

MINUTES

~ADJOURNED REGULAR PALM DESERT CITY COUNCIL MEETING~

THURSDAY, NOVEMBER 16, 2017

CIVIC CENTER COUNCIL CHAMBER

73510 FRED WARING DRIVE, PALM DESERT, CA 92260

I. CALL TO ORDER - 3:00 P.M.

Mayor Harnik convened the meeting at 3:01 p.m.

II. ROLL CALL

Present:

Mayor Pro Tem Sabby Jonathan
Councilmember Kathleen Kelly
Councilmember Gina Nestande
Councilmember Susan Marie Weber
Mayor Jan C. Harnik

Also Present:

Lauri Aylaian, City Manager
Robert W. Hargreaves, City Attorney
Rachelle D. Klassen, City Clerk
Lori Carney, Director of Administrative Services
Russell Grance, Director of Building & Safety
Ryan Stendell, Director of Community Development
Martin Alvarez, Director of Economic Development
Janet M. Moore, Director of Finance/City Treasurer
Mark Greenwood, Director of Public Works
Frankie Riddle, Director of Special Programs
Stephen Y. Aryan, Risk Manager
Dan Talbot, Deputy Chief, County Fire Department/Cal Fire
Lt. Coby Webb, Asst. Chief, Palm Desert Police/Riverside Co. Sheriff's Dept.
Grace L. Rocha, Deputy City Clerk

III. ADJOURN TO CLOSED SESSION

Request for Closed Session:

A. Conference with Real Property Negotiator pursuant to Government Code Section 54956.8:

1) Property: NEC Ocotillo Drive/Tumbleweed Lane (APN 627-232-005),
Palm Desert

Negotiating Parties:

Agency: Lauri Aylaian/Martin Alvarez/City of Palm Desert

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Property Owner: City of Palm Desert
Under Negotiation: x Price x Terms of Payment

- 2) Property: 74016 San Marino Circle (APN 625-064-007), Palm Desert
Negotiating Parties:
Agency: Lauri Aylaian/Mark Greenwood/City of Palm Desert
Property Owner: City of Palm Desert
Under Negotiation: x Price x Terms of Payment

- B. Conference with Legal Counsel regarding significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2):
Number of potential cases: 2

NOTE: THE FOLLOWING ITEM NO. C WAS LISTED ON AN AGENDA ADDENDUM POSTED AT LEAST 72 HOURS PRIOR TO THE MEETING.

- C. Conference with Legal Counsel regarding significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2):

Number of potential cases: 1 Case - Threatened litigation regarding 1st Reading of Ordinance No. 1332 at regular City Council Meeting of October 26, 2017.

With City Council concurrence, Mayor Harnik adjourned the meeting to Closed Session of the City Council at 3:03 p.m. She reconvened the meeting at 4:04 p.m.

IV. RECONVENE REGULAR MEETING - 4:00 P.M.

- A. REPORT ON ACTION FROM CLOSED SESSION.

Mr. Hargreaves stated direction was given, but no reportable action was taken.

V. AWARDS, PRESENTATIONS, AND APPOINTMENTS

None

VI. CONSENT CALENDAR

- A. MINUTES of the Regular City Council Meeting of October 26, 2017.

Rec: Approve as presented.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

- B. CLAIMS AND DEMANDS AGAINST THE CITY TREASURY - Warrants Dated 10/6/2017, 10/13/2017, 10/19/2017, 10/20/2017, 10/27/2017 - 2.

Rec: Approve as presented.

- C. CLAIMS AND DEMANDS AGAINST THE CITY/HOUSING TREASURIES - Warrants Dated 10/6/2017, 10/13/2017, 10/20/2017, and 11/3/2017 (**Joint Consideration with the Palm Desert Housing Authority**).

Rec: Approve as presented.

- D. APPLICATION FOR ALCOHOLIC BEVERAGE LICENSE by The Red Barn, 73290 Palm Desert Drive, Palm Desert.

Rec: Receive and file.

- E. CITY COMMITTEE AND COMMISSION MEETING MINUTES.

1. Library Promotion Committee Meeting of April 19, 2017.
2. Public Safety Commission Meeting of January 11, 2017.

Rec: Receive and file.

- F. REQUEST FOR AUTHORIZATION of Amendment No. 1 to Contract No. C34642 with H & L Partners for Development and Implementation of a Public Relations Program.

Rec: By Minute Motion: 1) Approve Amendment No. 1 in an amount not to exceed \$40,000 to Marketing Services Contract with H & L Partners, St. Louis, Missouri, for the development and implementation of a public relations program; 2) authorize Mayor to execute said Amendment on behalf of the City – funds are available in Account No. 1104417-4309000 - Professional Other.

- G. REQUEST FOR AUTHORIZATION to Reimburse H & L Partners for Ad Placement Costs Related to Fiscal Year 2016-2017.

Rec: By Minute Motion, approve reimbursement of expenditures in the amount of \$16,875 to H & L Partners, St. Louis, Missouri, for a media buy related to Fiscal Year 2016-2017 – funds are available in Account No. 1104417-4309000 - Professional Other.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

- H. REQUEST FOR APPROVAL of Change Order No. 1 in the Amount of \$1,500 and for Acceptance of Work for Contract No. C34370A – Joslyn Center Generator Project (Project No. 763-15) (California Building Evaluation and Construction, Inc., Anaheim, CA).

Rec: By Minute Motion: 1) Approve Change Order No. 1 to subject contract in the amount of \$1,500; 2) authorize transfer of \$1,500 from contingency to base for the project; 3) authorize City Manager to execute Change Order No. 1; 4) accept the work as complete and authorize the City Clerk to file a Notice of Completion for the subject project.

Item withdrawn from the agenda by staff.

- I. REQUEST FOR ACCEPTANCE OF WORK for Contract No. C36150 – 2017 Street Resurfacing Project (Project No. 751-17) (Matich Corporation, Inc., Highland, CA).

Rec: By Minute Motion, accept the work as complete and authorize City Clerk to file a Notice of Completion for the subject project.

- J. REQUEST FOR AUTHORIZATION to Seek Proposals for the 2019/2020 El Paseo Sculpture Exhibition (Contract No. C36500).

Rec: By Minute Motion, authorize staff to: 1) Seek proposals for the 2019/2020 El Paseo Sculpture Exhibition; 2) increase artist honorarium from \$2,526 to \$5,000 per selected entry – no funds required to be expended at this time; a request will be made during the 2018-2019 Budget cycle.

Ms. Aylaian requested Item H be withdrawn from the agenda.

Upon motion by Jonathan, second by Nestande, and 5-0 vote of the City Council (AYES: Jonathan, Kelly, Nestande, Weber, and Harnik; NOES: None), the remainder of Consent Calendar was approved as presented.

Mayor Harnik thanked staff for the work done on the minutes, adding that for every twenty (20) minutes of recording, there is 1½ hours of transcribing, and the last meeting was over seven hours.

VII. CONSENT ITEMS HELD OVER

None

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

VIII. RESOLUTIONS

- A. RESOLUTION NO. 2017 - 75 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, AUTHORIZING ADOPTION OF THE VIDEO SURVEILLANCE ON CITY PROPERTY POLICY AND PROCEDURE.

Sr. Management Analyst Heather Horning stated staff is recommending implementing a new policy and procedure regarding the new video surveillance cameras on City property.

Councilmember Weber moved to waive further reading and adopt Resolution No. 2017 - 75. Motion was seconded by Nestande and carried by a 5-0 vote (AYES: Jonathan, Kelly, Nestande, Weber, and Harnik; NOES: None).

- B. RESOLUTION NO. 2017 - 76 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, DIRECTING THE CITY MANAGER TO ESTABLISH AND APPOINT A THREE-MEMBER CANNABIS APPLICATION APPEALS COMMITTEE AS PART OF THE PRIORITIZATION PROCESS FOR CONDITIONAL USE PERMITS AND REGULATORY PERMITS FOR COMMERCIAL CANNABIS BUSINESSES, Case No ZOA 17-027.

Mayor Harnik and Councilmember Nestande recused themselves from this item and left the Council Chamber.

Principal Planner Eric Ceja noted that the proposed Resolution is to establish a three-member Cannabis Application Appeals Committee and to direct the City Manager to select and appoint the members for it. Since the City has a selection criteria process, applicants may wish to challenge their score and that's what this Appeals Committee would be used for.

Councilmember Kelly moved to waive further reading and adopt Resolution No. 2017 - 76. Motion was seconded by Weber and carried by a 3-0 vote (AYES: Kelly, Weber, Jonathan; NOES: None; ABSENT: Nestande and Harnik).

IX. ORDINANCES

- A. For Introduction:

None

B. For Adoption:

1. ORDINANCE NO. 1327 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, AUTHORIZING IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM AND APPROVING THE DESERT CITIES ENERGY CHOICE JOINT POWERS AGREEMENT.

Mr. Stendell requested a continuance of this item until the December 14 agenda. He offered to answer questions.

MS. ROSARIO AVILA, Cathedral City, CA, stated that Palm Springs and Cathedral City are the only cities that have signed up for the Joint Powers Agreement (JPA), the future management of their electricity on the west side of the Valley. She thanked the City of Palm Desert, because it's the only city that is discussing this issue on the record. She said there were no public records for the City of Palm Springs on this issue, and in Cathedral City there was one councilmember that discussed it a little bit. To avoid coming across as rubber stamping, a city council needs to be on record as discussing it. She specifically thanked Councilmembers Kelly, Weber, and Nestande. She added that this was a government-subsidized program, and worse case scenario, it's the taxpayers' money that's on the line and it needs to be more transparent from the cities of Palm Springs and Cathedral City. She said Desert Hot Springs is considering it, but they are not there yet. Again, she thanked the Council for being on the record, asking questions, and doing due diligence.

Councilmember Kelly said she supported staff's recommendation, but want to note a couple of things for staff as they continue to work on this topic. The staff report refers to continuing efforts to secure a modification to Section 6.1.3, so as to extend the withdrawal period from 15 to 30 days. When Council last discussed this issue, she expressed concern about more than just 15 days. The withdrawal clause begins with a big long sentence that starts with "if," and that "if" sentence restricts the basis for withdrawal within the specified period whether it's 15 days or 30 days. It restricts the withdrawal right to certain limited circumstances, depending upon the consultant's finding, and by moving at our last meeting that the City should seek the right to withdraw with impunity. Her intent was to seek an unfettered right to withdraw in response to the consultant's report, so that it would have the prerogative to look not just at the conclusions, but to all the data going into the conclusions. She felt it was important to feature that for work during the time that this issue is further

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

researched. Today's coverage in *The Desert Sun* featured two things of note. It referred to the Lancaster Community Choice Aggregation (CCA) Program as having created a joint power authority that would be structured to afford cities apart from Lancaster and with greater local control. It piqued her interest as something the Council should be informed about as the City moves forward.

Councilmember Nestande offered that at this time the exit fee was unknown, and it's at the State level, so no one knew if that exit fee will make it financially unviable. Right now it's slated for some time in July, so what recourse did the City have if it finds out it's not economically in the City's best interest.

Mayor Pro Tem Jonathan responded there are multiple options should that occur. If the Desert Community Energy (DCE), which is the CCA/JPA, finds it unfeasible at any time, customers can choose to withdraw and go back to Southern California Edison, or the City can choose to withdraw from the JPA. He said it was an ongoing factor and something that every CCA kept a close watch on. However, there is legislation, and attempts at legislation, that would protect CCAs. Therefore, both the customers and the City will have an opportunity to opt out. He embraced Councilmember Kelly's concerns and hoped that between now and the next meeting, the City will have the Implementation Plan from the consultant, so that she and staff can communicate directly with Katie Barrows from Coachella Valley Association of Governments (CVAG) to ensure that the acceptable wording is what comes before the Council at the next meeting.

Councilmember Kelly said she will move to approve staff's recommendation with the hopes that Council's comments will receive attention between now and when this comes back to the City Council.

Councilmember Kelly moved to, by Minute Motion, continue this item to the meeting of December 14, 2017. Motion was seconded by Jonathan.

Councilmember Weber said she has not seen any evidence that the public is aware that their Council is doing this, and it's automatically signing them up for something they know nothing about. Additionally, she doesn't know how the City is educating the public who doesn't spend their time researching the City's website. She is concerned for those that have spent a lot of money to install solar panels on their roofs, and now the City is going to sign them up for this JPA where they will have to share in the cost of the consultant, and possibly raise the cost of their electricity. If residents choose to opt out, they have to make the time to do it, which she believed was a bigger deal than

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

it's made out to be. She was not in favor of a JPA, CCA, DCE, or in moving forward. She added that the City should back away from it, because electricity is changing rapidly, and it was disrespectful to the residents and businesses who have invested in solar. Additionally, a JPA will include other cities that will be making decisions on behalf of Palm Desert residents, which she felt was an inappropriate action to take, and she will be voting no.

Mayor Harnik offered that currently all of the City's utility decisions are made by other people and residents don't have a say, so she saw this as an opportunity to have a voice. However, how the City will make the community aware is a valid concern, although it has been discussed and it was in today's newspaper.

Mr. Stendell shared there has been some interaction through the City's Open Town Hall, recalling for the Council that it conducted a 30-day survey that yielded some results.

Councilmember Weber said staff should share how many people responded and what the exact wording was, because she felt it was not conducive to what the facts are.

Mr. Stendell replied he didn't have the exact wording with him at this time, but prior to a CCA launch, there will be four opportunities for a resident who has been signed up to opt out, which is legally set by the California Public Utilities Commission (CPUC). At this point the City has not done a whole lot of outreach, because technically, it's not in the program. If the Council decides to join the JPA, at that point there will be a series of public campaigns by the DCE that will include four required advertisements to the residents/customers, allowing them the option to stay in or leave.

Mayor Pro Tem Jonathan reminded the Council that this evening it was voting on continuing the item, but for the benefit of the public, he said he would take the opportunity to share that there are a lot of misstatements of facts being made this evening. He didn't want to go into the weeds, but he assured the public that no one is forcing anything down their throats, it was all a matter of additional choice and local control, with potential modest cost savings and additional green energy. He said there are many reasons why so many municipalities in California are moving forward with enthusiasm to embrace the CCAs. In regards to communication and doing outreach with the residents, the reason it hasn't done that yet, is because the CCA has not been launched. As noted by staff, Palm Desert is formally not a part of it. There is a contract that the Desert Community Energy will

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

enter into with a marketing firm that will do extensive outreach and education to the public multiple times in various ways to ensure residents are well informed for when they make their decision about whether to be a part of it or continue with Southern California Edison.

Councilmember Kelly said she understood the City Council was only voting to continue the presentation and decision on the merits to the next meeting. She felt staff had ample exposure to the questions that Councilmembers will have in mind that need to be addressed at that time.

Mayor Harnik agreed, stating staff's recommendation is to continue this matter to the December 14, 2017, City Council meeting. As mentioned, Council would like staff to ensure its requests are incorporated accurately into the agreement.

Mayor Pro Tem Jonathan pointed out that based on the staff report, the City Council passed Ordinance 1327 to second reading, so the item being continued is the second reading.

Mr. Stendell nodded in agreement.

Councilmember Nestande noted she met with Tom Kirk, Director of CVAG, and he mentioned only needing to hire one extra person. However, in reading Section 3.12 and 3.13, and 3.14, it appears several people could be hired.

Mayor Pro Tem Jonathan replied that CVAG expects to hire no more than one full-time person. All of the work will be outsourced, and the firm that was selected has extensive and impressive experience in this. He added it's similar to what CVAG has done before in other venues.

Mayor Harnik called for the vote and the motion carried on a 4-1 vote (AYES: Jonathan, Kelly, Nestande, and Harnik; NOES: Weber).

X. NEW BUSINESS

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

- A. REQUEST FOR AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS (RFP) FOR THE CONSTRUCTION OF A FOR-SALE AFFORDABLE RESIDENTIAL PROJECT CONSISTING OF 14 SINGLE-FAMILY DETACHED SELF-HELP HOMES ON MERLE STREET (APNs 624-441-014 through 624-441-022 and 624-440-032 through 624-440-036) (CONTRACT NO. C36510).

Sr. Management Analyst Jessica Gonzales stated that approval of staff's recommendation will allow the City to solicit proposals from qualified affordable housing developers for the construction of a For-Sale Affordable Residential Project consisting of 14 single-family detached units that will be made available to first-time home buyers of lower income through the Self-Help or Sweat Equity Program. The site is located on Merle Street, south of Falcon Crest and La Rocca Villas Developments. The City's financial participation will be limited to the land donation and deferred down payment assistance loans from any monies made available at the time homes are completed and sold. Money used to purchase the vacant property was from the Housing Mitigation Fund. The Request for Proposal (RFP) includes the requirement that the homes must be sold to at least one household member that is employed within the jurisdictional boundaries of Palm Desert. Mayor Pro Tem Jonathan requested a modification to recommendation No. 1 to be as follows: *Authorize staff to advertise and issue an RFP for the construction of a for-sale affordable residential project consisting of fourteen (14) single family detached self-help homes, one of which could be considered for possible utilization in the CV Housing First or similar program.* Modifying the recommendation as stated will allow staff to work with the developer to develop the property and consider using one of the homes for the regional homeless program, such as CV Housing First. In the event participation is achievable, staff would ask Council for consideration of the reimbursement to the Fee Fund from the General Fund at the time the developer is awarded the contract for the project.

Councilmember Kelly asked if the intent of the changed language included the same qualifying requirements. Ms. Gonzales answered yes.

Councilmember Weber didn't know how to ask the question, but after five years of hearing all the problems the City went through with Falcon Crest where the people thought they were buying a home, but they weren't, so they left the homes in a mess, which cost the City money, then it had to buy the home back. She questioned how this would be different.

Ms. Moore explained that this particular project was contemplated many years ago, but Falcon Crest came first and the Self-Help Program was part of that approval. The City has a home in the Self Help Home Program, and it is an in-fill program. One of the things the City has learned from that

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

program is that it really needs an operator or a developer who will continue to assist with outreach for those homeowners. Having an operator will be key to anything it talks about in the RFP, because it will allow a resource for the home buyers that will purchase these homes. One of the things that has been challenging for the other two developments, is that they have not had a resource, which they will encourage with this project. With respect to the qualification criteria, if the City is able to encourage participation by the developer in the CV Housing First Program, that would be a different criteria for the people occupying one of the homes. It will not be a home ownership circumstance, because the parameters for that home will still have to be worked out, but at least for the moment, it might not be a for-sale home. The ownership may be retained by the developer or independent third party who would look at opportunities to house and assist in the homelessness program.

Councilmember Kelly stated Council would just be affirming the desirability of exploring that avenue to see if there is some ownership arrangement that would help support the regional program.

Ms. Moore replied that staff will be looking at all the parameters to see how it could use that one home.

Mayor Pro Tem Jonathan commented that given the City's experience with similar programs, questioned if staff felt this program would be effective, in terms of accomplishing the goals of creating affordable housing.

Ms. Moore stated she believed this program was unique and a bit hands on, and a better process than some others. While the City does what it can to support the people that purchase homes in Falcon Crest and Desert Rose, it requires more than what staff can help. The hope is that whomever the City partners with for this process, they would bring with them resources that could assist with that goal. Responding to question about the owners of the land on either side of Warbler Way, she said that land was owned by the homeowner's association for Falcon Crest and it's a retention area.

Mayor Harnik shared that on Tuesday she toured the Coachella Valley Housing Coalition, and she found the Self-Help Program to be outstanding. People who are granted these homes help put on the roofs and paint the home, so there is pride of ownership. She looked at homes that were completed and others that were in process, and she believed these people have a better understanding of the working of their home. It's an impressive program for these families, and one of the supervisors got so involved because he was once a recipient.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Councilmember Weber requested further clarification, because it's not been her observation that these people understand that the equity in the home is not theirs. She said the City describes them as affordable housing, but there are restrictions, lien agreements, and covenant periods of 45 years, so she never gets the impression it's all understood by the home buyer. For affordable housing purposes, it would be better if the City stopped promoting that people should live in a home, stating that maybe there is another way or form of affordable housing that didn't include a backyard, because things are changing in our world significantly. She said it wasn't really home ownership, it was more like home borrowing, and she's concerned to sign up for another program because she's not being reassured that the City won't run into the same issues of the past. Staff is suggesting an operator on site to respond to questions, but if they are calling for the City to fix their toilet, they are not grasping the logic that the home is their responsibility. She questioned how the City was going to prevent that from happening again.

