



City of Palm Desert / Department of Community Development
SHORT-TERM RENTAL HARDSHIP
EXTENSION APPLICATION

73-510 Fred Waring Drive • Palm Desert • California • 92260 • (760) 346-0611 • Fax (760) 776-6417

Applicant:

_____ Telephone: _____

Mailing Address: _____ Fax number: _____

City: _____ State: _____ Zip: _____ Email: _____

Property Owner:

_____ Telephone: _____

Mailing Address: _____ Fax number: _____

City: _____ State: _____ Zip: _____ Email: _____

Representative:

_____ Telephone: _____

Mailing Address: _____ Fax number: _____

City: _____ State: _____ Zip: _____ Email: _____

Please send correspondence to (check one): _____ Applicant _____ Property Owner _____ Representative

Project Address(s): _____

Assessor Parcel Number(s): _____

Short-Term Rental Permit No. _____

Property Owner Authorization: The undersigned states that they are the owner(s) of the property described and herein give authorization for the filing of the application.

Signature _____ Print Name _____ Date _____

Applicant / Representative Signature: By signing this application, I certify that the information provided is accurate. I understand that the City might not approve said application.

Signature _____ Print Name _____ Date _____

OFFICE USE ONLY

PROJECT NO: _____

DATE: _____

ACCEPTED BY: _____

City of Palm Desert
STR Hardship Extension Application

I. PROCEDURE:

- A. Submit a completed application on a separate sheet(s) of paper with all information and required documents and appropriate fee to the Department of Community Development for staff review.
- B. Once the Director of Community Development has made their decision, the applicant may appeal the decision within 15 days from the decision date. If appealed the application will be reviewed by the City Manager.

II. APPLICATION CHECKLIST:

APPLICATIONS WILL NOT BE ACCEPTED IF ANY OF THE FOLLOWING EXHIBITS ARE NOT INCLUDED.

- 1. Short-Term Rental permit number
- 2. Current owner/applicant
- 3. Requested amortization period (number of years)
- 4. Please provide a narrative and demonstrate the calculations utilized to estimate your requested amortization period
- 5. Date started renting as a Short-Term Rental (whether or not before permit)

Purchase / Acquisition

- 6. Purchaser(s) (please provide escrow documents / title / closing statement)
- 7. Property address (please provide escrow documents / title / closing statement)
- 8. Purchase date (please provide escrow documents / title / closing statement)
- 9. Alternative acquisition, gift/inheritance (please provide escrow documents / title / closing statement)
- 10. Description of property at time of purchase (this information will be based of the County Assessor)
 - a. Square feet
 - b. Bedrooms
 - c. Bathrooms
 - d. Pool
 - e. List other significant features
- 11. Intended Use at Time of Purchase
 - a. Primary Residence (Yes or No) If Yes, See Schedule 1
 - b. Long-Term Rental (Yes or No) If Yes, See Schedule 1
 - c. Short-Term Rental (Yes or No) If Yes, See Schedules 2 and 3
- 12. Arm's Length Transaction
 - a. Was the purchase an arm's length transaction? If NO, explain and indicate price adjustment to reflect an arm's length value
- 13. Purchase Price (escrow documents / title / closing statement)
 - a. Actual purchase price
 - b. Portion financed
 - c. Terms of financed (variable, fixed, interest rate, payment period, etc.)
 - d. Explain any unusual acquisition terms affecting price (for example: purchase included furniture, leaseback, etc.)
 - e. Adjusted purchase price (if applicable)
 - f. Have you refinanced the property since initial purchase? (Yes or No)
 - g. Dates of all later refinancing
 - h. Terms of all later refinancing (variable, fixed, interest rate, payment period, points of refinance, etc.)

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Start-Up and Capital Improvement Costs (Line 13 and Schedule 2)

14. Current property description (this information will be based of the County Assessor)
- a. Square feet
 - b. Bedrooms
 - c. Bathrooms
 - d. Pool
 - e. List other significant features

A detailed list of the start-up and capital costs are shown in Schedule 2. Please provide the relevant information requested on Schedule 2.

Net Operating Revenue (See Schedule 3)

A detailed list of potential revenues and expenses are shown in Schedule 3. Please provide the relevant information requested on Schedule 3.

Current Fair Market Value

Estimate the current fair market value of the property without a Short-Term Rental permit. Please provide verification documentation to substantiate the value. Examples of verification documentation: Appraisal, Comparable Sales, etc.

