighbors’ privacy and peaceful enjoyment of their property;** and (5) **The City’s current transient occupancy tax rate.**

**Recommendation 49 - Operational Requirements – Parking -** [CCMC 3.24.011 \(E\)](#)

Restrict parking based on 1 vehicle per bedroom.

**Recommendation 52 - Operational Requirements - Provide Owner Identification**  
[CCMC 3.24.011 \(E\)](#)

While present at a STVR property - If a CCCE Officer, CCPD Officer or Security Firm asks to see the government issued identification of the Owner or Owner’s Agent or Representative and that individual is unable or refuses to provide such identification, then a citation shall be issued to the Owner.

**Recommendation 53 - Operational Requirements - Provide Responsible Person Identification -** [CCMC 3.24.011 \(E\)](#)

While present at a STVR property - If a CCCE Officer, CCPD Officer or Security Firm asks to see the government issued identification of the Responsible Person, and if the

individual is unable or refuses to provide identification, then a citation shall be issued to the Owner.

If a CCCE Officer, CCPD Officer or Security Firm asks to speak to the Responsible Person and no one responds or is willing to be identified as the Responsible Person, then a violation will be issued to the Owner, and the Local Contact Person shall either locate the Responsible Person or evict the tenants from the STVR.

**Recommendation 55 - Operational Requirements - Rental Period –**

[CCMC 3.24.011 \(E\)](#)

The minimum duration of a STVR contract shall be 4 days, 3 nights for STVRs. Less than that is prohibited. STVRs in HOAs or community associations or developments that allow STVRs via CC&Rs and Home Sharing are not subject to this limitation.

**Recommendation 59 - Operational Requirements - Suspension of Permit Notice**

[CCMC 3.24.011 \(E\)](#)

If a permit is suspended or revoked, all property owners within 300 feet of the STVR property shall be provided written notice within 10 days of such action. If such action is appealed, all property owners within 300 feet of the STVR property shall be notified of the time, date, and location of the appeal hearing and shall be afforded the right to testify during the hearing.

**Recommendation 60 - Operational Requirements - Vendor Hours** [CCMC 3.24.011 \(E\)](#)

All home repairs (external and internal), garden and yard maintenance, and **pool cleaning and maintenance** shall not be performed between the hours of 5 pm on Friday through 8 am on Monday, except in the case of an emergency or the occurrence of an unexpected event that reasonably warrants a timely or immediate response. Repairs and maintenance shall not be scheduled in advance to occur during the days and time specified in this subsection.

The City Attorney added the following language: “All home maintenance and repairs (external and internal), garden and yard maintenance, and pool cleaning and maintenance shall not be performed between the hours of 5 p.m. on Friday through 8 a.m. on Monday, except in the case of an emergency or the occurrence of an unexpected event that reasonably warrants a timely or immediate response. Repairs and maintenance shall not be scheduled in advance to occur during the days and time specified in this subsection.”

**Recommendation 67 - Violation Fine - Accumulate Over Time -** [CCMC 3.24.011 \(G\)](#)

applies to [Resolution 2017-10 Section 2 \(all 4 items\)](#)

Fines or penalties counting as violations should not be based upon a calendar year or a twelve-month continuous period. **Violations shall accumulate over time.** Once the prescribed number of violations has been reached to suspend or repeal a permit, that action shall be taken.

**Council Direction** – The items discussed above, which obtained majority, but not unanimous support from the task force were also supported by Council and are included in the proposed ordinance with a few amendments:

- Recommendation 27 – Council agreed to remove the requirement that the City be named as an additional insured.

- Recommendation 33 – Council agreed to provide for a 30-day grace period for filing of a complete renewal application before the permit is revoked.
- Recommendation 67 – Council agreed to a twelve-month reset of the time period for accumulation of violations.

### Recommendations Requiring the Selection of Options

The following items considered by the task force required the group to choose from several options. In each case the recommendation will highlight the majority option and Council direction will also be identified.