Ms. Moore said she didn't know if it was possible, because it's a learning and educational process, in that when you purchase a home, you are purchasing an obligation as well. As to the restriction for the 45 years, it's a challenge, but its State law. She said staff does its best at every opportunity to share that information with home buyers. She agreed there are challenges with affordable housing, because the restrictions are indeed concerning to many of the people that live in these homes. However, if structured properly, and if you take the City's two developments into consideration, Desert Rose has worked as a program to assist people with how home ownership should work. The prices were such that when people were there for a period of time, there was some equity, adding many of those residents have stated it was a great opportunity for them to take their first step, adding that it was not a handout but a step up. Falcon Crest was aimed at a different target, and there were challenges there because the homes were more expensive. Additionally, that development experienced the housing boom, which was not anticipated, leveling the value of homes close to market rate. Therefore, staff would like to partner with a developer to work and educate the home buyer and develop a program that could potentially help people take a step up in a few years. The rule of thumb in California is that people move every seven years, which appears to be true here locally as well. In the event people decide to move on, it wasn't a bad thing, it's actually a good thing, because it helped them make a move toward ownership. She's hoping this avenue could be a different end result than some of the challenges experienced with others. Responding to question, she said the turnover at Desert Rose was high, but she also knows people who have been there since day one, and they love where they live. Again, she hopes that this program will embrace that long-term relationship.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Councilmember Weber said she appreciates Ms. Moore's experience, because she valued her knowledge and expertise, and she shared in her hope and optimism for this to work.

Councilmember Kelly volunteered to serve as the appointee.

Councilmember Kelly moved to, by Minute Motion: 1) Authorize staff to advertise and issue an RFP for construction of a for-sale affordable residential project consisting of 14 single-family detached self-help homes, **one of which could be considered for possible utilization in the CV Housing First or similar program**; 2) appoint a City Councilmember to participate in review of the RFP submittals; 3) authorize City Manager and/or Mayor to execute any documents necessary to facilitate the RFP and the actions taken herewith, and appoint Councilmember Kathleen Kelly as the appointee. Motion was seconded by Jonathan.

Mayor Pro Tem Jonathan thanked Ms. Gonzales for her patience with all of his questions.

Mayor Harnik called for the vote and the motion carried by a 5-0 vote (AYES: Jonathan, Kelly, Nestande, Weber, and Harnik; NOES: None).

B. REQUEST FOR APPROVAL OF A LEASE AGREEMENT BETWEEN THE CITY OF PALM DESERT AND THE COVE COMMUNITIES SENIOR ASSOCIATION FOR THE JOSLYN CENTER SITE LOCATED AT 73750 CATALINA WAY (APN 627-111-028) (CONTRACT NO. C36520).

Mr. Alvarez explained this item is formalization of a lease agreement with the Cove Communities Senior Association, a nonprofit that operates the Joslyn Center on City-owned property. For the past several months, staff negotiated a formal lease agreement that has not been in place in the past, but allows the City to officially lease the land for a 20-year term to the association with a 20-year extension if mutually agreed upon. The staff report outlines the key components of the lease. The lease is \$1.00 a year that would be returned to the City. The Joslyn Center and the association will be fully responsible for all maintenance, utilities, and upkeep of the property. The actual improvements have been determined to be owned by the nonprofit agency, and they will be fully responsible for the upkeep of the facility. In the lease, two key areas were identified, one of which is a City maintenance area. It was determined that this area will be maintained by the Housing Authority that also maintains Catalina Gardens, which is the adjacent property to the west. The other area of interest is the area identified as the fire lane, and the Joslyn Center will be responsible for maintenance of this area, but the City will be responsible if there are any damages occurring from an emergency vehicle or equipment that may be necessary for providing fire protection to the Catalina Clubhouse or adjacent Catalina Gardens.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Additionally, there is a generator that is being installed currently for the Joslyn Center, which will remain in ownership by the City. However, once the warranty period comes to an end, staff will sit with the Cove Community Association to discuss transfer of the generator and maintenance of it.

Mayor Pro Tem Jonathan questioned why the City was carving out that City maintenance area section, which is on the Joslyn Center property.

Mr. Alvarez explained that half of that portion belongs to the Joslyn Center and the other half belongs to Catalina Gardens. Historically, the Catalina Gardens maintenance has been responsible for it, but staff wanted to memorialize it to remain. In other words, if you split that rectangle area in half, one side belongs to the City/Joslyn, and the other half is the Housing Authority property.

Councilmember Kelly moved to, by Minute Motion: 1) Approve a 20-year Land Lease Agreement between the City of Palm Desert and the Cove Communities Senior Association for the City-owned property located at 73750 Catalina Way; 2) allow the City Attorney to make non-substantive changes and the Mayor to execute the Land Lease Agreement. Motion was seconded by Nestande and carried by a 5-0 vote (AYES: Jonathan, Kelly, Nestande, Weber, and Harnik; NOES: None).

C. REQUEST FOR AUTHORIZATION TO EXTEND TERM OF THE LEASE AGREEMENT BETWEEN CITY OF PALM DESERT AND FAMILY YMCA OF THE DESERT TO DECEMBER 31, 2018 (CONTRACT NO. R00362).

Sr. Management Analyst Heather Horning stated staff was requesting to extend the lease with the YMCA for the Civic Center facility.

Mayor Pro Tem Jonathan noted that the original lease had a confusing requirement for the YMCA to expand their footprint by 5,000 square-feet and then another 5,000 square-feet. In the past, it was a source of confusion and discussion, and the proposed Third Amendment does not address that issue directly, but the final item states, *"In all other respects the Lease Agreement is unchanged and in full force and effect."* He asked if the YMCA was still under an expired requirement to expand its footprint.

Ms. Horning replied that all those terms would remain, but staff is currently working on negotiating new terms for a brand-new lease to address that exact issue. Further responding, she said this was a temporary lease until all items have been negotiated for a new lease.

Councilmember Nestande moved to, by Minute Motion, authorize Mayor to execute the Third Amendment to the Lease between the City of Palm Desert and the Family YMCA of the Desert, extending the expiration date to December 31, 2018. Motion was seconded

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

by Weber and carried by a 5-0 vote (AYES: Jonathan, Kelly, Nestande, Weber, and Harnik; NOES: None).

D. REQUEST FOR ACCEPTANCE OF CalCOPS SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUNDING (SLESF) FOR FISCAL YEAR 2017-2018.

Mr. Aryan stated that approval of staff's recommendation will result in an encumbrance of a grant award totaling approximately \$150,000. These funds will be used for the Holiday Theft Suppression Program, which coincidentally begins next Friday (November 24, 2017) and runs every weekend through Christmas Day. The monies will also be used for miscellaneous equipment, services, and supplies to support front-line law enforcement activities. Responding to question, he confirmed it covered the mounted posse.

Councilmember Weber moved to, by Minute Motion, approve the CalCOPS Supplemental Law Enforcement Services Funding (SLESF) Expenditure Plan, as provided by the Chief of Police, for the encumbrance of a \$149,900 grant award to cover costs for the 2017 Holiday Theft Suppression Program and miscellaneous equipment, services, and supplies to support front-line law enforcement activity. Motion was seconded by Nestande and carried by a 5-0 vote (AYES: Jonathan, Kelly, Nestande, Weber, and Harnik; NOES: None).

E. REQUEST FOR APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PALM DESERT AND CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO (CSUSB), FOR THE CSUSB-PALM DESERT CAMPUS MASTER PLAN.

Mr. Alvarez stated that the proposed Memorandum of Understanding (MOU) with Cal State University, San Bernardino (CSUSB) pertains to the Palm Desert Campus. He displayed a map of the previous transfer to CSUSB to facilitate the Palm Desert Campus. To date, four buildings have been constructed and approximately 1,200 students have been served at this location. In 2015, the City also contributed an additional 123 acres that would allow for the future expansion of CSUSB-Palm Desert Campus. The proposed MOU will approve a new Master Plan over the entire property that is now under the control of CSUSB. The Master Plan was accomplished over a year, and it involved a variety of different stakeholders, City and University staff, and students. This Master Plan will allow the future expansion to accommodate up to 8,000 students. He displayed a map that includes the location of the physical buildings, amenities, parking, student housing, a library, sports fields, recreational areas, etc., adding that there will be a walkable and vibrant university that will, at some point, have the Palm Desert name on it. A request was made by a couple of Councilmembers to include

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

language that will explicitly address that particular requirement that was approved as part of the previous transfer of land to CSUSB. He provided the City Council with amended language that will explicitly address that all requirements addressed under the previous Development and Disposition Agreement, which included the requirement that if this campus becomes full service and self-supported Cal State campus, that the naming rights remain for Palm Desert. He believed it has been addressed in the MOU, which will also allow staff to work collaboratively and communicate with the University in the implementation of the Master Plan. The Master Plan was presented to the Planning and Development Committee, which was comprised with members from CSUSB, University of California, Riverside at Palm Desert, Councilmembers, and a resident. On November 3, 2017, the Master Plan was reviewed and was recommended for approval to the City Council by the Committee. If the MOU is approved this evening, it will be presented to the Board of Trustees for CSUSB, and with it, the Environmental Impact Report (EIR). Once everything is approved, the hard work begins, adding that without fund-raising efforts, the campus cannot continue to grow. Staff recommended approval of the MOU.

Councilmember Weber pointed out that the President of Cal State University, San Bernardino is listed as signing the MOU. However, she didn't believe the MOU would be binding, because it's out of the realm of the President of CSUSB to name a campus .

Mr. Hargreaves replied that the naming responsibility was defined in the Development and Disposition Agreement (DDA) that was entered into several years ago, and that DDA is specifically with Cal State University. He said it's a commitment that the University as a whole has made, and he believes they have the ability to make that commitment.

Mayor Pro Tem Jonathan stated the parties named in the agreement are with the City of Palm Desert and the Board of Trustees of California State University who does have authority to name a new campus. The MOU wording includes a sentence that states, "*A commitment to use the words 'Palm Desert' in future naming of the campus site.*" It can be argued that it already does, because its Cal State University, San Bernardino-Palm Desert. While the City has an excellent relationship and it trusts the partnership with the current administration, at a later time, the City could be dealing with different people and institutional memory fades. Therefore, he preferred using the phrase that was in the original agreement that states Cal State University, Palm Desert.

Mr. Alvarez noted that Section IV-J reads "*This MOU does not alter the commitments made in the 2015 DDA,*" which he believed would suffice. In fact the original DDA states, "*Cal State University agrees that the words*

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

“Palm Desert” shall be included in perpetuity in the name of the Cal State University post-secondary education operations upon the reserve of the property. If a second campus of the CSU is built upon the reserve property, that the name of the CSU campus shall be California State University, Palm Desert.”

Mayor Pro Tem Jonathan said this was very exciting because it will enable Cal State to move forward to the next stage where the hard work begins, which is to start looking for funding. He was prepared to move for approval, but would like to modify the language to make it clear and consistent with the original agreement, to be more specific and say “California State University, Palm Desert.”

Councilmember Weber agreed, because she didn’t like leaving anything left to chance.

Mr. Alvarez agreed to modify the MOU to specifically reflect the exact language made in the DDA.

Mayor Pro Tem Jonathan moved to, by Minute Motion: 1) Approve a Memorandum of Understanding (MOU) with CSUSB for the CSUSB-Palm Desert Campus Master Plan; 2) allow the City Attorney to make non-substantive changes and authorize the City Manager to execute the MOU, as amended to highlight the future naming of Cal State University, Palm Desert prominently throughout the contract. Motion was seconded by Kelly.

Mayor Harnik commented this has been a long time in the making, because the land was a gift from visionaries of Palm Desert who chose to give that land to Cal State University, recognizing how important education was to the community. The campus has been built on private funds and donations, and she hoped Sacramento decides that the Coachella Valley deserves a good four-year institution, commenting that when Assemblyman Mayes rallied for it, he was able to secure \$3 million.

Mayor Pro Tem Jonathan thanked Sharon Brown-Welty, the Dean for Cal State University-Palm Desert, who was in the audience, for all her efforts and for being a wonderful partner in this process.

Mayor Harnik called for the vote and the motion carried by a 5-0 vote (AYES: Jonathan, Kelly, Nestande, Weber, and Harnik; NOES: None).

F. REQUEST FOR DIRECTION REGARDING STREAMING OF COMMITTEE AND COMMISSION MEETINGS.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Information Systems Manager Clay von Helf requested City Council direction in regards to streaming of various committee/commission meetings.

Councilmember Weber said she has been asking for streaming of meetings for some time, especially any meetings held in the Council Chamber, because it's already set up for it, which was her primary request. She claimed there are many people that want to see what is going on in the community and they are unable to attend meetings. Now regarding other committee/commissions held in other rooms, she's not quite sure how that could be facilitated. Her major concern was for meetings held in the Council Chamber that could be live streamed. She encouraged staff to hold any special meetings or study sessions in the Council Chamber and stream them.

Councilmember Kelly said she didn't share the perception that the expense is uniformly warranted for all study sessions or for all planning commission meetings. Having served on the Planning Commission, approximately 1 out of 10 meetings has an agenda item that really garners any significant public interest. She was more comfortable asking staff to notice items on the Planning Commission meeting agenda, of which can be expected to garner public interest, and perhaps stream only those because of the financial cost. The staff report details considerable financial and human costs by asking staff to adjust their schedule or work overtime, and she's not persuaded that it made sense for all study sessions, many of which are more technical in nature, to be of widespread interest.

Councilmember Weber disagreed, because she's very fascinated with what's going on at public meetings, and making them more public is the way to go in today's world; the public is accustomed to watching everything as it happens. She said the City couldn't determine whether something will pop up at a Planning Commission that might be of interest to the public. She thought cost estimates were going to be provided, so that Council could make a financial decision. For instance, will it cost \$1,200 every time the City wants to live stream.

Ms. Carney clarified that \$1,200 was the cost of the software template for any committee/commission, and the ongoing cost would be the additional staff required, which will be directly related to the length of the meeting.

Councilmember Weber said she thought Council talked about putting it in the budget, which is why she requested the information, so Council could actually talk about it and insert it in the budget. She suggested asking for public feedback on whether they would want to attend Planning Commission meetings or a study session. She didn't want to guess what the public wants, because she believed it was the City's job to make them available. She's always amazed and fascinated to hear people say they watched the Council

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

online. She asked if staff had the data as to the number of people that are watching.

Mr. Von Helf said he didn't have the information with him, but it depended on what's on the agenda, stating it varied tremendously.

Councilmember Weber remarked that it was a great public service to say to the public that it wants them to see what is happening at City Hall. She would also like the Council to consider changing the time of the meeting to when it's more relevant to a participant, because it's a different world than it was 20 years ago. She reiterated she believed that the public is very interested and they like to watch their elected officials, and they may be encouraged to get involve.

Mayor Pro Tem Jonathan said he shared Councilmember Weber's desire for transparency and citizen engagement, but agreed with Councilmember Kelly that the City was already doing a good job in that regard. Additionally, he did not discern a problem, in terms of residents that would like to attend, but are not able to attend Planning Commission meetings, study sessions, or the other 17 committee/commission meetings. He didn't see a system that was broken nor a need to fix anything to spend additional resources.

Councilmember Nestande requested data on how many people are actually watching the meetings.

Mayor Pro Tem Jonathan agreed, including keeping an eye on the Planning Commission agenda where there's potential for citizen engagement. If staff determines there is something controversial or of significant interest, the City can and should live stream the meeting and have the recording of the meeting available.

Councilmember Kelly agreed, offering the opinion that you don't have to guess which items on the Planning Commission agenda are going to garner public interest, because based on community engagement before the topic reaches the agenda, staff and the Commission can identify selectively, the occasions upon which it would be worthwhile.

Councilmember Weber explained the reason this item was brought forward was because when she had requested that the Planning Commission meetings be live streamed, the response was that it was not budgeted or set up for it. So, the meeting was filmed and it became available on the website for those that wanted to see it, which she found to be an extremely valuable tool. Therefore, she would like to know what the cost would be and determine when meetings would be authorized to be shown live or have filmed to be watched at people's leisure.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Ms. Carney offered that staff could provide estimates for how much it would cost per hour for the additional staff, but again it would depend on the length of each meeting. Recording/filming is a much simpler prospect than streaming it.

Councilmember Weber stated she would like to at least capture what is happening in a meeting, because apparently, there was concern that some people were forgetting themselves and getting excited. It would let others know about their neighbors and how others are appearing and speaking up. She suggested putting it in the budget to at least film these meetings.

Ms. Aylaian requested Council narrow down the 17 committees/commissions they were considering, because staff couldn't provide a cost estimate without knowing which ones to research. Also, there are committees that meet at the same time, and the Council Chamber is the only place that's set up for recording or live streaming. What she is hearing is that there is interest in live streaming the Planning Commission meetings.

Councilmember Kelly interjected, stating only select Planning Commission meetings.

Mayor Pro Tem Jonathan suggested directing staff to come up with a broad range of costs that Council can put into next year's budget to cover select Planning Commission meetings for broadcasting. He pointed out that the Planning Commission was the only body that took binding action, because all the other committees are advisory to the City Council.

Councilmember Weber stated Council needed clarification on that, because she believed the Art In Public Places Commission took action as well, but that ties into the plans of discussing committees/commissions and defining them.

Ms. Aylaian offered that the City does have commissions that decide cases on their own, such as Architectural Review Commission (ARC) and Art In Public Places Commission, but almost anything is appealable or can be called up by the City Council, including the Planning Commission.

Councilmember Weber agreed with Mayor Pro Tem Jonathan that the more transparent Palm Desert is, the more in the 21st Century it is for how everyone is living in today's world.

Ms. Aylaian agreed for staff to put together a package recommendation for the committee/commission bodies staff felt drew the most interest.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Councilmember Kelly said she hadn't heard broad support from the City Council for going beyond select Planning Commission meetings. Mayor Pro Tem Jonathan concurred.

Mayor Harnik stated the City could pay that small set-up fee for the software template and film every Planning Commission meeting, because the expense was with live streaming not with filming.

Mr. Von Helf replied it would still require staff time for the filming.

Mayor Harnik added it wasn't hard to tell when community members are concerned about specific items on the Planning Commission, because Councilmembers are contacted. She believed Palm Desert did a good job as a City of inviting people into all of its meetings, because the community and members of other communities are always welcomed. She said the City doesn't spoon feed its community members, as illustrated earlier this evening when Sal Roisental was recognized for his 12 years of service to the Citizens on Patrol as a volunteer. She didn't believe everything had to be live streamed, because sometimes you have to show up at meetings to get involved. She pointed out that City Council meetings have been live streamed for seven years now, but agreed some Planning Commission meetings may warrant filming. However, if people are watching meetings that have been filmed, they can't speak up. Additionally, the City had to be careful about creating livingroom quarterbacks instead of having residents show up at meeting and be engaged.

Mayor Pro Tem Jonathan moved to, by Minute Motion, direct staff to develop a plan and budget for Fiscal Year 2018-2019 consideration that would enable live streaming for select Planning Commission meetings. Motion was seconded by Kelly and carried by a 5-0 vote (AYES: Jonathan, Kelly, Nestande, Weber, and Harnik; NOES: None).

XI. CONTINUED BUSINESS

None

XII. OLD BUSINESS

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

- A. REQUEST FOR SELECTION AND APPROVAL OF THE DESIRED CONCEPT PLAN FOR IMPROVEMENTS TO THE PRESIDENT'S PLAZA EAST AND WEST PARKING LOTS; AND AUTHORIZATION FOR STAFF TO SOLICIT DESIGN-BUILD PROPOSALS FROM ENTITIES DEEMED TO BE QUALIFIED FOR THE DESIGN AND CONSTRUCTION OF THE PRESIDENT'S PLAZA EAST AND WEST IMPROVEMENTS (PROJECT NO. 758-14) (CONTRACT NO. C36530).

Mr. Greenwood stated President's Plaza East and President's Plaza West parking lots are located between Highway 111 and El Paseo, stretching from Portola Avenue to Larkspur Lane. These two parking lots are referred to as President's Plaza East and West. For 10+ years, there have been a number of proposals to renovate the parking lots, reconfigure and improve them in various ways, and this was another attempt to move that project forward. The staff report includes two options, which he displayed, starting with Option 1 - Paseos and Pocket Park Concept, referring to President's Plaza West, the rendering with Larkspur Lane on the left-hand side. This parking lot currently has 400 parking stalls, but this particular configuration proposes a park-like area on the east and west ends of the parking lot, and one in the center, it has a paseo tree-lined walkway area that would connect those various park-like areas. However, this configuration loses 105 parking stalls. A similar configuration is proposed for President's Plaza East, but it would lose approximately 100 stalls. These proposals also include solar carport providing shade to parking stalls, and some cover shaded areas without the solar panels on them. The trash enclosures are the standard above ground trash enclosures rather than the in-ground. The two displays he talked about are for the paseo alternative. Option 2 - Pocket Park Concept - President's Plaza West, this version has the parks lit at the ends and in the middle, but without the paseo. In this version you lose approximately 40 parking stalls, and again you have solar carports in some areas and just shade in others, with the congregated trash enclosures. A similar situation with President's Plaza East, and in this alternative you lose about 33 stalls out of the approximate 400.

