

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF FULLERTON, ESTABLISHING A
TEMPORARY MORATORIUM ON SHORT TERM RENTALS WITHIN THE
CITY OF FULLERTON**

NOW THEREFORE, the City Council of the City of Fullerton ordains as follows:

Section 1. PURPOSE AND AUTHORITY. The purpose of this ordinance is to establish a temporary moratorium on pending and new Short-Term Rentals within the City of Fullerton to protect public safety, health, and welfare, while City staff evaluate the impacts of the Short-Term Rentals, and revise reasonable regulations to mitigate such impacts. The increasing number and concentration of STRs have revealed gaps in policy related to long-term housing impacts, operating standards, enforcement capacity, and neighborhood compatibility. This temporary pause is necessary to preserve housing availability and ensure that future STRs align with revised citywide priorities. This ordinance does not prohibit renewals of existing Short-Term Rentals, which meet all of the requirements for renewal pursuant to the Fullerton Municipal Code 15.55.020(F). This ordinance will take effect upon the expiration of thirty days following adoption by a simple majority vote of the City Council of the City of Fullerton.

Section 2. FINDINGS. The City Council of the City of Fullerton makes the following findings to protect the public safety, health, and welfare in support of the immediate adoption and application of this urgency ordinance:

A. The City of Fullerton is experiencing an increase in privately-owned residential dwellings being used as Short-Term Rentals. While Short Term Rentals provide a benefit by expanding the number and type of available lodging facilities, their exponential increase continues to cause adverse impacts which is causing a current and immediate threat to the health, safety, and welfare of residents and guests, and the very environment and resources that attract visitors to the City. This urgency ordinance is necessary to ensure neighborhood compatibility and reduce conflicts within surrounding residential neighborhoods, to facilitate economic growth within the City, and to protect the health, safety, and general welfare of the City's residents.

B. The City of Fullerton is located along Interstates 91 and 57, and is characterized by mobile home subdivisions, single-family residential neighborhoods, and residential developments. Infrastructure within the residential neighborhoods remains urban in nature. Multiple new housing bills and a surge in development along with aging infrastructure have resulted in impacts on available parking in certain neighborhoods. Concentrations of Short-Term Rentals in certain residential neighborhoods have resulted in unpermitted improvements and unpermitted short term rentals that result in public safety concerns and adverse impacts to quality of life. The City has approximately 180 unpermitted Short Term Rentals, indicating a need for heightened operating standards and enforcement. Without proper regulation, continued concentration of Short-Term Rentals in the City of Fullerton is jeopardizing the health, safety, and welfare of guests and the existing residential community.

C. The City is currently in the process of studying and considering various legislative proposals to address issues associated with concentrations of Short-Term Rentals to reduce risks to public safety, health, and welfare.

D. Concentrations of Short-Term Rentals in certain areas of the City can have an adverse impact on residential character, neighborhood stability, public safety, and quality of life, demonstrating the need to consider different processes or regulations, such as separating, eliminating, or modifying caps on the number of Short-Term Rentals in certain areas of the City.

E. November 2, 2020, the City Council of the City of Fullerton adopted Ordinance No. 3920, an Ordinance of the City of Fullerton Regulating Short Term Rentals. Under the current ordinance a maximum of 100 whole house rentals are allowed. Partial house rentals have no maximum imposed. The City of Fullerton currently includes 115 active and pending Short Term Rental permits. This proliferation of Short-Term Rental applications demonstrates a rush to obtain permits that may be inconsistent with future licensing regulations, specifically, analysis of an amendment limiting or capping partial home Short Term Rentals.

F. Issuing numerous Short-Term Rental permits that may be subject to future limits, caps, or additional regulations would undermine the City's current effort to protect the public health, safety, and welfare from the negative impacts of Short-Term Rentals that are improperly sited, over-concentrated, or under regulated.

G. Issuing numerous Short-Term Rental certificates that may be subject to future limits, caps, or additional regulations would also create further confusion and potentially cause the need to unwind many Short-Term Rental permits.

Section 3. MORATORIUM. During the term of this urgency ordinance, no new Short-Term Rentals shall be allowed on properties located within the City of Fullerton. Renewals of existing Short-Term Rentals which meet all of the requirements for renewal pursuant to Fullerton Municipal Code 15.55.020(F), are exempted from this moratorium. The temporary moratorium is necessary to mitigate or avoid the ongoing impacts to the public health, safety, and welfare of Fullerton residents and visitors and supports the City's ongoing effort to strengthen its existing STR ordinance and evaluate amendments that reflect community priorities, including housing preservation, enforcement and neighborhood compatibility. There is no feasible alternative apart from this moratorium at this time.

Section 4. MODIFICATION OF CAP ON STR PERMITS. The cap on whole-house rental STR permits current set at 100 and no limit set on partial home rentals set forth in Resolution No. 2021-30 is reduced to the number of STR whole-house and partial home permits issued at the time this Ordinance becomes effective. No new whole-house or partial-home permits shall be issued until such time as the Council, by resolution or by ordinance increases the cap.

SECTION 5. CEQA Exemption. This ordinance does not have the potential to cause significant effects on the environment because: (1) it reduces construction that might otherwise occur; (2) this ordinance is temporary in duration and therefore will not have a significant effect on the environment; (3) this ordinance will affect a limited number of single family lots; (4) any effect on the environment as a result of this ordinance would be speculative at best and cannot currently be analyzed. Therefore, the project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regulations §15061(b)(3). There is no possibility that the proposed ordinance will have a significant effect on the environment.

SECTION 6. EFFECTIVE DATE. This ordinance shall take effect upon the expiration of 30 days from the date of adoption.

SECTION 7. SEVERABILITY. If any provision, clause, sentence, or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

PASSED, APPROVED, AND ADOPTED this ___th day of May, 2025 by majority vote.

Fred Jung, Mayor

ATTEST:

Lucinda Williams, City Clerk

APPROVED AS TO FORM:

Richard Jones, City Attorney