#### Recommendation 36 - Operational Requirements - Occupancy Limits - Full Home STVR - [CCMC 3.24.011 \(E\)\(3\)](#)

Note: **These options apply to both “day and night”**

1 - 2 per BR, max. 6 people; or

2 - 2 per BR, max. 8 people; or

3 - 2 per BR, max 10 people; or

4 - 2 per BR, no set maximum

Occupancy limits may be exceeded, if the owner obtains a Special Use Permit as required by Chapter 9.68 and pays for it.

**Council Direction** – The direction from Council, reflected in the proposed ordinance was to support option 3, an occupancy limit of two per bedroom with a total maximum occupancy of 10.

**Recommendation 63 - Violations, Notices, Etc. - Operate And/Or Advertise Without A Permit - [CCMC 3.24.011 \(G\)](#) (new) replaces [Resolution 2017-10 Section 2 #1](#), Applies to: [CCMC 3.24.011 \(G\)\(5\)](#) and [CCMC 3.24.011 \(D\)\(1\)](#)**

**Option #1** - By The Recommendations Working Group

Any person who **operates and/or advertises** a vacation rental **without a STVR permit, shall be** liable to the City as follows:

- For past TOT including penalties and interest; and
- 1st violation: **\$5,000** administrative penalty & permanently ineligible to operate any STVR anywhere in the City; and
- 2nd violation (regardless of when it occurs): **\$10,000** administrative penalty; and
- Successive violations shall be subject to fines provided in an **escalation formula** established by the City Council by resolution.

**- OR -**

**Option #2** - By The Regulations Subcommittee

The TF Regulations Subcommittee recommended ([Resolution 2017-10 \(2\) \(1\)](#)):

**Revise the text to read:** The owner of any vacation rental unit that fails to obtain a permit from the City or cease operations within sixty (60) days of the effective date of Section CCMC 3.24.011(G)(5) will be fined five thousand (\$5,000) the first time the unit is rented. If a permit is not applied for within 14 calendar days of the first occurrence, an additional fine of five thousand dollars (\$5,000) will be assessed. If the property is rented out a second time without a permit, the fine will be \$10,000. Upon issuance of



this \$10,000 fine, the property owner shall be permanently ineligible to operator a vacation rental with the City.

**Council Direction** – Council agreed and supported Option 1. Fine amounts will be adopted through a companion resolution, which will accompany the ordinance at second reading.

**Recommendation 65 - Violation Fine - Lodging A False Complaint**

[CCMC 3.24.011 \(G\)](#) (new) replaces [Resolution 2017-10 Section 2 #3](#)

Applies to [CCMC 3.24.011 \(E\)\(4\)](#)

**Option #1** - By The Regulations Subcommittee

**Increase the fine from \$100 to \$500** for the first violation and \$1,000 for the 2nd violation and \$1,500 for the 3rd or subsequent violation within 12 months.

- OR -

Option # 2 - By The Recommendations Working Group

**Keep the existing fine levels.**

**Council Direction** – Council supported option 2 and the existing fine levels are included in the companion fine resolution.

**Recommendation 66 - Violation Fine - Misc. Violations**

[CCMC 3.24.011 \(G\)](#) (new) replaces [Resolution 2017-10 Section 2 #4](#)

“Strikes” for Ordinance violations. This provision would cover noise, music, trash, parking violations, failure to respond to a Hotline call (this was in [Resolution 2017-10 Section 2 #2](#)), etc..

Option 1 - By The Recommendations Working Group:

- 1st violation: **\$1,000** administrative citation;
- Each subsequent violation: **\$3,000** administrative citation;
- Upon third violation: **revoke** permit permanently

- OR -

**Option 2** - By The Regulations Subcommittee -

- 1st violation: **\$500** administrative citation;
- 2nd violation in 12 months: **\$1,000** administrative citation;
- Upon third or subsequent within 12 months: **\$1,500**
- Upon 4<sup>th</sup> within 12 months at the same unit, suspend permit for 12 months

**Council Direction** – Council agreed to support the fine levels indicated in option 1 but with revocation occurring on the fourth violation and with a reset after a twelve-month period. This is included in the companion resolution.