Councilmember Weber commented she liked the parks lit at the end, because people don't go to this parking lot to hang around, and she appreciated that solar was incorporated.

Mayor Pro Tem Jonathan said he understood this project was being funded with bond proceeds, but he couldn't recall how they are serviced, because with bonds, you borrow money and one has to make payments.

Ms. Moore replied it was coming from tax increments to satisfy that debt, stating the General Fund was not funding those payments. She explained that when Redevelopment was eliminated, there were obligations of the

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Agency to continue to pay for them from Redevelopment Agency Tax Increments, and some of the proposed bonds are from that group.

Mayor Pro Tem Jonathan stated that if the bonds are not utilized, then the principal is repaid, and the payments are not paid from the Successor Agency.

Ms. Moore agreed it will not be as much obligation on the Successor Agency, and those monies in turn would go back to the taxing entities, of which Palm Desert is one, although it was very minimal. Further responding, she confirmed the Successor Agency gets those increments from property taxes.

Mayor Pro Tem Jonathan said it would only be a lost opportunity if the City failed to use those bond proceeds, because it was a “use it or lose it” type of situation, so there was no downside per se.

Ms. Moore agreed.

Mayor Pro Tem Jonathan noted staff was proposing between \$6 and \$8 million of public funds to be used for private property.

Mr. Greenwood agreed, stating the City has a public easement over this area, but it does not own the property. Further responding, he said the City has a number of parking easements. The Gardens on El Paseo was a nearby example where the City invested \$5 million for parking.

Mayor Pro Tem Jonathan believed the rationale for investing public funds in that particular structure was to create a stream of sales tax revenue, which made financial sense. In this particular instance, he questioned what was the return on investment.

Councilmember Nestande stated she thought there were business owners and shops there that weren't going to contribute, so it wasn't going to happen, and it's an eyesore to the City.

Councilmember Kelly offered that enhancing this resource should make it easier to find occupants for the business properties that surround the parking lots, and that's a very significant City interest to help address vacancies.

Mayor Pro Tem Jonathan said that can be discussed and debated, but the distinction is that with The Gardens and Palm Desert Town Center, as it was called back then, the City was creating a new source of revenue that did not exist before. What Councilmember Kelly described was preserving and enhancing existing revenue.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Councilmember Kelly stated it was to recapture the highest and best use for the properties in that vicinity, which if the supportive parking structures are not restored, it can be expected that those properties will decline in their attractiveness to commercial uses.

Mayor Harnik added that the City has talked a lot about its General Plan Update that was built on a Strategic Plan, which included community participation. She said that in order to encourage the revitalization of properties on both Highway 111 and El Paseo, that area needs to be fixed, because it's not up to Palm Desert standards. She believed Desert Crossings was another example where the City provided parking, which were ways to abide by the General Plan Update and encourage landlords to upgrade their properties. So many people are disenchanted with President's Plaza. The City now has an opportunity to motivate better retailers coming in, and potentially for mixed use. She added that the City would be investing in Palm Desert with this project. In terms of the designs, she loved both concepts, stating she appreciated all the effort that went into them.

Mayor Pro Tem Jonathan questioned what will happen when another landlord with an aging property request the same type of consideration for his property for a lesser amount. He asked if the City had a program in place to ensure it was not discriminating in favor of some and against others.

Mayor Harnik pointed out that the City has programs for facade enhancements under these circumstances.

Mayor Pro Tem Jonathan said he was talking about specifically building a brand new parking lot.

Councilmember Weber agreed it was a valid question, but to clarify Councilmember Nestande's comment, this was not about one property owner, because in this situation it entailed many joint owners. Therefore, this was not benefitting one person for \$8 million, it was benefitting the City by tidying up this eyesore, which then in effect benefits many people surrounding the parking lots, which might be the difference in how she would accept it. She said most people believe the parking lots belonged to the City.

Mayor Pro Tem Jonathan said he understood the rationale and agreed it would be an investment to enhancing a much troubled center that can be recaptured, but he continues to have difficulty with taking public funds and spending them in a way that benefits private property owners, and does so somewhat indiscriminately.

Mayor Harnik asked if there was language that could be inserted that would protect the City from someone else asking for the same consideration.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Mr. Hargreaves reminded the Council that the City owns the parking easement, and the easement for ingress and egress, which is a property right. He said the City was improving and maintaining public property, and it has an obligation to do so. It was not uncommon for City streets to be on public street easements where the underlining property is actually owned by the adjoining property owners. In a sense, you can make the same argument about some of the City's public streets. In any case, the City has a public easement that has been accepted and has been maintained for a number of years, so if the City is not going to maintain it to adequate standards, the City faces liability. It would be somewhat difficult to abandon that easement, so the City has to come up with some mechanism to adequately maintain that property. There are other options, in that the City could try to form an assessment district to get the property owners who directly benefit from the parking to contribute, but attempts in the past have failed.

Mayor Pro Tem Jonathan asked what did the City get out of this easement, besides the opportunity to spend \$6 to \$8 million. For example, does the City have rights over the parking lot; would it be able to close it down and use it for an event or additional parking.

Mr. Hargreaves replied that the public, on behalf of the City, gets the right to park there and ingress and egress. The exact parameters and use of that right and the City's ability to manage it, in any particular way, is open to discussion. As the City Attorney, he would make the argument that the City would have the ability to use that parking easement for events if it didn't interfere with those businesses' ability to have their customers park there.

Councilmember Nestande pointed out that the City already uses those parking lots for the Golf Cart Parade and the annual Turkey Trot, stating those are two events where the parking is open to the public.

Ms. Aylaian added it wasn't unusual for cities, in particular, the City of Palm Desert to do these types of projects. Over the years, the City assisted dozens of private property owners in renovation projects and paying for their facade enhancements, many of which included parking lot improvements. Those were for small mom and pop type of businesses, and the City has scattered these types of improvements across the City. The theory being that by providing enhanced shopping or retail experiences by aesthetically enhancing the face to the community, it would produce benefits that come back to the City in the form of increased sales tax, increase Transient Occupancy Tax, and increased business from visitors and residents alike. It's been done in amounts as small as \$25,000 to millions, stating the \$10 million project at Westfield came to mind. Therefore, it's not an uncommon practice and the City is required to make findings that it's in the public's interest to do it.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Councilmember Kelly expressed support for the plan that proposes pocket parks without the paseos, keeping in mind that the City has a parking easement to provide parking. It doesn't seem that there was a solid basis for the plan that eliminates a significant number of additional parking stalls, and the staff report details other obstacles that the plan with paseos would create, including the potential loss of the bond funds, which is the source for the project.

Councilmember Kelly moved to, by Minute Motion: 1) Select and approve Option 2 - Pocket Park Concept Plan for President's Plaza East and West Improvements; 2) authorize staff to solicit prequalifications from design-build entities; 3) authorize staff to solicit design-build proposals from entities deemed to be qualified for the design and construction of the President's Plaza East and West Improvements; 4) appropriate \$8 million from Unobligated Capital Project funds to Account No. 4514692-4400100 - SARDA Bond Project Funds - if above recommendations approved, funds will be available in Account No. 4514692-4400100 - SARDA Bond Project Funds. Motion was seconded by Nestande.

Mayor Pro Tem Jonathan said he believed the City would be repeating the same mistake made in the past, because Council today was discussing spending \$8 million based on the fact that the current amount collected from the property owners was inadequate. The assessment did not take the cost for major improvements or replacements into consideration. The staff report indicates a maintenance increase between \$12,500 and \$16,500, but again, it does not cover the long-term costs for a 30-year life, and in the future, some other Council will again have to revisit and consider this same issue. Therefore, he couldn't get behind staff's recommendation, and before he could, staff should analyze the current normal recurring day-to-day maintenance and long-term replacement costs, and build it into the property owners assessment, so that they can pay for the next round.

Councilmember Weber recalled them not being happy about assessing themselves when it was suggested in the past.

Mr. Greenwood agreed, stating at one time they voted this district out and then it was reestablished at the same base rate it had been for years.

Councilmember Weber commented it was almost as if the City was held hostage, because most people believed the parking lot belongs to the City, and the City wants it to look lovely. She asked if the City had any other leverage to obtain monies from the owners.

Councilmember Kelly said the City couldn't effectively script what will be required in that space 30 years from now, and it may be past asphalt and perhaps vehicles. The best action is to adopt the motion as moved this evening.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Mayor Pro Tem Jonathan disagreed, stating it can be done, and it happens all the time. He said every HOA conducts a reserve analysis, which is the same exercise where they determine long-term replacement costs. It's a professional best estimate, and you spread that estimate over the life expectancy over that capital asset. He said if the City was going to literally hand them \$8 million, which will enhance the value of their property, they will profit and benefit from these public funds. Therefore, the least they can do in return, is to properly maintain the asset.

Mayor Harnik believed that everyone benefits when a street is enhanced and maintained, but right now, what will be expected 30 years from now is unknown; however, the City does have a General Plan. She added that if you would have shown people 10 or 20 years ago what is in the General Plan today, they would have thought Council was crazy. Therefore, things change and with the speed of technology, they change more quickly than ever. She said the City needs to bring that parking lot to the Palm Desert standard just like it has in other parking lots. However, how does the City make sure that it will secure the funds from these owners for maintenance.

Mr. Greenwood replied that securing a commitment from property owners would need to happen before construction, stating they would have to agree to raise their assessment commensurate to the 30-year life cost of the project. Further responding, he said if that was the desire of the Council it can be added to the motion.

Councilmember Kelly said she was confused, because she thought she heard the City Attorney say the parking easement belongs to the City, which made it responsible for maintaining the parking.

Mr. Hargreaves agreed, but it can be maintained to some acceptable standard, it's not required to maintain it at a high standard. The City can continue on its course, which is to do minimal maintenance to ensure it's safe as a form of leverage to get the property owners to agree to maintain it. He said the City has a similar situation with the landscape and lighting districts that were set up early on with nice landscaping, but over time, there was no mechanism to maintain the assessments. So the City went back to the property owners and told them that if they didn't contribute, the City was not going to maintain them at the same level, and property owners basically said "oh well." Over time, the City has abandoned the maintenance or minimized the maintenance in a lot of those districts. He doubted there was any amount of leverage the City can use in the near term that would encourage owners to assess themselves to do something different.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Mayor Pro Tem Jonathan said the City could condition the improvement on their agreement to properly maintain it at whatever budget the City develops, which he believed was the City's leverage.

Mayor Harnik asked about the timetable for the use of the bonds.

Ms. Moore replied that the bonds need to be used.

Councilmember Kelly said the City needs to do this, because it's not realistic to suppose that a business improvement district is going to commit itself to the replacement cost of 30 years. Again, this area is at the core of the City, which it most aggressively marketed. Further, because the funds are available, and it's a "use it or lose it scenario," the City should use them.

Mayor Harnik remarked she was not interested in committing people into paying for something for 30 years, her issue is how to encourage the owners to contribute toward the maintenance, because she felt there was an obligation there. Staff estimated it was between \$12,500 and \$16,500 annually in additional maintenance cost, depending on the concept plan. She asked about the number of owners and properties.

Mr. Greenwood responded there are approximately 50 properties with about 30 owners.

Mayor Harnik suggested asking the owners to take part in the maintenance.

Mayor Pro Tem Jonathan said good luck with trying to get them to contribute, because historically they know the trick. If they say they won't pay, the lot will still be maintained and the City will continue to pay for it. He said the City had no assurances that the owners will pay for the maintenance, much less the long-term replacement and repairs. He said the rest of the Council may be willing to live with that, but as it stands now, there is no certainty.

Ms. Aylaian noted the staff report mentions that earlier this year in March 2017, the City surveyed the property owners, and of the 36 property owners, only 16 responded. The majority said they were not willing to pay any increased assessment. She urged the City Council not to base their decision this evening upon a belief that it will get increased participation from the property owners.

Councilmember Weber agreed, stating she views this as doing something for the City and its residents, to be able to park and shop there.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Mayor Harnik said there was a motion made and the Council needed to move forward with what is the greater good of the City and hopefully it can get a CPI (Consumer Price Index) increase from them.

Mayor Pro Tem Jonathan added that his vote will reflect what he believed to be the greater good of the City.

Mayor Harnik called for the vote and the motion carried by a 4-1 vote (AYES: Kelly, Nestande, Weber, and Harnik; NOES: Jonathan).

With City Council concurrence, Mayor Harnik called for a recess for a dinner break at 6:37 p.m. She reconvened the meeting at 7:13 p.m.

NOTE - THE FOLLOWING ITEM WAS AMENDED FROM NOVEMBER 9, 2017, POSTING:

- B. ORDINANCE NO. 1332 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, APPROVING AMENDMENTS TO PALM DESERT MUNICIPAL CODE CHAPTER 5.10 - SHORT-TERM RENTALS - IN REGARD TO ENFORCEMENT, OPERATIONAL STANDARDS, COMMUNICATION, AND ZONING REQUIREMENTS FOR SHORT-TERM RENTALS WITHIN THE CITY OF PALM DESERT, INCLUDING ELIMINATION OF CERTAIN SHORT-TERM RENTALS IN R-1 AND R-2 ZONES.

Mr. Hargreaves stated, for the benefit of the audience, there have been some confusion and controversy regarding whether this was the first or second reading of the Ordinance, and the Amended Agenda has the options for both for the City Council to consider. He said the law requires that for every Ordinance there be two readings. The first reading is for introduction of the Ordinance and where Council defines what it is and it is then made available. The second reading is for adoption, in that once people have seen it, they can challenge it and/or provide input, and if the Council wants to move forward, it can adopt it. The first reading is the first opportunity for Council as a whole to address the Ordinance. Staff comes up with a recommendation based on what it thinks Council might want to do and they present it, but ultimately, the City Council makes the decision. Therefore, it wasn't uncommon to have a Council change things, and if they make changes on first reading, it's noted on the record as to exactly what it is they are changing, but they are not allowed to make changes between first reading and second reading, and if they do, it goes back to first reading. In this case, at the last City Council meeting, the Ordinance came forward with staff's recommendation, and Council made changes to it. The one item changed that is most controversial is the elimination of short-term uses in the R-1 and

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

R-2 Zones. Staff got wind that this was an option, so he drafted alternative language that specified what the change would look like. There were also a couple of other changes, one was with respect to the fine imposed, and the other was to eliminate the temporary short-term-rental uses. At the October 26 meeting, staff and Council went through a process to clearly define what the changes were, with the expectation that they would be defined, and Council moved on to second reading. With those changes in mind, staff went back and revised the Ordinance in alignment to what Council directed. However, staff received a lot of feedback from people that were taken aback from the changes made. Staff and Council also received letters objecting to having the Ordinance go on to second reading. He and City staff didn't want to be engaged on whether it should be first or second reading, stating it would be easier and simpler to bring it back for first reading to avoid any complaints. Upon further review, staff realized that Council directed for the Ordinance to come back for the second reading, and staff didn't have the authority to reprogram it to first reading. Based on what has happened, staff provided an Amended Agenda providing the City Council to either take the Ordinance to first reading or count it as a second reading, and it's within their authority to do either option. He has shared his opinion with them that if the Ordinance went on to second reading, it substantially complied with the relevant legal statute and perfectly within their right to do so. On the other hand, it may be prudent to take that argument off the table and go to first reading and move forward in a more conservative manner. Responding to question, he confirmed that if the City Council decided to have their first reading this evening, the second reading will take place on December 14, 2017.

Associate Planner Kevin Swartz stated that on October 26, Council's action included prohibiting new short-term rentals within the R1 and R2 Zones. All other short-term rentals will be able to continue to operate in the Planned Residential Zones (PR Zone), the Residential Estate Zones, and the Residential Multi-family Zone. The action included a sunset clause, removal of language referencing temporary short-term rentals, stricter fines for individuals operating without a permit, a new swing-shift code compliance officer, and approval to start the Request for Proposal process to look at companies that manage a hotline and other compliance activities. Additionally, the action included reporting back to the City Council within nine months. He said the sunset clause states, "*All existing short-term rentals must cease operation in the R-1 and R-2 Zone by July 1, 2019, regarding to the exceptions based on unconstitutional takings,*" excluding on-site owner's permit. A temporary short-term rental permit would have allowed an owner to rent their house out for four separate occasions for no more than 18 days; Council directed staff to remove this item. The third option was operating without a short-term-rental permit. He recalled for Council that the first proposal had two citation fees, the first citation was \$1,000, the second and

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

others were \$5,000. The new wording states, *“The homeowner may be fined up to \$5,000 per violation, and the City has the right to refuse a short-term rental permit to that owner.”* In summary, the City has 1,228 short-term rentals, 212 in the R-1 Zone, and 64 in the R-2 Zone. The total STRs between R-1 and R-2 is 276. Therefore, there are still 80% of the inventory operating short-term rentals. The City Council has received letters opposing their action, but it has also received letters thanking them for their action.

Councilmember Weber thanked Mr. Swartz and Mr. Stendell for all the time spent with Councilmembers at their meetings on this issue.

Mayor Harnik invited public testimony in favor of or in opposition to the proposed Ordinance.

MS. DONNA AULT, Haystack Road, Palm Desert, claimed this was a David and Goliath story, asking the Council to protect the Palm Desert neighborhoods, because it was up against a very large giant with a voracious appetite; it was not satisfied to consume 80% of the STR market. The supporters of STRs are fighting for their real estate commodities, and many are fighting for the heart and soul of Palm Desert. She is distressed about the City’s future if the Ordinance voted on October 26 is not passed. She said the opposing side’s argument is that they contribute to the City’s economy by employing a lot of people, but so did the homeowners, because they too employ gardeners, pool persons, house cleaners, etc. They also claim that STRs increase property values, however, she believes there is a big difference between an investor and a homeowner. When a homeowner moves in, it benefits the entire neighborhood, and they are welcomed and appreciated. When a STR investor improves their property, their presence lowers property values and they are not welcomed or appreciated. She compared STR to this generation’s pyramid scheme at the expense of others. She went on to say the City Council has assured them that the lack of fines and enforcement is what has allowed party houses to reign, so she is grateful this has been acknowledged and addressed. If the Ordinance agreed upon on October 26 is implemented, it will give residents in the R-1 and R-2 Zones hope, because they currently felt abandoned by their City. She was grateful for this light at the end of the tunnel and looked forward to restoring the residential nature of their neighborhoods. She asked the City Council not to rescind their progressive and thoughtful judgment made at the last meeting.

MR. BRETT MITCHELL, Ironwood Street, Palm Desert, stated he believed compromise was at the essence of this ban. He said the cities have built a beautiful Coachella Valley with its casinos, outlets, El Paseo, high-end restaurants, etc., because 20 years ago, these things were not here. However, if those people that have invested a lot of money into their shops,

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

if they knew this was coming to an end, they wouldn't have invested. He agreed there were bad actors, but disagreed to throwing the baby out with the bath water, with a death sentence date of July 1, 2019, without offering the opportunity to see if enforcement worked. Based on comments from his guests, they come to Palm Desert to shop and enjoy the desert, and to peacefully coexist with neighbors. He believed it was an opportunity for both sides to see what would happen with enforcement. He said businesses will feel a bait and switch when the City takes their customer and moves them to Rancho Mirage and La Quinta, because they will find other places to shop.

MR. VINCE MASCARO, Ironwood Street, Palm Desert, shared he was an event planner and owned a residential cleaning company. He is also the concierge for a company that checks in renters. He said they don't seem to have any complaints, but he couldn't speak for every homeowner of a STR. He shared that this past weekend he had a private showing for a guest at St. John's, and in twenty minutes, she spent \$34,000. They also had a private showing at Saks Fifth Avenue for a bridal group that's coming in to purchase their dresses, and they have reserved more than \$100,000 in dresses and garments. He asked the City Council to look at all the revenue generated, stating there has to be a compromise, because it will affect him and every one of his businesses and his family life, adding he employs eleven people, all documented and they all pay taxes.

MR. BILL SPENCER, Ironwood Street, Palm Desert, a local architect in Rancho Mirage, stated he's been involved in quite a number of conversions or upgrades to properties that end up being a STR, and 90% of them have turned out to be an enhancement for the community. He believed the improvements increased property values, and developers' certainly make efforts to do their best for curb appeal. He said that in most communities, the one or two best looking homes in the block are STRs, adding there is great benefit that went along with this type of product.

