



Agenda Report

Fullerton City Council

MEETING DATE: MAY 20, 2025

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: SUNAYANA THOMAS, DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT

PREPARED BY: TAYLOR SAMUELSON, SENIOR ADMINISTRATIVE ANALYST
GUILLERMINA TORRICO, CODE ENFORCEMENT MANAGER

SUBJECT: URGENCY INTERIM ORDINANCE – TEMPORARY MORATORIUM ON SHORT TERM RENTALS

SUMMARY

Consideration of urgency ordinance establishing a temporary moratorium on new Short-Term Rentals within the City of Fullerton to protect public safety, health and welfare while staff evaluates the Short-Term Rentals impacts and considers reasonable regulations to mitigate such impacts.

PROPOSED MOTION

Introduce and adopt Ordinance No. XXXX.

ORDINANCE NO. XXXX - AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, ESTABLISHING A TEMPORARY MORATORIUM ON SHORT TERM RENTALS WITHIN THE CITY OF FULLERTON

ALTERNATIVE OPTIONS

- Approve the Proposed Motion.
- Introduce by Title Only Ordinance No. xxxx by majority vote and waive further reading of an ordinance reducing the cap on the number of allowed permits to those currently issued
- Do not adopt either the urgency or regular ordinance
- Direct staff to develop alternative regulatory measures.

STAFF RECOMMENDATION

Staff recommends that the City Council adopt the urgency interim ordinance to temporarily pause new Short-Term Rentals within the City while further analysis is conducted on their impact.

CITY MANAGER REMARKS

City Manager recommends approval.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement/s:

- Fiscal and Organizational Stability
- Public Safety

FISCAL IMPACT

The Moratorium itself will not have a material fiscal impact since the TOT will continue to get collected and paid. Total revenues to date received through STR TOT is approximately \$1,054,000.

BACKGROUND AND DISCUSSION

The City Council adopted Ordinance No. 3290 on November 2, 2020, establishing a permitting system, operational standards, and a Transient Occupancy Tax (TOT) requirement for rentals of fewer than 30 days. These provisions are codified in Fullerton Municipal Code (FMC) Section 15.55.020(F), which governs STR use, permitting, and compliance standards. STRs are also subject to the City's 10% TOT, as outlined in FMC Chapter 4.92.030. Following additional public input, the Council amended the ordinance on April 20, 2021, to prohibit “whole-house” STRs where the owner is not present, limiting future STR operations to “home-sharing” arrangements. A one-year amortization period was provided for existing operators to come into compliance. Additionally, Resolution No. 2021-30 reduced the cap on whole-house STR permits from 325 to 100 and no limits on partial rentals. Today, STRs must be registered, collect TOT, and comply with the City’s Good Neighbor Guidelines, which address issues such as noise, parking, and property maintenance to minimize community impacts.

While most STRs have been operating in compliance with the established guidelines, it requires refinement to address gaps related to unpermitted operations, life and safety inspections and enforcement. A significant number, approximately 180 unpermitted operators, continue to operate without applying for an STR permit or have been previously denied, leading to ongoing enforcement challenges. These non-permitted operators create enforcement difficulties and without proper review may have adverse impacts to our community. Staff would need to track violations, issue citations, and ensure compliance and our existing regulations lack the necessary mechanisms to efficiently address non-permitted operations, making enforcement inconsistent. Additionally, some property owners are making modifications to their properties for STR

use without obtaining the required building permits. These upgrades are often discovered only after the STR is approved or during subsequent inspections, raising public safety concerns. The current process of issuing STR certificates does not fully ensure compliance with safety and permitting standards.

Furthermore, the City has received STR applications that technically meet the guidelines but have faced strong opposition from neighbors due to concerns about impacts on quality of life. The proposed emergency moratorium on new STR approvals will provide time for City staff to evaluate the current policy, address enforcement challenges, and develop improvements that balance community interests with responsible STR operations.

As of April 2025, the City has a total of 84 whole home permits issued and 22 partial home permits issued.

Attachments:

- Attachment 1 – Urgency Moratorium Ordinance for Short Term Rentals
- Attachment 2 – Non-Urgency Moratorium Ordinance for Short Term Rentals

cc: City Manager Eric J. Levitt