**Recommendation 68 - Violation Fine - Advertising Without Required Information**

[CCMC 3.24.011 \(G\)](#) (new) Applies to [CCMC 3.24.011 \(E\)\(8\)](#)

**Option #1** - By the Recommendations Working Group

Follow the current PS Ordinance - [5.25.090 \(d\)](#) and their Vacation Rental Administrative Regulations

Any person **with a STVR permit who advertises** a short-term vacation rental **without the items required by the Ordinance including the STVR permit #**, shall be liable to the City as follows:

- 1st violation: **\$2,500** administrative citation & shall be suspended six (6) months; and
  - 2nd violation (no time period): **\$5,000** administrative citation; and their permit shall be permanently revoked
  - **Successive violations** shall be subject to fines provided in an **escalation formula** established by the City Council by resolution
- OR -

Option #2 - By The Regulations Subcommittee

- 1st violation: \$ 500 administrative penalty within a 12-month period;
- 2nd violation: \$1,000 administrative penalty within a 12-month period;
- 3rd violation: \$1,500 administrative penalty within a 12-month period.

**Council Direction** – Council agreed to support option 1 but indicated support for a six-month suspension after the second violation instead of after the first.

### **Regulations Considered but NOT Recommended**

The following regulations were considered by the task force but ultimately did not gain majority support to emerge as recommendations.

### **Recommendation 7 - Definitions - Local Contact Person** [CCMC 3.24.011 \(B\)](#)

**Revise** the definition to add the text in bold print - “Local contact person” means the Owner or another person designated by the owner or the owner’s authorized agent or representative who shall be available twenty-four hours per day, seven days per week for the purposes of: (1) responding **in person within thirty minutes** to complaints regarding the condition, operation, or conduct of occupants of the short-term vacation rental; and (2) taking remedial action to resolve any such complaints. **The Local Contact Person must be a resident of the Coachella Valley.**

This item failed to gain support by a vote of **4-7**. The primary objection from those who opposed this item (mostly the owners/managers) was to the thirty-minute response requirement. Some indicated they would support a forty five-minute response requirement. There did not seem to be objection to the requirement that the contact person reside locally.

**Council Direction** – The Council’s direction on this item was to support the recommendation with the 30 minute response.

### **Recommendation 17 - Permit Application - New HOAs or CC&Rs** [CCMC 3.24.011 \(D\)\(3\)](#)

**Add:** Homeowners of existing properties in neighborhoods where a new HOA, community association, or development is formed after the effective date of this Ordinance are prohibited from obtaining a Full Home STVR permit, even if that HOA’s CC&Rs allow STVRs.

**Council Direction** – Council direction was that new HOAs can form in existing neighborhoods and allow STVRs as long as the zoning is something other than R1 or R2.

**Recommendation 22 - Permit Application - Postcard Requirement**

[CCMC 3.24.011 \(D\)\(9\)](#)

**Revise** the text to add the text in bold print: **Within 30 days** of the issuance of a new STVR permit **or a renewal permit**, the city shall mail a notice at the Owner’s cost and expense to the owners and occupants of all residences within **300 feet** of any property line of the vacation rental unit notifying the occupants that a STVR permit has been issued and providing information regarding how to lodge complaints regarding the vacation rental unit.

**Council Direction** – The direction of the Council was to support the original recommendation and provide for the 300-foot notification requirement.

**Recommendation 25 - Permit Application - Family & Friends List** [CCMC 3.24.011 \(D\)](#)

**Family & Friends List** - With each **new or renewal** STVR permit application, the applicant may attach a “Family & Friends” list of no more than 5 people (of all ages) who may occupy the Full Home STVR at no cost and without requiring the presence of the Owner on the premises. Each such occupancy shall fully comply with all other provisions of this Chapter. Only one (1) list per year. The list can only be updated upon renewal.