MS. DIANE CHENOWITH, El Cortez Way, Palm Desert, a 15-year resident, stated she understood the City Council is being confronted with a hard task and she was not envious. She was not siding with either group, but STRs have affected her neighborhood. She now has an abundant of sober living homes in her neighborhood, because they can get as many permits as they want. She's baffled that people are being denied from making revenue from the home they want to rent, yet the City is still allowing companies to provide homes for alcohol and drug abuse individuals who are trying to recover, adding she now has three on her street. Rooms are rented out for \$800, and one house has six rooms. She asked the City to do what they could to better the whole community and find a balance among all these issues.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

MS. DEBBIE HOUSTON, Scotland, UK, said she has been vacationing in Palm Desert for more than 23 years in the R-1 and R-2 neighborhoods, and owns a property as well. In VRBO alone, there are 3,910 properties listed to rent in Palm Desert, but the City only has 1,220 permits issued for STRs, which is at least 2,680 potential rental incomes the City is missing. The 276 current permit holders in the R-1 and R-2 Zones contribute at least \$680,000 to the \$1.8 million Transient Occupancy Tax (T.O.T.) collected, which is 37.7% for a group of homes that accounts for only 21% of the amount of rental homes. Think of what the City and residents stand to gain if it enforced permits to the potential 69% of R-1 and R-2 owners; simple math suggests an additional \$516,000. She's not sure why R-1 and R-2 homeowners are being discriminated in this way, not to mention those who want to rent, but these guests don't want to stay in hotels or PR and R-3 neighborhoods, stating they will simply go elsewhere to another city and spend their money there. She said enforcement and data were key, because responsible homeowners renting their homes' want what's best, just as much as residents do. If the ban is enforced as a solution, there will be a large economic impact to the City. She's been asking for a copy of the economic impact study, stating she was sure the City carried one out as part of their due diligence, but she couldn't seem to find it, asking to be directed to it. She pointed out there is a wealth of knowledgeable and experienced people that are happy to help and offer solutions for the good of all, stating she genuinely felt the pain of neighbors suffering from non-enforced and noncompliant homes. As a Palm Desert taxpayer, she asked the Council to consider all the facts before making a decision that could have a detrimental effect on this great City and to give enforcement a chance.

MS. TANYA GOFF, Clifton Forge, Palm Desert, noted she lived at Palm Desert Country Club, and her STR is located within an R-1 community. She agreed neighborhoods are for neighbors, which meant that everyone should behave neighborly and nonaggressive toward each other over differences or previous bad experiences, because this inability to look forward leads to hysteria and fear. She would never want to live next door to a badly run rental or anyone who doesn't understand the concept of being a good neighbor, because that's what drove her to do the right thing both where she lives and as a STR owner. She questioned why she, who is doing everything right, is being treated so wrong. Omitting STRs from the R-1 and R-2 Zones may appear like a compromise, but it's not. She encouraged a year of actual enforcement of codes and rules with accurate records and findings so that a logical decision can be made, instead of basing it on emotions. She made the comment that the T.O.T. will be missed in the General Fund. Lastly, she was proud Palm Desert declared November 25, 2017, as "Small Business Saturday," but saddened of the removal of STRs from R-1 and R-2 neighborhoods, because it will adversely affect many small businesses.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

MS. DEBRA VOGLER, Shadow Mountain Drive, Palm Desert, a resident of Palm Desert since 2012, addressed the Council to tell them that if they really wanted to grow the economy in the Coachella Valley and increase the value of people's home, small businesses, resort properties, and address the many vacancies on El Paseo, and work more closely with CVEP (Coachella Valley Economic Partnership) to get the infrastructure ready for high-tech companies to bring jobs to Palm Desert. She said this area couldn't even compete in the Amazon bid due to lack of infrastructures to support it, and Bill Gates just announced an \$80 million investment to build a Smart City in the Arizona desert. She noted that in 2015, there was a \$1 billion investment by Pegasus Global Holdings to build a testing ground for Smart Cities in the New Mexico Desert near White Sands. She said residents need local governments to attract high-tech investments to the Coachella Valley, which is the way to generate wealth for this area. She voiced her opposition to the restrictions of STRs in the R-1 and R-2 areas. However, if Council votes to allow them, please consider that they not be rented for less than 30 days, and rent must be commensurate with what a month's stay would cost at a hotel in the area, and require a rental contract to be signed by the landlord/owner prior to renting and charge fees to cover the City's administrative costs. Further, tax payer money or taxes should not be used to promote or enforce code compliance for business segments or sectors, such as a STR business.

MS. KATHLEEN O'BRIAN, Minnesota Avenue, said she hoped everyone can come together to find a happy medium. She lives in the R-1 zone and owns a vacation rental there, and she is also on the Board of that development of 1,500 homes. She said their only complaint this year was from another board member, and he was advised to call the owner and give the owner the number of the hotline. She claimed the City had 71 complaints last year, and nine of them were from permitted rentals, and the rest were from non-permitted. She was adamant that owners, Realtors, managers, and anyone dealing with STRs should be required to go through a one-hour class with the City as part of the STR sign up package. Also, every STR owner should have a greeter that greets the renters at the house, which will reduce a lot of the problems, because if the greeter sees 17 people, it's an opportunity to do something about it. Many this evening mentioned the amount of money people spent on El Paseo, and she's not a wealthy person by any means, but after what she's been through having cancer, she's living her life. She just returned from Maui where she shopped at Gucci and purchased a \$4,500 handbag and \$350 pair of glasses, and she's not wealthy, yet here in Palm Desert, there are at least ten people a day that drop \$50,000 or more on El Paseo. She added that STRs bring long-term benefits, therefore, she was against a ban.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

MR. JIM KANE, Skyward Way, Palm Desert, stated he hoped the City Council had the opportunity to read his Op-ed piece in *The Desert Sun*. He said the City Council and staff should be extremely proud for what it accomplished here a month ago when it came up with a reasonable solution to a very contentious problem, adding it should be held up as an example of collaborative governance and compromise for cities all over the world that is struggling with this very same STR issue. After a year of listening to all the stakeholders, Council took a strong stand in favor of protecting the essential nature of what a City is supposed to be, while at the same time providing ample opportunity for competing interests to coexist. The City laid out a roadmap for putting this divisive issue behind us and getting on with the more interesting job of developing Palm Desert's vacant commercial properties to meet the needs of this fast growing and fast changing hospitality and resort industry. Unfortunately, the City Council now has to defend its vote against a storm of protests from the investment camp who will try to justify why they should be permitted to operate a blatant commercial business in a residential zone. He said it's already been tried starting in 2012, and look what happened, and the investment camp is faulting the City for not having sufficient police to control the problems they are generating. So far, there isn't a single city that has produced a successful system to make an absentee owned STR compatible with family neighborhoods. He hoped this City Council finds the wisdom and courage to defend its decision.

MR. BRUCE POYNTER, Calliandra Street, a retired local fire captain, thanked the City Council for voting to protect Palm Desert neighborhoods. Those in the STR industry repeatedly say to let enforcement work. However, in real life, he has experienced large groups of people arriving at a home on a Friday night, where in the end there are 40 to 50 people in a three-bedroom house. He doesn't like complaining because it's work, but he finds himself calling Code at 1:00 a.m., and by 2:00 a.m. it's calm until the officer leaves, and then it's noisy again by 2:30 a.m. With five STRs in a neighborhood, multiplied by at least four turnovers each month, multiplied by enforcement calls of 20 per month, anything less than a ban is like putting a band-aid on a never healing wound. He supervises the busiest police and fire dispatch center in the Valley, and he can tell you first hand that on a typical Friday and Saturday night, 911 complaints will throw noise issues to the bottom of triage. At this point, the resident is alone in the fight, so he is now the defacto property manager supervising and making followup calls. He pointed out that Palm Springs has a nine-man department for vacation rental compliance issues with a budget of \$1.7 million. He has two good friends in Palm Springs, and they have stated that their neighborhoods have been destroyed and that enforcement did not work for them. A close friend of his has a STR in Palm Desert, and in a 60-day period, he had two different groups that presented false identifications and fake credit cards. His main thought here

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

was that the renters were criminals and his friend had no idea who they were. He believes that Palm Desert acted wisely in getting in front of this issue.

MR. ALAN PINEL, Buckboard Trail, Palm Desert, an active real estate broker, said he ran several of the top ten real estate companies in the country. A few days ago as he was watching the local news, he saw a video put together by STR investors and it was sent to the media, city officials, and others. They are nice and friendly clips suggesting that STR investors should be allowed to run their businesses wherever they want, and that with better enforcement from their town, all problems will go away and life will be wonderful. He couldn't believe what he saw and heard, because he doesn't believe in fairy tales. He questioned how investors, most of whom don't live in Palm Desert, can play the victims. Residents who purchased a home in the R-1 and R-2 was to precisely stay away from businesses and rightfully enjoy their peace and quite. More important, he questioned how City officers can be more sensitive to the complaints of a few investors who seemingly appear to have abandon their own people, the residents. He asked the City Council to please use their common sense.

MR. JOHN CURRAN, Somera Road, Palm Desert, shared he has heard a lot about property rights in this debate, but he must say property rights are not simply individual rights, because they are social and public. He said an owner has the right to use their property, but it ends when it interferes with his rights on his property. Investors who are buying homes to expand their portfolio, invest a percentage of their wealth, but don't make the commitment to live and stay in Palm Desert, but those who have moved to Palm Desert to reside have invested everything. When the City changed the rental rules in 2012, it turned most of Palm Desert into mixed-use zoning. In ecological terms, the STR industry is an invasive species, which has become uncontrollable. Zoning is the natural control to promote the good of all the people in the community rather than the desires of a particular group. The zoning power cannot be invoked to further private interests that conflicts with the rights of the public. He said everyone had the right to enjoy their property, but not the right to reduce another's right to that enjoyment, which is why the sunset provision is so important to neighborhoods. The Ordinance before the City Council is the control mechanism for this invasive species and to reset the zoning to fit the general plan for the City.

MR. CARL KAISER, Grapevine Street, Palm Desert, offered that immediately next door is a short-term rental that is owned by a Brett Mitchell, who is one of the principals in AIMM Holdings, LLC, with the headquarters on Wilshire Blvd, Los Angeles. This property is the poster child for a STR out of control with loud noise, at one time it was so bad that he received a phone call from the Pro Shop, which is 710 yards from the house, wanting to know what the noise was about and should they call the police, and this was in the middle

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

of the day. The renters have been asked numerous times to please keep the noise down, instead he and his wife have been cursed at, and he once had food thrown at him. Time after time, the response from the renters is that they paid a lot of money to rent the place and they can do whatever they want. He has called the police, Riverside County Sheriff's Department, the STR hotline, including the rental agent, and Mr. Mitchell's agent, who finally told them to never call them. He said their complaints are a matter of record and can be reviewed. Their pool is totally unusable, because it's only one Ficus hedge away from the pool next door, which usually houses 10 to 20 people. He and his wife are left with two choices, he can either leave every weekend during the season or sell. He felt trapped, because the house next door is on record as a noise nuisance, and California law requires they disclose it to perspective buyers. They have been unsuccessful in getting real estate agents to market their home, because of the nuisance home next door.

MS. CHRISTEL PROKAY, Siesta Trail, Palm Desert, stated she was the little lady with the big petition to put an end to the STR nightmare. She had 2,000+ signatures and the list was growing day to day. She spoke last month, and is here today, and she will return next month. Every time she appears before the City Council, she will rally more upset residents than the last time, because the signatures on the petition are from local residents and businesses. They are in support of the action taken last month, and are hoping Council affirms its decision this evening. She asked that Council not allow the investors propaganda pressure them into turning their backs on the residents and giving away the town's future. She prayed that the City Council will have the wisdom and courage to stand its ground, because thousands of people are counting on it.

MS. CATHY FORRISTER, Calliandra Street, Palm Desert, a retired bank manager, said short-term rentals do not belong in residential areas. They are a business with investors for profit. She thanked the City Council for the Ordinance it approved on October 26, and taking on the issue in a very thoughtful and profound way and accomplishing the following: 1) Restores the R-1 and R-2 Zones to a noncommercial area and bringing the zones to their true intention and integrity; 2) provides a sunset clause with a certain date; 3) makes the resident/owner of an on-site rental truly responsible for compliance and enforcement; and 4) implements tough penalties for those that don't comply. The Ordinance will still allow 80% of the STRs to continue, but it ends the madness that residents in the R-1 and R-2 Zones have endured during the last five years. She felt the City Council has taken a giant step forward, giving resident/voters areas that are truly residential where they can make a home, and a place for those who want to invest money in a STR. She asked the City Council to vote in favor of the Ordinance that was approved on October 26.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

MS. JANN BULLER, Somera Road, Palm Desert, stated her neighborhood has 211 houses, and in that space there are 24 permitted STRs, which is 11% of that neighborhood. She said tax records provide a clue about who owns those STRs, and she learned six (6) have tax billing addresses in Palm Desert, and eighteen (18) have tax billing addresses outside Palm Desert, which equates to 75%. The outside addresses are from other California cities, Washington, Oregon, and Canada, adding these were not folks trying to get by in 2012. Outside investors and absentee landlords are eating up the neighborhoods and advocating for STRs citywide. They claim enforcement will take care of the noise, parking, and trash problems, but how will enforcement fix eroding neighborhoods. She asked the City Council to reaffirm their decision on the Ordinance.

MR. DAVID TOLTZMANN, Bursera Way, Palm Desert, thanked the City Council for the ban of STRs in the R-1 and R-2 neighborhoods, stating that by adding the sunset clause, it seems Council understood the perils they cause to neighbors. He hopes Council will not allow businesses in residential neighborhoods as it enters this first reading. He lives behind a nonpermitted STR, which has been illegally renting on weekends for the past nine months. In that period, he has called Code Compliance and the Sheriff's Department. Two weeks ago he saw the home on television with one of their representatives stating that his family has the right to rent out the house to support his family and talked about how the house has a log. So, if he is not renting out the home, why have a log sheet for guests to sign in, adding that nine months of this has only resulted in one fine, therefore, code enforcement doesn't work. The City's app for reporting violations, doesn't show this house, it shows up as a vacant lot, so he couldn't report it from his cell phone. He has spent a lot of time talking to people in the community helping Ms. Christel Prokay gather signatures, and learned that many are afraid and don't want to get involved. They feel that they had 20 years of peace and quiet and this was the price they have to pay, which is not right. He hopes the City Council will continue to protect the residents from the STR invasion of the R-1 and R-2 neighborhoods.

MS. BEVERLY VORWALLER, Parkview Drive, Palm Desert, stated she was local grown, attended local elementary schools and Indio High School, because Palm Desert didn't have a high school yet, and has raised four children. She's had a long-term rental house for more than 20 years. She became tired of the cleanup expense after having some long-term renters. Recently, she thought it would be nice to clean up on the weekend, but realized she couldn't because she is not allowed a permit. She recognizes this is a resort town, but she didn't move here expecting that the City could change. Growing up, neighborhoods were empty, because all the renters left, but now there's more people that live here. The nature of the City is still a resort town, and the average cost of a hotel room is \$128 a night, so her

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

family of six would need two or three rooms. She has rented six VRBO in the last year, and has two on the books before December, stating it was a great way to travel, but she didn't cause huge problems. She went on to say that 72 complaints in a year were not substantial for a population of 50,000, and doesn't seem to merit a moratorium. Additionally, she would like to see integrative solutions that are win-win, instead of win-lose, because the people supporting STRs are feeling like they are not being heard. In her case, she already lost before she got in the game. When she rents elsewhere, she is provided with strict instructions about not having parties or events, and if there is a violation, the city will fine the renter. Here in Palm Desert there is no mention of a fine and/or who is fined. She would like to see an Ordinance that not only accommodates STRs, but favors long-term residents, but the proposed Ordinance does not accomplish that goal. She hopes Council will go back to the drawing board to find one that does.

MS. MARY SUAREZ, Lavander Way, Palm Desert, shared she and her husband own two homes in Palm Desert, and they have been renting their homes for more than 13 years with much success, and it wasn't just financial, in that some of their best friends and people they have met are the ones renting from them. Everyone can agree that no one wants party houses, stating that should be left to the hotels to deal with. Her analogy is that this was about a bad apple, similar to when you sometimes you end up with a bad car or a bad neighbor whose dog won't stop barking. However, with a bad apple, you don't chop down every tree in the orchard, but you do eliminate them and keep an eye out on the harvest. She asked the City Council to put a system in place to eliminate the noncompliant short-term renters, monitor them and have them adhere to the rules and regulations, and enforce the rules to weed out the bad apples.

MR. MARCO SUAREZ, Lavander Way, Palm Desert, commented that whether anyone liked it or not, the City of Palm Desert is a business, and every business has a fiduciary responsibility to its shareholders. As a shareholder, his vote is to cast support of STRs, because you cannot stop the entrepreneurial spirit or the entrepreneur, you will instead drive STRs underground. As a Cuban-born American, even in the face of communism with extreme penalties, the entrepreneur endures and thrives. If you ban or eliminate any STRs, the market will be driven underground. He said the City did not have a STR problem, but it has an enforcement problem. In 20 minutes of research, he found more than 70 enforcement issues online. Some people are advertising two bedrooms with up to eight people, and another advertised five bedrooms with up to 17 people, and one of them indicates it invites large parties. He said all they were asking is for the City to give enforcement a chance.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

MS. ANNA TILLBROOK, Hedgehot Street, Palm Desert, divulged she bought her first home in Palm Desert in 2000 at the age of 51 as her future place to retire, but in the meantime, she uses it as her own vacation home. However, things changed, in 2004 as a single mom she adopted a daughter from Russia, and in 2010 she and her daughter were diagnosed with tuberculosis and was quarantine to her home for two years with no income. After recovery, she started renting to the parents of a friend for the winter season until they could no longer make the trip. It was then that she turned to Airbnb as a solution. If it isn't for the privilege of that income, she would have lost her investment, which she had worked for all her life. If the City takes this right from her, it will be financially devastating, along with the peace of mind of knowing that she will always have a place to live and retire to. She is a responsible owner, she loves her home, and she wants to protect it, which is why she gathers as much information about her guests and notifies them that it's a quiet neighborhood and they will be reported immediately for any nuisance, and she's never had any issues or problems. She asked Council to give enforcement a chance.

MS. DANA MCRAE, Beavertail Street, Palm Desert, stated she and Dave Shuman(sp?) has a permitted STR in Palm Desert for many years, and they operate responsibly and always in consideration of their immediate neighbors and community. They take pride in their home and neighborhood, stating this property has been in their family since the 1970's, and in 2004, they spent thousands remodeling it. They are very proud of what they have accomplished and they do not vicariously hand over their home to just anyone. She said they screen their guests, check them in, and they sign a strict contract, and they do not waver from any rules they put in place. If a guest breaks the rule, they are out, and this practice has served them well, in that they have not had a measurable incident the entire time they have been permitted. Her point is those enforcement works, because they practice it every time they check someone into their home. There are various reasons why people take the STR route, including economic stress, family hardship, or revenue generation. Whatever the reason, they don't believe that the STR sector should be ignored, or in this case banned. Alienating one group over the other is not the answer, therefore, she encouraged the City Council to review, educate, and find a happy medium that works for everyone in this community. In looking around the room, she sees a massive division on this issue and emotions are running high, stating both sides believe they are not being heard. She doesn't want STRs banned, but she sympathized with those individuals who stood in front of the City Council to share how their neighborhoods are being torn apart and how STRs impacts their lives. However, she believed that with enforcement and clear and concise rules put into place, these individuals can reclaim their neighborhoods, and once again, enjoy the surroundings that drew everyone to call Palm Desert their home. She added that violators are a small portion

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

of those who are permitted, stating everyone needed to unite to eliminate those who are destroying the sanctity of the neighborhoods. She said people shouldn't be fooled that most of the people that have permits are from out of town or are investors, stating it was the complete opposite, in that they live and work in Palm Desert, and in some cases, own businesses. More important, the majority of them vote and care about what happens in the community. She encouraged the City Council not to make an emotional decision, but to make one on solid facts. Lastly, she was in favor of enforcement before imposing a ban.

MS. ATHENA MARTINEZ, Tampico Drive, Palm Desert, recalled she was so nervous the first time she spoke before the City Council, but Councilmember Kelly gave her the courage to speak. She spoke about the financial hardship she went through during her divorce and how renting her home for Coachella Fest helped her save her home. She is a good person, responsible, and a lifetime Palm Desert community member, and she votes and pays taxes. She has received her education from the same schools her children attend, and lives in the R-2 Zone. Her home is surrounded on all sides by apartments, but under the City's ban she will be unable to rent out her home, which will financially affect her with the strain of rising taxes, increase health care cost, and elderly care for her mother. She said both sides agreed on owner-occupied rentals, and yet the moratorium continues on this type of permit, so she asked that the ban be lifted immediately, because she was told that eventually she will be able to rent out her casita. She questioned why an economic study hadn't been conducted to justify the ban in the R-1 and R-2 Zones. Figures show that the \$1.8 million is generated from STRs, and approximately \$700,000 comes from the 240 permits from those two zones, which is almost 40%. The Council proposes that the Ordinance is a compromise and only 20% of permitted owners would be affected, but that percent accounts for a large portion of the revenue to the City, not to mention the money spent in shops and restaurants. She believed many are being punished for the few violators and there is no data to support it. She said the ad hoc committee had a great proposal, with the exception of the density component, yet the City Council rejected it in favor of a ban. She begged the City Council to go back to the original proposal and the original language without the density, adding that the City should implement enforcement first.

