

SHORT-TERM
VACATION RENTAL
PROGRAM AD-HOC
COMMITTEE

November 5, 2020



REPORTS AND INFORMATIONAL ITEMS:

CODE ENFORCEMENT UPDATE





STUDY SESSION ITEM NO. 1

DISCUSS MARKETING SUB-COMMITTEE REPORT AND UPDATE

MARKETING SUB-COMMITTEE'S TOP 5:

- Host Checklist
- Good Neighbor/Good Guest Brochure
- Host Training & Best Practices
- Violation Notice/Supplement
- Welcome Guest Video



BUSINESS SESSION ITEM NO. 1

APPROVE PERMITTING
SUB-COMMITTEE REPORT WITH
RECOMMENDATIONS TO MODIFY
SHORT-TERM VACATION RENTAL
PERMIT PROCESS AND REQUIREMENTS

City of La Quinta STVR Committee Subcommittee on Permitting

Recommendations on Permitting

The subcommittee on STVR Licensing has been formed to frame issues and make recommendations relating to licensing of STVR properties in the City.

Discussion

The City of La Quinta currently has a single class of license for all types of STVR properties. Criteria for obtaining a permit is the same irrespective of the type, size, rental capacity or management arrangements for a property. The Committee believes the hosting community can be better served by accommodating two types of licensing, based on how the property is managed.

Homeshares:

Homeshare properties are rentals where the property owner hosts visitors in the owner's home, while the owner lives on-site and is in the home throughout the visitor's stay.

Homeshare hosts are resident on the property and tend to rent out a room or two rather than the entire residence. Because they are full time residents, they are viewed as neighbors by adjacent property owners:

- Because they are resident, they are immediately contactable at all hours and therefore they promote a neighborhood "look and feel".
- They can directly observe and effectively manage all rental activities.
- Rental rules and any other renter behavioral requirements are explained in person (i.e. there is personal and direct information transfer).

Compliance is monitored continually (by the resident homeowner), so any conduct or other behavioral issues can be managed in real time. Because of this, issues are addressed before they become problematic from a neighbor or community perspective.

STVR's:

STVR properties are properties where the Owner is not living on-site and in the home throughout the visitor's stay.

STVR hosts are not resident on the property for the entire duration of the renters stay and are managed by non-resident property owners or property management firms who

may be available locally or out of the area. These properties may be viewed by residents/neighbors (and possibly renters) as commercial enterprises.

- Property oversight is by the remote homeowner or engagement of a property management firm.
- Because there is limited interpersonal contact, compliance is not monitored in real time, and notification to the homeowner or property manager is only made after disruption has occurred and a complaint has been made.
- These properties require a disproportionate amount of City resources for compliance enforcement. (Copy of STVR Administrative Citations January 2019 to July 2020 08282020[1].xlsx).

Recommendations

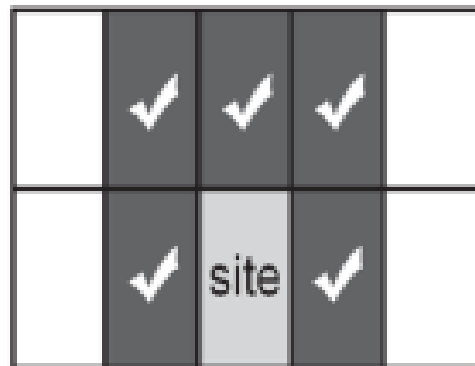
The Committee believes it appropriate to make the following recommendations:

1. Short Term Rental permits shall be separated into two types of permit categories: Homeshares and STVR Properties - as defined above.
2. Minimum Stay requirements:
 - a. In the case of Homeshares, the Subcommittee does not recommend implementation of a minimum stay requirement.
 - b. In the case of STVR's, the Subcommittee recommends a two-night minimum stay requirement.
3. Neighbor notification of a new permit or permit renewal:
 - a. As part of the permitting process, the applicant shall notify (at their expense) adjacent property owners of their receiving a permit to operate. For the purposes of notification, the term adjacent property will include all properties surrounding the licensed property as shown in Figure 1 below.
 - b. If the subject property is in a HOA community, the applicant shall also notify (at their expense) the Homeowner Association.
 - c. The permittee shall provide complete documentation regarding rules and regulations pertaining to the rental to the adjacent properties described in 3(a) and 3(b) above. This shall include complete copies of any City recommended documents, contact information for the owner and any designated representative(s), as well as contact details for the City complaint hotline.
 - d. The permittee shall provide to the City proof of service and HOA notification (if applicable) to adjacent property owners as described above, in the form of registered mail receipts or an affidavit certifying service.
4. Property Inspection:

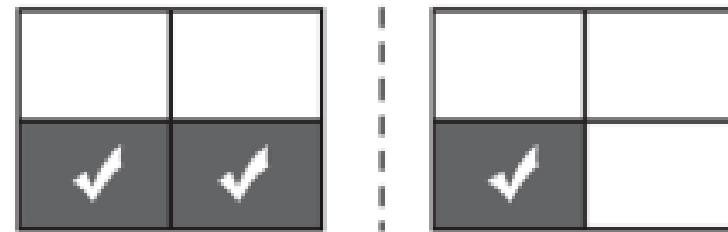
- a. Virtual inspection: The City shall prepare, and supply to the applicant, a list of requirements that are necessary for property evaluation. The applicant shall provide photographic and any other supporting evidence that these requirements have been met.
 - b. Physical Inspection: The licensee shall make the property available for a physical inspection upon notification from the City. City inspection shall be at the sole discretion of the City and any fees will be paid for by the applicant homeowner
5. Costs of Program Administration.
 - a. All costs associated with administering the program should be fully covered by the permit/licensing fees.
 - b. Homeshare permit fees should therefore be less than STVR permit fees.
6. Permits shall not be transferrable.
7. The City shall prepare an integrated, comprehensive relational database of permittees and applicants. This data framework shall allow for on demand statistical analysis of all aspects of the STVR program, including but not limited to: contact information for the owner and designated emergency contact or property management firm, types of permit, density in relation of adjacent properties, history with details on complaints and/or citations, and any other fields necessary for the effective enforcement and reporting on the STVR program.
8. The address of properties having suspended permits shall be published on the City STVR website, together with the duration of the suspension.
9. In the event a property owner is cited for operating without a permit, a period of not less than 6 months shall pass before the owner can apply for a permit. In the event a property owner is cited a second time for operating without a permit, that owner shall not be eligible for a permit at all.

The Subcommittee debated reinstatement options for suspended permits. That is, should the permit be automatically reinstated at the end of a suspension period or should the owner be required to reapply for a new permit. The subcommittee did not reach a consensus on this issue. The subcommittee felt the issue should be considered in the context of Density Subcommittee recommendations and the level of desire to achieve a more rapid achievement of the density recommendations.

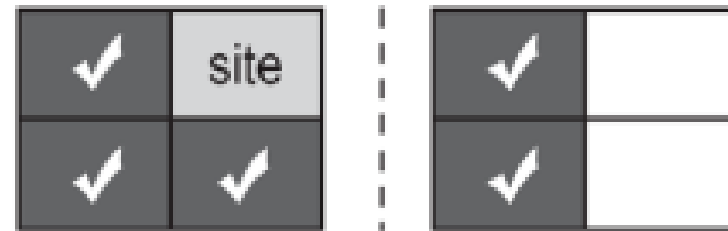
Figure 1: Adjacent properties requiring notification of a permit being granted:



street



street



alleyway



street





BUSINESS SESSION ITEM NO. 2

APPROVE DENSITY
SUB-COMMITTEE REPORT WITH
RECOMMENDATIONS TO
MODIFY SHORT-TERM VACATION
RENTAL OCCUPANCY LIMITS

Background

- Recommendations on occupancy density were submitted to the Ad-Hoc Committee at it's meeting on 2020-10-01
- After discussion and two votes, the document was not approved and was returned to the subcommittee for further review.
- The issue was occupancy levels for Studio, 1,2- and 3-bedroom properties

Revisions

- Upon review, the Subcommittee made the following recommendations to the occupancy table in the document
 - Separate out the combined Studio and 1-bedroom rows into two separate rows
 - Increase the recommended Studio occupancy level from 2 to 3 with one occupant being a child 12 or under
 - Increase the 1-bedroom occupancy level from 2 to 4 with 2 occupants being children 12 or under
 - Maintain the recommendation on occupancy level for 2- bedroom properties at 4
 - Maintain the recommendation on occupancy level for 3- bedroom properties at 6

Rationale for Changes

- The Subcommittee agreed it was reasonable to accommodate a small family unit in Studio properties.
- The Subcommittee agreed it was reasonable to accommodate a medium size family unit in 1-bedroom properties.
- The subcommittee maintained previously recommended occupancy levels for 2- and 3-bedroom properties
 - 2- and 3-bedroom properties are usually in denser residential areas and are on smaller lots
 - Noise and personal behavior issues tend to be concentrated around overcrowding of 2,3,and 4-bedroom properties
 - If larger groups of occupants are to be accommodated, the renter should occupy a bigger property with additional bedrooms