**Council Direction** – The Council supported this recommendation.

The City Attorney recommended not adding the language because of first amendment violation concerns. This provision is not included in the ordinance.

**Recommendation 34 - Resident Complaint Protocol** [CCMC 3.24.011 \(E\)\(2\)](#)

The provisions of this recommendation will require changes to [CCMC 3.24.011 \(E\) \(2\)](#). **Hotline Responsibilities** - When a call is received, the Hotline asks the Reporting Party (RP) for the RP’s name and contact information but shall not require such information. Hotline shall ask if CCCE or Security Firm can **enter RP’s backyard** to verify the complaint. If requested, the Hotline shall report back to the RP the results of the investigation and any action taken. All calls, investigations, and actions taken shall be documented.

**If CCCE or Security Firm is on duty:**

CCCE or Security Firm responds to Hotline Call for Service (CFS) and **goes to the property first** to investigate. This may include entering the RP’s property when permission is granted.

**A) If violation found:**

- Citation is issued;
- Local Contact Person is called;
- Local Contact Person has 30 minutes to answer the call and to respond in person to correct the nuisance/violation, which includes eviction, if necessary;
- If Local Contact Person fails to answer the call, an additional citation is issued for failure to respond;

- If Local Contact Person fails to correct the nuisance/violation, and/or if CCCE/Security Firm is unable to correct the nuisance/violation, the CCPD shall be contacted and the Owner shall be subject to all remedies available to the City including STVR permit revocation;

- Additional or successive calls to the Hotline for continuing violations at the same property for the same rental period will each result in separate and additional citations;

- Each citation issued shall result in a "Strike";

- If Security Firm is not qualified to issue a citation, then an on call CCCE officer is called to issue the citation.

**B) If violation not found:**

- CCCE/Security Firm reports back to Hotline that no violation found;

- CCCE or the Hotline calls back the RP if requested;

- CCCE or the Hotline informs the Owner within 2 business days that a complaint was made but no citation issued.

**If CCCE or Security Firm is not on duty**

- City should have an "on-call" official authorized to determine whether the complaint requires CCPD action or not;

- If the complaint does not require CCPD action, Hotline contacts the Local Contact Person who has 30 minutes to answer the call and resolve the issue;

- Local Contact Person must notify the Hotline of the corrective action taken, which is documented by the Hotline;

- If Local Contact Person fails to answer the Hotline call, call back and/or to satisfactorily correct the nuisance/violation, the CCPD shall be contacted to correct the nuisance/violation, and the Owner shall be issued a citation(s) and be subject to all other remedies available to the City including revocation of STVR permit.

**Council Direction** – The Council voiced support for the resident complaint protocol. The protocol will be established by a separate companion resolution and reflects Council direction from the August 26 study session related to staffing and organization placement of the enforcement function.

**Recommendation 38 - Operational Requirements - Check-In Procedures**

**CCMC 3.24.011 (E)(6)**

**Upon Check-in, the following shall occur:**

The Owner or Owner's Agent or Representative shall:

- be present on site to check in the Responsible Person. **Self-check in is prohibited.** Video check-in is prohibited.

- obtain from the Responsible Person an "Informational Form" which contains:

- the name, address and copy of the valid government ID of the Responsible Person;

- a list of the names of all occupants and guests of the rental;

- a list of all vehicle information and license plate numbers of the Responsible Person and occupants and guests.

- instruct the Responsible Person regarding City's STVR provisions and regulations (e.g. music; noise; trash; occupancy limits, parking).

- review the Good Neighbor Brochure with the Responsible Person.

- provide the Responsible Person with the Local Contact Person's 24 hour availability information.

The Responsible Person shall sign the “Guest Agreement Acknowledgement” form provided by the City which should be revised to include the following:

- that he/she has been informed of the City’s STVR provisions and regulations and has read and understood the Good Neighbor Brochure,
- that he/she is legally responsible for compliance of all occupants and guests with all applicable rules and regulations pertaining to the use and occupancy of the STVR,
- that the Owner and Responsible Person may be cited or fined for disturbances or other violations.