MS. DENISE TOLAND, Buckboard Trail, Palm Desert, referencing a New York Times article making comparison to the STR issue, she said like cocky oil companies, STRs are eager to set up rigging neighborhoods. They have drilled deep into the R-1 and R-2 Zones, sanctuaries that had been cared for and protected. While STR owners want you to believe, they are merely asking for a squirt of WD40 to keep them going, they are sucking up home after home for profit. They push to operate their commercial businesses in R-1 and R-2 Zones, and it's not to offer vacationers a memorable experience,

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

rather it is to be able to sleep up to 14 people. The City of Palm Desert has been presented with a choice, and it chose to be better. She thanked the City Council for placing a time cap on the predatory drilling and for choosing the greater good over the greater greed.

MS. VICKIE MURGUIA, Florida Avenue, Palm Desert, stated she was the owner of Vacation Rentals of the Desert, located in Palm Desert, and has been in this business since 1980, and she started her own in 2008. She keeps hearing people say there were no home rentals prior to 2012, which is not true. She has managed properties in the R-1 and R-2 in Palm Desert since 1999, and she's been paying her T.O.T. ever since, stating the permits are new. She represented 130 owners that don't live in Palm Desert, but they hire her company, because they are concerned about being good neighbors and following all the rules. She also represented five employees and their livelihood, a dozens of cleaners, concierges, and a wide range of service contractors. She has attended City meetings regarding the Ordinance and she made suggestions and offered insight. She has experience on enforcing regulations with both owners and tenants, stating it works when she enforces it, but unfortunately, there are bad actors. She pays her T.O.T. fulfilling her side of the commitment, but the City has not taken steps to adequately set up the means to enforce its rules and regulations. As owners who enforce the City's rules and regulations, they too want to stop the party houses, which is at the heart of the issue. The Council Chamber is full today, because there has not been sufficient means to enforce rules and regulations, and when complaints go unaddressed, these are the results. Banning short-term rentals punishes everyone. Despite her hard work and best intention, her business will suffer, and the owners who rely on the income to hold on to their properties will suffer as well. Additionally, the City will lose revenue, local businesses will drop, and the real estate market and tourism will be affected by Council's decision this evening.

MR. CRAIG JACOBSEN, Juniper Street, Palm Desert, stated is a Canadian who purchased a vacation property, and he has a permit for a short-term rental in the R-1 and R-2 Zone. He is a responsible STR owner that requires that all their guests sign a contract with strict rules, and they don't rent for less than three nights; they rent for seven nights, which lends itself to families. He has wi-fi controls regulating the hours of usage, a property manager to greet all guests, and is available 24 hours. Further, if there are any problems, he is called. He believed there were non-responsible STRs out there, and he understood the complaints about too many vehicles, etc., but there are ways to get around it. He once kicked someone out, because they breach one of their rules, in that they had 16 people in a six-bedroom house. He does everything on their part to try to avoid such situations by obtaining all the names and ages on the contract, their identifications, etc. He understood there are problems with some STRs, but there are ways to

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

enforce. He added that STRs are good for Palm Desert, and the data and figures can be found in the City's website.

With City Council concurrence, Mayor Harnik called a recess at 8:41 p.m. and resumed the meeting at 8:51 p.m.

MR. HECTOR AYALA, Willow Street, Palm Desert, recalled hearing at the last meeting that 80% of STRs will still survive, and the other 20% will go away. Well that 20% affects his family, and if the City was cutting 1%, he would still be fighting for the cause. The 20% represented 200 families, 200 pool cleaners, 200 electricians, and 200 people that help STRs function. It's amazing the City decided to only keep 80%, and that's because they are mostly in a homeowners association (HOA) where they are self-managed, not using City resources, but it still keeps the T.O.T., which he thought was smart on the City's part. He said that for four or five months there were many meetings about enforcement, and ideas were offered to the City, but the Mayor and Councilmembers are not following them. There are examples of other cities like La Quinta and Palm Springs where enforcement has worked, so STR owners should be allowed three strikes, and if it doesn't go well, the City can cancel their license for two years. After he was seen in the news last week, two days later his vehicle got vandalized, and he's been in Palm Desert for ten years. Additionally, he has received hate emails. On the internet, he learned one of his neighbors has been talking badly about his house and it affects him. He has called Code Enforcement to show them that the things being said are not correct or true. In fact, they are exaggerating.

MR. MARK SNELGROVE, Siesta Trail, Palm Desert, said he and his wife purchased a home in Palm Desert in the hope of retiring here, and the way they would pay for it was through a STR. The goal was to break even, because during Coachella Fest they stay at the house, including letting friends stay there for free. They are doing their best to be responsible, and they have reached out to the neighbors as well. However, there is a property behind his that is shared with another where he's had to call the hotline on the property, but nothing gets done immediately to hand the problem. As a STR owner who is paying his T.O.T. and taxes, he was surprised that the response was weak. He was not in favor of the ban, but enforcement has not been effective, which he believed was the real issue.

MR. STEVE NASH, Willow Street, Palm Desert, thanked the City Council for their vote last month, because it will allow their neighborhoods to return to the original and fundamental purpose, which is to be neighborhoods. The zoning change that took place in 2012 did not foresee the explosion of STRs, Airbnb, and VRBO or them expanding so aggressively into residential areas. He expressed his appreciation for the work done by Council and staff, commending them for not allowing this business model to obliterate the

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

neighborhoods. There was an article in *The Desert Sun* last week by a woman who manages 30 STRs in Palm Desert. This was not just a home-sharing business, because if all the STRs are rolled under one roof, they would be called a hotel. In his street, there are three families with young children, and within one block of his home, there are five STRs. The passage of this Ordinance that includes a sunset clause meant they will no longer be seeing car loads of strangers. The proponents push to enhance enforcement as if it was the fix to all the problems, and regardless of what one may think of the effectiveness of what enforcement would be, it cannot bring back the neighborhood. The new Ordinance is not a ban, because more than 80% of the STRs in Palm Desert will remain and will continue to operate, but it does assure that the neighborhood areas will remain neighborhoods. He thanked the City Council for last month's vote, and for the one they will be reaffirming this evening.

MS. NICOLE ZAMBON, Verba Santa Drive, Palm Desert, stated she and her husband own their home in south Palm Desert, and they also own and run a professional property management company that has 30+ homes in Palm Desert, many of which are 28-night stay at the minimum; they are not short-term rentals. However, she did have a handful of homes in the R-1 Zone that she manages. She pulled numbers for 2017 of her properties in the R-1 Zone to determine what the ban and sunset clause really meant to her homeowners, but more important, the type of visitors generated, and the number of guests Palm Desert would be turning away. The homes she manages are not party homes, so depending on the season, the lowest minimum stay is three nights. She's in favor of a three-day minimum, and possibly a week, like the City of Indian Wells allows. Her policy is a three-night minimum, because it deters party goers and increases the quality of her guests. Also, her team meets and greets guests when they arrive at the home. In the R-1 Zone, the total number of bookings was 77, and only seven stayed for more than a month. Therefore, more than 90% were short-term bookings averaging 6.3 nights. She said these guests are retirees spending good money at local businesses. On housing alone, they spend about \$2,300, and these are the guests they want. Increasing the minimum number of night's guests can stay and still allowing STRs, will keep these guests coming to Palm Desert. Banning STRs in the R-1 altogether would eliminate these guests. She asked the City Council to not punish these homeowners and guests for the actions of a few bad eggs. These guests want to stay in a great location near El Paseo, and they won't stay in multiple condos or hotels for 6+ nights, but they will go to other cities and possibly other states. She asked that Council reconsider the ban and sunset clause, stating that with stricter enforcement, better rules and regulations, and education for homeowners and property managers, the issue can be controlled and there won't be a need for a ban or sunset clause.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

MR. WALTER GAINES, Buckboard Trail, Palm Desert, he and his husband Miguel Gomez purchased a small cute duplex in Silver Spur. They always loved the neighborhood, but could little afford it. Their plan was to live there and share it two or three times per month, because they understood the City allowed it. Imagine how they felt when they learned the City was changing the rules on the biggest investment of their lives. They love the house and the neighborhood, and the neighborhood improved because of their investment and hard work. They love sharing their home with nice people from out of town and even introducing them to neighbors, it's all very social and happy, and it will be sad to see this go away. They have experienced frequent parties in the clubhouse right behind theirs, which is zoned PR. He said that association will be able to govern their own rentals and have those parties. He has a party house in the R-1 zone just up the street, but the home isn't even a short-term rental, yet those parties will continue and there will still be an enforcement problem. The Living Desert will continue to have loud events, and they too will not be restricted. He said this Ordinance was discriminatory and it impacts good people like them who have hurt no one. After they were denied a permit, they started attending City meetings where everyone agreed that party houses and failure of enforcement were the problem. A new Ordinance was set forth that made sense, but again, imagine their surprise with this latest version. It totally contradicted the past progress which was made in good faith. They are disappointed in this City for failing to take responsibility for this problem when it was being reported, long before they purchased their home. Now because this Council has been convinced that this was a STR problem and not a party house problem, good people like him will be hurt. This City should be apologizing for failing to enforce the law, which he believed was the problem. He asked the Council to address their policy making by addressing the problem and not let fear take over the narrative. He asked the City to be data driven so that staff can compile a logical response, and it should research the impact that STRs have on the community, economy, and neighbors.

MR. MIGUEL ANGEL GOMEZ, Buckboard Trail, stated the problem here is that people are angry, rightfully. He was not in agreement that an industry that supports and makes peoples lives better have been vilified. At the last meeting someone stated that what the City needed was an STR-ostomy. This morning he was going to come dressed like a doctor to tell the Council that its health care plan could not afford an STR-ostomy. The money that the industry brings for the betterment of peoples lives can be made better with regulations and enforcement. This whole movement that "Neighborhoods are for neighbors," sounds beautiful, but their signs are telling visitors they are not welcomed, and it's creating madness. He walks his dog every day and sees those signs, and they don't seem very neighborly, because no one has taken into consideration his life, his hard work, or his good character. A ban like this will not solve the problems, as a matter of fact, he resents they

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

call themselves neighbors, and that STRs are bad, they are ok somewhere else, just not in the R-1 and R-2 Zones. He remarked that it wasn't fair or very neighborly. He shared that he met with Ms. Donna Ault, and they had a conversation over STRs, and obviously they have their differences, but they both care about the neighborhood. Therefore, he believed everyone should come together to work on something that's going to work for everyone, specifically for the City of Palm Desert, because it's a vibrant City. There are people who come to Palm Desert from all over the world, and some have purchased a home, which is good for the City. What's bad about this movement is that it throws innocent and hard-working people under the wheel. He asked for enforcement and not a ban.

MS. NADIA BARKER, El Cortez Way, Palm Desert, shared she has a STR on El Cortez Way since 2014, and it has been rented more than 34 times without complaints. She has a property management company that can respond, and has a Ring Doorbell, key pads to check who enters and exits, and a house keeper that meticulously takes before and after pictures. Additionally, the property is fully gated and you can't see anything from the street or backyard. She said no one has ever called her to complain and she knows everyone there by name. She lives in the house for 2½ months out of the year, because they have a child that goes to school at another city. She believed enforcement was the way to go, and there is a lot of technology that can help keep an eye on properties. Banning her from having a STR will be difficult as it's her one investment property, and if she has to sell, she would have to considered going to another neighborhood or perhaps Cathedral City where they are still open and flexible. She would rather not, because this is her dream home. She asked the City Council to consider finding the people that are making the noise as opposed to the ones trying to do the right thing.

MS. CHRIS SPEAR, Virginia Avenue, Palm Desert, expressed she had nothing to gain because she didn't own a STR, however, she does work for a rental company. She has been employed by them for five years in the areas of Rancho Mirage and Palm Desert. She is bothered to hear all these stories being, because the one home she manages for Mr. Brett Mitchell, he and the property owner don't want a party house. She agreed there are bad apples, but the bulk of the guests are older couples with adult children, and they are not going to stay at a hotel, instead they will go to another city. Also, guests come from Canada to play at the Classic Club, Desert Willow, and she recommends The Living Desert, the Golf Parade, and nice restaurants. Again, it bothers her to hear these stories, because a lot of them are exaggerated, adding she knew of several instances where the neighbors that are bringing these issues up are instigating the problems, including yelling and cursing at guests. She said Palm Desert has a very active Code Enforcement, although, she has since realized that it's really not, but there

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

was no reason why enforcement couldn't make the difference. She has worked in Palm Springs as the manager on duty over night answering the hotline calls, and she has responded within the required 30-minute period, and if there is a party going on, she will shut it down, because she's not going to play around. She hoped the City Council will work with enforcement, because it would be unfair to implement a ban.

MS. DAFFODIL TYMINSKI, Fairway Drive, Palm Desert, a part-time resident, offered that she and her husband lived full time in Venus Beach, and in 2014 they decided to move to the Desert, because they love it here. She once sat in Council's shoes in Venus where she sat on the council and went through a horrific short-term rental period. They bought a home they love in Palm Desert. At that time, she was working as a prosecutor and was tied to Los Angeles, but the plan was to leave and move to the Desert. Within six months, the house behind theirs was purchased by investors to be a STR. This has derailed all of their plans, because since then it has been an ongoing nightmare of bachelor parties, 75-person wedding, Quinceaneras, etc. She said this STR is a big property with five bedrooms, and although the neighbor is sympathetic and quite nice, they have had to call Code Enforcement dozens of times. The owner denies there is a problem, and Code Enforcement doesn't have a single complaint registered. She asked the Council to discount the statistic that people have been relying on that there have only been 71 complaints. Secondly, they are a young couple in an elderly block, and this problem really affects the entire block, but none of the neighbors have the wherewithal to come out. She said Council should bear in mind that the people present this evening in opposition to STRs is only representing a fraction of those who are negatively affected by the problem. Thirdly, she hears the problem is only from 10:00 p.m. to 10:00 a.m., and she also hears that guests are very nice, which she was sure they were, but the nature of what happens is that those on vacation get up at 7:00 a.m. and sit in the pool and start drinking that by 4:00 or 5:00 p.m., they have a rowdy festival of people. It's not partying per say, which is getting lost in the dialog, but people having a good time with their friends and family makes a lot noise. By focusing on enforcement for the neighbors, it's forcing residents to go over to the STR to try to put a stop, but she couldn't go over and ruin someone's wedding or grandma's birthday. She currently serves on the Land Use and Planning Committee in Venus, and they have researched this fully and decided it's not a compatible neighborhood activity.

MS. MONICA AMBOSS, Eastwood Lane, Palm Desert, agreed with Mayor Harnik's comment before the dinner break when she said, *"That things change and if Palm Desert doesn't change with the times, that it will pass you by."* She noted she owned a STR, but was asked by Paul Herrera from CDAR (California Desert Association of Realtors) to speak, because he couldn't make it this evening. She said the City was now moving toward a

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

shared economy and it needed to be embraced, in that cities are moving toward bike and car sharing, and there is Uber, Lyft, Home Away, VRBO, Airbnb, and even the California Department of Human Resource, will reimburse employees if they stay in short-term rentals, and they use Airbnb as an example of a STR company. She attended some of the meetings with both Councilmembers Nestande and Kelly, and on March 2, she and others were surprised to learn there was a City hotline available. Therefore, the City needs to do a better job of publicizing it and also ensuring that Code Enforcement is more proactive. She knew from the CDAR that they are not in favor of anything that prohibits ownership, and to take that into consideration when making a decision this evening.

MR. MICHAEL HARRINGTON, a local business owner, stated his business is doing very well and glad to be in Palm Desert even though he lives in a neighboring community. He was concerned about what appeared to be an anti-business attitude and hoped it didn't continue, because everyone wants to thrive. He has hired employees, which will add to Palm Desert's economy. He said ownership was the cornerstone of the American way of life, and that ownership provides freedom to do what it wants with what it owns, and when the City restricts those rights, it may be violating their constitutional rights. Normally, there is a constitutional review to looking at the least restrictive way to achieve a public goal. He said enforcement seemed to be the reasonable way to achieve the end result it wants in addressing complaints. To make the distinction between homeowners and out-of-town owners, would be interfering with their right to freely trade, travel, and conduct business throughout the Country as opposed to being restricted and blocked from an area. He shared that his Irish parents came to California from Montana and they did really well in the housing boom. They saw orange groves change into sprawling suburban areas, so part of the American adventure is that industry and entrepreneurship brings change and people change with it. He's glad to be part of that adventure and proud to live in America. He asked the Council to embrace the change and to be proud of what it has.

MS. TRACEY JACKSON, Juniper Street, Palm Desert, expressed her appreciation to the Council for all the efforts and time spent on this, and thanked Associate Planner Kevin Swartz who had a lot of patience in answering all her questions. She urged the City Council to treat this reading today as a first reading. She wrote a letter to all the members of the City Council and voiced her concerns about the lack of due process that occurred on the last occasion. She is a property owner in Palm Desert and she lives in Canada, and she attempted to get information by perusing the website and couldn't find any information about a possible ban being on the agenda for the last meeting before it occurred. She decided not to come to the October 26 meeting, because she was okay with the draft Ordinance that was on the website from September 2017, and that Ordinance proposed a buffer zone,

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

which she understood, but she didn't think it was the best way to achieve the goals. She believed the goal could better be reached by a density provision, but she wasn't particularly opposed to it. Therefore, she and others chose not to participate at the October 26 meeting, because they were unaware that there was a ban on the table. Additionally, the legal notice or any correspondence she received did not mention a ban. In her submission, she pointed out there was a lack of due process and is concerned about it as a tax payer and as a STR permit holder. She received numerous phone calls from various other persons of interest who felt they had no idea this was going on. It also occurred again today, in the span of three hours, she received more than 30 signatures on a petition from business owners who had no idea that this issue was going on and they are incredibly concerned that their businesses will suffer dramatically by a ban in the R-1 and R-2 Zones. She asked that the City Council lift the ban and give enforcement a chance.

MR. GERRY WASHACK, a business owner in Palm Desert, stated he has two personal training gyms, one on El Paseo, and he employs 15 people. He sees a direct positive result from short-term rentals in his business. He said people come into town and spend money at his gyms. He asked the City Council to consider the homeowners, business owners, and the people they employ, because a ban will affect many of them.

MS. ANGI LONG, a 40-year Palm Desert resident, stated her home has been a VRBO for four years and they have not had one single complaint, in fact, they have five-star reviews. Her neighbors are aware that they rent out their home during the season and they are 100% okay with it. Her home has a STR license and her T.O.T. is paid every month, and they are very careful about whom they rent out. They greet each guest and go over the rules with them. Her three-bedroom home allows up to six guests, stating they follow the rules 100%. All guests sign a contract, and she obtains their names, phone numbers, and their addresses. The money earned from VRBO has completely updated and renovated their 1970's house, including adding low-maintenance landscaping. All the work was done with local contractors, landscapers, and they employ three housekeepers on a regular basis. She believes they have brought the value of their neighborhood up with all the improvements, stating they maintain their home year round in pristine condition. She understands a few bad apples have spoiled the entire barrel, and they should be addressed, but you just can't throw out the baby with the bath. She also has a business in Palm Desert and the renters use it often, including other local businesses. Rentals bring a lot of money to this tourist City, so she was in favor of giving enforcement a chance to work. She asked that Council allow responsible homeowners to continue to rent their homes and keep the Palm Desert economy strong.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

MR. TROY KUDLAC, KUD Properties, Homestead Road, Palm Desert, shared he owns five rentals nearby, stating sometimes guests are having fun and are excited and loud, but it doesn't keep them up at night. They also have homes around them that have parties and they are not vacation rentals, so he didn't know how that could be regulated as well, but people are going to have fun when they want to have fun. He is also a Real Estate Broker with eight agents that work for him to sell properties, and a real estate developer. He has three lots on Belair Road and he was ready to pull permits to build three brand-new houses, which would equate to \$100,000 for the City in permits fees. Values on those properties are directly related to people being able to have flexibility in their ownership, which is why he is opposed to a ban. The proposed Ordinance is detrimental to families and jobs in the area, and proper regulations and enforcement can create controls and also foster jobs. He said Big Bear Lake is a great example of a community that has fostered STRs and is thriving because of it, including creating new jobs. He said those that are part of the ban may be a little short-sighted in the way they are thinking economically for the City down the road. He said a fundamental change has happened, because these are not "Leave it to Beaver" neighborhoods anymore like when one was growing up. He said enforcement and a 3-night minimum is great way to go about it.