Desert Community Occupancy Levels

| # of Bedrooms | Overnight Occupancy Limits | | | | Subcommittee Recommendation |
|---------------|----------------------------|-----------|--------------|-------------|--|
| | Current | La Quinta | Palm Springs | Palm Desert | |
| 0 - Studio | 2 | 2 | 2 | 2 | 3 (1 must be child under 12) |
| 1 | 2 - 4 | 2 | 2 | 2 | 4 (2 must be children under 12) |
| 2 | 4 - 6 | 4 | 4 | 4 | 4 |
| 3 | 6 - 8 | 6 | 6 | 6 | 6 |
| 4 | 8 - 10 | 8 | 8 | 8 | 8 |
| 5 | 10 - 12 | 10 | 10 | 10 | 10 |
| 6 | 12 - 14 | 12 | 12 | 12 | 12 |
| 7 | 14 | | 14 | | 14 |
| 8 | 16 | | | | 16 |
| 9 | 18 | | | | 16 |

CURRENT OCCUPANCY LIMITS IN CITY ORDINANCE

| Number of Bedrooms | Total Overnight Occupants* | Total Daytime Occupants (Including Number of Overnight Occupants)** |
|---------------------------|-----------------------------------|--|
| 0 - Studio | 2 | 2 - 8 |
| 1 | 2 - 4 | 2 - 8 |
| 2 | 4 - 6 | 4 - 8 |
| 3 | 6 - 8 | 6 - 12 |
| 4 | 8 - 10 | 8 - 16 |
| 5 | 10 - 12 | 10 - 18 |
| 6 | 12 - 14 | 12 - 20 |
| 7 | 14 | 14 - 20 |
| 8 | 16 | 16 - 22 |
| 9 | 18 | 18 - 24 |

RECOMMENDATION TO MODIFY OCCUPANCY LIMITS

| Number of Bedrooms | Total Overnight Occupants* | Total Daytime Occupants (Including Number of Overnight Occupants)** |
|---------------------------|------------------------------------|--|
| Studio | 3 (1 must be child under 12) | 6 |
| 1 | 4 (2 must be children under 12) | 6 |
| 2 | 4 | 8 |
| 3 | 6 | 10 |
| 4 | 8 | 12 |
| 5 | 10 | 14 |
| 6 | 12 | 16 |
| 7 | 14 | 18 |
| 8 or more | 16 | 18 |

* Overnight (10:01 p.m. – 6:59 a.m.)

** Daytime (7:00 a.m. – 10:00 p.m.)



BUSINESS SESSION ITEM NO. 3

APPROVE DENSITY
SUB-COMMITTEE REPORT WITH
RECOMMENDATIONS TO
INCLUDE SHORT-TERM
VACATION RENTAL PROPERTY
DENSITY LIMITS

Property Density Recommendations - Goals

- Achieve a rational compromise on the density of STVR's within a residential community
- Preserve the neighborhood sense of community ("look and feel") and associated quality of life for permanent residents living in residential zones

What We Know - 1

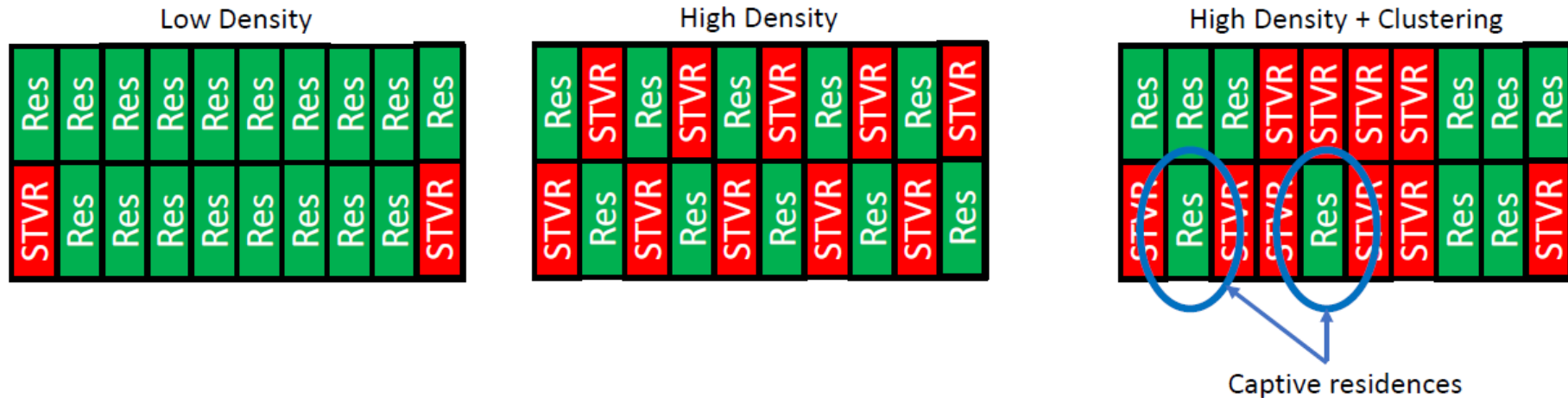
- A sense of community is established by enabling communications between individuals who live and work in proximity to each other
 - Neighborhoods “are the spatial units in which face-to-face social interactions occur—the personal settings and situations where residents seek to realize common values, socialize youth, and maintain effective social control.”
 - Neighborhoods are social communities because the people that live in them commonly talk and physically interact with each other
- STVR’s by nature comprise transient occupants who are not resident in the community long enough to establish relationships capable of building community
- If it is desired to maintain a sense of community (i.e. neighborhood “look and feel”), there must be a balance such that enough residential properties are preserved to maintain a sense of community
 - High concentrations of STVR’s with significant transient occupancy rates result in areas becoming commercial zones rather than residential neighborhoods
 - Preservation of a neighborhood (and sense of community) will therefore depend on effectively managing the balance between STVR density and residential properties

