

Short Term Rental Regulations

Case Study: Palm Springs, CA

By

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By the Numbers

- Regulated STRs in Palm Springs started in 2008
- Major updates to regulations occurred in 2014, 2017
- Residents voted 70% against a ban of STRs in 2018
- 2,231 STR permits – about 6% of residential units
- Approximately \$15.3 M in TOT collected FY20/21



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Key Regulations

- Owners are limited to one permit
- Properties are limited to 36 rentals annually
- Occupancy limits – 2 per bed room, 8 per house, plus kids
- Guest signing contract must be 25 or older
- Prohibition on outdoor/amplified music
- Walk-up trash service required
- Registration is required and must be displayed in advertising
- Even unpaid stays count



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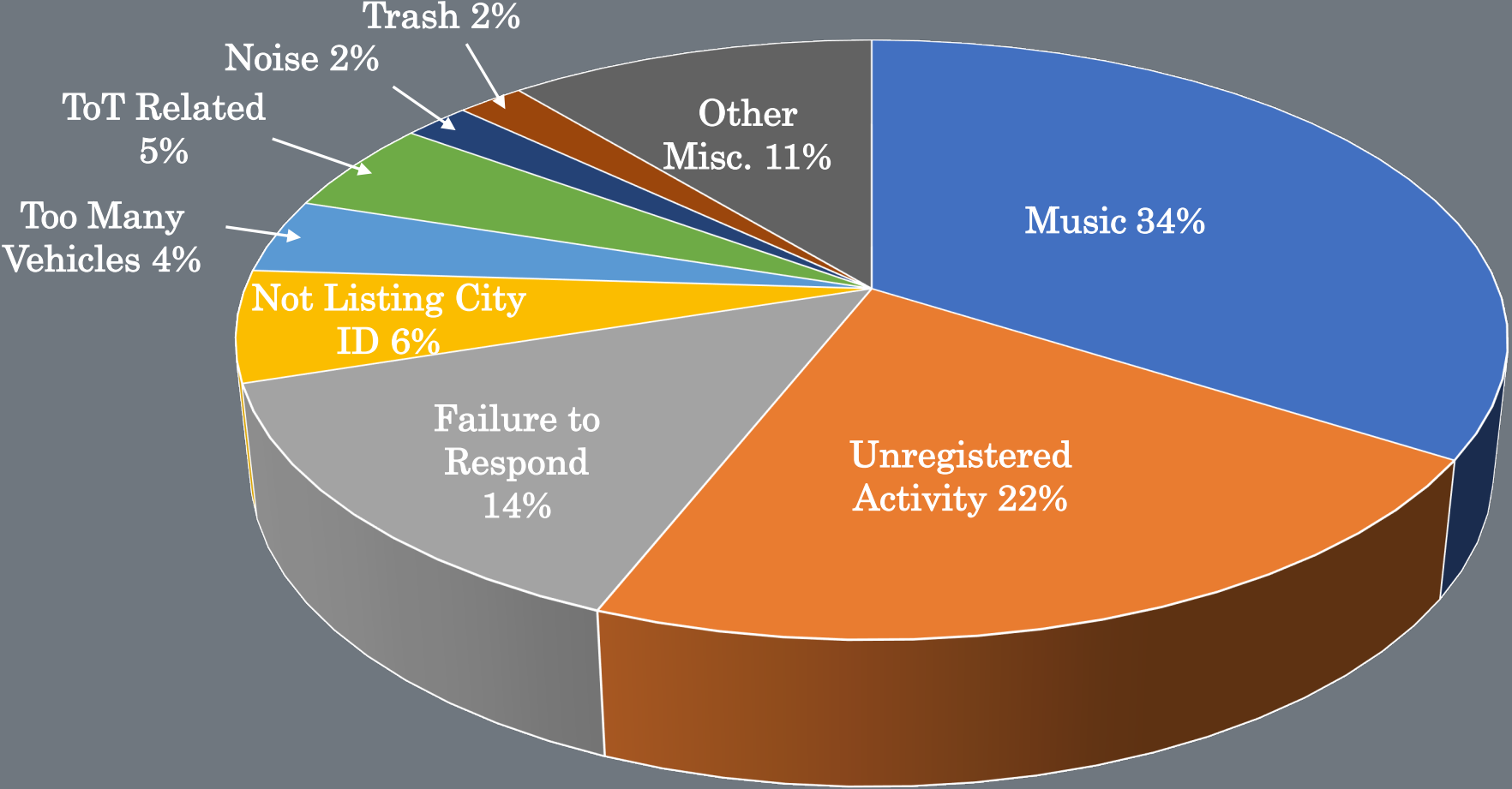
Enforcement

