Agenda Item No: 2.e

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: April 21, 2026

Submitted by: Joe Lambert

From: Development Services

Subject:

APPEAL OF THE DECISION OF THE PLANNING COMMISSION TO REVOKE SHORT-TERM RENTAL PERMITS STR 2020-10 AND STR 2020-11 AND ASSOCIATED BUSINESS LICENSES FOR PROPERTY LOCATED AT 607 ENCINITAS WAY, UNITS A & C

Financial Impact:

Fiscal Impact:

Recovery of $17,797.83 in Transient Occupancy Tax owed. Potential for approximately $15,000 in additional annual Transient Occupancy Tax revenue if the STR permits are reinstated.

Summary:

At the regular meeting of March 10, 2026, the Planning Commission upheld the decision of the Director of Development Services to revoke Short-Term Rental permits STR 2020-10 and STR 2020-11 and associated business licenses for property located at 607 Encinitas Way, Units A and C. The applicants, Alexander and Celenia Perez, filed a timely appeal of the Planning Commission decision and the appeal request will be considered by the City Council. Since filing their appeal request, the applicants expressed a willingness to sign an agreement to pay the outstanding Transient Occupancy Tax (TOT) owed to the City of Placentia, see Attachment 1.

Recommendation:

Recommended Action: It is recommended that the City Council:

1. Open the Public Hearing concerning revocation of Short-Term Rental permits STR 2020-10 and STR 2020-11 and associated business licenses for property located at 607 Encinitas Way, Units A & C; and
2. Receive the Staff Report, consider all Public Testimony, ask any questions of Staff; and
3. Close the Public Hearing; and
4. Find that this action is not subject to CEQA pursuant to State CEQA Guidelines § 15321 (Class - 21 Enforcement Actions by Regulatory Agencies); and
5. Approve the agreement between the City of Placentia and Alexander/Celenia Perez in which outstanding Transient Occupancy Tax (TOT) owed to the City of Placentia would be paid. Authorize the City Administrator or her designee to finalize said agreement; and approve the appeal and reverse the Planning Commission revocation of Short-Term Rental

Permits STR 2020-10 and STR 2020-11 and reinstate associated business licenses for the property located at 607 Encinitas Way, Units A and C.

Strategic Plan Statement:
This item is consistent with Strategic Goal 4 (Economic Development), as this item will directly result in recovery of $17,797.83 in Transient Occupancy Tax owed, with potential for approximately $15,000 in additional annual Transient Occupancy Tax revenue if the STR permits are reinstated.

Discussion:
Short-Term Residential Rentals (STRs) within the City of Placentia are regulated pursuant to Placentia Municipal Code (PMC) Chapter 6.45, which establishes requirements for registration, business licensing, and the collection and remittance of Transient Occupancy Tax (TOT). Violations of Chapter 6.45 may result in enforcement actions, including revocation of Short-Term Rental permits and associated business licenses.

On March 10, 2026, the Planning Commission of the City of Placentia conducted proceedings to consider an appeal of the Director of Development Services' decision to revoke Short-Term Rental permits STR 2020-10 and STR 2020-11 for properties located at 607 Encinitas Way, Units A and C. Following consideration of the staff report and testimony, the Planning Commission denied the appeal and upheld the revocation of the Short-Term Rental permits, see Attachment 3. The Planning Commission decision has been appealed in accordance with the provisions of Placentia Municipal Code Chapter 6.45.160(b), and the appeal request will be considered by the City Council.

STR 2020-10 and STR 2020-11 regarding 607 Encinitas Way Units A and C were revoked due to a documented history of violations of the Placentia Municipal Code. Pursuant to PMC Section 6.45.160(a), a Short-Term Rental permit and associated business license may be revoked if the Director of Development Services determines that the licensee has failed to comply with the requirements of Chapter 6.45. Specifically, revocation may occur upon three violations of Chapter 6.45 pertaining to any combination of premises owned by the owner or managed by the owner's managing agency or agent within any 12-month period.

City records reflect a history of enforcement beginning in 2020, including violations related to Short-Term Rental registration requirements, business licensing, and the submission of required TOT forms and payments. Despite repeated notices and administrative citations, the required documentation and payments were not provided in a timely manner or consistently as indicated:

- 03/12/20 - $100.00 administrative citation issued to Celenia Perez for failing to register 607A as a STR after being warned by City Staff of the requirements.
- 03/12/20 - $100.00 administrative citation issued to Celenia Perez for failing to register 607C as a STR after being warned by City Staff of the requirements.
- 03/12/20 - Notice of violation issued to Alexander Perez for registration required for STR and business license required for units A and C.
- 08/11/21 - Notice of violation issued to Alexander Perez for business license required.
- 08/31/21 - $100.00 administrative citation issued to Alexander Perez for failing to obtain a business license for the STR.
- 01/24/22 - Notice of violation issued to Celenia Perez for failing to submit TOT for several quarters year 2020 and 2021.
- 02/14/22 - $100.00 administrative citation issued to Celenia Perez for failing to submit

required TOT forms
- 03/01/22 - $200.00 administrative citation issued to Celenia Perez for failing to submit required TOT forms
- 03/29/22 - $500.00 administrative citation issued to Celenia Perez for failing to submit required TOT forms
- 06/26/24 - $1,000.00 administrative citation issued to Celenia Perez for failing to submit required TOT forms for years 2021-2024.
- 08/15/24 - $1,000.00 administrative citation issued to Celenia Perez for failing to submit required TOT forms for years 2021-2024.

The information above indicates numerous violations which occurred over multiple years and involved repeated failures to comply with Short-Term Rental operational requirements, including payment of TOT obligations. The three citations issued in 2020 were later dismissed at the direction of the Director of Development Services. That decision several years ago was made in an attempt to give the STR operator a “clean slate” and ample opportunity to fully come into compliance with the City Code. Notwithstanding a waiver of 2020 violations, additional violations listed in 2021, 2022, and 2024 provide the City more than adequate grounds for revocation.

Regarding the payment of TOT owed, the Director of Development Services and Finance Director have made multiple attempts to work with the STR operator to create a payment plan for all TOT owed. As noted in Attachment 2, the City was willing to allow the missing TOT payments to be paid back within a one-year time period or similar arrangement. All of Staff’s attempts to secure a reasonable payment schedule for TOT owed failed. The attached e-mail correspondence clearly documents that non-compliance will eventually lead to revocation.

At the regular meeting of March 10, 2026, the Planning Commission upheld the decision of the Director of Development Services to revoke Short-Term Rental permits STR 2020-10 and STR 2020-11 and associated business licenses. The applicants appealed the Planning Commission decision, and the appeal request is now before the City Council. Concurrent with filing their City Council appeal request, the applicants expressed a willingness to sign an agreement to pay the outstanding Transient Occupancy Tax (TOT) owed to the City of Placentia, see Attachment 1. $17,797.83 in TOT would be paid over 24 months, and with reinstated STR permits, the applicants will be able to generate ongoing TOT revenue for the City, in addition to paying back the fully owed amount of TOT. It should be noted that once executed, the agreement between the City of Placentia and the applicants will waive all other penalties and citations. As long as the applicants adhere to the agreement, the subject STRs will be considered to be Code compliant.

Attachments

2.E-mail Correspondence.pdf
3.Planning Commission Minutes March 10, 2026 Draft.pdf
1.Short Term Rental Promissory Note.docx