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BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
STATE OF CALIFORNIA

In the Matter of:) FPPC No. 2021-00156
)
) STIPULATION, DECISION, AND ORDER
)
CATHEDRAL CITY) Date Submitted to Commission:
) May 15, 2025
)
Respondent.)
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)
)

INTRODUCTION

Respondent Cathedral City (the “City”) is a desert resort city in Riverside County, within the Colorado Desert's Coachella Valley. Situated between Palm Springs and Rancho Mirage, the City has the second largest population, after Indio, of the nine cities in the Coachella Valley. The present case arose from a sworn complaint.

Under the Political Reform Act (the “Act”),¹ campaign related mailings are prohibited from being sent at public expense if they unambiguously urge for the passage or defeat of a ballot measure. The Act

¹ The Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

1 also maintains that a local government agency that spends \$1,000 or more in public funds to advocate for
2 or against a ballot measure qualifies as a campaign committee and must comply with all provisions of
3 the Act related to campaign committees, including filing campaign statements and reports. Additionally,
4 campaign related mailings and advertisements must adhere to certain advertising disclaimer regulations.
5 Respondents violated the Act by distributing two campaign related mailings at public expense, failing to
6 include a disclosure statement on the mailers, failing to timely file two late independent expenditure
7 reports, and failing to timely file a semi-annual campaign statement.

8 9 **SUMMARY OF THE LAW**

10 The violations in this case occurred in 2021, so all legal references and discussions of the law
11 pertain to the Act's provisions as they existed at that time.

12 **Need for Liberal Construction and Vigorous Enforcement of the Political Reform Act**

13 When enacting the Political Reform Act, the people of California found and declared that
14 previous laws regulating political practices suffered from inadequate enforcement by state and local
15 authorities.² For this reason, the Act is to be construed liberally to accomplish its purposes.³

16 One purpose of the Act is to promote transparency by ensuring that expenditures made in
17 election campaigns are fully and truthfully disclosed so that voters are fully informed and improper
18 practices are inhibited.⁴ In furtherance of this purpose, the Act establishes a comprehensive campaign
19 reporting system⁵ and requires any committee that supports or opposes a ballot measure to print its
20 name as part of any advertisement.⁶ Another purpose of the Act is to provide adequate enforcement
21 mechanisms so the Act will be "vigorously enforced."⁷

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24 ² Section 81001, subd. (h).

25 ³ Section 81003.

26 ⁴ Section 81002, subd. (a).

27 ⁵ Sections 84200, *et seq.*

28 ⁶ Section 84506.

⁷ Section 81002, subd. (f).

Prohibited Campaign Related Mailing Sent at Public Expense

The Act prohibits sending a newsletter or other mailing at public expense.⁸ While the Act seems to be written in absolute terms, regulations have focused this prohibition to reflect the intent of the Act. Specifically, newsletters and other mailings are prohibited if (1) the item is a tangible item; (2) the item expressly advocates the qualification, passage, or defeat of a clearly identified measure, or unambiguously urges a particular result in an election; (3) public moneys are paid to distribute the item, or to prepare the item, for more than \$50, with the intent of sending the item; and (4) more than 200 substantially similar items are sent during the course of an election.⁹

A mailing expressly advocates for or against a measure if it contains words like “vote for,” “elect,” “support,” “defeat,” or “reject” in relation to a specific candidate or ballot measure.¹⁰ If a mailing does not contain express language it still may unambiguously urge a particular result in an election in one of two ways: (1) when it clearly is campaign material or campaign activity, such as bumper stickers, billboards, door-to-door canvassing, posters, advertising “floats,” or mass media advertising;¹¹ or (2) when the style, tenor, and timing of the communication can be reasonably characterized as campaign material and not a fair presentation of facts serving only an informational purpose.¹² Some factors to consider when assessing style, tenor, and timing include, but are not limited to whether the communication is (1) funded from a special appropriation related to the measure as opposed to a general appropriation; (2) consistent with the normal communication pattern for the agency; (3) consistent with the style of other communications issued by the agency; and (4) using inflammatory or argumentative language.¹³

The Commission adopted Regulation 18420.1 based on the California Supreme Court’s decision in *Vargas v. City of Salinas, et. al.* (2009) 46 Cal. 4th 1.¹⁴ In *Vargas*, the Court relied heavily on its

⁸ Section 89001.

⁹ Regulation 18901.1, subd. (a).

¹⁰ Regulation 18225, subd. (b)(2).

¹¹ Regulation 18420.1, subd. (b)(1).

¹² Regulation 18420.1, subd. (b)(2).

¹³ Regulation 18420.1, subd. (d).

¹⁴ Fair Political Practices Commission, Minutes of Meeting, Public Session, Sept. 10, 2009, item no. 25, page 3.