15. Estimated fair market value without Short-Term Rental permit (less): Closing Costs (Real Estate Agent, Escrow, etc.)

Schedule 1 – Owner Utilization

Please provide verification documents (leases, monthly statements, etc.)

16. Primary residence prior to Short-Term Rental conversion
- a. Dates resided in residence
 - b. Number of days residing in residence
17. Long-Term rental prior to Short-Term Rental conversion
- a. Dates unit was rented
 - b. Number of days unit was rented
 - c. Net rent per day

Schedule 2 – Start-up and Capitalized Expenses

Please provide verification documents (escrow documents, closing statements, invoices/receipts, etc.)

18. Start-Up and Capitalized Expenses
- a. Transactional costs
 - b. Prepaid interest, insurance and taxes for closing
 - c. Property improvements
 - d. Start-Up furnishings (furniture, appliances, etc.)
 - e. Start-Up linens / supplies to commence operations
 - f. Initial marketing expenses
 - g. Legal setup fees (if any)
 - h. Permits for opening
 - i. Design fees
 - j. Other Start-Up expenses

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19. Total capital costs (sum of items within No. 18)
20. Current value of furnishings, linens and supplies
 - a. Current value of furnishings
 - b. Current value of linens and supplies
21. Total current value of furnishings, linens and supplies (sum of items within No. 18)

Schedule 2A – Property Improvement Detail

Please provide verification documents (receipts, invoices and permits or other credible documentation. City may correlate your cost with valuations shown on building permits.

22. Additions – Please provide a description, date, and cost
23. Remodels - Please provide a description, date, and cost
24. Upgrades - Please provide a description, date, and cost
25. Major repairs - Please provide a description, date, and cost
26. Total property improvements (sum of cost)

Schedule 3 – Net Operating Revenue

Provide information for each year the property has operated as a Short-Term Rental through 2019. If your property has operated as a Short-Term Rental for less than three full years, please provide projections through the third full operating year. Attach verification documentation as indicated under selected response lines. Revenue at stabilization is considered year 3 of operations or last 12 month, whichever is later.

27. Date began Short-Term Rental operations
28. Date from which actual data is provided
29. Period from which you are providing projection data
30. Calendar year (year 1, 2, 3, 4, etc.)
31. Average daily rate (year 1, 2, 3, 4, etc.)
32. Annual property revenue (please include all revenue generated by property for year 1, 2, 3, 4, etc.)
33. Claimed depreciation (year 1, 2, 3, 4, etc.)
34. Annual mortgage payment (year 1, 2, 3, 4, etc.)
35. Annual principal portion of mortgage (year 1, 2, 3, 4, etc.)

Annual Operating Expenses

36. Annual interest payment on mortgage (year 1, 2, 3, 4, etc.)

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37. Imputed interest on cash invested in property exclude mortgages @ 4% per annum unless higher amount justified (year 1, 2, 3, 4, etc.)
38. Property taxes (year 1, 2, 3, 4, etc.)
39. Other taxes (year 1, 2, 3, 4, etc.)
40. Property insurance (year 1, 2, 3, 4, etc.)
41. Cleaning expenses (year 1, 2, 3, 4, etc.)
42. Yard maintenance (year 1, 2, 3, 4, etc.)
43. Pest control (year 1, 2, 3, 4, etc.)
44. Utilities (year 1, 2, 3, 4, etc.)
45. HOA fees (year 1, 2, 3, 4, etc.)
46. Marketing expenses (year 1, 2, 3, 4, etc.)
47. Credit card processing fees (year 1, 2, 3, 4, etc.)
48. Maintenance and minor repairs (year 1, 2, 3, 4, etc.)
49. Furniture, fixtures and equipment (year 1, 2, 3, 4, etc.)
50. Other expenses identify specifically below (year 1, 2, 3, 4, etc.)
51. Annual operating expenses based on item No. 35 – No. 50 (year 1, 2, 3, 4, etc.)

Management Fee

52. Professional (year 1, 2, 3, 4, etc.)
53. Self-provided (assume 5% of revenue justification required for higher) (year 1, 2, 3, 4, etc.)
54. Annual management fee (year 1, 2, 3, 4, etc.)

Annual Operating Expenses plus Management Fee

55. Sum of No. 50 – No. 53 (year 1, 2, 3, 4, etc.)

Operating Expense Adjustment for Residency

56. Did you occupy the residence at any point in the year? (year 1, 2, 3, 4, etc.)
 - a. If yes, what % of each year was the Short-Term Rental non-owner occupied?
57. Additional space – please provide any additional information that you think may apply to this application.