

PGA West Fairways HOA Amendment Short Term Vacation Rental (STVR) Frequently Asked Questions

The STVR owners are saying that our home values will drop 15% or so if the amendment passes. Is this true?

Several of our neighboring HOAs such as Citrus, Mountain View, La Quinta CC, Trilogy, Legacy, to name a few, have limited their rentals. In fact, no other Gated Golf Community in the City of La Quinta allows for any rental under 30 days, except for PGA West. We know of no evidence of negative impact on property values in any of these communities that have banned STVRs. It is difficult to quantify how rental limitations would affect resale values. That said, we have heard of only one example comparing a PGAW property to a "similar" Rancho La Quinta property where the sold price was 15% lower. As we all know, there are many factors that contribute to the value of homes here in the desert, including which direction the house faces, property upgrades, cart path proximity, etc. It is easy to find two of the "same" houses within PGAW with a 15%-20% difference in sold price as a result of these factors. There has been no quantifiable evidence on a negative impact to home values if the STVR are limited to 28 days or more. We have heard of homeowners that have had challenges selling their property if STVRs are in near proximity, or on streets with a high number of STVRs.

What we do know is that one Special Benefit Area within the Fairways HOA (Masters) located mostly on Weiskopf Way did pass the amendment and the two homes that sold after the vote sold at comparable values to before the vote, suggesting that these homes are maintaining their value despite the new restriction.

I am not a full time resident. Why should I vote?

It is all about "quality of life" in Fairways. We can no longer count on a quiet and safe environment with the significant increase of STVRs and in numerous situations, the resulting abusive and obstructive behavior of their renters. Most people did not come here to live in the current environment of renter disturbances. You may not be experiencing a problem now, but an Airbnb or VRBO could be coming next door or across the fairway from you. More concerning is that these guests could be trespassing on your property whether you are here, or away. It is happening right now. The future of our Fairways community is at stake with this vote. With an unlimited increase in number of STVRs, our peaceful and quiet environment will soon be a thing of the past.

Why are we voting to limit future rentals within Fairways to 28 days or more?

Over the last few years the problems caused by many weekend renters has increased significantly. The large numbers of unmonitored "visitors" every weekend has caused major concern for everyone's safety and quality of life. Efforts to mitigate these problems through enforcement and security have been largely unsuccessful due to restrictions in the current regulations of HOA Combined Community Rules and Regulations that govern our Gates and Patrol enforcement. After numerous complaints, the Fairway Board has agreed to put to a vote an amendment to our governing CC&Rs that will limit future homes sold to a minimum of 28 days.

How many votes are needed to pass the amendment?

50% plus one of our Fairways homes. Fairways has 969 homes, so 485 homes must vote to "approve" in order to change the existing governing documents accordingly. Voting in the past on other issues has been a challenge to get the necessary number of votes. It is critical that all homeowners wanting to get back to the reason we came here, must vote.

Why not rely on the city of La Quinta to ban short term rentals like the other valley cities?

It appears that the city of La Quinta will unlikely ban STVRs anytime soon. The city takes in millions of dollars with its Transient Occupancy Tax (TOT). With other nearby cities limiting rentals, more STVR owners will be coming to La Quinta where weekend rentals are allowed. Thus, if Fairways homeowners want to limit rentals we must do it ourselves with this upcoming vote. Also, if La Quinta did ban weekend rentals, there is no assurance that it would apply to gated HOA communities.

Will I lose any “homeowner rights” that I now have with the passage of the amendment?

NO!

Current residents who do not rent: If you want to rent in the future, you can do so as long as you own your home and can obtain the required permits.

Current residents who do rent: You can continue to rent your home as long as you own your home. No current homeowner rights will change until the property is sold and then a new buyer wanting to rent, must rent for a minimum of 28 days. Thus, the passage of the amendment effectively eliminates future competition for short term rentals to the current number.

What is the impact of STVRs on The Club? Many of us belong and it is one of the main reasons we came to PGA West.

As STVRs continue to replace resident owners, fewer Club memberships will be sold. With less members, the Club will take in less money in the form of membership fees, monthly fees, social events, etc. This could potentially affect the Club’s ability to maintain the courses, clubhouses, and fitness club. Property values could be at risk if the Club begins to fail. Prospective buyers may begin to choose other clubs with better reputations and quality of services, thus reducing local demand and housing prices.

How will the change in rental limitation, if passed, affect the new buyer?

When a home is listed for sale, the homeowner will need to disclose to prospective buyers that they are subject to the new rental restriction and may not rent or lease for less than 28 days. This applies to any substantive change to your title which is intended to reflect true new ownership. Transition to a Trust, individual member change in an LLC or other administrative “legal” only transfers are not intended to be impacted by this change. Please refer to the Fairways HOA documents regarding the ballot for further clarification.

What does “grandfathered” means in this vote?

All existing homeowners will be grandfathered if the vote passes, meaning that they continue to have the same current rights to rent until the house is sold and changes title.

Why were short term rentals included in our governing documents?

The documents were developed more than 20 years ago when PGA West and the city of La Quinta were emerging. Rentals at that time with no minimal restrictions made sense as it afforded the opportunity for people to come and experience PGA West and the city. It helped develop our community. Short term renters became full time residents. It is no longer necessary and we are experiencing the opposite affect of “party time” renters not “vacation time” and future homeowners.

Is either side disadvantaged by the passage of the vote?

The way we see it, it is a win - win for both sides. STVRs homeowners continue to be able to rent as long as they own their home (and comply with the rules,) and with no additional competition for the weekend business. Any current owner at the time of the change can decide to rent their homes at any future time.