1 decision in *Stanson v. Mott* (1976) 17 Cal. 3d 206. *Stanson* established the analysis for determining
2 when communications by a governmental agency that do not contain express advocacy still constitute
3 campaign activity. The Court went on to conclude that certain publicly financed literature that is not
4 clearly campaign material and that purports to contain only relevant information can be prohibited
5 campaign activity depending on the “style, tenor and timing of the publication.”¹⁵

6 Neither *Vargas* nor *Stanson* directly concerned any provisions of the Act. They were decided
7 based on the constitutional prohibition against unauthorized use of public funds. But, since in those
8 cases the State Supreme Court had defined when government agencies are prohibited from using public
9 moneys to pay for communications related to ballot measures, the Commission adopted the parameters
10 described in *Vargas* for determining when a government agency makes contributions and independent
11 expenditures under the Act.¹⁶

12 **Advertisement Disclosures**

13 An advertisement includes any general or public communication which is authorized and paid
14 for by a committee for the purpose of supporting or opposing one or more ballot measures.¹⁷ More
15 importantly, such an advertisement, that is paid for by an independent expenditure, must include a
16 disclosure statement that identifies the name of the committee. “Paid for by” should immediately
17 precede the committee’s name.¹⁸ Finally, the law requires that the disclosure area look a specific way,
18 including, the text appearing in an Arial or equivalent type of at least 10-point and being in a contrasting
19 color and printed or drawn on the bottom of at least one page that is set apart from any other printed
20 matter.¹⁹

21 **Campaign Statements and Reports**

22 A committee is any person or combination of persons who, in a calendar year, receives
23 contributions totaling \$2,000 or more; makes independent expenditures totaling \$1,000 or more; or
24

25 ¹⁵ *Id.* at 222.

26 ¹⁶ Fair Political Practices Commission, Minutes of Meeting, Public Session, Sept. 10, 2009, item no. 25, page 3.

27 ¹⁷ Section 84501.

28 ¹⁸ Section 84502.

¹⁹ Section 84504.2.

1 makes contributions totaling \$10,000 or more to or at the behest of candidates or other committees.²⁰
2 When a state or local governmental agency uses public moneys for a communication that (1) expressly
3 advocates for or against a clearly identified candidate or ballot measure or (2) unambiguously urges a
4 particular result in an election, the Act identifies that payment as an independent expenditure.²¹ The
5 standard for determining if a communication by a public agency qualifies as an independent
6 expenditure is the same as the standard for the campaign related mailings sent at public expense
7 discussed above.²²

8 If a state or local governmental agency distributes communications that qualify as campaign
9 expenditures and cost \$1,000 or more in a calendar year, it qualifies as an independent expenditure
10 committee.²³ A committee must file a late independent expenditure report within 24 Hours of making
11 an expenditure of \$1,000 or more during the 90 days prior to an election.²⁴ The report must include the
12 committee's name, committee's address, number or letter of the measure, jurisdiction of the measure,
13 amount, date, and description of goods or services for which the late independent expenditure was
14 made.²⁵ In addition to the 24-Hour Independent Expenditure Report ("Form 496"), an independent
15 expenditure committee must also file an Independent Expenditure Campaign Statement ("Form 461"),
16 which includes some of the information reported on the Form 496 and additional information which
17 provides more transparency.²⁶ Requiring local government agencies to file campaign statements and
18 reports furthers the Act's purpose in disclosing expenditures made in election campaigns so that voters
19 are fully informed and improper practices are inhibited.²⁷

20 SUMMARY OF THE FACTS

21 Measure B proposed additional short-term vacation rental ("STVR") regulations and limitations
22 for the City. Measure B was on the ballot for City voters on the March 2, 2021 Special Election.

23 ²⁰ Section 82013.

24 ²¹ Regulation 18420.1, subd. (a).

25 ²² See Regulations 184201.1 and 18901.1.

26 ²³ Regulation 18420, subd. (d).

27 ²⁴ Sections 82036.5 and 84204.

28 ²⁵ Section 84204.

²⁶ Section 84200, subd. (b).

²⁷ Section 81002, subd. (a).

Measure B was successful with 5,006 votes and 63% of the electorate voting yes. The City had a total population of 52,220 in 2021.²⁸

Mailer #1

Prior to the election, on or around January 21, 2021, the City sent approximately 21,000 two-sided mailings (“Mailer #1”) to its residents (see the attached Exhibit A). According to invoices obtained from the City, the mailers cost \$37,960 to produce, which includes \$10,950 in legal service charges from the Lew Edwards Group and \$17,875 in survey costs as described below.

The style and tenor of one side of the mailer clearly urges support for Measure B. Specifically, one of the pages included a small Q&A titled, “Questions and Answers About Measure B” with the following three questions: “What is Measure B?,” “What are the community concerns addressed by Measure B?,” “How does Measure B affect housing needs?”

The first answer is informational until it states that Measure B would address “resident complaints and demands to improve neighborhood safety by addressing the impacts of STVRs.” The City argues for support by linking the passage of Measure B to residents’ complaints and demands for improved safety.

The second answer is the most egregious in providing a one-sided argument in favor of Measure B. The answer highlights specific concerns about STVRs causing disruptions and safety issues in residential neighborhoods. By emphasizing “nearly 2,000 complaints from residents,” “instances of loud parties,” “criminal activities” (such as stabbings), and “illegal activities” (like unauthorized cannabis cultivation), the statement builds a case that STVRs can negatively impact neighborhood quality of life and safety. It suggests that tighter controls or limitations on STVRs could reduce these problems, supporting the argument for Measure B.

Finally, the third answer supports the argument in favor of passing STVR restrictions, focusing on the housing market and affordability issues rather than community disruptions. It highlights how rising local “housing costs” and the decreasing availability of affordable housing are affecting long-term residents, including working families and seniors. By pointing out that STVRs may contribute to

²⁸ Per the United States Census Bureau.

