

Initiative Ordinance: Phase-Out and Permanent Ban of Non-Hosted Short-Term Vacation Rentals in Non-Exempt Areas of the City of La Quinta

INITIATIVE MEASURE TO BE DIRECTLY SUBMITTED TO THE VOTERS

TEXT OF INITIATIVE BY THE PEOPLE OF THE CITY OF LA QUINTA, CALIFORNIA

THE PEOPLE OF THE CITY OF LA QUINTA, CALIFORNIA FIND AND DECLARE AS FOLLOWS: SECTIONS OF THE CITY OF LA QUINTA MUNICIPAL CODE SHALL BE AMENDED TO PHASE-OUT NON-HOSTED SHORT-TERM VACATION RENTALS IN NON-EXEMPT AREAS BY DECEMBER 31, 2024

WHEREAS, Chapter 3.25 of the La Quinta Municipal Code relates to short-term vacation rentals (STVRs); and

WHEREAS, pursuant to the authority granted to the City of La Quinta (“City”) by Article XI, Sections 5 and 7 of the California Constitution and the City Charter, the City has the police power to regulate the use of land, property and businesses within the City in a manner designed to promote public convenience and general prosperity, as well as public health, welfare, and safety; and

WHEREAS, the people of La Quinta have repeatedly expressed objections to their City Council regarding the proliferation and density of non-hosted STVRs in residential neighborhoods due to the negative impact on their quality of life, and the character and livability of their neighborhoods; and

WHEREAS, the detrimental impacts of non-hosted STVRs on residential neighborhoods has not been adequately mitigated by the City Council resulting in ongoing interruption to residents’ peaceful enjoyment of their homes and forcing residents to police continuous STVR issues such as excessive noise, disorderly conduct, overcrowding, traffic, parking, and trash; and

WHEREAS, STVRs are a commercial use of residential dwellings, generating income based on the short-term rental of residential dwellings akin to other commercial uses banned in residential neighborhoods, and the people of La Quinta have determined that the public nuisances created by non-hosted STVR commercial activities in residential neighborhoods is incompatible with surrounding residential uses; and

WHEREAS, the proliferation of non-hosted STVRs in residential neighborhoods has depleted the availability of housing for new homeowners and long-term tenants who contribute to the fabric of the community, spend their earnings locally, populate the school district, and operate local businesses or provide labor to local businesses; and

WHEREAS, this Initiative phases out all types of non-hosted STVRs including general STVRs and primary residence STVRs, in all residential dwelling units in the City not exempted by the provisions of Section 3.25.055(A) below, by December 31, 2024, including residential dwelling units governed by homeowners’ associations (HOAs) and covenants, conditions & restrictions (CC&Rs), but shall have no effect on hosted homeshare STVRs, vacation rentals exempted by the provisions of Section 3.25.055(A) below, or bed and breakfast operations; and

WHEREAS, the people of La Quinta acknowledge the importance of tourism to the La Quinta economy and call for the expansion of STVR units in exempt areas that meet the provisions of Section 3.25.055(A) below; and

WHEREAS, the people of La Quinta shall provide a phase-out period to minimize the economic impacts to existing non-hosted STVR permit holders but shall prohibit the issuance of any new non-hosted STVR permits in residential neighborhoods (not exempted by the provisions of Section 3.25.055(A) below) as of the effective date of this Initiative.

NOW THEREFORE, THE PEOPLE OF THE CITY OF LA QUINTA DO HEREBY ORDAIN AS FOLLOWS:

ITEM 1: Section 3.25.030 of the La Quinta Municipal Code shall be amended to add the following definition: *“Non-hosted short-term vacation rental”* is a type of short-term vacation rental whereby the owner rents a short-term vacation rental unit (as defined herein), for compensation, for periods of thirty (30) consecutive calendar days or less, while the owner does not live on-site or in the dwelling unit, throughout the occupant's stay.

ITEM 2: Section 3.25.055 of the La Quinta Municipal Code shall be deleted in its entirety and the following shall be added in its place:

3.25.055 - non-issuance of new non-hosted short-term vacation rental permits and phase-out of existing non-hosted short-term vacation permits.

