

NetChoice *Promoting Convenience, Choice, and Commerce on The Net*

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Palm Springs City Council
City Hall
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262

November 21, 2016

RE: **Opposition to Depressing Vacation Rental Use**

Dear Mayor Moon and members of the City Council:

Palm Springs is the gold-standard for how localities should address vacation rentals. Your city recognizes the benefits of vacation rentals – for tax revenue, local businesses, and residents in the tourism industry.

Therefore, we are concerned about recent calls to move Palm Springs in the wrong direction – towards unreasonable limitations on property ownership, and excessive limitations on property rights. Such a move would harm local businesses, depress compliance with existing regulations, and provide no material impact on housing affordability.

Presence of vacation rentals have little impact on home affordability

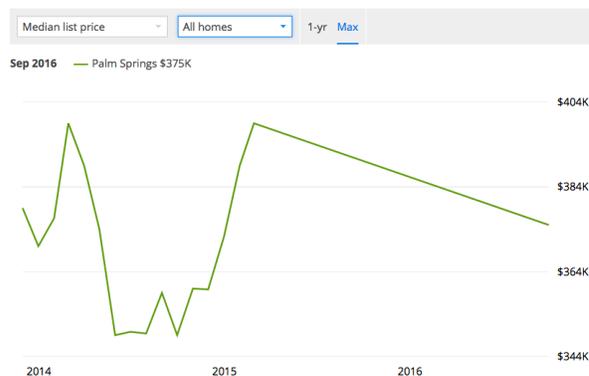
We understand that some are mistakenly blaming vacation rentals for home unaffordability.

Claims that vacation rentals suppress affordability are anecdotal and lack factual evidence. Moreover, as you can see from the data from Zillow, median home prices in Palm Springs have been declining.

Nonetheless, we understand that housing affordability is of concern. So rather than mistakenly blaming vacation rentals, we suggest a holistic discussion of housing affordability in Palm Springs such as subsidies for low-income families who need help renting or buying their first home, reviewing zoning and building plans, and work with surrounding cities in the Coachella valley.

Limiting vacation rentals hurts local businesses

It's not just home owners that lose from excessive limits on vacation rentals, but also Palm Springs's local businesses. When travelers save money on lodging, they have more to spend at Palm Springs's local restaurants, shops, and stores. Moreover, vacation rentals encourage travelers to visit parts of Palm Springs not serviced by hotels.



Vacation rentals mean more money for Palm Springs's smaller businesses.

Instead look to reasonable regulations

Instead of instilling excessive regulations on vacation rentals, we instead encourage you to uphold your reasonable regulations that have proven beneficial in Palm Springs. You currently enjoy high compliance rates through your reasonable registration and regulation for vacation rentals.

Today, your thoughtful approach to vacation rentals benefits all Palm Springs residents. Registration ensures the boon to homeowners and visitors also benefits non-participating residents through revenue collection that is funneled back into the local economy and Palm Springs projects.

We ask that you not deny your constituents the right to earn extra money through vacation rentals. We hope that instead you remain the gold-standard for the country.

We welcome the opportunity to work with you to ensure that vacation rentals allow all to prosper.

Sincerely,



Carl Szabo

Senior Policy Counsel, NetChoice

NetChoice is a trade association of e-Commerce and online businesses. www.netchoice.org