1 these challenges—presumably by taking potential long-term housing off the market and raising
2 prices—the passage argues that limiting STVRs could help preserve housing stock for residents who
3 live and work in the area year-round. The answer positions Measure B as a way to address housing
4 affordability and protect the community's socioeconomic stability.

5 Combined, the answers unambiguously urged support for local Measure B. The timing of the
6 mailers also suggests a campaign-like intent, aimed at influencing voters’ decisions within the critical
7 pre-election period. Furthermore, the content, while presented in a Q&A format that appears
8 informational, leans towards campaigning due to its focus on alarming incidents associated with
9 STVRs. By emphasizing these specific concerns without offering a balanced view or alternative
10 perspectives, it unambiguously urges support of Measure B and is reasonably characterized as
11 campaign material.

12 The text uses inflammatory and overly argumentative language. For example, “loud, late night
13 parties,” “increased criminal activity,” and “multiple stabbings” elicit an emotional response to stop
14 such activity and strongly urge a desire to pass Measure B. Furthermore, the images used on the mailer
15 are inflammatory as there is a picture of an overwhelming amount of garbage outside a house, cars
16 illegally parked, and what appears to be a loud, alcohol fueled party. These pictures clearly depict and
17 represent nuisances caused by SVTR’s, again designed to elicit an emotional response to stop such
18 activity and urge a “yes” vote for Measure B. Meanwhile, there are no words or images present on the
19 mailer that could be interpreted to oppose Measure B or show the benefits of SVTR’s.

20 Therefore, Mailer #1 unambiguously urged a particular result in the March 2, 2021 Special
21 Election because the style, tenor, and timing of Mailer #1 can be reasonably characterized as campaign
22 material and not a fair presentation of facts serving only an informational purpose. Although Mailer #1
23 does not explicitly endorse a particular stance, the style and tenor, combined with the focus on negative
24 and concerning incidents, leads voters to interpret the message as encouraging support for Measure B.
25 Thus, it urged a specific outcome rather than merely providing neutral, informational content.
26 Additionally, the City sent Mailer #1 just 40 days before the election. Therefore, Mailer #1 was a
27 prohibited campaign related mass mailing sent at public expense.

Mailer #2

Cathedral City sent 21,000 two-sided 9x12 inch post cards (“Mailer #2”) prior to the March 2, 2021 Special Election. The invoice for the second batch of mailers was on February 8, 2021 and cost a total of \$43,208. The total cost includes the \$15,655 in legal services provided by Lew Edwards Group regarding the mailer and \$17,875 in survey costs as described below.

Mailer #2’s style, tenor, and timing all suggest that the mailer was campaign material that required advertisement disclosures and campaign reporting. First, the language used in the mailer is descriptive but leans towards emphasizing negative consequences of not adopting Measure B, such as the Police Chief stating, “the City received nearly 2,000 complaints and calls for service related to STVRs, including an incident with multiple stabbings.” The use of statistics and specific incidents, such as stabbings and cannabis grow operations, serves to underscore the urgency of addressing the STVR issue. Second, the overall tone of Mailer #2 is urgent and cautionary, focusing on the risks posed by STVRs to residents’ safety and neighborhood stability. The consistent focus on crime and disruption can be reasonably viewed as an attempt to sway voters by appealing to their fears and concerns. For example, the mailer states the police department received 809 calls on STVRs, “including complaints about disruptive, and in some cases, illegal behavior by STVR guests.” Finally, Mailer #2 was disseminated within thirty days before the Special Election, suggesting a strategic intent to influence voters' opinions ahead of their decision on Measure B.

Given the emphasis on negative outcomes associated with STVRs, the detailed recounting of specific crimes, and the urgent tone, Mailer #2 can be reasonably characterized as campaign material rather than a fair presentation of facts serving only an informational purpose. Additionally, having the Chief of Police sign and deliver a message sets the mailer’s tone by essentially acting as a warning that more crime will occur if Measure B is not passed. While it provides factual information, the style, tenor, and timing collectively show that the content is designed to influence voters to support Measure B by highlighting the dangers of not doing so. Therefore, Mailer #2 was a prohibited campaign related mass mailing sent at public expense.

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On January 21, 2021, the City spent \$34,750 on surveying its citizens about the impacts of Measure B. The prompts only asked about negative consequences of STVRs, such as “Community safety, reducing noise, preserving neighborhood characteristics and long-term housing.” The results are blatantly one-sided in the sense that all the “most important factors” about the “City’s short-term rental policy” are overwhelmingly negative and incredibly against STVRs. Furthermore, the survey results were implemented, referenced, and used in Mailer #1 and Mailer #2. Therefore, the \$34,750 cost of the surveys should be integrated into the cost of the mailers.

Campaign Filings

The City failed to timely file a Form 461 for the reporting period of January 1, 2021 to June 30, 2021, despite qualifying as an Independent Expenditure Committee on January 21, 2021 upon spending \$34,750 on a survey and \$9,135 on Mailer #1. The deadline for filing the above Form 461 was July 31, 2021 and the total amount reported should have included at least \$81,168 in independent expenditures for the survey and the two mass mailings. Additionally, the City failed to timely file a Form 496 for the mailers discussed above by the January 22, 2021 and February 9, 2021 deadlines, respectively.