What We Know - 2

- There are essentially two types of rental owners – we can call them Homeshares and STVR's
- Homeshare owners tend to rent out a room or two rather than the entire residence. They are resident on the property for the entire time of the rental period, and are therefore viewed as neighbors by adjacent property owners
 - They are in a position to have an interactive face to face social relationship with neighbors. Therefore they do not seem to detract from the neighborhood “look and feel”
 - Rental rules and behavioral requirements are explained in person to the renter (direct information transfer)
 - They can personally observe and effectively manage renters continually in real time
- STVR owners are not resident on the property during the rental period (or at all)
 - No neighborhood “look and feel” as there are different occupants daily/weekly.
 - Properties are viewed by residents/neighbors as commercial enterprises
 - Property oversight is by the remote homeowner or engagement of a property management firm
 - Renters may not be adequately vetted at the time of occupancy
 - Compliance / renter behavior is not monitored in real time
- Density restrictions should address these functional and social differences

Density and Clustering

- Density is the ratio of STVR properties to residential properties in areas zoned for residential neighborhoods
- Clustering is the uneven concentration of rental properties within a defined area or region
 - Detracts from the ability to preserve the sense of community within a neighborhood by allowing a higher ratio of of transient occupants per residential property.
 - May result in captive residences
- Density limitations can be used to address both issues



Possible Scenarios - Limit by Number of Permits

- Example
 - “The maximum number of STVR property permits issued in a district shall not exceed X”
 - See City of Santa Cruz
- Pros
 - Establishes an upper limit on the overall density
 - Easy to enforce
 - Automatically scales for type of land – works for small, large and condo properties
- Cons
 - Does not prevent high density “clustering” within a district – a resident may be surrounded by STVR’s
 - Condominiums are an issue
 - Limits growth

Possible Scenarios - Limit by Rental Duration

- Example
 - “The maximum number of times an STVR property may be rented in any 12-month period is 100 nights”
 - See Palm Springs Ordinance 1918
- Pros
 - Establishes an upper limit on rental activity
- Cons
 - Almost impossible to enforce
 - Places limitations on income for the owner, and TOT for the City
 - Does not prevent high density “clustering” within a district – a resident may be surrounded by STVR’s
 - Allows “peaky” rental activity: unreasonably heavy during season, festivals and (maybe) lighter during summer months
 - Does not preserve the concept of Neighborhood or Community
 - Places no limits on property density, allowing neighborhoods to potentially be overrun with STVR properties

Possible Scenarios - Limit by Overall Density

- Example
 - “The maximum number of STVR properties in a district shall not exceed X% of all properties within that district”
 - See Rancho Mirage
- Pros
 - Establishes an upper limit on the overall density
 - Easy to enforce (“District” may mean Zone, Neighborhood, City region...)
 - Automatically scales for most type of land – works for small, large and condo properties
- Cons
 - Does not prevent high density “clustering” within a district – a resident may be surrounded by STVR’s
 - Mixed areas (condos, small houses, large houses) are an issue

Possible Scenarios - Limit by Proximity

- Example
 - “An STVR property may not be located within 3(or 4 or 5 etc.) properties of another STVR property
 - “An STVR property may not be located within 300 (or 400 etc.) feet of another STVR property
- Pros
 - Is definitive – guarantees that each neighbor has a neighbor
 - Can be dependent on types of use – zoning, neighborhoods etc.
 - Automatically scales for type of structure – works for small, large and condo properties
 - Is universal – works for all streets, regions, zones and neighborhoods
- Cons
 - Does not scale with the size of the property – Condos could be very low density, whereas large properties might be adjacent
 - Difficult to implement when STVRs are already established in impacted neighborhoods.