MS. TINA GOLDBERG, Stony Hill Street, Palm Desert, thanked the City Council for their vote to ban STRs and impose a sunset clause in the R-1 and R-2 Zones. However, the City has given one investor a permit for three STRs in one cul-de-sac, and there is a gate connecting to the houses. On occasion, guests go back and forth breaking the occupancy code. She said her neighborhood has put up with many violations from these STRs, including playing Marco Polo at 2:00 a.m., and being awakened by people having sex twenty-feet from her window. Many people think that Code Enforcement will solve all the problems, but that has not been her experience. The City cited this particular investor for the ongoing noise and nuisance, but she was told by the City that the investor was appealing the citation and she was to appear at the hearing on a certain date or else the citation may be thrown out. She asked for another hearing date, because she already had something else scheduled, and she was told that was impossible. She showed up for the hearing, but the investor did not, so the hearing proceeded without him. At the beginning of the hearing, the Code Officer said he was not the one that made the citation, it was done by a now retired Code Officer, so every question asked of him was replied with "I don't know, I will have to check into it." She wondered if he had even read the notes. Two weeks prior to the hearing, this Code Officer called the neighbor to tell her that he had seen the email sent to Councilmember Kathleen Kelly complaining about the ongoing nuisance and informed her others had been bothered by the STR as well. Again the hearing officer asked this Code Officer if anyone else had complained, and his reply was that he didn't know and would have to check

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

into it. At that point, she was so disgusted with the lack of information and unpreparedness by this Code Officer. A few weeks later, she asked about the outcome of the hearing, and was told the investor had won. She questioned how he could win when he didn't even show up. She learned he was given another hearing date, and she was livid that the investor was given that option but she wasn't. She felt totally discriminated against by Code Enforcement and the City as well. It was clear to her that the odds were stacked against the residents of the City until the Council's vote last month to ban new STRs in the R-1 and R-2 Zone with a sunset clause on existing ones. She asked Council to stand by their vote, because Code Enforcement did not work at any level.

MR. ROBERT LUCAS, Riata Trail, Palm Desert, said he was skeptical that there were only 71 complaints, because he has called Code Enforcement at least seven times, and there was no way he was responsible for 10% of the complaints for the entire City over the course of a year. However, from 2012 to 2017, short-term rentals went from 47 to 1,224, which is a 3,000% increase. In any business sector, it's money that is driving the industry, and many have pointed that out, as if that was the most important thing. The most important thing to him was peace of mind and peace in his neighborhood. One of the speakers who is president of an HOA stated that 75% were out of town, which he believed, because it's what he has experienced. He said the City has three Code Enforcement Officers, and adding one is not going to help very much. He said Palm Springs has nine officers and it's still a mess there, because the enforcement argument is a pipe dream. His experience is that when you call Code Enforcement regarding a noise issue, operators call the owner or manager, they are then given one hour to respond. Renters are told to put their music down, which they usually do, but when Code Enforcement arrives, they are hearing a lower volume, because the owner has already scolded the renters. Soon after the Officer leaves, the music is raised again. In what branch of law enforcement does the agency call the perpetrator and advises them they are coming to investigate a potential violation. The quality of life has negatively affected residential neighborhoods by the STR invasion that begun in 2012. Those in the R-1 and R-2 Zones need relief, so he applauds the movement forward with Ordinance No. 1332. He said the City Council has heard many horror stories and the effects of commercial endeavors in residential neighborhoods, and he's not anti-business by any means, adding his business is in Rancho Mirage nearby, but he is anti-business in his neighborhood. He didn't buy a home there to be next to a business, so he currently had his home up on the market.

MS. REBECCA LUCAS, Riata Trail, Palm Desert, thanked the Council for listening to the speakers at the October 26 meeting on STRs. She assured the Council that it did the right thing by acknowledging the unforeseen

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

avalanche of short-term rental problems caused by the change in the Ordinance when it changed from a 30-day minimum to a mere 2-night stay. Residents spoke of an enforcement system that is unable to cope with the abuses that weekend rentals have ravished in neighborhoods. On a personal note, she spent well over \$3,000 remodeling her home since they purchased in 2008. Now that her son is in college, they want to downsize and sell their home, however, with this STR home behind theirs, selling is difficult. Their realtor is doing their best, but a few months ago it was shown during a weekend when the STR was hosting a bachelorette party. The realtor received an email from a potential buyer, saying their house was off the list due to the loud party they observed. She urged the City Council to not give into special interests that put their pockets ahead of the sanctity of their community, and to stand firm, restore and protect the character and fabric of peace and quiet to residential neighborhoods.

MS. LAURI LANG, Skyward Way, Palm Desert, an R-1 Zone resident and STR owner, stated she was not a property manager, investor, and certainly not a goliath. She lived in Palm Desert part time and purchased her home to become a retirement home. She lives partially in Los Angeles, and when not in Palm Desert, she tries to rent it out. It helps pay her mortgage and expenses, so she can afford the two homes. However, she just discovered there is a sunset on her permit, which she finds discriminative, and she had no idea and wondered it could be possible. She also felt violated in a way, because she was not part of this process, stating she's a responsible owner and renter, so there had to be other options. With her rental, she has an age requirement, she provides the Good Neighbor brochure with all tenants, and underscores the fact they are in a residential area, etc., adding she rents to adults families. She goes out of the way to ensure they follow the City rules, so her contract with the City has been somewhat violated. She's hoping that instead of having a 2-year sunset on the permit that it takes this time with the competent staff and a committee of property owners, to come together to make this work for everybody where the results are a win-win. She felt terrible for the folks that are having bad experiences, but you can also have bad neighbors who are party people and they are not renters.

MR. DANIEL O'BRADY, Tampico Drive, Palm Desert, noted he's married to Ms. Athena Martinez who spoke earlier this evening. He said he was very involved with youth sports, his children grew up in the Desert, and has been in Palm Desert since 1994. He teaches calculus at the high school, and he's fortunate to have two stepchildren, and is back coaching youth sports. The City has done a great job with the youth program and keeping up the fields for children and families, but all the upkeep takes money. He's concern there has been no economic impact study before making a decision that will affect families, including those that don't own a short-term rental. However, if the funds are not available and it starts affecting their families and children,

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

then they will be here at City Hall. He appreciated all the time and effort spent by the City on this issue, but Council needs to analyze things and proceed sequentially and logically. When he learned there was no study done, he was troubled by it. As mentioned by his wife, they have apartments and duplexes all around them, so they see people coming out every five months, because there is a turnover. Additionally, apparently at the mall near them was able to have a concert at the top of the parking structure until midnight with a rapper yelling obscenities, and he's never had a STR even come close to that. He believed that enforcement was an issue, but there are a lot of intelligent people that can come up with solutions. He said if there is a violation more than once, their permit should be pulled and forget the fines. It appears the City picked R-1 and R-2 areas with the lease resistance, because they're the ones showing up, and HOAs are self governed. He suggested a merit system, because there are great homeowners in the R-1 and R-2 that are doing the right things and implementing the rules set forth. He also agreed with imposing a density restriction, as he travels all the time and stays at STRs, because hotels are not suitable for everyone. He added that his idea of a neighborhood may be different from others, because his idea is having his nine little leagues coming over for a pool party and they are yelling and screaming with music playing during the day, but it may be a complaint for some other people.

MR. WES STROTHER, Palm Desert, thanked the City Council for their many hours of work on this STR Ordinance. He believed Council reached a great compromise for both sides of this issue, because its allowing a majority of them to continue to operate under more defined and enforceable guidelines, while still giving on-site homeowners the opportunity to rent rooms or casitas. He knew a couple of Councilmembers struggled a little bit with this decision at the last City Council meeting, but asked they not second guess their decision. He pointed out that the decision was made for them, which is called zoning. The City has defined commercial, mix-use, and residential zones, and they are in place to avoid these very problems. At the last meeting and again at these meeting, STR owners, investors, and operators came forward to describe their business, how its run, how their management companies manage their properties, and that they are not the problem. However, they were describing a hotel business. If Motel 6, Holiday Inn, or Hilton Hotel, came to City and stated they wanted to expand their brand and want to put 250, three to six bedroom boutique hotels, they will be beautiful and with all the amenities, etc., in the middle of your long-established residential neighborhoods, he would like to think Council wouldn't even entertain such idea, yet that's exactly what STRs are doing. It doesn't matter whether it's a national brand or a small investor, it is still a business. He asked Council to consider the petition with 2,000 signatures, a giant stack of letters, email, and horror stories heard, this particular model does not work

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

well in residential neighborhoods. He hoped that Council will move forward with the new version of the Ordinance, because it seems to benefit all sides.

MR. MATT MURRAY, Purple Sagebrush Avenue, Palm Desert, offered that technology has changed so much that people can control what goes on in STRs. He once had a property management company do it, but they didn't do it the way he wanted done. He likes meeting people face to face and letting them know there are rules that need to be abided by or they will be thrown out. He has sound meters, cameras, and all kinds of things so he could remotely find out what's going on, which is what he believes needs to happen. He has five children, and when he travels he doesn't stay at a motel room, because it works so much better to be able to use a house, everyone gets to cook their meals there and stay in one spot. He said times are changing and people need to find a way where there is a win-win for both sides.

MR. ARTHUR MICMIE, Silver Spur Trail, Palm Desert, said he appreciated what the Council did at the last meeting, adding it took a lot of courage. He has been in the Desert for five year and in Southern California for 30 years. He is a business owner, and he too, has rentals, and a couple of years ago he purchased a property in Silver Spur where he spent almost \$800,000. He was concerned recently over the STR situation where he had to consider selling it because of the potential issues. He was not opposed to folks making money, because he's a business man himself, but he didn't believe there is an equivalence between homeowners and businesses. As he himself found out, there is no guarantee in business, and there are solutions to the STR issue, but he's quite disturbed this evening about the process so far. He didn't quite understand the City Attorney's explanation about the first and second reading, and was surprised that a local newspaper would be publishing this issue like it was complete and there was a ban. He's sorry to hear Council couldn't even decide, and he's not even sure what the basis would be, to determine whether this was a first or second reading. The whole thing about enforcement is almost a misnomer, the problem is that if you have to call enforcement, the problem has already taken place. If you are disturbed at 10:00 p.m. by a bad neighbor, you will probably not get to sleep until 4:00 a.m. The other fact is that they might have a different neighbor in the home next door at any given weekend. Although, he doesn't have a STR next door, they have had the situation on many occasions over the last number of months where people are walking up and down the street, peering over the wall and looking at their place, stating no one would be happy with that happening. He said neighborhoods need to have peace of mind, and the situation here and around the world, is that STRs are a problem, and Council needs to do the right thing; this was not about a compromise.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

MS. LOUIS DAVIS, Seattle, Washington, stated she has been coming to the desert for 30 years, staying predominately in hotels. Four years ago she sold her business and was able to buy a house in Palm Desert where she hopes to retire, but when she's not here the house is rented. She said another speaker made the comment that Bill Gates and Amazon didn't move their business here, and how they made that decision was based on data. She's hoping Council has the data to make the right decision before banning STRs in this lovely City. She added this was a very emotional topic on both sides and no one wants to experience those bad situations. She has two vacation rentals with very strict contracts, and she's never had any problems. She recommended the City require every STR owner to have a contract, outlining the Ordinance and fines, because money talks. At this time, there is no consequence to a bachelorette party getting out of control. She only allows eight people in a four-bedroom house with no guests or parties. She gathers their credit card and their security code, and all her properties are under VRBO and Airbnb. She was shocked to hear there were only 71 citations, but whether it's 71 or 371, the fact that out of 4,000 vacation rentals there is only 1,200 registered. She said the City needs a lot of help, reiterating that the City needs a contract with fines. She said the City should raise the fees on permits so that it has the money to hire the right people. Before implementing a ban, allow a period of time where you gather correct data and these problems won't be there. Maybe some problems will always exist, but without the data, it couldn't make the right decisions.

MS. KATHRINE KAY, Palm Desert, shared she was a long-term leaser in Palm Desert. She first considered a short-term rental when a woman responded to her long-term ad seeking a place for a weekend as hotels were booked. She didn't, but has since considered and she is now a five-star host. She has been a leaser for 20 years with five properties in Palm Desert. She said short-term renters are by far better tenants than long-term. Her long-term tenants are indicative of her blue-collar neighbors who are notorious for loud music and parties, and they have problems with drugs, theft, homelessness, and gunshots. She has been assaulted and intimidated by her neighbors, they let their homes go, park their commercial vehicles on the streets, and pack their homes without regulations, yet there have been no complaints from her STRs. It's her premise that STR guests are far superior to the safety and prosperity of Palm Desert, because her guests are polite, kind, and considerate. She shared an incident that happened in Palm Springs in 1987 during spring break when Palm Canyon had a curfew and was tear-gassed, stating this recklessness was not a result of STRs, stating Airbnb didn't even exist, these were parents giving access to their second homes without supervision. Today those that lease have control, and most live on the premises or have a management company. She lives on the premises and keeps her property safe, and guests have solidly binding contracts, insurance policies, and rating systems. If a tenant creates any

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

disturbance or destruction, they will be rated poorly, which stays with them. Doing away with STRs that are organized and controlled, can bring back another 1987. If long-term tenants are noisy, police and code enforcement can go after them and not the homeowner, so it should be the same for short-term renters. She noted she had strict boundaries with her rental contracts and stiff fines for noise and disturbance, whether long-term or short-term, it might be helpful for the City to provide suggestions on healthy rental regulations.

MR. DUKE WYATT, Pasadena, CA, noted that Ms. Kathrine Kay was his niece. He was not in favor of the scare tactic thrown around such as that Motel 6 coming to residential areas or that people are urinating or fornicating out of their window, because that's not typical. Aside from the money that is brought to the City, if STRs didn't exist, many of the homes would be delinquent or vacant, the City would be dealing with squatters and it is like the gateway to Desert Hot Springs. He said everyone had to be realistic here, because of the economic impact to families who need the funds to pay their mortgages or are just trying to get by. He said Ms. Kay has one house on Sierra Vista and she lives there, so she's there when she rents it out. He said it would be a disaster for her. He's been coming to the Desert since the 1950's when there was nothing, but it changes every ten years, and with the internet and Airbnb, people want to have a home experience. They don't want to spend \$500 at the Marriott, they want to spend the extra money in Palm Desert, and this Council should not be influenced by scare tactics and then have to reverse their decision later on.

MS. KEEDY LEDEBUR, Siesta Trail, Palm Desert, asked the Council to continue down the path it started on October 26, when it deemed that nonowner occupied short-term rentals, should not be allowed to operate in the R-1 and R-2 neighborhoods. She believes Council's desire to keep commercial businesses in the correctly zoned areas is appropriate and just, and setting a sunset period offers a generous amount of time for these investors and business owners to make appropriate changes. She said the R-1 and R-2 neighborhoods are a small and special part of the City and they have been threatened by the flood of businesses moving in. She thanked the Council for their efforts to correct the problem before it was too late, and thanked them for affirming that neighborhoods are for neighbors.

MS. SHERRELL SUTHERLAND, Broken Arrow Trail, Palm Desert, a retired assistant chief for the California Highway Patrol, stated that based on what she heard this evening, the people that spoke this evening are not the problem, because they monitor themselves. They talked about their nice guests, and that they meet and greet them. One person talked about having speakers that turned off at 10:00 p.m. and turned on at 10:00 a.m., but none of them gave an example of how enforcement really turned them. No one

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

explained what had happened initially and whether at first they weren't good renters or whether Code Enforcement came down on them, which is probably what changed them. If enforcement for STRs worked, they would be talking about Texas or New Orleans, but they can't, because those cities are struggling and they are trying to figure out what to do. One example of enforcement given, was that someone should check guests in and meet them, but that's not enforcement, that is a rule or Ordinance, which is a perfect example of what is unenforceable, because the City will never know if guests are checked in. The only one that can fix the problem is the investor, because they are the ones with the bad apples, but they won't admit it, and it's not the City's job to fix it. The City receives 11% of the money, and the owner/investor gets 89%. She said every action has unintended consequences, in that those that want to rent for long periods of time can't find those homes, because STRs have taken over. It's not like these investors don't have any options, they can rent the homes' long-term.

MR. JEREMY OGUL, Home Away, thanked the City Council for their service to this community, because he understood this was an extremely challenging issue. What's more challenging is that Council is being asked to make a decision without all of the available evidence, there is a lot missing here, and the void is being filled by a lot of emotion, anger, and fear, and it should be made on pure facts. He said the City of Palm Springs did an excellent job of putting in place a very strict and effective system that encourages people to do the right thing, and they keep detailed records, all of which are posted online. He said Palm Springs has 2000+ vacation rental permits issued, and in the past six months there has been an average of four valid complaints per day, and only 17% are from permitted homes, which meant 83% were not subject to any. The idea that every STR is a party house is fiction, and the idea that enforcement doesn't work, is also fiction. Additionally, the idea that no City has found a way to make it work, is not true, it can work and the entire community can benefit. He said Palm Desert has the opportunity to create a model and to develop a valid body of evidence to make a more informed decision. He asked Council to strike the ban from this Ordinance and adopt strict restrictions to be enforced, keeping meticulous data, and then based on a rigorous analysis of the evidence collected, make a decision about whether to adopt a zoning ban.

MS. TEODORA BARDEZ (sp?), Juniper Street, Palm Desert, expressed her opposition to the ban of STRs in Zones R-1 and R-2. She works for a STR property management company, and they rent to families who are looking for a welcoming place to get away for a vacation. These guest come to Palm Desert to enjoy the shops and the relaxing feel of the area. When growing up her family utilized STRs to get away for the holidays and they rented houses because they still wanted the fill of a home, which is hard to replicate in a hotel. This is her first time in Palm Desert, but she can see why these

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

properties are so popular, they're in short-walking distance from El Paseo. Unfortunately, it's difficult to ignore the un-welcoming atmosphere that currently exists with the anti-STR signs staked in front of houses. She said one can definitely sense the hostility emanating from the City. While residents of Palm Desert may have complaints about STRs, implementing a ban on them before attempting a more reasonable measure, would be a complete disregard for the economic well being of the City, and it should not be underestimated. This ban will result in Palm Desert losing \$37.5 million in tourist dollars per year, which comes from visitors that stay in rental homes in Zones R-1 and R-2 alone. Guests are spending \$294 a day, and with 5.5 guests per home based on 242 homes in Zones R-1 and R-2 who are renting on average 102 days a year; these figures are coming from the Development Management Group Report and the Independent Economic Analysis located on the Palm Desert City's website. It is naive to believe that these tourists will continue to visit Palm Desert should the STRs are banned as proposed. The City has received copies of about 30 letters, confirmed by City staff, in the last two weeks who have stated they will cease visiting Palm Desert. She said other cities will accommodate their needs without the hostility, areas such as Palm Springs. She said the City should give enforcement a chance before infringing on the rights of private property owners in the R-1 and R-2 Zones, before throwing away its tourist dollars for the entire City.

MS. RABONI BUBBER, Salt Cedar Street, Palm Desert, stated she was opposed to the ban in the R-1 and R-2 Zones. She's an office coordinator for STR homes in the south Palm Desert area. She corresponds with residents of Palm Desert and their guests every day, and this issue will affect the people they employ that includes cleaners, gardeners, electricians, plumbers, etc., stating this issue went beyond neighborhoods. She said all can agree that tourism is a booming industry in Palm Desert, and she and others are part of that industry, and thriving businesses cannot survive without the STRs in the R-1 and R-2 Zones. A ban will be detrimental to the economy and the residents of Palm Desert. She walked El Paseo today and personally spoke to local business owners about the ban and the majority of them didn't know it was happening. The number one question was why would the City do this to tourism. She said these STR homes provide a unique family experience that cannot be found in hotels, because these homes provide privacy and security for families. Most guests return within a year or the following year, because they fell in love with the amenities of the properties and their proximity to El Paseo. While she understood the concerns raised, a ban was not an appropriate action. An increase in enforcement and the number of night stays will eliminate the party houses and allow respectful renters to return to the City. She said Palm Desert is a beautiful and unique City, and homeowners should be allowed to share their home and their City.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

MR. JIM PEARCE, Fairway Vacation Rentals, stated his office is located on Country Club Drive in Palm Desert. For the past 35 years he has lived in a quiet non-gated single-family neighborhood in Indian Wells. For the past 25 years, he's been the owner and general manager of Fairway Vacation Rentals for almost 100 properties in Palm Desert. Those properties are in Planned Residential (PR) communities by choice, because they do not manage or solicit any single-family homes in Palm Desert. It's been his feeling that STRs are better suited for the more controlled environment of PR areas. While it's far from a perfect Ordinance, he encouraged the adoption of the latest version, because it strikes the right balance. The key to success will be vigorous enforcement starting with ensuring that all STRs have permits, a task that should be easy, and he and other responsible managers would be happy to assist in that effort. A couple of concluding points is that he's grateful that the moratorium seems to finally be coming to an end, because it has been grossly counterproductive, since it has driven rental activity to go underground. If these issues were ever revisited, please no moratoriums. Secondly, it would be a big mistake to increase permit fees, because the City needs to bring everybody under the tent, stating proper registration should be made easy and inexpensive and failure to register is what should be expensive. He said the City generates \$1.8 million in T.O.T. from vacation rentals alone, so there are ample reasons for enforcement.

