



Agenda Item No: 2.b

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: October 7, 2025

Submitted by: Joe Lambert

From: Development Services

Subject:

Public Hearing to consider Ordinance No. O-2025-10, an Ordinance of the City of Placentia, California, Extending an Urgency Ordinance Establishing a Moratorium on Short-Term Rental Permits in Placentia, California.

Financial Impact:

Fiscal Impact:

Potential for approximately \$235,000 in revenue annually from Transient Occupancy Tax, based on FY 24-25 actuals, assuming current Short-Term Rental permits remain active.

Summary:

On September 2, 2025, City Council conducted a Study Session to discuss the topic of Short-Term Rentals (STRs) citywide. STRs have been permitted in residential zones citywide since August 2019. Following the Study Session, City Council adopted Urgency Ordinance No. O-2025-07, placing a moratorium on new Short Term Residential Rental permits for up to 45 days. This moratorium was intended to allow Staff time to analyze and propose additional STR regulations for City Council consideration.

Since Urgency Ordinance No. O-2025-07 is set to expire on October 16, 2025, Ordinance No. O-2025-10 has been prepared for City Council consideration. This ordinance would extend the STR moratorium until September 1, 2026, or until the City Council enacts amendments to its zoning ordinances or other applicable Municipal Code regulations, whichever is earlier.

Recommendation:

Recommended Action: It is recommended that the City Council:

1. Open the Public Hearing concerning Ordinance No. O-2025-10; and
2. Receive the Staff report and consider all public testimony; and
3. Close the Public Hearing; and
4. Find that Ordinance No. O-2025-10 is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3) and/or 15061(b)(3) of the State CEQA Guidelines; and
5. Adopt Ordinance No. O-2025-10, an Ordinance of the City of Placentia, California, Extending an Urgency Ordinance Establishing a Moratorium on Short-Term Rental Permits in Placentia, California; and
6. Provide direction to Staff, as appropriate, regarding proposed changes to local regulations related to Short Term Residential Rentals, if any.

Strategic Plan Statement:

This item is consistent with the City Council approved 5-Year Strategic Goal to:

Promote Community and Economic Development (Goal 3), as this item has directly resulted in generating approximately \$235,000 in Transient Occupancy Tax (TOT) in FY24-25, additive to revenues collected for four additional Fiscal Years beginning in FY20-21. Furthermore, Objective 3.3 of Goal 3 is to continue to recruit and attract retail, hotel, and other commercial businesses that complement adjacent City assets and attractions. Although not necessarily commercial in nature, Short Term Rentals are similar to hotels.

Discussion:

On September 2, 2025, City Council conducted a Study Session to discuss the topic of Short-Term Rentals (STRs) citywide and City Council received an optional Staff recommendation to adopt an Urgency Ordinance placing a moratorium on new Short Term Residential Rental permits. Subsequent to conducting the Study Session, City Council adopted Urgency Ordinance No. O-2025-07, placing a moratorium on new Short Term Rental (residential) permits for up to 45 days from September 2, 2025, as provided by law. This was done to allow Staff time to analyze and propose additional STR regulations for City Council consideration.

Unless extended, Urgency Ordinance No. O-2025-07 will expire on October 16, 2025. Pursuant to State and local regulations, the moratorium enacted by Urgency Ordinance can be extended for up to a total of one year subsequent to holding a Public Hearing on the matter. Therefore, Staff scheduled a noticed Public Hearing on the matter and prepared Ordinance No. O-2025-10 for City Council consideration. If adopted, Ordinance No. O-2025-10 would extend the STR moratorium to September 1, 2026, or until the City Council enacts an amendment to its zoning ordinances or other applicable Municipal Code regulations, whichever occurs earlier.

Staff continues to evaluate potential enhancements to existing STR regulations including the following:

- 500-foot radius in lieu of 300-foot radius locational requirement for new STRs
- Cap on total STRs, for instance, 0.5% of 16,979 Placentia housing units = 85 total STRs (Seal Beach uses 1% of total units for example)
- Require site plan, floor plan, and inspection, either initially or annually
- Limit 2 STR permits per applicant
- Annual renewals of the permits
- Notice of permit issuance to surrounding properties
- Additional controls regarding parking, parties, and number of occupants (current regulations already address these topics)

In addition to conducting the Public Hearing, Staff recommends that City Council provide direction to Staff as appropriate regarding proposed changes to local regulations related to Short Term Residential Rentals, if any. Future Study Session(s) and/or Public Hearings will be conducted for City Council to consider a Municipal Code Amendment on this topic.

Fiscal Impact Summary:

Potential for approximately \$235,000 in revenue annually from Transient Occupancy Tax, based on FY 24-25 actuals, assuming current Short-Term Rental permits remain active.

Attachments

1. Ordinance No. O-2025-10