Advertisement Disclaimers

The City failed to include the proper advertisement disclaimers on Mailer #1 and Mailer #2. The City was required to include the disclaimer, “Ad paid for by Cathedral City,” but no such disclaimers were included.

VIOLATIONS

Count 1: Prohibited Campaign Related Mass Mailing Sent at Public Expense

Cathedral City sent a prohibited campaign related mass mailing at public expense on or around January 21, 2021, in violation of Government Code Section 89001 and Regulation 18901.1.

Count 2: Prohibited Campaign Related Mass Mailing Sent at Public Expense

Cathedral City sent a prohibited campaign related mass mailing at public expense on or around February 8, 2021, in violation of Government Code Section 89001 and Regulation 18901.1.

1 Count 3: Failure to Include Proper Disclosure on Campaign Advertisements

2 Cathedral City failed to include a proper advertising disclosure on the mailers referenced as
3 “Mailer #1” which was sent on or around January 21, 2021, in violation of Government Code Sections
4 84502 and 84504.2.

5 Count 4: Failure to Include Proper Disclosure on Campaign Advertisements

6 Cathedral City failed to include a proper advertising disclosure on the mailers referenced as
7 “Mailer #2” which was sent on or around February 8, 2021, in violation of Government Code Sections
8 84502 and 84504.2.

9 Count 5: Failure to Timely File Independent Expenditure Committee Campaign Statement

10 Cathedral City failed to timely file an independent expenditure committee campaign statement
11 for the \$81,168 in independent expenditures for the reporting period of January 1, 2021 to June 30,
12 2021, in violation of Government Code Section 84200, subdivision (b).

13 Count 6: Failure to Timely File 24-Hour Independent Expenditure Report

14 Cathedral City failed to timely file a 24-hour independent expenditure report for the \$9,135
15 independent expenditure made on or around January 21, 2021, in violation of Government Code
16 Section 84204.

17 Count 7: Failure to Timely File 24-Hour Independent Expenditure Report

18 Cathedral City failed to timely file a 24-hour independent expenditure report for the \$9,678
19 independent expenditure made on or around February 8, 2021, in violation of Government Code
20 Section 84204.

21 **PROPOSED PENALTY**

22 This matter consists of seven proposed counts. The maximum penalty that may be imposed is
23 \$5,000 per count. Thus, the maximum penalty that may be imposed for the counts charged here is
24 \$35,000.²⁹

25 This matter does not qualify for the streamline program because it involves the use of public funds
26 for campaign related purposes, a violation which is not eligible for the streamline program. Regarding

27 ²⁹ See Regulation 83116, subd. (c).
28

1 the violations pertaining to the missing advertisement disclosures and the late filing of campaign
2 statements and reports, while those may be eligible under the streamline program on their own, since
3 they are tied to the violation involving the use of public funds, they are not eligible under the streamline
4 program.

5 In determining the appropriate penalty for a particular violation of the Act, the Commission
6 considers the facts of the case, the public harm involved, and the purpose of the Act. In particular, the
7 Commission considers the factors codified in Regulation Section 18361.5(e)(1)-(8): (1) The extent and
8 gravity of the public harm caused by the specific violation; (2) The level of experience of the violator
9 with the requirements of the Political Reform Act; (3) Penalties previously imposed by the Commission
10 in comparable cases; (4) The presence or absence of any intention to conceal, deceive or mislead; (5)
11 Whether the violation was deliberate, negligent or inadvertent; (6) Whether the violator demonstrated
12 good faith by consulting the Commission staff or any other governmental agency in a manner not
13 constituting complete defense under Government Code Section 83114(b); (7) Whether the violation was
14 isolated or part of a pattern and whether the violator has a prior record of violations of the Political
15 Reform Act or similar laws; and (8) Whether the violator, upon learning of a reporting violation,
16 voluntarily filed amendments to provide full disclosure.³⁰

17 Regarding the first factor, using public funds for a prohibited purpose carries a high degree of
18 public harm. The nature of the City's violations of the Act is particularly concerning, as recognized by
19 the California Supreme Court in *Stanson v. Mott*, where the court stated "the use of the public treasury
20 to mount an election campaign which attempts to influence the resolution of issues which our
21 Constitution leaves to the 'free election' of the people [sic] does present a serious threat to the integrity
22 of the electoral process."³¹ The use of public funds to support or oppose ballot measures is prohibited
23 because of the public harm of taxpayer funds being used to influence the voting public's views on ballot
24 measures. Here, the City advocated for the passage of a local measure using public funds totaling at least
25 \$68,920.

26
27 ³⁰ Regulation 18361.5, subd. (e)(1)-(8).

28 ³¹ *Stanson* at 218.

1 The Act seeks to further protect the integrity of our electoral process by ensuring that voters know
2 who is responsible for the political advertisements that seek to influence how they cast their ballot, and
3 the voting public is harmed when that information is not included on campaign advertisements. In this
4 case, the public harm was caused by the mailer advertisements failing to include proper advertisement
5 disclaimers. In mitigation, the language of the advertisements clearly identified the City as the responsible
6 party, and therefore avoided the harm that would result from a completely anonymous advertisement.