Both the Informational Form and the Guest Agreement Acknowledgement Form described above shall be readily available on-site during the time the property is rented for inspection upon request by any city officer responsible for the enforcement of the STVR laws and regulations or other city employees or contractors as designated by the City Manager, and shall be maintained by the Owner for a minimum of 3 years.

A copy of the short-term rental permit and of the Good Neighbor Brochure shall be posted in a conspicuous place within the short-term rental unit.

**Council Direction** – Council supported the recommended but supported allowing video check-in as a means to comply with the requirement.

**Recommendation 41 - Operational Requirements - Ads - Display Photo**

[CCMC 3.24.011 \(E\)\(8\)](#)

Require print and internet **advertisements include a photo of the front of the STVR.**

**Council Direction** – The Council supported this requirement.

**Recommendation 44 - Operational Requirements - TOT Report - Internet Sites**

[CCMC 3.24.011 \(E\)\(9\)](#)

All internet listing sites (e.g. website URLs) and listing numbers associated with a STVR shall be submitted within 30 days of approval of the STVR permit and thereafter with the monthly TOT form due the City.

**Council Direction** – The City Council indicated support for this recommendation.

**Recommendation 45 - Operational Requirements - Cannabis Usage**

[CCMC 3.24.011 \(E\)](#)

Cannabis usage outside the STVR unit shall be prohibited if the odor can be detected by the neighbors.

**Council Direction** – The Council indicated that this requirement is unnecessary as the nuisance section of the municipal code, specifically 13.80.240, already prohibits allowing cannabis smoke to emanate across any property line.

**Recommendation 46 - Operational Requirements - Limit Number of Rentals Per Year** [CCMC 3.24.011 \(E\)](#)

This **recommendation only applies** if Council does NOT enact the phase-out of STVRs in residential zones (Proposal #2). Reason: we do not want to limit the number

for Home Shares, and we do not want to limit the number in residential zones during the transition period.

Option #1 - limit # of contracts/year

The number of STVR contracts shall be limited to 26 per year and no more than two contracts permitted per any one-month period.

- OR -

Option #2 - limit # of days/year

A STVR shall only be rented up to 78 (26 x 3) days per year.

**Council Direction** – Given that there is going to be a phase out Council did not support limiting the contracts during the phase-out period.

**Recommendation 48 - Operational Requirements - Outdoor Amenities (Noise)**

[CCMC 3.24.011 \(E\)](#)

Prohibit the use of ALL outdoor amenities (spas/jacuzzis, pools, firepits, etc.) and/or outdoor games or any activities that create noise between the hours of 10 pm and 8 am. A **sign** stating these restrictions must be clearly visible near any such spa/pool or posted on all interior doors leading to the exterior amenities.

**Council Direction** – Council supported this item as recommended.

The City Attorney added the following language: “All use of outdoor amenities and/or outdoor games or any outdoor activities that create noise between the hours of 10 p.m. and 8 a.m. is prohibited. A sign stating these restrictions must be clearly visible near any such spa/pool or posted on all interior doors leading to the exterior amenities.”

**Recommendation 54 - Operational Requirements - Rental Contracts Filed with City**

[CCMC 3.24.011 \(E\)](#)

All STVR contracts shall be filed with the City prior to occupancy of a STVR by renters. The City shall utilize this information for TOT collection and for code compliance purposes. The exact number of occupants shall be included in the contract as well as all city code requirements regulating occupancy limits, noise, outdoor amplified music prohibition, public nuisance, parking, trash, and other code requirements related to STVR occupancy.

**Council Direction** – Council indicated support for this item with the provision that the contract can be uploaded to the City within 24 hours of execution of the contract.

