

May 25, 2023

The Honorable Monique Limón
California State Senate
1021 O Street, Suite 6510
Sacramento, CA 95814

**Re: SB 584 (Limón) Laborforce Housing: Short-Term Rental Tax Law – Oppose Unless Amended
(as amended 5/18/2023)**

Dear Senator Limón,

The City of La Quinta is taking an **Oppose Unless Amended** position on your SB 584, which would establish the Laborforce Housing Fund and make funds available for the creation of laborforce housing and other specified housing projects. As a primary means of revenue for the fund, this bill would impose a tax on the occupancy of short-term rentals in California at the rate of 15% of the short-term rental price.

If implemented, this will significantly impact California's many tourist destinations, small business owners, and travelers by increasing the cost of already expensive short-term lodging. Tourism is the #1 industry in the Coachella Valley and its nine cities rely heavily on large-scale events, sales tax, and transient occupancy tax. SB 584 will force essential transient populations to fund a state-wide housing program that will likely not benefit any new housing construction in those same tourist destinations.

La Quinta fully supports senior and entry-level housing and has more low-income housing developments than other cities in our area. However, La Quinta does not support targeting the STVR industry to fund a state program that will not benefit our community. The Coachella Valley's economy continues to recover from the COVID-19 shutdown and this short-term rental tax is not the solution for new housing or our economy.

For these reasons, the City of La Quinta respectfully requests you to amend SB 584 with alternative funding mechanisms to sustain the Laborforce Housing Fund, without taxing one specific industry. If you have any questions, please feel free to contact me directly at levans@laquintaca.gov or 760-777-7030. Thank you for your time and consideration.

Sincerely,



Linda Evans, Mayor
City of La Quinta

CC: Senator Steve Padilla, Senate District 18
Assembly Member Greg Wallis, Assembly District 47
Members of the La Quinta City Council
League of California Cities