



CITY OF CLEARLAKE

City Council

STAFF REPORT

SUBJECT: Introduction and First Reading of Ordinance 288-2026
Amending Section 18-19.280 (Vacation Rentals) of the
Clearlake Municipal Code

MEETING DATE:
August 6, 2026

SUBMITTED BY: Alan D. Flora, City Manager

PURPOSE OF REPORT: ☐ Information only ☒ Discussion ☒ Action Item

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is to discuss and take possible action on amendments to the municipal code related to short term rentals.

BACKGROUND/DISCUSSION:

Short term rentals have become an increasingly important choice for today's travelers. They provide the opportunity for families and other groups to enjoy more space and often private amenities than a normal resort or hotel. This activity in a primarily residential neighborhood can result in negative impacts to neighbors from large parties, noise complaints, parking congestion, etc.

The City adopted regulations to create a permit process for short-term rentals, a number of years ago. The goal was to provide the opportunity for short term rentals to be offered, but to protect neighborhoods from any negative impacts. Overall, the program seems to have worked well, but there have been some issues. We have received some complaints, particularly in the Highlands Harbor area. Staff, and more recently Mayor Slooten, have met with short term rental owners and concerned neighbors about issues and believe the Council may want to consider potential changes to the municipal code.

Various ideas have been raised such as increased enforcement for non-compliance, noticing prior to permit issuance, real estate disclosures as part of property purchases, etc. On June 4th the Council discussed a first version of the ordinance and directed staff to make some amendments for future consideration. The changes directed were focused on four categories. First, to closely align with the recently adopted South Lake Tahoe ordinance, ensure strict enforcement, institute a "good neighbor policy", and to eliminate the 51% residency threshold.

The ordinance before you includes all of those items.

OPTIONS:

1. Introduce Ordinance No. 288-2026 by title only, waive further reading, and set the second reading and adoption for the next regular Council meeting.

FISCAL IMPACT:

☒ None ☐ \$ Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments:

STRATEGIC PLAN IMPACT:

- ☒ Goal #1: Economic Development
- ☐ Goal #2: Public Facilities and Infrastructure
- ☒ Goal #3: Celebrate Clearlake
- ☒ Goal #4: Clean
- ☒ Goal #5: Fiscal Sustainability
- ☒ Goal #6: Safe

SUGGESTED MOTIONS:

Direction to Staff.

- ☒ **Attachments:**
1. Draft municipal code amendments – Short Term Rentals
 2. Draft Good Neighbor Policy