**Recommendation 56 - Operational Requirements - Rental Sign Required**

[CCMC 3.24.011 \(E\)](#)

**During all times a STVR is rented** the Owner or Owner’s representative shall post a small sign, 8 inches by 8 inches, near the front door and completely visible from the **sidewalk** adjacent to the STVR. The sign shall include the City Permit number and City Hotline phone number.

**Council Direction** – Council did not indicate support for this requirement.

**Recommendation 57 - Operational Requirements - Residential Character Required**

[CCMC 3.24.011 \(E\)](#)

STVRs shall not change the residential character of the exterior appearance of the residence and yards, either by use of colors, materials, lighting, signs, props, or any other form or material including advertising mechanisms.

**Council Direction** – Council did not support including this requirement in the ordinance.

**Recommendation 69 - CCMC Noise Ordinance - New dB Levels** [11.96.030 \(6\)](#)

Revise the general residential CCMC noise levels as follows:

For exterior area:

7 am - 6 pm 50 dB(A)

6 pm - 10 pm 45 dB(A)

10 pm - 7 am 40 dB(A)

For interior area: 5 dB(A) less than the above exterior levels

**Council Direction** – Council supports a review of the noise ordinance in a broader context as it applies to all properties, not only STVRs. This will be handled separately in the future.

**General Recommendations Related to Policies and Operations** – The task force considered several recommendations related to policies and operations which will likely not require ordinance revisions.

**Council Direction** – None of the provisions of this section of the report require amendments to the STVR ordinance and are therefore, not included. From a policy and procedural standpoint these will be addressed by staff as appropriate moving forward.

**Ordinance Modifications Resulting from First Reading**

Per the direction of staff and City Council, the City Attorney’s office modified the STVR ordinance amendment presented on August 26th. The changes include the following:

1. References to “homeowner associations” have been changed to “common interest developments” throughout the ordinance.
2. Modified the definition of “common interest development” by adding reference to homeowners associations, condominium owners associations, and similar associations pursuant to the aforementioned Act.
3. Modified the definition of “home sharing or home share” clarifying the use of the privately owned qualifying residential unit.
4. Modified the definition of “short term vacation rental or STVR” to indicate what structure qualifies for use as an STVR and what structures and places do not.
5. Added definition of “qualifying residential dwelling unit.”
6. Added definition of “disqualified space.”
7. Added definition of “recreation vehicle.”
8. Restructured section 5.96.035 to identify the regulations for all permits, new permits, renewal permits and existing permits.
9. Restructured section 5.96.040(K) to clearly identify what is included in as part of a health and safety inspection.
10. Restructured section 5.96.040(L) to indicate pools and/ or spas shall comply with valid city issued permits and applicable statutes, codes, rules and regulations.

11. Amended the occupancy table in section 5.96.050(C).
  12. Restructured section 5.96.050(F) to identify what the owner or owner's agent shall advise the responsible person verbally and in writing.
  13. Restructured section 5.96.050(Q) moving the numbered paragraphs due to the newly added definition for qualifying residential dwelling units.
- Other minor amendments were grammatical or structural in nature.

### **Next Steps**

The ordinance as amended on August 26 is attached for second first reading at this meeting and, if approved, will become effective on October 9, 2020 with the phase-out effective on January 1, 2023.

A staff team will need to be formed under the direction of the city's Communications Manager to prepare materials to inform STVR owners and managers of the ordinance changes and how to comply. City forms, websites and print materials will need to be updated as well.

A cost analysis has been conducted to substantiate the resources needed for enforcement as discussed with Council at the August 26 study session. A companion resolution establishes the corresponding fees necessary to recover the costs

### **FISCAL IMPACT:**

Phasing out STVRs will result in a reduction in TOT revenue to the City probably in the amount of about \$400,000 per year. Fee revenue can only be used to offset the costs of managing the program and fees are discussed with the companion fee resolution.

### **ATTACHMENTS:**

stvr ordinance amendment - second reading - rl (9.8.20) (Temp) (Converted)  
STVR Ordinance Amendment - Second Reading - Clean Version (9.8.20)