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## STAFF REPORT

**TO:** THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**MEETING DATE:** MARCH 2, 2026

**FROM:** ERIN VENTURA, CONTRACT PLANNER

**SUBJECT:** SHORT TERM RENTALS

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### DISCUSSION CONTINUATION:

The 6 areas of discussion have been updated based on the comments and decisions made at the February 2, 2026 City Council meeting. It's recommended that any council member absent from the Feb 2 meeting watch the video of the discussion prior to the March 2 meeting.

#### 1) Location/Density

*No consensus was established at the February 2, 2026 meeting.*

The City Council should consider whether to establish density limits for short-term rentals in specific areas of the City. Currently, 15 of the City's 21 short-term rentals are located within the Historic District. See attachments for Historical District boundaries and existing short term rental locations.

There are both benefits and drawbacks to this concentration. Advantages include the Historic District's walkability to downtown businesses, which reduces demand for limited downtown parking, and the existing mix of residential and commercial uses, which may lessen the perceived impact of short-term rentals. Additionally, short-term rentals provide visitors with the opportunity to stay in homes that reflect the historic character of Sutter Creek.

Potential drawbacks include the close proximity of homes, which may increase impacts on neighboring residents, a reduction in available long-term rental housing within the Historic District, and the risk of damage to historic structures due to frequent tenant turnover.

Staff recommend that the City Council discuss whether a density restriction should be established. One option would be to allow a certain percentage of units within the Historic District to operate as short-term rentals, with a separate percentage permitted outside of the Historic District.

Staff further recommend using a percentage of total housing units rather than a fixed numerical cap, as this approach would adjust over time with changes in the City's housing stock.

**Decision Points / Options:**

1. Whether to establish different density limits for short-term rentals within the Historic District versus areas outside the Historic District
2. Whether to establish density limits in 4 - 5 areas of town (instead of just 2 in #1 above)
3. How to handle a waitlist if and when density limits are reached

2) Owner Occupied vs. No onsite owner

*At the February 2, 2026 meeting direction was provided on the following decision points:*

**Decision Point:**

- Whether to differentiate regulations for owner-occupied short-term rentals versus non-owner-occupied short-term rentals-

*Yes*

- Whether to establish a cap on non-owner-occupied short-term rentals-

*Yes, a cap should be established and it should be a percentage of total units within the City.*

- What *percent* of total residential units\* within the City should be allowed?

- **2.5%= 35 units**
- **5% = 70 units**

\*Based on 1,404 residential units from Table II-25. Housing Units by Type within in the Amador Countywide 2021-2029 Housing Element

- Whether to allow unlimited owner-occupied short-term rentals-

*Yes, unlimited owner occupied STRs will be allowed.*

- If there is a cap, use a percentage-based limit or a fixed numerical cap-

*Use a percentage based limit.*

3) Permit Duration and Activity Requirements

*No consensus was established at the February 2, 2026 meeting.*

The City Council may also wish to consider establishing time limits and activity requirements for short-term rental permits. One option is to issue permits for a defined term, such as three years, with annual renewals to confirm continued compliance with City regulations.

To ensure permits are held by active operators, the City may require ongoing evidence of activity, such as regular submission of Transient Occupancy Tax (TOT). If a permit holder does not demonstrate activity by submitting required TOT filings for a specified period, the permit could be deemed inactive and automatically voided.

These provisions would help prevent permits from being held indefinitely without use, allow the City to better track active short-term rentals, and ensure that permits are available to operators who are actively contributing to the local economy and complying with City requirements.

**Decision Points:**

- Length of the short-term rental permit term- 1 year, 3 years
- Annual renewal requirements
- Criteria for determining inactivity and voiding permits

4) Permit Process

The City Council feels that the Short Term Rental application process should be handled at the staff level through an Administrative Short Term Rental Use Permit.

**Decision Points:**

- Whether short-term rental permits should continue to require Planning Commission approval.

*No, it should be an administrative permit.*

- If so, is there direction to the Planning Commission on what aspects to evaluate an application on to make it more objective?

*N/A administrative permit*

- Whether public hearings should be required for all residential short-term rentals or limited to specific circumstances.

*No, administrative permit.*

- Whether staff-level approval is appropriate for some or all short-term rental permits-

*Yes*

- Whether permit requirements should differ between residential and commercial zoning districts, or by area of the City such as the historic district vs non-historic district.  
*To be discussed*

#### 5) Operating Rules and Conditions of Approval

*No consensus was established at the February 2, 2026 meeting.*

The City Council may also wish to review the existing operating rules and conditions associated with short-term rental permits to determine whether any modifications are warranted. Currently, short-term rentals are subject to comprehensive conditions of approval intended to ensure neighborhood compatibility, public safety, and regulatory compliance.

These conditions address exterior property maintenance, off-street parking requirements, business licensing, payment of Transient Occupancy Tax (TOT), insurance coverage, and submission of site and floor plans. They also require compliance with fire, building, health, and safety codes, including installation and maintenance of required life-safety equipment. Operational standards limit the number of overnight and daytime occupants, require compliance with the City's noise regulations, and mandate clear communication of rules to guests.

Property owners or operators must provide 24-hour contact information, respond to complaints within 60 minutes, and take immediate action to address noise, disturbances, or other violations. Additional requirements address trash management, guest accountability, reporting of violations, and enforcement procedures, including permit modification, suspension, or revocation. Permits are non-transferable and subject to City enforcement authority.

The City Council may consider whether these rules remain appropriate as written, whether certain conditions should be clarified, strengthened, or streamlined, or whether different standards should apply based on factors such as location, permit type, or owner occupancy.

Council may want to consider what conditions a property owner, a long term renter, or a hotel guest can be subjected to when evaluating some of these standards for reasonableness as well as how difficult / easy some standards are to enforce, using the EASE framework. .

#### **Decision Points:**

- Whether to amend existing operating standards or conditions of approval
- Whether certain requirements should be adjusted based on owner-occupied versus non-owner-occupied rentals
- Whether enforcement, response time, or penalty provisions should be modified
- Whether additional or fewer operational standards are necessary to address neighborhood impacts and compliance
- Whether a physical inspection should be required (adds cost)

#### 6) City TOT Accounting

*At the February 2, 2026 meeting, City Council directed staff to move forward with the TOT*

*Accounting programs/policies.*