A. Commencing on the effective date of this Initiative, there shall be no processing of, or issuance for, any applications for a new non-hosted short-term vacation rental permit, required by this chapter to use or operate a non-hosted short-term vacation rental unit in the city, except applications for a new non-hosted short-term vacation rental permit covering a non-hosted short-term vacation rental unit that meets one (1) or more of the following:

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- 1. A residential dwelling within a residential project located in the CT Tourist Commercial District zone, as defined in Section 9.70.070 (or successor section) of this code and depicted in the city's official zoning map.
- 2. A residential dwelling within a residential project located in the VC Village Commercial District zone, as defined in Section 9.70.100 (or successor section) of this code and depicted in the city's official zoning map.
- 3. A residential dwelling within a residential project subject to a development agreement with the city, or subject to a condition of approval(s) attached to any entitlement approved by the city (including but not limited to a specific plan, subdivision map, or site development permit), pursuant to which non-hosted short-term vacation rentals are a permitted use, and the residential dwelling's use as a non-hosted short-term vacation rental is authorized under a declaration of covenants, conditions, and restrictions (CC&Rs), for the residential project.
- 4. A residential dwelling within the area covered by the SilverRock Resort Specific Plan.
- 5. A residential dwelling is located adjacent to the CT Tourist Commercial District zone, as defined in Section 9.70.070 and depicted in the city's official zoning map, and within the following boundaries; west of Avenida Obregon, south of the Avenida Fernando, east of Calle Mazatlán, and north of the driveway access between Calle Mazatlán and Avenida Obregon that serves as a southern boundary for the La Quinta Tennis Villas/Tennis Condos area identified on page 25 of the La Quinta Resort Specific Plan, 121 E—Amendment 5 (as may be subsequently amended from time to time). For purposes of this subsection, "adjacent to" means across the street from or accessible by a driveway or service road designed to provide access to area(s) within the CT Tourist Commercial District zone.

B. The city manager or authorized designee shall have the authority to implement policies or procedures to review and verify whether an application for a new short-term vacation rental permit meets the criteria set forth in this section.

C. Until the expiration date of all non-hosted short-term vacation rental permits (not exempted by Section 3.25.055(A) above) in 2024 as defined below, this section shall not apply to applications for a renewal of an existing non-hosted short-term vacation rental permit and business license, submitted in compliance with this chapter, including when the short-term vacation rental permit is under suspension during the time for processing the renewal application. Applications for renewals must be submitted as prescribed by this chapter, and will be issued or denied based on the criteria pursuant to this chapter. Any short-term vacation rental unit, covered by a permit that is subject to an application for renewal, which is under temporary suspension in violation of this chapter or any other provisions of this code, shall not become permitted to use the dwelling as a short-term vacation rental unit until all violations that led to the temporary suspension have been remedied and the suspension has expired. Any revoked short-term vacation rental permit shall not be eligible for renewal or new short-term vacation rental permit.

D. Commencing with the effective date of this Initiative, holders of non-hosted, valid short-term vacation rental permits shall continue to be eligible for renewal of their non-hosted short-term vacation rental permit however, all non-hosted short-term vacation rental permits, not exempted by Section 3.25.055(A) above, shall have an expiration date of December 31, 2024 or earlier. Beginning January 1, 2025, all permits for non-hosted short-term vacation rental units, not exempted by Section 3.25.055(A) above, shall be invalid.

Commencing January 1, 2025, there shall be no non-hosted short-term vacation rental permits issued or renewed to use or operate any privately owned residential dwelling (as defined in Section 3.25.030) as a non-hosted short-term vacation rental unit unless the unit meets one or more of the provisions of Section 3.25.055(A) above, or the unit holds a valid homeshare short-term vacation rental permit.

ITEM 3: EFFECTIVE DATE. This initiative shall be adopted on the date the La Quinta City Council certifies the passage of this Initiative's ballot measure based on the election results and the effective date shall be ten (10) calendar days following that certification.

ITEM 4: CONFORMING CODE PROVISIONS. Any provision of the La Quinta Municipal Code or appendices thereto inconsistent with the provisions of this Initiative, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to effect the provisions of this Initiative.