MR. JIM SCHMID, Daylily Circle, Palm Desert, expressed his support for the latest version because it strikes the right balance by allowing the majority of STRs to operate in a large part of the City while protecting neighborhoods. He believes everyone here this evening has an appreciation for the value that tourism brings to Palm Desert and the economy, but also valuing what the affordable housing supply brings. He said every property that gets converted to a short-term rental removes inventory from an already tight housing market. He said the lower-end market is disappearing, which has made it difficult for a lot of working class families to continue to move into Palm Desert to stay. Every time a STR occupies what used to be a residence, you are replacing a residence with a business.

MR. SAM HOOVER, Willow Street, Palm Desert, a 40-year resident, stated he comes to Palm Desert primarily in the winter. He is a practicing attorney in Chicago and also practices all over the Country litigating health care cases and doing minor criminal law. He is very disturbed by what has happened here, but Council has made a reasonable decision, which he believed was bullet proof from a litigation standpoint and constitutional overview. He said Council was not alone in this issue, because it's happening all over the Country and communities are rebelling, because they don't want to become anonymous. Residents want to live in a community, have some identity, and they want to know their neighbors. He believed this was a perfect Ordinance for the R-1 and R-2 Zones, adding that enforcement is too complicated and

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

too expensive for the City, stating it was virtually impossible to combat nuisances that come from STRs, because guests are here for two or three days and before you can do anything, they are gone. The City is dealing with fraud, failure to obtain a license, omission of T.O.T. fees, over occupancy of homes, and a tremendous amount of noise. He couldn't see how the City was ever going to prosecute the violators or be able to collect fees, because the City will be taken to court, there will be hearings, and it will go on and on. In residential zones, a person has the right to security and quiet enjoyment of his home, and the City is not getting that in these areas, and it's a terrible abuse of the citizenship of this town. Finally, he believed the City will experience more unhappiness of residents and some vigilante, which will be very unpleasant.

MR. TIM SULLIVAN, Deergrass Drive, Palm Desert, a full-time resident for 25 years, said it was his privilege to affirm the wisdom and clear thinking that the majority of the City Council displayed regarding STRs at the last City Council meeting. Five years ago STRs were essentially banned in almost 100% of the City, and for the past five years they were approved in 100% of the City, which has created dissension and disruption in neighborhoods, and in most weekends, general chaos. The proposed solution, which he totally supports, is to allow STRs to remain and flourish in about 80% of the City and limit them to owner-occupied rental in the remaining 20%, neighborhoods clearly zoned for residential. The STR investors and property managers have access to 80% of Palm Desert homes. Residents will see their neighborhoods restored to what they were intended and all it entails, holiday decorations, girl scout cookie sales, etc. At the last meeting, there was a suggestion that the City should consider hiring and paying security to patrol and roam the neighborhoods to curtail party homes, that's how out of whack this conversation had become. The investors make the money, and the first line of defense will still be the neighbors. Everyone heard from law enforcement, first responders, and executives who have managed security services, and not one of them believes a code enforcement scheme can be devised that will remedy the ensuing chaos. Cities around the Country are learning, often through absolute mayhem, that enforcement doesn't work. The Council, in its wisdom, has lived up to the awesome legacy Palm Desert pioneers and City leaders have exercised throughout history, by putting their residents, neighborhoods, and quality of life first. He fondly remembers the visionary leadership when he crosses the Richard S. Kelly Memorial Bridge, Jean Benson's impact on affordable housing for families, the bronze plaques affixed to the Aquatic Center and soccer fields attributed to Councilmembers who knew where Palm Desert was heading. Palm Desert is an iconic city with the superb quality of life for young families, visitors, and retirees alike, and the pioneers, like this Council, understood that quality of life started in the friendly neighborhoods and peaceful beloved homes. He thanked the City Council for their time and service to the City.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

MR. RICHARD RYAN, Foxtail Lane, a full-time resident, stated he learned of this situation two days ago, while he and his wife were traveling. He said they moved to Palm Desert two years ago in a gated community, and he wasn't sure if it fell within the two zones that are being talked about this evening. He said he was sympathetic to those people that have had to endure party houses, and they are entitled to relief. He shared he has a STR permit, and in the two years they rented it out three times, one in connection to the tennis events in Indian Wells, one over Christmas, and one for Coachella Fest. He added they vetted their guests very carefully and he had no problems. He lives around a swimming pool that has twelve houses and of those homes, five are rentals. In the entire community, about 35% have vacation rental signs in them, and his initial concern with the Ordinance was that a blanket ban would affect real estate values, because demand would go down. The people who live near him are young and look upon these places as their home, but they are financing their purchase by renting on a regular basis, but there hasn't been a problem. If possible, the fine should be on the offending renters, asking if there was a way to revoke them from renting at all, especially the repeat offenders who are making neighborhoods unpopular, including owners who rent to anyone creating party houses, they should be punished and not allowed to do it. Otherwise, the Ordinance is too board.

MR. PAUL LOUGEE, Somera Road, Palm Desert, said he owns two vacation rentals in Palm Desert. He's heard the opposition this evening positioning STRs as remotely located investors, but everybody is truly a local resident that pays their taxes on time. In certain cases, they own businesses in Palm Desert as well. As far as the homeowner for the properties he manages, they are Palm Desert residents who turned their homes over to his company due to the consistent damage to the property from long-term renters. Because of the revenue she receives from her short-term rentals, she no longer faces the threat of losing those homes and has greatly increased their value by upgrading outdated features in them. To date, there have been zero complaints under the management, stating the only encounters with Code Enforcement stems from the next door neighbor who repeatedly makes bogus calls in attempts to sabotage their permit via escalating fines and strikes, simply because he does not like the idea of a STR in his neighborhood. Despite the repeated false alarms, they have taken a practice measures to protect themselves by installing Noise Aware both inside and outside the home, which is a noise monitoring device. Current permit holders that want to comply are not the problem, it's the bad actors operating outside the law. He asked that Council make decisions based on facts and numbers, because their decision this evening impacted many from an economical standpoint, including peoples personal finances. All can sympathize with those who have been affected by STRs, but Council should take into account that it was talking about violations that are less than 1% of permit holders.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

The City Council stated this ban was a compromise because it kept 80% of STRs active, but that is only in the PR Zones, which is the Palm Desert Resorters and country clubs of the world. Those resort complexes cater mostly to seasonal renters, not short-term renters. Seasonal renters stay for three or four months at a time, and they are not subject to T.O.T., which is why Ms. Athena Martinez pointed out that 40% of the T.O.T. came from the R-1 and R-2 neighborhoods. If the City takes away those zones, it's losing out on T.O.T. and sales tax generated by those guests spending in local restaurants, shops, golf courses, car dealerships, etc. Additionally, the ban will take-away rights from property owners, because many can only afford them if they are allowed to rent them on a short-term basis, otherwise, the market will be flooded with homes for sale and demand will be lower because interested buyers will understand the ban discounts their value. He himself employed 15 people both full-time and part-time, and if you scale that across all the operators in the Desert, one can imagine the impact it will have.

MS. DARCI HOPE, a native of Palm Desert, stated she enjoyed her high-quality of life. She shared her mother owned a bed and breakfast in Palm Springs when she was a little girl, and they lived in the main house that had little casitas on the properties that were rented out short-term, adding it's the Valley's oldest profession. Hospitality is Palm Desert's industry and without it they are Victorville. Growing up, this area was a boring, sleepy, retirement community, and she would not have moved here if it had not changed into a world-class global destination with entertainment every weekend. One speaker mentioned that living here provided you a bundle of rights, and if a STR is not affecting their right to quiet enjoyment, then it shouldn't affect their right to transfer. She said Council saw and heard from many owners who are not the boogie man or the investor type, stating Palm Desert is a second-home community, and they are not the neighborhoods of the past, because the entire desert has changed and it's time for people to roll with the changes and figure out what will work. The City of Indian Wells has stated that enforcement worked, which is why they decided to raise their sunset ban. She is deeply concerned about how unfriendly the town looks to visitors, stating there are permitted rentals in south Palm Desert that are entertaining guests, but they are seeing a bunch of signs saying they are not welcomed, which is not neighborly. She said that in five days they have obtained 1,046 signatures against the ban, asking the City to take into account the other 48,000 residents, because tourists are needed. She was involved with the City meetings on this issue and staff worked hard to talk to everybody to come up with an Ordinance that worked, which is the one that everyone was okay with, then suddenly there was this change. They have spoken to business owners on El Paseo that were shocked that this was happening, and some told her they wouldn't have invested their money in Palm Desert if they had known this was going to happen. She urged the City

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Council to reconsider, because this was a resort town and it should be treated in that way.

MR. MARK FORSYTH, resident in South Palm Desert, shared his parents met in Palm Desert while on vacation, and he and his brother was born in the late 60's, and they have always vacationed here in a rental home. He chose to move to this resort community, because he knew it was safe for his family and it has good schools. He said he built his business on tourism, but he didn't own rental properties and he's not a property manager, but he does cater to families traveling with small children where they stay for 3, 7, and 10 days, and they are good people, and they are in regular communities. He said a ban will affect him adversely, stating he could lose a lot of money and will possibly need to sell the home. He added that long-term residents and snow birds are not the foot traffic that kept the lights on. He's one of the small businesses the City is representing on Saturday for "Small Business Day," stating he would hate to lose the opportunity to provide for his family here.

MS. SHANYCE WASNACK, stated she was born and raised in the Coachella Valley and has worked at J. Russell Salon for 14 years, adding she has worked two to three jobs her entire life. She met her husband in Palm Desert and they are extreme entrepreneurs in that they both own a business. She said J. Russell Salon has 100 employees and that alone brings a lot of traffic from STRs, stating people that come in for the weekend want to get their hair and nails done, and they dine on El Paseo. She and her husband have owned a STR for five years, so they were in favor of rules and regulations, and they should be enforced. As Airbnb clients themselves, they are provided with the rules, fines, and the consequences for not following through, including getting evicted. She said they didn't rent to anyone under 30 years of age, they regulate the rental, and they've never had any issues, and their rental is just five houses down from their home. She added that she was a good neighbor, and she too, didn't want a party house next door, and she is a huge networking person who loves this City. She made the comment that it was a privilege, not a right, for these people to rent their homes. She reiterated that STRs can be regulated and they can be enforced.

MR. VAN TANNER, Cricket Cove, Palm Desert, a 37-year resident, stated one of his main objectives is to make sure the quality of life in Palm Desert is the way it was, and a whole lot better than when he moved here. He recalled for the Council that two months ago, Mayor Harnik went to a convention in La Vegas relating to hoteliers, and to counteract some of the things said about El Paseo that South Palm Desert invites revenue, hoteliers said they weren't coming to Palm Desert, because they didn't like the situation with the short-term rentals. Secondly, he heard very few people

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

provide their addresses this evening. He provided his address and he lives in a gated community where they have a 30-day minimum requirement. Many speakers this evening talked about their STR and how it was good for Palm Desert, but they did not provide a specific residential address in the R-1 and R-2 Zones. Those in opposition are asking the City Council to recognize that those 246 STRs don't belong in residential zones, and to stick to their decision and see it through, even if the Ordinance has to go through another reading.

MS. KIM HOUSKEN, Somera Road, Palm Desert, shared she has owned her home for 20+ years and she hasn't been affected by the noise, but she has noticed the parking at the other end of her street. Her concern is losing the fabric of her neighborhood, and she's heard people say that times are changing and it must change, but she didn't feel that way, stating she liked the tricker treaters and knowing her neighbors. She herself has a rental in South Palm Desert where she's had three differently set of tenants, so she didn't believe that if this ban went into effect, they will have a problem finding a tenant. Usually, she advertises on Craigs List and within an hour she had to take her ad off, because she's had ten calls and usually one of them is fine. The reason the last tenant moved was because they purchased a home in Palm Desert. In fact, that person was in attendance earlier, but he left. The current tenant has been looking for a home for over a year now, so if there is a flood of homes on the market because of this Ordinance, she will probably lose that tenant. Additionally, long-term rentals employ pool cleaners and gardeners as well, and tenants shop at the grocery stores multiple times during the week. Finally, she read in Palm Springs about a developer building STRs in a specifically zoned area, which she thought it was an intriguing idea, so if there is great interest in this industry, maybe the City of Palm Desert should explore it.

MR. GAVIN HOPE, noted he was married to Darci Hope. He said he heard a lot of fear from the people who perpetuate that all STRs are party houses, but they're not. Those that own one and spoke this evening don't own a party house, but on the odd occasion that there is some party that is thrown at the house, will that's what people do when they're at a vacation destination. The amount of money brought into the City by visitors and guests who are enjoying Palm Desert is huge. He said the Valley has changed with music festivals, tennis tournaments, and entertainment that weren't here 20 years ago. If people want to move back in time with the "Leave it to Beaver" type of community, well maybe that's not in the best interest in the future of the City. The City now depends upon tourist dollars, and in talking to business owners at Blaze Pizza and Rubio's, etc., they said they would have never invested here if they thought that STRs were going to be threatened. He found it ironic that the ban comes at the same time the City is opening a boutique hotel near El Paseo. He didn't know if that had

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

anything to do with anything, but it's interesting to him that a ban is being considered. Also, bans are considered to be un-American and anti-business. He said many have been characterized owners of STRs as big investors, but they're not, they are homeowners and families. The platform of Airbnb and VRBO came around and saved these people from losing their homes, and it's very important to allow them to continue.

With City Council concurrence, Mayor Harnik called a recess at 10:58 p.m. and resumed the meeting at 11:11 p.m.

Councilmember Weber requested clarification from the City Attorney on what procedure to follow for a first reading.

Mr. Hargreaves responded that staff provided the City Council with two options as outlined in the revised staff report. Option No. 1 accepts the Ordinance as second reading for adoption of the Ordinance, and Option No. 2 would be to reintroduce the Ordinance as first reading and sending it to second reading at the December meeting.

Councilmember Weber said she was not comfortable with the language with either recommendation, because, regardless of whether or not short-term rentals are good or bad, the problem is that a previous Council said to the public here are the rules, and if you buy a home, the City is going to allow you to use it as a short-term rental, but it failed to place a sunset clause. Therefore, this Council is living under that Ordinance, and it's unfair to those who invested based on those guidelines, for this Council to change it, pulling the rug from underneath them. Granted, Council made a decision doing the best they could under certain circumstances, because they were dealing with a different economy. To her, those homeowners purchased a home in good faith based on what that Council told them at that time, and she believed it was up to this Council to uphold that Ordinance. It seemed logical to allow those with a STR permit, or those who made arrangement to get one starting back in December when the City put a moratorium in place, to remain and eventually phase out when the house is sold and when the permit expires. It will allow those already operating to keep upgrading their homes until such time they voluntarily sell or move into the home. It will allow this Council to respect what a previous Council did, and respect those who purchased a home in good faith, and respect those who have been suffering under the "bad apples," which she believed fell under the City's enforcement. She had faith in staff and procedures to enforce, but the reality is that the community felt the City was lacking in that regard, and the City owed the residents a tremendous apology, because it's been going on for so long. Many have mentioned a 1,2,3 strike system and revoking permits on the 3rd strike, which she believed staff can implement, because the City doesn't want these

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

problems to continue. The reality is that neighborhoods have become different, and that's just life, adding that many residents don't know their neighbors. She went on to say that Airbnb is purchasing all sorts of little sections of property and building their own, because they have noticed that this is how people like to travel. If she were to make a motion, instead of saying that they phase out on July 2019, she would change it to say that existing STRs can be grandfathered until the property changes hands, including those who were already on the waiting list prior to the City implementing the moratorium, with the City implementing enforcement rules.

Mr. Hargreaves said that would be another change in the Ordinance, where it will require staff to craft the language and return for first reading in December, which is not a problem if that's the direction of the City Council.

Councilmember Nestande concurred, stating Councilmember Weber did a great job of articulating where her thoughts were as well. She respected both sides of the issue and wished she could just snap her fingers and all would have peace and harmony in the neighborhoods and City. However, at this point she was focusing on the law and facts, stating she was on the panel since January, and she's read every letter, spoke to people on both sides of the issue, and has obtained unofficial legal opinion. It's her understanding that if the Council upholds the proposed Ordinance, the City was in violation of the fifth amendment, which is the right for private property owners to earn income from their properties. She was also told, although she didn't know if it was true, but the argument is very strong that it would not survive a constitutional challenge, because it infringes on property rights than is absolutely necessary to correct the problem. Additionally, she was told, and it made sense to her, that by placing this ban that was as long as a football field as opposed to trying to keep it on the five-yard line, without finding out if enforcement could work, Council overreacted.

Mr. Hargreaves responded he was very familiar with the fifth amendment law and he's actually litigated fifth amendment issues, which is why there is a phase out clause for providing time and exceptions, so that it can respect fifth amendment rights. He agreed there are rights that need to be respected and the City will implement a process to ensure it.

Councilmember Nestande said the ban eliminates the rights of private property owners in the R-1 and R-2 Zones to earn income from their properties, and the ban is an extreme violation of the fifth amendment of private property owners in the R-1 and R-2 Zone who do not have permits, as they are not even afforded the opportunity to make a plea to the City Manager for a permit based on the unconstitutional takings.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Mayor Pro Tem Jonathan interjected, stating he believed this discussion was threading on some dangerous ground. He pointed out that the City has legal counsel and Council takes its direction from the City Attorney, adding that you could have ten attorneys in a room, and get at least twelve opinions. He said Councilmember Nestande was free to listen to the one she wants, but he was uncomfortable discussing the legal merits of any issue in a public setting, which is why the City has closed sessions.

Councilmember Nestande said she respected the City Attorney, but even with the first and second reading, he is providing latitude to interpret, so she was raising this issue now, because she has never spoken to him about it.

Mayor Pro Tem Jonathan agreed, but the public setting is not the place to discuss the legal merits of the issue, adding that's what closed session is for, but to make statements about the merit, its strengths and weaknesses of any legal position in the public setting risks the City's legal position should there be litigation at a later time.

Councilmember Nestande replied that with all due respect, she was just trying to do what's right for the citizens and the City.

Mr. Hargreaves suggested that if Councilmember Nestande had a legal opinion or citing of a legal case, etc., she could provide it to him and he will respond and discuss it in closed session.

Mayor Pro Tem Jonathan responding to Councilmember Weber's concern that some people bought a STR under the current zoning ordinance with expectations of profit. However, there are also numerous individuals who purchased their home prior to 2012 with certain expectations as well, and their circumstances changed. Zoning Ordinances change from time to time, and it was probably time to go back to something else. He said this evening Council heard from more STR owners than it had before, and he found it useful and informative. It seems like the most pervasive argument in favor of not having a ban was that enforcement could be effective. However, he believed that even perfect enforcement would not avoid the change of the residential nature of a neighborhood. He said the City could have perfect enforcement, but you still don't have homeowners, it will be different people every weekend. Therefore, perfect enforcement doesn't solve that concern, and it wouldn't eliminate the adverse impacts associated with STRs. The people that rent a STR is typically on vacation and trying to have a good time, and with it comes barbequing, swimming in the pool, raising their voices, and sometimes excessive adult beverages, etc., and when it happens during the day, they are in compliance. However, dealing with it every weekend is not a lot of fun, and perfect enforcement won't change it. He's sympathetic to the financial consequences that might impact a STR owner,

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

but he believes they have options, it's not a complete loss of investment. They have the option of using the property for long-term rentals or sell the property, stating all investments carry a level of risk, and when you invest in a STR, this is one of those risks. Hopefully, if STR owners suffer and don't realize the profits they anticipated, he believed they will find other alternatives. In his mind, Council is considering whether to pass the Ordinance to second reading, which is consistent with Council's action from the last meeting, or it could exercise caution from a legal standpoint and defer the first reading to this evening and pass it to second reading a month from today. He believed in being cautious when it comes to potential litigation, but on the other hand, he didn't believe the threat of litigation should prevent the Council from doing the right thing. He said cities are targets, and Council has been advised, and it was said publicly by the City Attorney that Council acted with substantial compliance. It appears that no matter what the City does, someone who wants to litigate will litigate. He was comfortable with the potential risk of litigation when compared to the benefits of moving this issue forward and getting closure, and doing what he believes is the right thing, which is to take this Ordinance to the second reading this evening.