- 7 FTE staff dedicated STR program
- 24 hour hotline for complaints
- Failure to register is a \$5,000 fine and potential ban
- First violation = \$500, Subsequent violations = \$1,000
- Three citations in a 12 month period = two year suspension
- Respond to about 1,000 calls annually
- Issue approximately 250 citations annually



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Citation Breakdown



Impacts from Regulations

2018	
Total Permits	Total Citations
1,994	425

2021	
Total Permits	Total Citations
2,225 (+11.58%)	*246 (-42.12%)

*estimated



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Thanks

Contact:

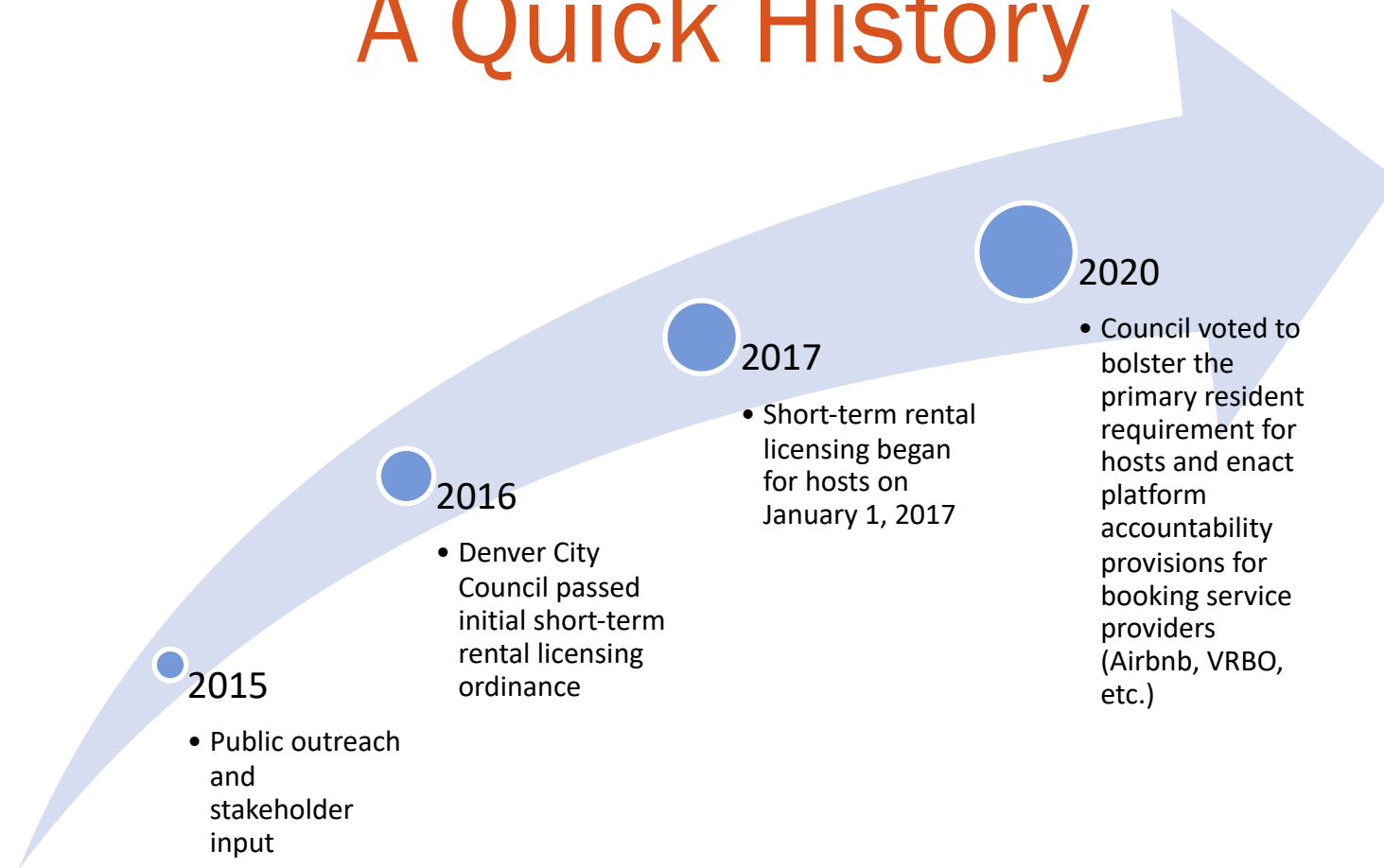
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Short-Term Rentals in Denver: A Quick History



Short-Term Rentals: Opportunities and Risks

Opportunities

- STRs can create additional income opportunities for Denver residents
- STRs can foster variety in lodging options for Denver visitors
- STRs can drive community economic development when hosts recommend local businesses and employ service providers

Risks

- Use of properties for STRs can put stress on the housing stock and affect affordability
- STRs used as “mini hotels” can lead to commercial encroachment in residential neighborhoods and accelerate gentrification and/or displacement of permanent residents
- Disrespectful guests can lead to health, safety, welfare, or quality of life concerns

The Basics

All short-term rentals must be **licensed**.

