



STAFF REPORT

TO: PLANNING COMMISSION
MEETING DATE: MAY 11, 2026
FROM: ERIN VENTURA, CONTRACT PLANNER
SUBJECT: SHORT TERM RENTALS

RECOMMENDATION:

Staff recommends that the Planning Commission review the attached draft Short Term Rental Ordinance and provide feedback.

BACKGROUND

In November 2019, the City began updating its Short-Term Rental (STR) Ordinance. At that time, the Ordinance was not adopted. Since then, the staff has been tracking permits and keeping the City Council up to date on short term rental activity. To date the City has 19 valid short term rentals permits:

- 12 active short-term rentals:
290 Gopher Flat, 70 Broad, 44 Badger Street, 70 Gopher Flat Rd, 31 Badger, 225 Patricia Ln, 193 Badger, 60 Randolph, 86 Barney Lane, 64 Eureka Street, 171 China Gulch Rd, 335 Sutter Crest E,
- Inactive: 90 Boston Alley, 40 Mountain View Dr, 39 Elm Street, 44 Opal Street, 70 Hayden Alley
- Currently for sale: 85 Broad Street and 30 Bryson Drive

In addition to STR permits, the City also had eight hotel/inn establishments.

- **8 hotel/inn establishments:** Hotel Sutter; Inn at 161; Hanford House Inn; Sutter Creek Inn; Old Hotel Antiques; Brinnwood Bed & Breakfast; Kiota Inn; Eureka Street Inn.

See attached location maps.

The City currently has a moratorium in place on Short Term Rental Permits. At the April 20, 2026 meeting of the City Council, the ordinance was extended for another 10 months. This will give the Planning Commission and City Council time to finalize a new permanent ordinance.

DISCUSSION:

The City Council held discussions regarding a Short Term Rental Ordinance on the following dates (recordings linked below):

- [February 2, 2026](#)
- [March 2, 2026](#)
- [March 16, 2026](#)
- [April 20, 2026](#)

What came out of those meetings, is the attached draft ordinance. The City Council has requested that the Planning Commission review the ordinance and make recommendations on the following:

Maximum number of STR permits

- The City Council recommends the total number of STR permits be limited to approximately 35 and that a cap be established as a percentage versus a number.
- There are approximately 1,404 residential dwelling units within the City. This number includes multifamily and mobile homes.
 - o The draft ordinance only prohibits ADUs from being rented as STRs.

$$35/1,404 = 0.0249 \times 100 = \mathbf{2.5\%}$$

Question for the Commission: Does that number seem appropriate?

Distribution of permits throughout the City

The ordinance was drafted to divide the city into two districts, within the Historic District and outside of the Historic District. See attached maps.

- The City Council recommends the City be divided into ‘Within the Historic District’ vs. ‘Outside of the Historic District’, with 50% of STR permitted in each district.

Question for the Commission:

- **Does the Planning Commission have concerns with a 50-50 split of permits?**

Waitlist protocol

“Waiting List. STR permit applications shall be reviewed on a first-come, first-serve basis with a waiting list for new STR permits once all authorized STR permits are issued.”

Based on the number of permits we currently have issued; we are less than halfway to the proposed maximum. The City does anticipate the cap being met in the future and needs to have a wait list procedure established before that happens.

Question for the Commission:

- **Should the applications on the waitlist be reviewed based on the order they were received?**
- **Should the applications on the waiting list be reviewed competitively annually?**

Other ordinance requirements that the Planning Commission should review are the annual review and every three-year renewal procedure.

Annual Review: Staff will review the file to make sure all information is still accurate, they have a business license and are submitting their TOTs forms. This review will also include if there have been any complaints filed.

3 Year Renewal: In addition to the information reviewed in the annual review, the Planning Commission will review the rental history to determine if they should be renewed. If the property owner is holding onto a permit and not renting their property their permit may be revoked.

Question for the Commission:

- Does that seem appropriate?

NEXT STEPS:

Staff recommends that the Planning Commission review the draft ordinance and provide comments to staff. Depending on the outcome of the meeting, staff will either bring the draft back to the Planning Commission for review and recommendation to the City Council or bring a recommendation from the Planning Commission to the City Council.

ATTACHMENTS:

1. Draft Ordinance
2. Short Term Rental Map
3. Hotel Map
4. Short Term Rentals and Hotel Map