



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

MEETING DATE: NOVEMBER 3, 2025

FROM: DEREK COLE, CITY ATTORNEY

SUBJECT: MORATORIUM ON REVIEW, PROCESSING, OR APPROVAL OF NEW SHORT TERM-RENTAL APPLICATIONS PENDING THE CITY COUNCIL'S ADOPTION OF A PERMANENT ORDINANCE

Background and Analysis

The City has for several years considered how to regulate short-term rentals within City limits. In past years, the City Council considered various iterations of an ordinance regulating such rentals. Ultimately, the City Council chose to use its existing conditional use permit (“CUP”) process to address the issue. The Council previously determined it would allow up to 20 CUPs to be issued, and at or around the issuance of this number, the Council would consider the adoption of permanent regulations.

The City has issued 19 CUPs for short-term rentals. Because the 20-CUP threshold approaches, the City Council is requested to consider a moratorium on the issuance of new CUPs for short-term rentals. The purpose of the moratorium would be to create space to allow the City Council to revisit the regulations that would be enacted in a permanent short-term rental ordinance.

A *four-fifths* vote of the Council is required to approve the proposed moratorium. Should four-fifths of the City Council vote to enact the urgency ordinance, the ordinance would become effective immediately, but *only for a period of 45 days* unless extended

The ordinance may be extended *two* additional times, as follows: (1) for an extension of 10 months and 15 days, and (2) for an extension of an additional year. The ordinance may remain in effect for no longer than two years. The purpose of this overall two-year period is to allow the City Council to consider and formulate a permanent ordinance while the moratorium is in effect.

If the Council approves the ordinance, it should give direction regarding the scheduling of any further meeting to continue the urgency ordinance beyond the initial 45-day period. Without an extension, the initial moratorium would expire on December 18, 2025.

Fiscal Impact

There is no material financial impact associated with the adoption of the proposed moratorium.

Recommendation

The City Council should consider the adoption of an ordinance imposing a moratorium on the review, processing, or approval of new short-term rentals within City limits.

ATTACHMENTS:

1. Ordinance Imposing Moratorium on Approval or Processing of Short-Term Rental Applications