

ORDINANCE NO. 2025-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA UPDATING CHAPTER 5.10 SHORT-TERM RENTALS TO UPDATE REGULATIONS FOR THE ESTATE RESIDENTIAL (RE) ZONE AND MAKING A FINDING OF EXEMPTION UNDER CEQA.

City Attorney's Summary

The purpose of this ordinance is to amend Palm Desert Municipal Code Chapter 5.10 Short-Term Rentals to clarify and update regulations, phase out off-site short-term rental permits in the Estate Residential (RE) zone, and ensure consistency with existing regulations for the Hillside Planned Residential (HPR) zone.

THE CITY COUNCIL OF THE CITY OF PALM DESERT DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Amendment to Municipal Code. Section 5.10.070 *Short-term rental permit—permitted zones and prohibited unit types* of Chapter 5.10 *Short-Term Rentals* of the Palm Desert Municipal Code is amended to read as follows:

“5.10.070 Short-term rental permit—permitted zones and prohibited unit types.

A. On-Site Short-Term Rentals.

1. Permitted Residential Zones:

- a. Estate Residential District (RE), except when governed by a Functioning HOA and the owner is prohibited under the current Declaration of Covenants, Conditions, and Restrictions (CC&Rs) of the Functioning HOA to operate a short-term rental or prohibited by State law;
- b. Single-Family/Mobile Home Residential District (R-1M);
- c. Single-Family Residential District (R-1);
- d. Single-Family Residential District (R-2);
- e. Multifamily Residential District (R-3);
- f. Hillside Planned Residential District (HPR), except when governed by a Functioning HOA and the owner is prohibited under the current Declaration of Covenants, Conditions, and Restrictions (CC&Rs) of the Functioning HOA to operate a short-term rental or prohibited by State law;

- g. Planned Residential District (PR), except when governed by a Functioning HOA and the owner is prohibited under the current Declaration of Covenants, Conditions and Restrictions (CC&Rs) of the Functioning HOA to operate a short-term rental or prohibited under state law;
 - h. Downtown Edge Transition Overlay (DEO);
 - i. Downtown Edge District (DE);
 - j. Downtown (D).
- 2. Prohibited Unit Types in All Zones:
 - a. Apartments;
 - b. Accessory dwelling units;
 - c. Junior accessory dwelling units;
 - d. Units with one bedroom or less.

B. Off-Site Short-Term Rentals.

- 1. Permitted Residential Zones:
 - a. Estate Residential District (RE), if governed by a Functioning HOA that is established and functioning as of June 30, 2025, and the owner is permitted under state law or the current Declaration of Covenants, Conditions, and Restrictions (CC&Rs) of the Functioning HOA to operate a short-term rental;
 - b. Multifamily Residential District (R-3);
 - c. Hillside Planned Residential District (HPR), if governed by a Functioning HOA that is established and functioning as of June 30, 2025, and the owner is permitted under state law or the current Declaration of Covenants, Conditions, and Restrictions (CC&Rs) of the Functioning HOA to operate a short-term rental;
 - d. Planned Residential District (PR), if governed by a Functioning HOA and the owner is permitted under state law or the current Declaration of Covenants, Conditions, and Restrictions (CC&Rs) of the Functioning HOA to operate a short-term rental;

- e. Downtown Edge Transition Overlay (DEO);
 - f. Downtown Edge District (DE);
 - g. Downtown (D).
2. Prohibited Unit Types in All Zones:
- a. Apartments;
 - b. Accessory dwelling units;
 - c. Junior accessory dwelling units.”

SECTION 2. Amendment to Municipal Code. Section 5.10.080 *Off-site short-term rentals prohibited in HPR zone* of Chapter 5.10 *Short-Term Rentals* of the Palm Desert Municipal Code is renamed and amended as follows:

“5.10.080 Off-site short-term rentals prohibited in HPR and RE zones.

- A. A new off-site short-term rental permit within the HPR or RE zone will not be issued.
- B. Existing off-site short-term rental permits in the HPR or RE zone may be renewed if otherwise qualified, but all such off-site short-term rental permits shall terminate, and such uses permanently cease operation, by the following dates: December 31, 2026 for short-term rental permits in the HPR zone and June 30, 2027 for short-term rental permits in the RE zone.
- C. If an existing off-site short-term rental permit is revoked pursuant to this chapter, and the short-term rental unit is located in the HPR or RE zone, then a new permit will not be issued.”

SECTION 3. CEQA Exemption. The City Council finds that this ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), known as the “common sense” exemption. This determination is based on the clear assessment that there is no possibility the ordinance may have a significant effect on the environment. The ordinance provides administrative clarifications regarding where short-term rentals are permitted, focusing on the Estate Residential (RE) zone without expanding land use or initiating new developments, thereby maintaining existing environmental baselines. It ensures operational continuity for existing short-term rentals through defined phasing-out periods for specific permits, preventing abrupt changes in land use intensity. The adjustments are administrative in nature and do not involve construction, physical alterations, or increases in development intensity, thus qualifying for the CEQA “common sense” exemption.

SECTION 4. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 5. Posting and Publication. The City Clerk of the City of Palm Desert, California, is hereby directed to publish a summary of this Ordinance in the *Desert Sun*, a newspaper of general circulation, published and circulated in the City of Palm Desert, California, and shall be in full force and effective thirty (30) days after its adoption.

ADOPTED ON _____, 2025.

JAN HARNIK
MAYOR

ATTEST:

ANTHONY J. MEJIA
CITY CLERK

I, Anthony J. Mejia, City Clerk of the City of Palm Desert, California, do hereby certify that Ordinance No. _____ is a full, true, and correct copy, and was introduced at a regular meeting of the Palm Desert City Council on _____, 2025, and adopted at a regular meeting of the City Council held on _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Palm Desert, California, on _____.

ANTHONY J. MEJIA
CITY CLERK

