



Agenda Item No: 1.d

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: May 5, 2026

Submitted by: Joe Lambert

From: Development Services

Subject:

SECOND READING AND ADOPTION OF ORDINANCE NO. O-2026-04, AN ORDINANCE OF THE CITY OF PLACENTIA, CALIFORNIA, AMENDING PLACENTIA MUNICIPAL CODE CHAPTER 6.45 RELATED TO SHORT-TERM RENTALS

Financial Impact:

Potential for approximately \$235,000 in revenue annually from Transient Occupancy Tax, based on FY 24-25 actuals.

Summary:

First Reading of Ordinance No. O-2026-04, occurred on April 21, 2026. This Ordinance incorporates amendments to the Placentia Municipal Code, Chapter 6.45, related to Short-Term Rentals.

On September 2, 2025, City Council adopted Urgency Ordinance No. O-2025-07, placing a moratorium on new Short-Term Residential Rental permits for up to 45 days. The moratorium was intended to allow Staff time to analyze and propose additional STR regulations for City Council consideration. Urgency Ordinance No. O-2025-07, was set to expire on October 16, 2025, therefore, Ordinance No. O-2025-10, was adopted by the City Council on October 7, 2025. This ordinance extended 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. The moratorium would be repealed upon the effective date of Ordinance No. O-2026-04.

Recommended Action:

It is recommended that the City Council:

1. Find that Ordinance No. O-2026-04, is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the Public Resources Code, and the City of Placentia Local Guidelines for implementing CEQA; and
2. Waive full reading, by title only, and adopt Ordinance No. O-2026-04, an Ordinance of the City of Placentia, California, amending Chapter 6.45 (Short-Term Residential Rentals) of the City of Placentia Municipal Code.

Strategic Plan Statement:

This item is consistent with Strategic Goal 4 (Economic Development), 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.

Discussion:

On September 2, 2025, City Council conducted a Study Session to discuss the topic of Short-Term Rentals (STRs) citywide, and 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.

Urgency Ordinance No. O-2025-07, was set to expire on October 16, 2025, however, at the meeting of October 7, 2025, Ordinance No. O-2025-10, was adopted by the City Council which extended 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.

On October 7, 2025, City Council created a temporary select Committee of (now) Mayor Wanke and Councilmember Hummer to work with Staff in reviewing additional amendments to the STR ordinance. Staff has worked with the Committee to incorporate the following amendments into the Ordinance:

- Define Partial-unit STR
- Cap on total STRs, 0.5% of 16,979 Placentia housing units = 85 total STRs (to be determined annually)
- Partial unit STRs do not count toward the cap
- Prohibit STRs in apartment complexes
- Require site plan, floor plan
- Require inspection by Building Division and Fire and Life Safety, initially and annually
- 300-foot radius locational requirement between STRs, previously was not a requirement
- 300-foot radius measured from property line for single-family and using airspace boundaries for condominiums
- Renewals require staff to confirm continued compliance with STR regulations including distance requirements
- Requiring a local contact person for immediate PD, PFLSD, Code Enforcement contact
- Persons renting must be 21 years of age or over
- No more than 10 occupants per stay
- Minimum stay of two consecutive nights
- Appeal of Director of Development Services STR denial/revocation goes directly to City Council
- First violation \$250 fine in lieu of a warning
- Require hosting platforms to report to the City TOT certification, records of reservations, etc.

First Reading of Ordinance No. O-2026-04, occurred on April 21, 2026. The Ordinance incorporates the above amendments to the Placentia Municipal Code, Chapter 6.45, related to Short-Term Rentals. The current moratorium would be repealed upon the effective date of this Ordinance, which is 30 days after adoption.

Financial 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-2026-04 - Short Term Rentals.docx](#)