7 The public harm inherent in campaign late-filing violations is that the public is deprived of
8 important, time-sensitive information regarding campaign activity, which is heightened when related to
9 pre-election activity and 24-Hour reporting. Here, the City's failure to timely file two Form 496's prior
10 to the March 2, 2021 Special Election, and failure to timely file a Form 461, resulted in the public having
11 limited knowledge of the City's campaign activity before and after the election, including the amount of
12 money spent.

13 Regarding the third factor, the Commission also considers the penalties in prior cases with
14 comparable violations. Furthermore, at the February 18, 2021, Commission Meeting, the Commission
15 directed the Enforcement Division to pursue penalties at or above 90 percent of the maximum penalty
16 when governmental agencies, like the City, engage in campaigning at public expense. Some recent
17 similar cases include the following:

18 *In the Matter of Poway Unified School District*, FPPC No. 2020-00350 (The Commission
19 approved a stipulated decision on November 21, 2024.) The Poway Unified School District sent a two-
20 sided mailing to residents regarding a bond measure that would benefit the district. The district also spent
21 funds on other communications that unambiguously urged a vote for the bond measure. In that matter,
22 the language of the communications was not found to be overly argumentative or inflammatory but was
23 found to unambiguously urge a particular result because the communications were not a fair presentation
24 of facts but rather aimed to convince voters of the merits of the bond measure. Moreover, the style and
25 tenor of the communication was a departure from earlier advertisements. And the timing, within six
26 months of the election, suggests that the mailing was meant to influence voters. Therefore, the mailing
27 unambiguously urged a vote in support of the bond measure. The district spent approximately \$34,506

1 to send 60,000 copies. In that matter, the Commission approved a stipulation in which the district
2 admitted liability for sending a mass mailing at public expense, failing to comply with rules related to
3 campaign advertisement disclosure, and failing to timely file a semi-annual campaign statement. The
4 total penalty was \$13,500.

5 As in *Poway*, the City improperly used public funds to mount a campaign in support of Measure
6 B and distributed mailers without proper advertisement disclosures and failed to timely file campaign
7 statements and reports. The Commission has expressed a strong desire for these types of violations to be
8 charged at or above 90% of the maximum penalty of \$5,000 per count. In particular, and as noted above,
9 the most recent case, *Poway*, resulted in a fine of \$4,500 for each violation. While Poway sent 60,000
10 mailers at a cost of \$34,506, the City sent 42,000 and spent a total of \$81,168 campaigning for Measure
11 B. Therefore, a similar penalty per count is recommended here.

12 In mitigation, and regarding the fourth factor, there was an absence of an intention to conceal,
13 deceive, or mislead. The mailers prominently included the City's name and clearly identified the City as
14 the entity responsible for the advertisements.

15 Regarding the sixth factor, neither the Respondents nor their counsel contacted the Commission
16 seeking advice pertaining to the regulations affecting public mailers and any required filings. There is no
17 prior record of any similar violations (seventh factor).

18 As part of the negotiated settlement, and in furtherance of satisfaction of the eighth factor, while
19 corrective statements were not filed when the Respondent learned of the violations, corrective campaign
20 reports and statements have been filed now to provide full disclosure. Additionally, the City was
21 cooperative during the investigation and their intent was to resolve the matter expeditiously.

22 For the foregoing reasons and considering the seriousness of the violations, while considering the
23 mitigating factors, and the direction mandated by the Commission, a penalty of \$4,500 for Counts 1
24 through 7 are recommended, for a total penalty in the amount of \$31,500.

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1
2 **CONCLUSION**

3 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
4 Respondent Cathedral City hereby agree as follows:

5 1. The City, as indicated in the respective counts, violated the Act as described in the
6 foregoing pages, which are a true and accurate summary of the facts in this matter.

7 2. This stipulation will be submitted for consideration by the Fair Political Practices
8 Commission at the June 2025 meeting—or as soon thereafter as the matter may be heard.

9 3. This stipulation resolves all factual and legal issues raised in this matter—for the purpose
10 of reaching a final disposition without the necessity of holding an administrative hearing to determine
11 the liability of the City pursuant to Section 83116.

12 4. The City has consulted with their attorney, Eric Vail, and understand, and hereby
13 knowingly and voluntarily waive, all procedural rights set forth in Sections 83115.5, 11503, 11523, and
14 Regulations 18361.1 through 18361.9. This includes but is not limited to the right to appear personally
15 at any administrative hearing held in this matter, to be represented by an attorney at the City's own
16 expense, to confront and cross-examine all witnesses testifying at the hearing, to subpoena witnesses to
17 testify at the hearing, to have an impartial administrative law judge preside over the hearing as a hearing
18 officer, and to have the matter judicially reviewed. Additionally, The City understands that they agreed
19 to retain the attorney, Eric Vail, for the purposes of settlement of this matter.

20 5. The City agrees to the issuance of the decision and order set forth below. Also, the City
21 agrees to the Commission imposing against them an administrative penalty in the amount of \$31,500. A
22 cashier's check or money orders totaling said amount—to be paid to the General Fund of the State of
23 California—is/are submitted with this stipulation as full payment of the administrative penalty described
24 above, and same shall be held by the State of California until the Commission issues its decision and
25 order regarding the matter. In addition, as part of the settlement, the City agrees to file all necessary
26 statements and reports as mandated by law to provide full disclosure of the activities.
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6. If the Commission declines to approve this stipulation—then this stipulation shall become null and void, and within fifteen business days after the Commission meeting at which the stipulation is rejected, all payments tendered by the City in connection with this stipulation shall be reimbursed to the City. If this stipulation is not approved by the Commission, and if a full evidentiary hearing before the Commission becomes necessary, neither any member of the Commission, nor the Executive Director, shall be disqualified because of prior consideration of this Stipulation.

