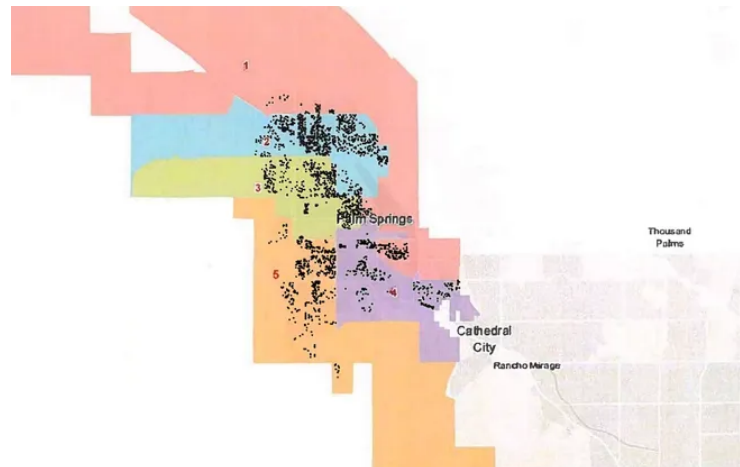


# Palm Springs pauses decisions on short-term rental permits through Nov. 29



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A map showing the number of registered vacation rental properties in each Palm Springs city council district as of Aug. 22. City of Palm Springs

The Palm Springs City Council voted 4-0 Monday night to put a pause on issuing new short-term rental permits until after their meeting on Nov. 29. A supermajority vote was required under state law to pass the “urgency” zoning rule, and Councilmember Christy Holstege abstained.

While the pause is temporary, a decision on a short-term rental ordinance that could have long-lasting effects on the distribution and density of vacation rentals in the city might come sooner.

The council will likely review a first reading of a proposed ordinance at its next meeting on Thursday, Oct. 27, and it could vote on an ordinance at its meeting on Nov. 10.

A new council with at least a couple fresh faces will be sworn into office in December. Dennis Woods, one of the members not seeking reelection, proposed the moratorium expire in November rather than in 45 days, as had been originally suggested in a staff report.

Councilmembers agreed the main reason for the moratorium is to allow city staff more time to research what that ordinance might look like. A staffer said reviewing and processing applications while conducting policy research is a strain on personnel.

The city currently has over 300 pending applications for short-term rental permits, more than 100 of which have been received since the council announced on Sept. 22 that it would be considering a new short-term rental ordinance.

The “gold rush” of new applications, as some have called it, was presumably a response to a Sept. 29 meeting at which a city-appointed resident group recommended caps on the number of rentals allowed both in the entire city and in any given neighborhood.

On Monday, the council provided direction to city staff not to consider an ordinance that caps the total number of short-term vacation rentals in the city. However, councilmembers said they will consider capping short-term rentals at perhaps 15% or 20% of housing units in any given neighborhood.

That number is subject to change since the council has yet to determine whether the total number of housing units should include apartments and condos. They seemed to agree it would not include units within homeowners’ associations because HOAs will likely set their own rules about short-term rentals.

**More:**[Palm Springs short-term rental moratorium could start Monday if 4 of 5 council members agree](#)

**More:**[Palm Springs council open to short-term rental limits — but won't decide yet](#)

## **A complicated compromise**

Between public comments, a staff report and conversation, the council spent nearly four hours on this topic Monday.

About 30 people gave public comments. Many were in favor of increasing regulations on short-term rentals and many were not.

Some were concerned that transient occupants were tearing apart the fabric of their communities, but councilmembers argued that Palm Springs has a history of short-term residents and second-home owners. They said that history should be respected even if new rules make it more difficult for large-scale property investors that don't live in the city even part-time to purchase and operate short-term rentals.

Some property owners worried that any limit on their ability to offer short-term rental contracts could cause them a financial burden and make them consider selling their real estate and leaving the Palm Springs market.

Others said that any change in policy could affect their ability to close real estate deals designed around the ability to own a short-term rental. Councilmembers suggested the city might wish to

consider special exemptions in any new ordinance for properties that are currently in escrow or that have been significantly remodeled to win short-term rental permits and contracts.

Exemptions are just one of a myriad of complexities likely to appear within the ordinance discussions later this month.

Mayor Lisa Middleton said a new policy will probably not please residents who wish to see a total ban on short-term vacation units, nor will it please folks who'd like to leave the number of units up to market forces with no regulation.

Rather, a new ordinance could have quite a bit of nuance.

The council outlined several areas (in addition to neighborhood caps and how to count apartments, condos and homes within HOAs toward a housing total) that city staff should research before making a preliminary policy recommendation later this month.

Other areas for discussion include whether and how to limit the total number of short-term contracts a permit holder can sign in a year. A short-term rental contract can last up to 28 days.

Council proposed the idea that new permits will be limited to 24 contracts per year, and existing permit holders will be limited to 36 contracts per year through 2024 and then 24 contracts per year thereafter.

The council did not express interest in limiting the total number of days in a year that a permit holder can rent their property.

However, they will entertain the idea of enforcing a minimum number of days that a property owner must reside in any property used as a short-term rental unit — possibly 90 days per year or more.

Council will also consider a "junior permit" at a reduced cost that would allow property owners to sign between six and 12 short-term rental agreements per year.

Middleton said this would allow more residents to participate in a lucrative market. Other councilmembers said they know full-time Palm Springs residents who, while on vacation, occasionally rent their homes to help pay the bills.

The council suggested that the city review its short-term vacation rental ordinance again in two years.

"As the tourism capital of the Coachella Valley and of one of the most important tourism communities anywhere in this state, it is incumbent on us to be a leader in how we manage this kind of hospitality option," Middleton said.

Notably, the ordinance will not affect homeshares — arrangements where a homeowner and full-time resident rents a room.

Councilmember Geoff Kors suggested the city consider a separate policy to regulate house rentals for events because those often draw larger crowds than short-term rentals, and, therefore, have potential to become a nuisance to neighbors.

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