

## **MEASURE A FAQs:**

### **What is Measure A?**

Measure A is a ballot initiative proposing to permanently phase-out and ban non-hosted short-term vacation rentals, in non-exempt areas of the City of La Quinta by December 31, 2024.

### **What does a “No” vote on Measure A mean?**

Voting “No” will keep the short-term vacation rental program in place, including a current ban on new permits, allowing the City to continue the current programs to monitor and confirm that all rentals have the required permits and licenses, and that visitors are not disrupting neighbors and neighborhoods.

### **What does a “Yes” vote on Measure A mean?**

Voting “Yes” for Measure A would lead to an immediate phasing-out on renewing permitted STVRs and eventually a permanent ban by December 31, 2024, of non-hosted short-term vacation rentals in non-exempt areas of La Quinta.

### **What is a short-term vacation rental?**

Also known as a STVR, a short-term vacation rental is a dwelling legally permitted to be rented for periods of 30 consecutive days or less. The rental can be for the entire home, accessory dwellings such as casitas, or limited to one or more rooms.

### **What is a hosted vs. non-hosted STVR?**

A hosted STVR is a home where the owner lives on-site and is in the home throughout the visitor’s stay.

A non-hosted STVR is an owner’s primary residence or a secondary residence. In either case, the homeowner is not on-site and may be out of the area during the visitor’s stay.

In the City, more than two-thirds of the city’s approximate 1,160 permitted STVRs are within the non-exempt areas as defined by Measure A.

### **What are the non-exempt areas for STVRs under Measure A?**

The non-exempt areas under Measure A include the entire territorial boundary of the City, except within:

- The Tourist Commercial District or Village Commercial zones;

- Residential developments and communities subject to covenants allowing or requiring STVRs;
- The SilverRock Specific Plan, and
- The specified boundary for the La Quinta Villas/Tennis Condos identified in the La Quinta Resort Specific Plan.

### **What has the City done to address problem properties?**

Since the STVR program was created in October 2012, the City has routinely acted to implement numerous changes to its Municipal Code as needed, strengthening rules and regulations and adding enforcement personnel.

In 2020 and 2021, the COVID-19 pandemic caused a surge in STVR properties and complaints, bringing about swift action by the City to toughen rules and regulations, including stiffer penalties and fines of up to \$5,000 and revocation of permits for noncompliant properties.

Permits are non-transferable, as well, so when a property sells, the property can no longer operate as a STVR unless it is in an exempt area.

The City also moved from a three-strikes to a two-strikes policy for violations which can lead to revocation of a permit.

### **How many STVRs are there currently in the banned areas of the City where new permits are banned?**

On June 30, 2022, there were 792 permitted STVRs in banned areas – a 23.63% drop from 1,037 since January 2021.

### **How does the City receive revenue from STVRs?**

As authorized by California law and per the City's municipal code, STVRs are subject to a 10% transient occupancy tax (TOT) on the amount charged or chargeable to the persons occupying the STVR. TOT is a "general tax" under California law, which means all TOT revenue remitted to the City may be used to fund any and all City services, programs and projects.

### **Have the stricter rules, penalties, and fines made a difference?**

Complaints citywide have dropped 70%, from 672 complaints in the first half of 2021, to 200 complaints in the first half of 2022.

Of the 200 complaints, 137 occurred during the festivals season (March – May 2022), and complaints from illegally operated STVRs were the relative majority at 66%.

Citations citywide have dropped 73% from 163 in the first half of 2021 to only 45 in the first half of 2022.

About 55% – 32 out of the 45 – of total citations issued in the first half of 2022, were for administrative matters: operating without a permit or license; failure to display STVR permit on listings; failure to report or remit TOT; and incorrect or omitted occupancy limit on advertised listings. Such administrative citations did not cause disruptions to the community.

### **What is the annual economic impact of Measure A?**

Based on an independent economic study, Measure A would mean annual losses of:

- \$100 million in business sales
- 445 jobs
- \$13 million in personal income
- \$8 million in tax revenue to the City

The lost sales impacts will be distributed across various industries, but the hardest hit will be food and beverage, recreation, and entertainment, lodging and retailers.