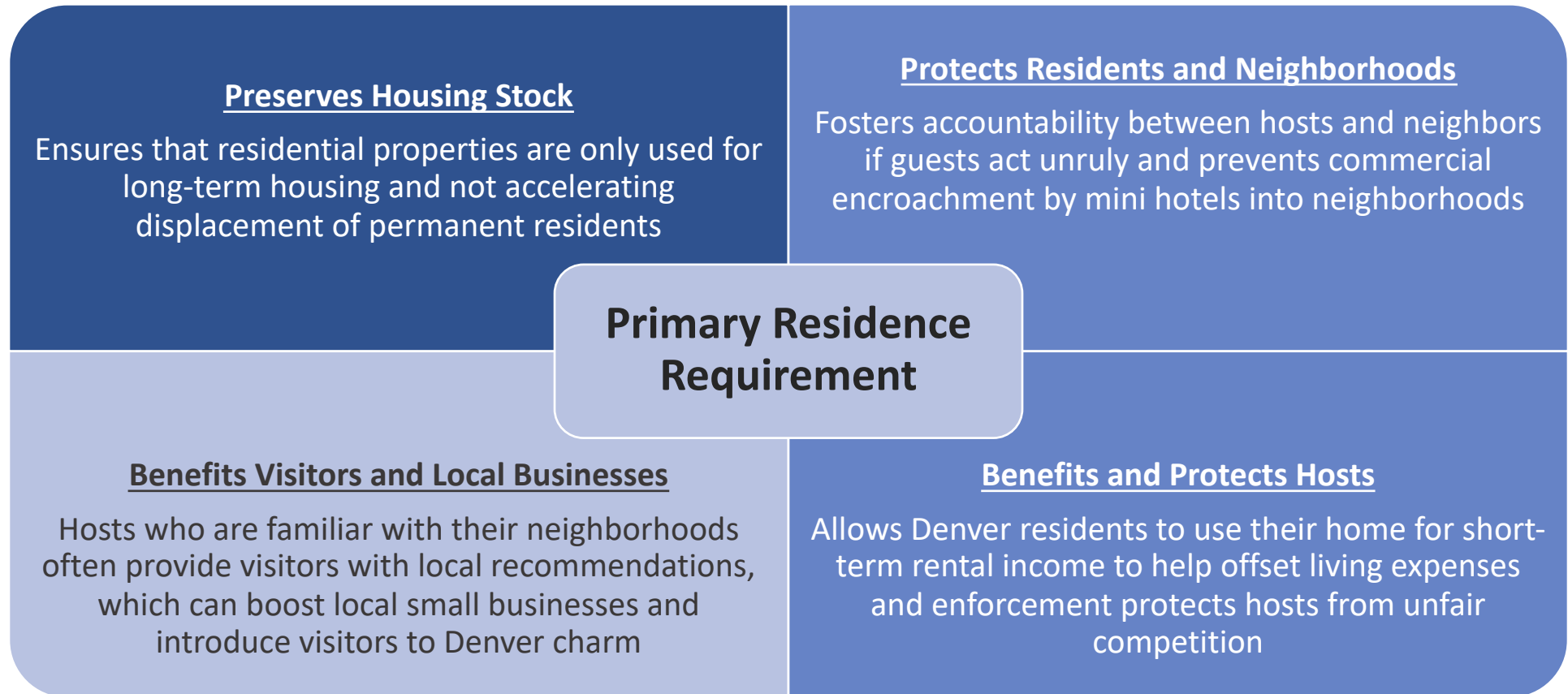
Any short-term rental must be the host's **primary residence**.

All advertisements for short-term rentals must **display** the host's **business license number**.