Councilmember Weber reiterated that people purchased their homes under the rules created in 2012, and Mayor Pro Tem Jonathan mentioned that homeowners purchased under zoning laws, which she agreed, but based on what was going on with the economy and problems that existed at that time, a previous Council allowed for STRs to exist, but failed to put a sunset clause. She believed it was unfair, inappropriate, and inconsiderate for this Council to place a sunset clause now. She was not talking about litigation or to issue a whole new set of STRs, because they will all phase out, which she believed would solve the problem of getting our neighborhoods back. She added that neighborhoods will not be restored in July 2019, because it would take a while. Also, there are hotels that are coming out with their ideas and solution. Additionally, the comment that investors have option, she disagreed, stating Council was creating options for them. Therefore, she disagreed with Mayor Pro Tem Jonathan that enforcement couldn't work. Her neighbors in this little cul-de-sac are always having a good time, and they have parties where there are more than 15 people, and this goes on in every single neighborhood, not just with STRs. She pointed out that a huge percentage of the trouble makers are not even permitted, and these are the ones that would be weeded out very quickly, which can be done efficiently and professionally with staff setting a standard. She reiterated that existing STRs in the R-1 and R-2 Zones would be phased out eventually.

Mayor Harnik commented that using the argument that Council was changing the rules midstream falls apart when you realize Council changed the rules on everyone who purchased their home prior to 2012. Therefore, rules can

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

be changed, which is how things work and cities change as needed. Those people who purchased their home prior to 2012 believed their neighbors would never be allowed to rent for less than 30 days.

Councilmember Weber reminded the Council that STRs were not just for three days, many people rent for a week at a time and those are the ones that eventually purchase a home.

Councilmember Kelly shared that the trouble she has with Councilmember Weber's analysis is that it hinges on the City magically achieving a level of enforcement that can spare everyone from adverse impacts, but realistically, there is no form of enhanced City enforcement that can spare residents from the impacts that have been described. The City's understanding of enforcement starts with a phone call, which meant that an impact has already happened, and in all probability, it's not the first impact, because Council has heard over and over again that the typical person is hesitant to complain. The reality is that when that first call comes to City Hall, several impacts have already happened. Let's assume that when that call comes in, Code Enforcement is able to get there in 30 minutes, the condition has abated, lessened, or changed, then there is no verifiable offense that becomes a matter of record. Here you have a resident who has been subject to multiple impacts and has nothing but frustration to show for it, and the consequence of that frustration, if it happens again, is that they will be more disturbed but less likely to call, because of the unsatisfying experience. She said Council had to look at the mechanisms available to the City realistically, because it can't make policy on the premise of something that would be a fantasy, in that somehow there is a version of perfect enforcement that will make this use compatible with the purposes of R-1 and R-2 neighborhoods. She has listened carefully, and there are good people on both sides of this question, but she remains convinced that the balance Council struck last month was the right one. It preserves the option of sharing for people who really want to share a casita or a room. However, after hearing all the stories, she couldn't reconcile out a best policy, and for Council who sets policy, to perpetuate using R-1 and R-2 for STRs, which is not compatible with the zoning.

Councilmember Nestande requested to allow 28-days or longer in the R-1 and R-2 Zones, in that one week you can have the grand kids over, and the next week you might have your girlfriend, so of course, there will be different people. She said it was difficult for a City to define what a neighbor is, because her definition of a neighbor or neighborhood is subjective, and it may be different from what others might describe. As an example, she wanted to have a basketball hoop in her yard, but the majority of the neighbors felt a basketball bouncing would make their dogs bark, therefore in her neighborhood, she couldn't really have one. She said Council was

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

trying to legislate the definition of a neighborhood, which is why she is trying to stick to the facts and she wants to make the Ordinance fair for everyone. She said she cared about the people who are complaining, about these bad party houses, which is why she would like to see what enforcement would look like. The ones in Planned Residential don't have a problem, because they have security patrolling their homes. She asked why the City couldn't have security patrolling these non-gated areas and give it a try.

Mayor Harnik offered that Council was not trying to legislate, because neighborhoods are already defined in City documents.

Mayor Pro Tem Jonathan said everyone is very focused this evening on the R-1 and R-2 Zones, but the City Council's job is to set policy for the entire City, so when looking at the Ordinance approved at the last meeting, it accomplishes that goal. It looks at the City in its entirety and strikes an extremely reasonable balance. Further, the City was not banning short-term rentals, they are being eliminated in 20% of the City, which meant the City continues to allow them in nearly 80% of the City. This issue was never going to be about making everybody happy, stating the outcome was going to be about striking a balance for the City and its entirety, and Council passed an Ordinance last month that achieved that goal. While Council is focused this evening on R-1 and R-2, if it steps back and looks at this from a policy standpoint, he believed Council had a reasonable and balanced solution.

Councilmember Weber disagreed, because it takes away what the 2012 City Council gave to people, and she didn't believe Council had the right to take it away, because who then is going to trust the City. She can appreciate Mayor Harnik's comment that neighborhoods are defined, but things do and have changed. Again, because of the issues in 2012, the City offered STRs to people, and they took their money and purchase a home, fixed it up, and improved the neighborhood, because some of them were dilapidated. Having STRs phase out is what she would consider a balanced decision. Another thing, the City has not had enforcement, so when Councilmember Kelly stated that when people call to complain nothing happens, it's true, nothing happens.

Councilmember Kelly replied it was not what she stated, she said that by the time someone calls to complain, something has already happened, which is her point, the City can't spare the residents if Council permits this use.

Councilmember Weber disagreed, stating the City never had an opportunity to try it out with proper code enforcement, which she believed can be done.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Councilmember Kelly added that the only thing the City could try is to station a code enforcement officer at every STR.

Councilmember Nestande offered that's why she suggested the theory of security just like the planned residential neighborhoods have. She's been hearing that it works and that's why they don't have problems.

Mayor Pro Tem Jonathan disagreed, stating the City already had security and it's called Palm Desert Police, in addition to the Code Compliance Department.

Councilmember Nestande said the City could hire a security firm for a lot less.

Mayor Pro Tem Jonathan stated he and Mayor Harnik both tried to point out that Council was not changing the zoning in the R-1 and R-2 areas, he viewed it as restoring, which is what the Ordinance accomplishes, it changes the zoning requirement and it's in black and white. The Ordinances is restoring the zoning to what it was prior to 2012, in that STRs were not allowed in the City, so the change came in 2012. While people that bought a home after 2012 to invest in STRs had expectations, so did the people prior to 2012. They had expectations of a quiet and peaceful enjoyment of their home, and that expectation was shattered for many. Again, this was simply restoring the zoning for what it was for the 39 years that this City existed prior to 2012.

Councilmember Nestande asked what's to stop the people who live in South Palm Desert to form their own HOA and vote on the issue, not necessarily doing an official ballot, but similar to how they handle them in homeowner associations where they mail out a letter and you check yes or no on whether you want to have cable for the entire neighborhood, etc. For example, those in South Palm Desert can vote on whether to allow short-term rentals or not.

Mayor Harnik pointed out that Councilmember Nestande was proposing that those residents change their zoning.

Mayor Pro Tem Jonathan replied there was nothing preventing property owners coming together and seeking a change of zone, the reality is that it's unlikely to happen because you have to have a lot of consensuses, but in theory, possible.

Councilmember Weber noted she was not disagreeing that the City wants to bring the R-1 and R-2 area to what it was prior to 2012, she was merely asking, out of respect, to grandfather existing STRs and allow them to phase out naturally instead of having a sunset clause, adding she didn't see the

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

harm in going that route. And she was sorry that people have to pick up a phone and call to make a report, because that's neighborhood involvement where people get involved and speak up. She agreed it was a pain in the neck to have to call, and it's a pain that someone doesn't show up, or that when they do, the noise has stopped. However, there is all kinds of technology and cameras' people can use for proving there was noise, because everything is different and things have changed. Again, she said Council needed to be respectful to the 2012 transactions and allow them to phase out. She hasn't made a motion, because she's not hearing a convincing argument against it.

Mayor Pro Tem Jonathan agreed in that he hadn't heard anything unreasonable this evening, which makes things more difficult and why everyone was struggling with it.

Mayor Pro Tem Jonathan moved to approve staff's recommendation of Option 1 as presented.

Mr. Hargreaves clarified that Option 1 was for adoption of the Ordinance, and Option 2 was for reintroduction of the Ordinance. Both options are the same Ordinance based on the direction given at the last meeting and are in Council's packet.

Councilmember Weber stated that's what she ran into the last time, when it kept changing, and she didn't want to do that again, so she will not second the motion.

Councilmember Kelly offered that the only reason she was hesitating with Option 1, is that Council has been advised to take Option 2, and the true benefit she saw for everyone in electing Option 1, which is to take final action now, is that it would facilitate an earlier removal of the moratorium, which was potentially advantageous to everyone affected.

Councilmember Weber asked for clarification on the value of ending the moratorium, because it already states that no STR permit will be issued.

Mayor Pro Tem Jonathan responded that it only applied to the R-1 and R-2 Zones, right now they are also not issuing them in the Planned Residential Zone.

Mayor Harnik said there are people who have a casita that is unable to obtain a permit while the moratorium is in place. Also, the sunset date is tough, even though Council went back and forth on it at the last reading. She can understand and use the analogy of ripping off the band-aid, but this is a real

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

life situation and things take longer than one might want. Therefore, she would like to extend the sunset, but wondered if that was too substantive.

Mr. Hargreaves replied that was just changing a couple of numbers, which can be specified, but if the date change is incorporated, this would have to be the first reading.

Councilmember Kelly suggested extending it to December 2019, which would allow for properties to be offered for sale for an additional high season if that was the choice, stating it meets Mayor Harnik's expressed desire for the slight extension.

Councilmember Weber said it was interesting that Councilmember Kelly would say "we'll allow them to sell their property."

Councilmember Kelly replied that was not what she stated, she said "It will allow a sale in high season," if that's what someone wanted to do.

Councilmember Weber said she was uncomfortable with that suggestion, because she goes back to the people who bought in good faith, so to grandfather the ones that exist and allow them to phase out seems reasonable. Therefore, instead of a sunset date, she would agree to allowing them to phase out, making the Ordinance a first reading. She would never use the phrase "when they want to sell," stating she couldn't determine what people are going to do with their home.

Mayor Harnik assured her no one was suggesting it.

Councilmember Nestande stated that extending the date to December won't make either side happy. She recalled that when they were holding meetings, the focus was going to be on density and the group was going to come up with a great plan for enforcement.

Mayor Pro Tem Jonathan believed Council was pulling on a string, and the whole thing is unraveling. Therefore, he called for a vote on his original motion, because Council found the best solution at the last meeting and it was approved, and he was ready to conclude the matter.

Councilmember Kelly seconded the motion.

Mayor Harnik offered a substitute motion to go with staff recommendation on Option 2, extending the sunset clause to July 1, 2020.

Councilmember Kelly reminded everyone that realistically it takes three votes, so it may be prudent to withdraw her second on the first motion.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Responding to question, she said Council had to vote on whether to accept the substitute motion. Mr. Hargreaves concurred.

Mayor Harnik moved to accept the substitute motion, to approve staff recommendation of Option 2, extending the sunset clause to July 1, 2020, and wherever else that date needs to be changed for consistency. Motion was seconded by Kelly and the motion FAILED on a 2-3 vote (AYES: Kelly and Harnik; NOES: Jonathan, Nestande and Weber).

Mayor Pro Tem Jonathan called for the vote on his original motion, to approve staff's recommendation of Option 1, extending the sunset clause to July 1, 2019, and the motion FAILED on a 2-3 vote (AYES: Kelly and Jonathan; NOES: Nestande, Weber and Harnik).

Mayor Harnik moved to approve staff's recommendation of Option 2, extending the sunset clause to July 1, 2020. Motion was seconded by Kelly.

Councilmember Weber asked what was the opposition with allowing existing STRs to phase out.

Councilmember Kelly replied it could take forever.

Councilmember Weber agreed, stating Council could also be long gone, but things can change again in the next three years, but out of respect to those existing STRs, Council can allow them to phase out naturally.

Mayor Pro Tem Jonathan said Councilmember Weber can be in favor or not, but the distinction is that if you let STRs phase out upon change in title or nonrenewal, it could be a 20- or 30-year process. In attempting to find a compromise he could live with, even though he didn't like postponing resolution or closure for another month, he is willing to do it if Council can live with the sunset clause of July 1, 2019.

Mayor Pro Tem Jonathan moved to accept a substitute motion, to approve staff's recommendation of Option 2, with the sunset clause of July 1, 2019. Motion was seconded by Harnik.

Mayor Harnik stated that when comments are made about having respect for people, it sounds really good, but Council had to respect everyone, and she believed they did, including those that purchased their homes prior to the change of 2012.

Councilmember Weber said she was in favor of not allowing any more STRs, which is changing the 2012 Ordinance, but only if existing ones are allowed to phase out. She questioned what other date could it offer that would be reasonable.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Councilmember Nestande offered that the City's economy is based on tourism and the people that lived here. However, Council was starting to lose sight of it in this whole discussion, because it has seen the data from DMG and she wouldn't mind having more data, but everything points to El Paseo being next door to the R-1 and R-2 areas, and people like to come and stay here. If there is a way to get together with vacation rental representatives and the other side, she was really wanting to give this a try.

Mayor Pro Tem Jonathan said he saw it differently, because when Council takes a reasonable and balanced approach to limiting STRs, it makes the City much more attractive to hoteliers, in that the City has hotel sites it's trying to populate. In terms of impacts on tourism, he views this action as a potential positive impact.

Councilmember Nestande replied that may be true, but she wished Council had data from the hotel industry. She shared she puts on events for Sacred Heart School, and at one of her events, the folks from JW Marriott advised her to schedule her events during the tennis tournament or during Coachella Fest, because she could get a great deal using the banquet room, in that all the hotel rooms are sold out and they couldn't use the convention room. That's the only antidotal data she had, but hotels are maxing out during the weekends its marketing to tourists.

Mayor Harnik called for the vote and the motion FAILED on a 2-3 vote (AYES: Kelly and Jonathan; NOES: Nestande, Weber and Harnik).

Responding to Councilmember Weber's request for clarification, Mr. Hargreaves explained that if Council moves forward with a first reading with the 2020 date, and if at the December 14 meeting at the second reading, the date is changed again, then Council is back to a first reading. He added that if this Ordinance is extended, Council can lift the moratorium on everything except the R-1 and R-2 Zones, and allow the rest to go forward.

Councilmember Weber said the lifting of the moratorium can be placed on the agenda regardless.

Mr. Hargreaves said Council can lift the moratorium on the items everyone agrees on, which is leaving STRs in 80% of the City, and maintain the moratorium on the 20% (R-1 and R-2 areas) until there is some agreement on how to resolve it.

Mayor Pro Tem Jonathan said he would find it troublesome, because it's making assumptions about how the final Ordinance will be shaped. Every time Council starts changing one piece, it starts talking about other pieces, which was not wise.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Councilmember Weber requested further clarification, in that cancelling the moratorium at the December 14 meeting had nothing to do with this motion, because it carried its own criteria.

Mayor Pro Tem Jonathan explained that if Council lifts the moratorium on Planned Residential and the R-3 Zone, the Ordinance that Council passes might take a different form where it might not allow STRs in the R-3 Zone. He's not saying that it will happen, but generally, it's advisable to do everything at one time to have the whole issue resolved. He was just explaining legal counsel's suggestion that Council could piece meal the moratorium, but to keep continuing the Ordinance was troublesome to him.

Mayor Harnik called for the vote on the original motion to approve staff's recommendation on Option 2, with a sunset date of July 1, 2020. The motion FAILED on a 2-3 vote (AYES: Kelly and Harnik; NOES: Jonathan, Nestande, and Weber).

Councilmember Kelly moved to approve staff's recommendation on Option 2, with a sunset date of July 1, 2019. Mayor Pro Tem Jonathan seconded the motion.

Mayor Pro Tem Jonathan reiterated he was not happy about not getting closure this evening or making this a first meeting, but he seconded the motion as a compromise.

Councilmember Weber was in favor of restoring the R-1 and R-2, but she didn't like the cutoff date of 2019, because it seemed unreasonable and unfair.

Mayor Harnik called for the vote and the motion FAILED on a 2-3 vote (AYES: Kelly and Jonathan; NOES: Nestande, Weber and Harnik).

Mayor Harnik stated it was draconian to say you have 1½ years not knowing the market or whatever might change or fluctuate.

Mayor Pro Tem Jonathan asked Mayor Harnik if she was comfortable perpetuating the residents' misery for three years, which is what is being proposed with a 2020 date.

Councilmember Weber disagreed, because the City was not enforcing anything.

Mayor Pro Tem Jonathan agreed, but the violations will continue and they will still necessitate a call or a second one, etc.

Councilmember Weber said the City didn't need an Ordinance to start enforcement.

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

Councilmember Kelly stated it seemed that if she suggested a sunset date of December 31, 2019, it would provide two full years.

Councilmember Nestande remarked that you are either in favor or not, otherwise Council can take Councilmember Weber's suggestion to allow existing STRs to phase out, because there was no magic date that will make everyone happy.

Councilmember Weber recalled there was discussion about having staff return with a report, so if Council allowed a period of time to pass and there are no problems or claims, etc., then maybe Council can analyze this at that time.

Mayor Harnik noted that reporting back to Council is already part of the recommendation for Options 1 and 2.

Mayor Pro Tem Jonathan asked Councilmember Kelly to form a motion with the December 31, 2019, as suggested, and he would second it. His suggestion was July 1, 2019, Mayor Harnik's was July 1, 2020, and this new date was a compromise.

Mayor Harnik concurred, stating everyone in this room was making a compromise. Additionally, she agreed this issue is to be revisited in nine months.

Councilmember Kelly moved to approve staff's recommendation of Option 2, with a sunset date of December 31, 2019. Motion was seconded by Jonathan.

Mayor Harnik commented she was not thrilled with the date, but it was a compromise knowing it included language that Council will be back in nine months, and just like it changed it in 2012, it could change at the December 14 meeting, but she was more comfortable with this new date.

Mayor Harnik called for the vote and the motion PASSED by a 3-2 vote (AYES: Kelly, Jonathan, and Harnik; NOES: Nestande and Weber).

For the purpose of clarification, the motion is as follows:

Councilmember Kelly moved to, waive further reading and pass Ordinance No. 1332 to second reading, amending Palm Desert Municipal Code Chapter 5.10 - Short-Term Rentals (STRs), implementing best practices in management and prohibiting issuance of certain new Short-Term Rental Permits within the R-1 and R-2 Zones and eliminating certain Short-Term Rental Permits within the R-1 and R-2 Zones, including the following amendments made by City Council at the October 26, 2017, meeting: a) Existing Short-Term Rental Permits in R-1 and R-2 Zones may be renewed if otherwise qualified, but all such Short-Term Rental Permits

MINUTES

~ADJOURNED REGULAR~

PALM DESERT CITY COUNCIL MEETING

NOVEMBER 16, 2017

(excluding On-Site Owner STR Permits) shall terminate, and such uses permanently cease operation by **December 31, 2019**. Additional renewals for operation beyond **December 31, 2019**, may be granted only by the City Manager based on criteria outlined in Section 25.34.140 - "Exceptions Based on Unconstitutional Takings."; b) removing all language regarding Temporary Short-Term Rental Permits; c) amending violation language regarding operating a Short-Term Rental without a permit to read, "a fine in an amount up to five thousand dollars (\$5,000) for the first citation and each additional citation, and the City having the right to refuse the issuance of any new or renewed Short-Term Rental Permit for the cited property and/or to the cited Owner and/or Operator anywhere else within the City."; d) reporting back to the City Council at a later date (not to exceed nine [9] months) regarding Short-Term Rental issues. Motion was seconded by Jonathan and carried by a 3-2 vote (AYES: Kelly, Jonathan, and Harnik; NOES: Nestande and Weber).

XIII. PUBLIC HEARINGS

None

XIV. ORAL COMMUNICATIONS - C

None

XV. ADJOURNMENT

With City Council concurrence, Mayor Harnik adjourned the meeting at 12:29 a.m. November 17, 2017.

JAN C. HARNIK, MAYOR

ATTEST:

RACHELLE D. KLASSEN, CITY CLERK
CITY OF PALM DESERT, CALIFORNIA