7. The parties to this agreement may execute their respective signature pages separately. A copy of any party's executed signature page including a hardcopy of a signature page transmitted via fax or as a PDF email attachment is as effective and binding as the original.

Dated: _____
Angela J. Brereton, Assistant Chief of Enforcement
Fair Political Practices Commission

Dated: _____
Nancy Ross, Mayor of Cathedral City

The foregoing stipulation of the parties "In the Matter of Cathedral City," FPPC No. 2021-00156, is hereby accepted as the final decision and order of the Fair Political Practices Commission, effective upon execution below by the Chair.

IT IS SO ORDERED.

Dated: _____
Adam E. Silver, Chair
Fair Political Practices Commission



MARCH 2ND

Special Election Information

Measure B

Cathedral City Short-Term Vacation Rental Regulation Measure

"Shall Sections 1 and 3 of Ordinance 842, adopted unanimously by the City Council to address residents' concerns such as community safety, neighborhood character, noise, criminal activity, and other impacts caused by short-term vacation rentals operating in Cathedral City, by establishing additional regulations on short-term vacation rentals, and phasing out short-term vacation rentals except where approved by local homeowners associations, become law?"

YES

NO

Measure B Information:

- A yes vote on Measure B upholds the ordinance enacted by the City-Ordinance 842 to more strictly regulate Short-Term Vacation Rentals (STVRs).
- A no vote on Measure B will eliminate the more stringent STVR regulations in Ordinance 842, reverting STVR regulations only to Section 3.24.011 of the Cathedral City Municipal Code.
- To view the Police Chief's Safety Impact Report on STVRs, visit: **www.CathedralCity.gov/measure-b**.
- To read the full text of the Measure B Resolution or for more information, visit: **www.CathedralCity.gov/measure-b**.

**The City does not advocate a yes or a no vote on Measure B. Information provided for educational purposes only.*



SPECIAL ELECTION MARCH 2

Information on Measure B

Dear Neighbor,

As you may know, Cathedral City has engaged in a community conversation over the last year regarding neighborhood safety concerns related to Short Term Vacation Rentals (STVR's).

Last year, the City Council unanimously adopted Ordinance 842 to address neighborhood safety, quality of life, and other input from nearly 2,000 complaints from residents. To address ongoing health and safety concerns caused by out-of-town guests, the City's policy placed additional regulations on STVRs.

After the adoption of Ordinance 842, STVR operators and real estate investors circulated a petition using paid signature gatherers to repeal two of the four provisions of the City's policy. As a result, voters will need to consider Measure B on a scheduled March 2, 2021 Special Election.

If approved by Cathedral City voters, Measure B would retain the City's STVR policy as adopted. If it is defeated, the City's STVR health/safety restrictions are overturned.

For more information on Measure B, visit:
www.cathedralcity.gov/measure-b.

Sincerely,

Charlie McClendon
City Manager



Cathedral City

City of Cathedral City
68700 Avenida Lalo Guerrero
Cathedral City, CA 92234

QUESTIONS & ANSWERS ABOUT MEASURE B



Q: What is Measure B?

A: Measure B, the Cathedral City Short-Term Vacation Rental (STVR) Regulation Measure, will appear on a March 2, 2021 Special Election ballot.

If approved by Cathedral City voters, Measure B would uphold all provisions of Ordinance 842 adopted by the City in response to resident complaints and demands to improve neighborhood safety by addressing the impacts of STVRs.



Q: What are the community concerns addressed by Measure B?

A: There have been nearly 2,000 complaints from residents about the disruptive – and in some cases illegal – behavior of STVR guests including loud, late night parties, multiple people coming in and out of residential neighborhoods, and increased criminal activity at STVR properties, including an incident with multiple stabbings last year. And just last month, local Drug Enforcement officers shut down a STVR location for being illegally used to grow massive quantities of cannabis.



Q: How does Measure B affect housing needs?

A: As part of its policy deliberations, the City considered the fact that local housing costs keep increasing, while affordable housing inventory continues to decrease. One of several policy goals behind adopting STVR restrictions is to protect the housing availability for more local, year round working families, seniors and other residents.

For More Information on Measure B visit:
www.cathedralcity.gov/measure-b



SPECIAL ELECTION MARCH 2

Information on Measure B

Dear Neighbor,

As you may know, Cathedral City has engaged in a community conversation over the last year regarding neighborhood safety concerns related to Short Term Vacation Rentals (STVR's).

Last year, the City Council unanimously adopted Ordinance 842 to address neighborhood safety, quality of life, and other input from nearly 2,000 complaints from residents. To address ongoing health and safety concerns caused by out-of-town guests, the City's policy placed additional regulations on STVRs.

After the adoption of Ordinance 842, STVR operators and real estate investors circulated a petition using paid signature gatherers to repeal two of the four provisions of the City's policy. As a result, voters will need to consider Measure B on a scheduled March 2, 2021 Special Election.