ITEM 5: SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Initiative or resulting ballot measure is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, then such decision shall not affect the validity of the remaining portions of this Initiative or ballot measure. The People of the City of La Quinta hereby declare they would have voted for this ballot measure, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

Notice of Intent to Circulate Petition

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of La Quinta for the purpose of phasing out all types of non-hosted short-term vacation rentals in non-exempt residential districts. A statement of the reasons of the proposed action as contemplated in the petition is as follows:

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The people of La Quinta have repeatedly expressed objections to their City Council regarding the proliferation and density of non-hosted STVRs in residential neighborhoods due to the negative impact on their quality of life, and the character and livability of their neighborhoods. The detrimental impacts of non-hosted STVRs on residential neighborhoods has not been adequately mitigated by the City Council resulting in ongoing interruption to residents’ peaceful enjoyment of their homes and forcing residents to police continuous STVR issues such as excessive noise, disorderly conduct, overcrowding, traffic, parking, and trash. STVRs are a commercial use of residential dwellings, generating income based on the short-term rental of residential dwellings akin to other commercial uses banned in residential neighborhoods. The public nuisances created by non-hosted STVR commercial activities in residential neighborhoods is incompatible with surrounding residential uses. The proliferation of non-hosted STVRs in residential districts has depleted the availability of housing for new homeowners and long-term tenants who contribute to the fabric of the community, spend their earnings locally, populate the school district, and operate local businesses or provide labor to local businesses. This Initiative phases out all types of non-hosted STVRs including general STVRs and primary residence STVRs, in all non-exempt residential dwellings in the City by December 31, 2024, including residential dwellings governed by homeowners’ associations (HOAs) and covenants, conditions & restrictions (CC&Rs), but shall have no effect on hosted homeshare STVRs, vacation rentals of any exempt residential dwelling or bed and breakfast operations. Residents acknowledge the importance of tourism to the La Quinta economy and call for the expansion of vacation rental businesses in exempt residential dwellings. To minimize the economic impact to existing non-hosted STVR permit holders, a phase-out period is provided but the issuance of any new non-hosted STVR permits in non-exempt areas shall be prohibited as of the effective date of this Initiative

The city attorney has prepared the following title and summary of the chief purpose and points of the proposed measure:

Title:

Initiative Ordinance: Phase-Out and Permanent Ban of Non-Hosted Short-Term Vacation Rentals in Non-Exempt Areas of the City of La Quinta

Summary:

This initiative, if adopted by a majority of the City of La Quinta electorate voting on the matter, would amend Chapter 3.25 of the La Quinta Municipal Code (LQMC), regarding City short-termvacation rental regulations.

The proposed Ordinance would add the definition “non-hosted short-term vacation rental” to mean a type of short-term vacation rental where the owner rents a property, for compensation,for periods of 30 days or less, but does not live on-site or in the dwelling throughout the occupant’s stay.

The proposed Ordinance would phase-out by December 31, 2024, and commencing January 1, 2025, permanently ban all “non-hosted short-term vacation rentals” throughout the City, except those located in one or more of the following exempt areas: (1) The Tourist Commercial District zone; (2) The Village Commercial District zone; (3) A residential project subject to a development agreement with, or condition of approval by, the City wherein non-hosted short- term vacation rentals are a permitted use and authorized under a declaration of covenants, conditions, and restriction (CC&Rs); (4) In the area covered by the SilverRock Resort Specific Plan, and (5) Within the boundary, as specified, for the La Quinta Tennis Villas/Tennis Condos identified in the La Quinta Resort Specific Plan. The proposed Ordinance also would allow, from its effective date and even after the January 1, 2025 permanent ban, issuance of “homeshareshort-term vacation rental permits.” Units that have a “primary residence short-term vacation rental permit” or “general short-term vacation rental permit” would be subject to the January 1, 2025 permanent ban unless located in the above-referenced exempt areas.

The LQMC currently defines “short-term vacation rental unit” to mean, among other provisions,a privately owned residential dwelling, such as a single-family detached or multi-family attachedunit, rented for occupancy for 30 consecutive calendar days or less. The LQMC currently requires every owner of a dwelling used as a short-term vacation rental to obtain a short-term vacation rental permit, which is valid for one year and must be renewed annually. A short-term vacation rental permit is not transferrable upon sale of the dwelling.

The LQMC currently prohibits the issuance of new short-term vacation rental permits, except fordwellings located in specified areas similar to the above-referenced exempt areas. The proposed Ordinance would remove the requirement for the City Council to periodically review the impactsor effects of this current prohibition.

The LQMC currently defines “homeshare short-term vacation rental permit” as a type of permit where the owner hosts visitors in the owner’s dwelling, for compensation, for periods of 30 daysor less, while living on-site and in the dwelling throughout the visiting occupant’s stay. The LQMC currently defines “primary residence short-term vacation rental permit” as a type of permit for a dwelling where the owner spends the majority of the calendar year and identified bythe county assessor as the primary residence. The LQMC currently defines “general short-term vacation rental permit” as a type of permit that is neither a homeshare nor primary residence permit.