High Density

| | | | | | | |
|------|-----|-----|------|-----|-----|-----|
| Res | Res | Res | Res | Res | Res | Res |
| STVR | Res | Res | STVR | Res | Res | Res |

Medium Density

| | | | | | | | | |
|------|-----|-----|-----|------|-----|-----|-----|-----|
| Res | Res | Res | Res | Res | Res | Res | Res | Res |
| STVR | Res | Res | Res | STVR | Res | Res | Res | Res |

Low Density

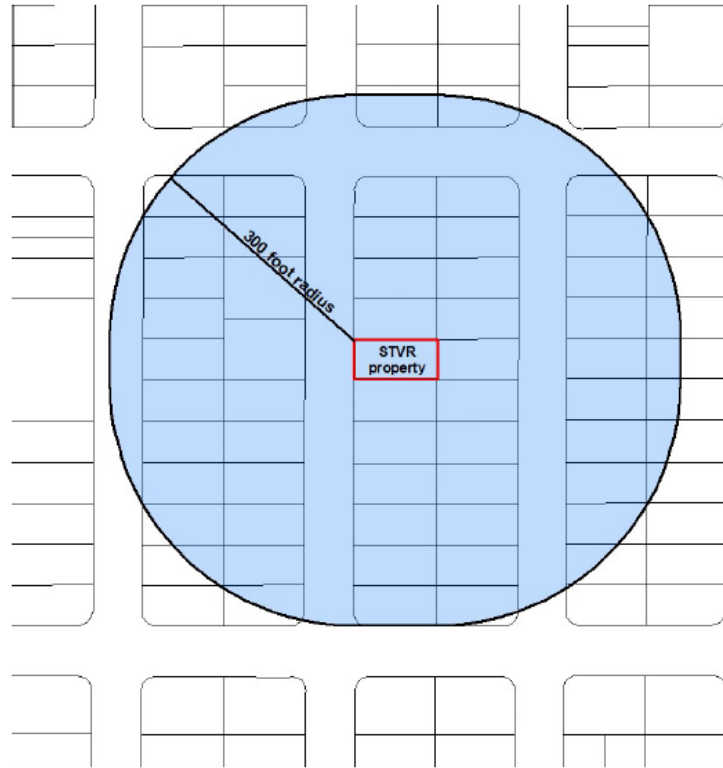
| | | | | | | | | | |
|------|-----|-----|-----|-----|------|-----|-----|-----|-----|
| Res | Res | Res | Res | Res | Res | Res | Res | Res | Res |
| STVR | Res | Res | Res | Res | STVR | Res | Res | Res | Res |

Recommendation – Distance Density

- No need to limit Homeshares
- For STVR's - Limit density by radial distance of 300'
- Why?
 - Simple and definitive
 - Used in other communities
 - Used within La Quinta to manage B&B's
 - Automatically addresses both density and clustering issues

Example – La Quinta Cove

- 300-foot radius (measured from property boundaries). La Quinta Cove density used for illustration



Implementation Recommendation

- In light of other cities in the Coachella Valley already limiting or eliminating STVR's in residential areas which may result in an increase in STVR activity in La Quinta, and to address the current overconcentration of STVR's in many residential neighborhoods, several implementation strategies were thoroughly discussed, with recommendations as follows:
 - Approve pending and new applications which would comply with the density requirement
 - Properties that have been suspended shall be required to reapply for a permit and be subjected to the density recommendations
 - Phasing in density limits to existing STVR's that do not comply with the density requirement with renewals effective in 2022
- Subcommittee consensus reflects a fair and reasonable plan for STVR redistribution and controlled growth addressing the immediate need for resident quality of life/neighborhood preservation and ensures co-existence of the appropriate balance of STVR's in residential communities without having to ban them from residential areas like other desert communities
- Subcommittee also heartily endorses continued considerations of new STVR's in communities which are designed for this purpose and encourages the development of additional growth opportunities in appropriately zoned areas
 - Silver Rock
 - Water Park
 - Undeveloped properties
 - Legacy Villas
 - Signature

THANK
YOU FOR
COMING!

**VACATION**

OUR NEXT
SCHEDULED
MEETING IS:

THURSDAY
DECEMBER 3, 2020