

# California Court of Appeal Upholds Short-Term Rental Ordinance

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A city may allow and regulate short-term rentals in zones designated for residential use.

In *Protect Our Neighborhoods v. City of Palm Springs*, the California Court of Appeal upheld the City of Palm Springs' short-term rental ordinance against several challenges. The Palm Springs ordinance expressly allows the short-term rental of a single-family dwelling subject to various conditions designed to protect neighboring residents and to ensure collection of transient occupancy taxes. In affirming the validity of the Palm Springs ordinance, the Court rejected contentions that the ordinance conflicted with the zoning code, that the ordinance's findings were flawed, and that a short-term rental in a single-family residential zone required a discretionary permit under the zoning code. The Court deferred to Palm Springs' determination that short-term rentals are an ancillary and secondary use of residential property, rather than a distinct commercial use.

*Protect Our Neighborhoods* is a victory for municipalities that chose to allow and regulate short-term rentals. This case also serves as a reminder that a city's interpretation of its own ordinance "is entitled to great weight" by the courts.

For further information, please contact **Zach Heinselman**, **Brendan Kearns**, or any other attorney in our **Municipal and Public Agency Law Department**.

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