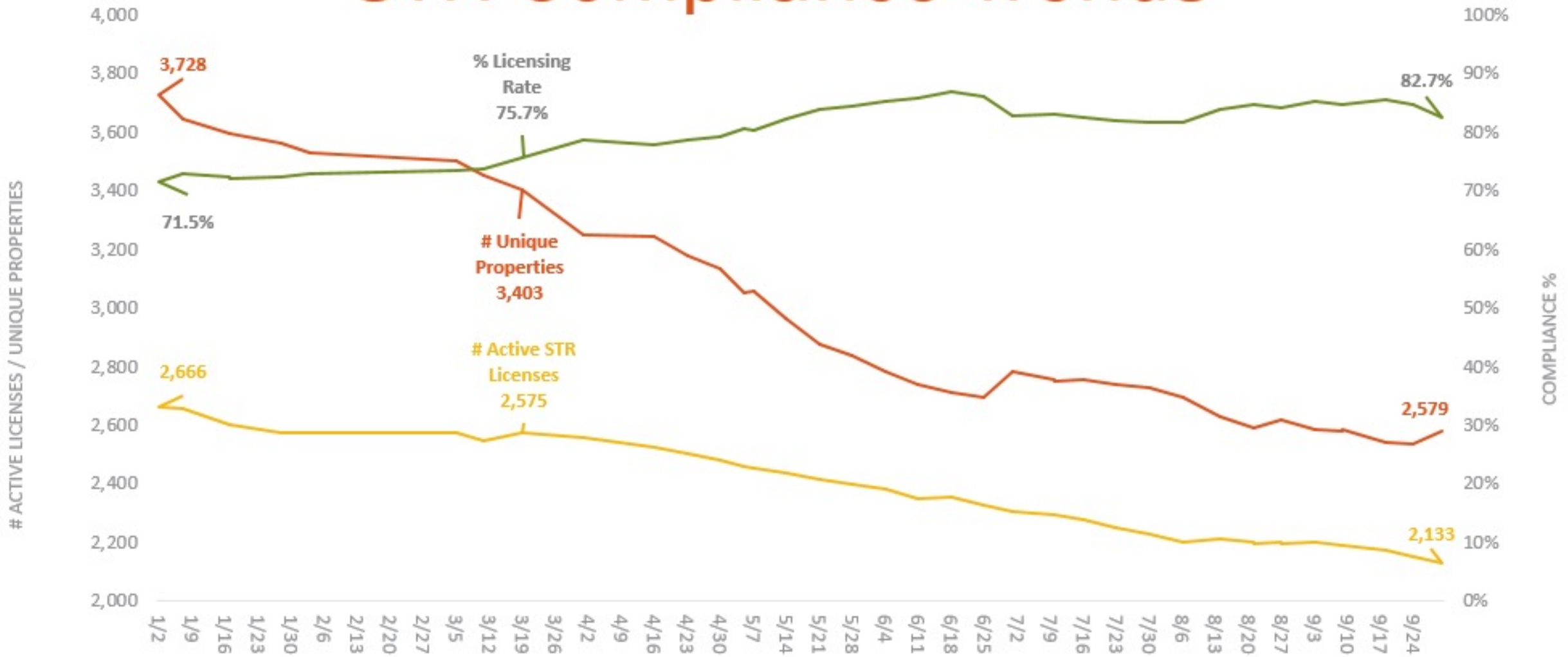
All short-term rental hosts must abide by rules related to **safety, taxes, zoning, and insurance**.

Failure to follow the rules can result in **finest or other penalties, including license revocation**.

The Primary Residence Requirement



STR Compliance Trends



Stakeholder Outreach: Denver's STRAC

- STR Hosts
- STR Guests
- STR Property Managers
- Neighbors and RNO representatives
- City Council Representation
- Visit Denver
- Denver Metro Association of Realtors
- Platform Representation (Airbnb)
- Colorado Hotel & Lodging Association
- Members of the Public

STRAC meets every other month to provide EXL with feedback and guidance on short-term rental licensing administration, enforcement, and policy

Policy Values and STRAC Goals

Protect the fabric and character of Denver **neighborhoods** and the **residents** who live there

- Continue existing enforcement efforts against non-compliant hosts to ensure a level playing field
- Pursue stronger enforcement against non-compliant platforms to ensure all transactions are legal

Protect and support our largely compliant **host community** and the **visitors** coming to our city

- Update the complaint process to notify hosts when a complaint has been made against their short-term rental
- Facilitate educational roundtable discussions between hosts and DPD to ensure best public safety practices

Ensure that Denver is **keeping pace** with the **evolution** of the industry and finding the right regulatory **balance**

- Establish regular inter-jurisdiction calls with other cities
- Address risks and opportunities new and emerging lodging models

Denver Short-Term Rental Resources

Check out our [Short-Term Rental Laws, Rules, and Regulations page](#)

[Sign up](#) for our short-term rental bulletin.

Denver Revised Municipal Code:
[Short-Term Rental Ordinance](#)

Denver Department of Excise and Licenses:
[Short-Term Rental Rules](#)

Denver Department of Finance:
[Short-Term Rental Taxation Information](#)

Denver Zoning Code:
[Short-Term Rental Zoning Provisions](#)