



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

MEETING DATE: MARCH 2, 2026

FROM: DEREK COLE, CITY ATTORNEY

SUBJECT: EXTENDED MORATORIUM ON REVIEW, PROCESSING, OR APPROVAL OF NEW SHORT TERM-RENTAL APPLICATIONS PENDING THE CITY COUNCIL'S ADOPTION OF A PERMANT 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. As the City approached the 20-CUP threshold, the City Council, at its January 20, 2026 meeting, approved a 45-day moratorium on the issuance of new CUPs for short-term rentals. The purpose of the moratorium was to create space to allow the City Council to formulate regulations that would be enacted in a permanent short-term rental ordinance.

With the 45-day deadline approaching, the City desires more time to both fully evaluate the impact of short-term rentals on the residential quality of neighborhoods and to consider the adoption of a permanent ordinance regulating such rentals. Under the California Government Code, the City is permitted to extend the moratorium 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. A four-fifths vote of the Council is required to approve an extended moratorium.

Fiscal Impact

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

Recommendation

The City Council should consider extending, for 10 months and 15 days, a moratorium on the review, processing, or approval of new short-term rentals to give the City sufficient time to formulate a permanent ordinance regulating such rentals.

ATTACHMENTS:

1. Urgency Ordinance Extending a Moratorium on the Permitting of Short-Term Rentals within City Limits.