If approved by Cathedral City voters, Measure B would retain the City's STVR policy as adopted. If it is defeated, the City's STVR health/safety restrictions are overturned.

For more information on Measure B, visit:
www.cathedralcity.gov/measure-b.

Sincerely,

Charlie McClendon
City Manager

Cathedral City – Measure B- Mailer #1 Content Copy

- 9x12 Jumbo Card
- Drop Date: February 1st
- Full color, full bleed

Possible image links:

<https://www.twenty20.com/photos/59831701> – young adults drinking and partying

<https://www.shutterstock.com/image-photo/nuremberg-bavaria-germany-4th-june-2018-1363091219> - trash photo, crop out the road in the background

Side One:

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Last year, the City Council unanimously adopted Ordinance 842 to address neighborhood safety, quality of life, and other input from nearly 2,000 residents. To address ongoing health and safety concerns caused by out-of-town guests, the City's policy placed additional regulations on STVRs.

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For more information on Measure B, visit: www.cathedralcity.gov/government/measure-b.

Sincerely,

/s/
Charlie McClendon
City Manager

Side Two:

Mailing Panel

Indicia

City of Cathedral City
68700 Avenida Lalo Guerrero

Q: What is Measure B?

A: Measure B, the Cathedral City Short-Term Vacation Rental (STVR) Regulation Measure, will appear on a March 2, 2021 Special Election ballot.

If approved by Cathedral City voters, Measure B would uphold all provisions of Ordinance 842 adopted by the City in response to resident complaints and demands to improve neighborhood safety by addressing the impacts of STVRs.

Q: What are the community concerns addressed by Measure B?

A: Hundreds of residents have complained about the disruptive -- and in some cases illegal-- behavior of STVR guests including loud, late night parties, multiple people coming in and out of residential neighborhoods, and increased criminal activity at STVR properties, including an incident with multiple stabbings last year.

Q: How does Measure B affect housing needs?

A: As part of its policy deliberations, the City considered the fact that local housing costs keep increasing, while affordable housing inventory continues to decrease. One of several policy goals behind adopting STVR restrictions is to protect the housing availability for more local, year round working families, seniors and other residents.

Measure B Voter Information

- On March 2, 2021, the City of Cathedral City will conduct a Special Election with Measure B the Cathedral City Short-Term Vacation Rental Regulation Measure on the ballot.
- The last day to register to vote online for this election is February 15th, to register online, visit: **registertovote.ca.gov**.
 - Eligible voters can also register to vote at any polling place up to and including on Election Day.
- Vote by Mail ballots will be mailed to voters beginning on February 1st.
 - To request a Vote by Mail ballot, visit: **www.voteinfo.net/vbm/vbm.html**.
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Neighborhood Safety Update

STVR CRIMINAL IMPACT ON NEIGHBORHOODS

Dear Cathedral City Resident,


Measure B, the Cathedral City Short-Term Vacation Rental (STVR) Regulation Measure, is on a March 2nd Special Election ballot.

On January 13th, I reported on the public safety impacts of STVRs on our neighborhoods, which include crimes such as attempted murder, sexual and domestic violence assaults, assault and battery, residential burglaries, commercial burglary, and stolen vehicles.*

- Over the course of an approximately 14-month period, the City received nearly 2,000 complaints and calls for service related to STVRs, including an incident with multiple stabbings. Just last month, local Drug Enforcement Officers shut down an STVR that had been converted into a large-scale cannabis grow house.
- Between October 1, 2019 and November 30, 2020, the police department communications center received 809 calls for service on STVRs, including complaints about disruptive, and in some cases, illegal behavior by STVR guests including loud, late night parties, crowds coming in and out of residential neighborhoods and increased criminal activity.

More information on Measure B and STVRs are on the following pages. Please make an informed decision and remember to participate in the Cathedral City Special Election.

Thank you,


George Crum
Police Chief

**To see the Chief's presentation or for more information visit, www.cathedralcity.gov/measure-b*

Frequently Asked Questions About Cathedral City's Measure B

Q: What is Measure B?

A: Measure B, the Cathedral City Short-Term Vacation Rental (STVR) Regulation Measure, will appear on a March 2, 2021 Special Election ballot.

If approved by Cathedral City voters, Measure B would uphold all provisions of Ordinance 842 adopted by the City in response to resident complaints and demands to improve neighborhood safety by addressing the impacts of STVRs.

Q: Why were these Short Term Vacation Rental regulations adopted?

A: Over the last several years, the City has received complaints, feedback and suggestions from residents regarding the safety impacts and increasing neighborhood disruption caused by STVR's.

Ordinance 842 was carefully crafted to address these concerns, ensuring tighter regulations on late night activities, caps on number of guests, and stricter penalties for non-compliance among other issues.

Q: Why is Measure B on the ballot?

A: After Ordinance 842 was adopted, a group of STVR operators and real estate investors filed a petition to repeal portions of Ordinance 842 via a paid signature gathering process. Upon receipt of the petition, the City chose to allow the community to vote directly on the issue as soon as possible.

Q: What are the nature of residents' complaints?

A: There have been nearly 2,000 complaints from residents about disruptive—and in some cases illegal—behavior of STVR guests including loud, late night parties, multiple people coming in and out of residential neighborhoods, and increased criminal activity at STVR properties, including an incident with multiple stabbings last year.

