

Legislation Details (With Text)

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Title: Introduction and First Reading of an Ordinance Amending the Code Related to Short Term Vacation Rentals and Adoption of the Related Fine and Fee Resolution
Sponsors: City Manager, Charles McClendon
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Attachments: 1. Ordinance Amending Short Term Vacation Rental Regulations, 2. Resolution setting fees and fines for short term rentals, 3. City of Cathedral City Good Neighbor Brochure, 4. Sample HOA Approval Letter for Short-term Rentals

Date	Ver.	Action By	Action	Result
3/22/2017	1	City Council	approved	Pass

City Council

MEETING DATE: 3/22/2017

TITLE:

Introduction and First Reading of an Ordinance Amending the Code Related to Short Term Vacation Rentals and Adoption of the Related Fine and Fee Resolution

FROM:

Charlie McClendon, City Manager

RECOMMENDATION:

Staff recommends the City Council introduce and read by title only an ordinance amending the municipal code related to short term vacation rentals; and adopt a resolution establishing the related fines and fees.

BACKGROUND:

In September of 2016 Council directed staff to appoint an ad-hoc task force to study issues related to short term vacation rentals in Cathedral City and to report back to Council with recommendations. Mayor Henry and Councilmember John Aguilar were assigned to work with the task force. The task force began meeting on October 19, 2016 and met approximately twice a month since that time. The task force has now completed their work and their recommendations were presented to Council in study session on March 8, 2017. At that time Council asked staff to place the recommended ordinance revisions on the Council agenda for action.

DISCUSSION:

After initial orientation, introductions and discussions on what the task force members hoped to accomplish the group assigned some members to subcommittees to work on specific assignments. One group worked on issues related to enforcement of codes and regulations and another developed materials that are or should be provided to STVR owners and tenants and/or posted in the rental units.

City departments have also implemented some changes already, which should improve enforcement and record keeping related to STVRs. Finance is now providing regular data updates to Police so the dispatch system will at all times include current information on where the STVR units are located. Likewise Police is providing a weekly data download to Code Enforcement so that the Code Enforcement data base now includes call data from any Police calls to STVR units whether the call resulted in enforcement action or not. An additional improvement will include transferring data from the Hotline to the Code Enforcement database. The objective is that the Code database will include a record of all complaints related to an address regardless of where the complaint was initiated.

Task Force members who worked on enforcement issues spent time in both Police Dispatch and Code Enforcement learning about the processes and systems in place and worked with staff to identify other process improvements that can be implemented. Improvements and additions to information posted on the website related to STVRs have also been made at the suggestion of task force members. Task force members also attended and reviewed materials from Council meetings in Palm Springs regarding STVR regulations recently proposed in that City.

The task force spent most of their meetings since the first of the year reviewing suggested revisions to the Vacation Rental Ordinance (Municipal Code 3.24.011). Among the recommended revisions to the ordinance are following:

- Apartment units are prohibited from being used as Vacation Rentals
- Language outlining basic rules related to STVRs must be part of the guest agreement
- Rules related to STVRs must be posted in the rental home
- Removal of fences between units to create a "compound" effect is prohibited
- STVR licenses may be suspended for repeat violations of the code
- Increased and graduated fine levels for violations are authorized
- After an initial amnesty period significant fines are authorized for operating a STVR without a City license
- Initial and annual inspections of STVR units are required
- Fines are established for failing to respond to complaints to the Hotline
- A prohibition is established against filing false complaints about a STVR
- Amended fines and fees will be established through an accompanying resolution

Staff has also been working on revisions to the City noise ordinance to eliminate inconsistencies and provide more clarity. The noise ordinance was also reviewed by the task force and their comments were considered in the development of the recommended revisions. The noise ordinance is being considered under a separate agenda item.

FISCAL IMPACT:

The Finance department has conducted a full cost analysis on the costs to administer the vacation rental program. As a result the fine and fee resolution recommends increasing the annual fee from the current rate of \$60 to \$415. This will result in increased revenue to the City of approximately \$88,000 per year, which is full recovery of existing costs.

ATTACHMENTS:

Draft STVR Ordinance

Draft Fine and Fee Resolution