Q: Can I still rent out my casita or part of my house if Measure B passes?

A: Yes, if enacted, Measure B will still allow homesharing or casita rentals.

Q: I'm confused about what a vote on Measure B means.

A: A yes vote on Measure B upholds the ordinance enacted by the City Ordinance 842 to further regulate STVRs. A no vote on Measure B will eliminate all of the STVR regulations in Ordinance 842, reverting STVR regulations only to Section 3.24.011 of the Cathedral City Municipal Code, which does not adequately address the public safety, noise, and other community complaints associated with STVR's made to the City over the past several years.

For more information on Measure B or STVRs, visit: www.cathedralcity.gov/Measure-B

Material provided for informational purposes only. The City of Cathedral City does not advocate a yes or no vote on Measure B.

Cathedral City – Measure B- Mailer #2 Content Copy

- 11x17 Bookfold
- Drop Date: February 8th
- Full color, full bleed

Front Cover:

Top Banner: From the Desk of Police Chief George Crum Neighborhood Safety Update

Dear Cathedral City Resident,

Measure B, the Cathedral City Short-Term Vacation Rental (STVR) Regulation Measure, is on a March 2nd Special Election ballot. I recently reported on the public safety impacts of STVRs on our neighborhoods, which include*:

Crimes such as Attempted Murder, Sexual and Domestic Violence Assaults, Assault and Battery, Residential Burglaries, Commercial Burglary, and Stolen Vehicles.

- Over the course of an approximately 14-month period, the City received over 1800 complaints and calls for service related to STVRs, including an incident with multiple stabbings. Just last month, local Drug Enforcement Officers shut down an STVR that had been converted into a large-scale cannabis grow house.
- Between October 1, 2019 and November 30, 2020, the police department communications center received 809 calls for service on STVRs, including complaints about disruptive, and in some cases, illegal behavior by STVR guests including loud, late night parties, crowds coming in and out of residential neighborhoods and increased criminal activity.

More information on Measure B and STVRs are on the following pages. Please make an informed decision and remember to participate in the Cathedral City Special Election.

Thank you,

/s/

George Crum
Police Chief

**Excerpted from January 13, 2021 City Council Police and Fire Presentation, Staff Report, and recently published code compliance and County Sheriff's reports.*

Inside Fold :

Banner: **Frequently Asked Questions About Cathedral City's Measure B**

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Bottom Banner: For more information on Measure B or STVRs, visit: www.cathedralcity.gov/Measure-B. Policy information provided as a public service.

Back Cover:

Mailing Panel

Indicia

City of Cathedral City
68700 Avenida Lalo Guerrero
Cathedral City, CA 92234

Banner:

Measure B Voter Information

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INFORMATION ON MEASURE B

Cathedral City's Short-Term Vacation Rental (STVR) Regulation Measure

Excerpts from the Official Cathedral City Council Resolution on Measure B

“WHEREAS, STVR’s have led to nearly two thousand complaints from residents including loud parties that disrupt residents who have work and school the next day, leave trash on neighborhood streets and occupy neighborhood parking spaces; and

WHEREAS, the City’s existing policy will improve the safety of local neighborhoods by reducing the number of unknown guests coming through the neighborhoods through STVR’s; and

WHEREAS, residents have felt unsafe by the dangerous and sometimes criminal activity of short-term renters including an incident with multiple stabbings last year; and

WHEREAS, there is not enough housing available in Cathedral City and costs continue to increase with short-term rentals exacerbating the situation by operating rental properties like hotels and pushing out residents, working families and seniors; and

WHEREAS the City’s existing policy address this problem by reducing the number of short-term rentals making long-term housing available for more residents; and

WHEREAS, the community has identified policy priorities to be addressed including improving neighborhood safety, reducing criminal activity associated with short-term vacation rentals, reducing noise impacts of short-term vacation rentals and preserving neighborhood character...”

To read the full text of the Measure B Resolution or for more information, visit:
www.CathedralCity.gov/measure-b

**The City does not advocate a yes or a no vote on Measure B. Information provided for educational purposes only.*



Cathedral City

City of Cathedral City
68700 Avenida Lalo Guerrero
Cathedral City, CA 92234

PRSRT STD
ECRWSS
U.S. Postage
PAID
EDDM RETAIL

****ECRWSS****
Local
Postal Customer

MARCH 2, 2021 SPECIAL ELECTION Measure B Voter Information



- On March 2, 2021, the City of Cathedral City will conduct a Special Election with Measure B the Cathedral City Short-Term Vacation Rental Regulation Measure on the ballot.
- Early Voting is available at Registrar of Voters Office:
 - Monday – Friday 8:00 am – 5:00 pm
(*excluding holidays*)
 - 2720 Gateway Drive, Riverside, CA 92507
- Vote by Mail ballots must be postmarked by March 2nd and received no later than March 5th.
 - To request a Vote by Mail ballot, visit:
www.voteinfo.net/vbm/vbm.html.
 - The last day to request a Vote by Mail ballot is February 23rd.
- For the most up to date information and to find your polling place, visit:
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For More Information on Measure B visit:
www.cathedralcity.gov/measure-b



INFORMATION ON MEASURE B

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