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City Manager's Report

February 24, 2026, City Council Meeting

Prepared by: Carole Kendrick, Director of Development Services

Item #: 10.2

Subject: Request for Continuance – Zoning Ordinance Amendment (ZOA) 25-02 – Title 10 (Zoning), Chapter 4, Section 10-4-20 (Short-Term Rentals) to Include Hosted Short-Term Rentals

Recommendation: Staff respectfully requests that the City Council continue consideration of Zoning Ordinance Amendment (ZOA) 25-02, including the proposed amendments to Title 10, Chapter 4, Section 10-4-20 of the Placerville City Code regarding short-term rentals (to include hosted short-term rentals), without discussion to the regular City Council meeting scheduled for March 10, 2026.

This continuance is requested to provide additional time for the City Attorney to complete a thorough legal review of the draft ordinance, definitions, and related provisions (including hosted vs. non-hosted distinctions, applicability to accessory dwelling units, permit caps, enforcement mechanisms aligned with Senate Bill 346, and other safeguards). The proposed ordinance text has been refined based on prior Council direction from the February 10, 2026, meeting (clearer definitions, ADU allowances, and a 12-month review provision), as well as Planning Commission recommendations from January 6, 2026.

Purpose: To ensure the proposed ordinance is fully vetted for legal compliance, consistency with state law (including SB 346 effective January 1, 2026), General Plan policies, and Housing Element priorities before formal introduction and public hearing.

Strategic Plan Strategy: Fiscal Stability/Sustainability Create a fiscally stable and sustainable government that can provide for and maintain a safe community with a high quality of life. 2) Strategy - Increase Revenues.

Background: Ordinance No. 1710 (adopted July 12, 2022) established STR regulations as permitted lodging uses only in commercial zones (CBD, C, HWC), prohibiting them in residential zones to safeguard neighborhood integrity and long-term housing (per Housing Element Program F-7). Market trends have shown growth in hosted STRs, which feature lower impacts due to direct host oversight.

At the request of the City Council on August 8, 2023, staff developed options to allow hosted STRs, including in CBC R-3 qualifying residential zones (one- or two-family dwellings, max 5 bedrooms/10 occupants for lodging), with strict conditions. The proposed amendment maintains unhosted STR prohibitions in residential zones, prohibits STRs in junior accessory dwelling units (standalone JADUs), R-1/R-2 occupancies, events/special events, and caps total Citywide STR permits (hosted or non-hosted) at 30 per year.

Senate Bill 346 (Durazo), the Short-Term Rental Facilitator Act of 2025, was signed into law on October 13, 2025, and became effective January 1, 2026 (Chapter 751, Statutes of 2025). This state law authorizes local agencies (cities, counties, or city and counties) to adopt ordinances requiring short-term rental facilitators (e.g., online platforms like Airbnb, Vrbo) to report specified information about listed properties, including physical addresses (with 9-digit ZIP codes), assessor parcel numbers (if needed for identification), associated URLs, and other details to aid in identifying accessory units or similar. Facilitators must also include any applicable local license number (e.g., business license) and TOT certification in listings. Reporting occurs quarterly (or less frequently as set by the local ordinance), in a form and manner prescribed by the agency. The law does not preempt broader local STR regulations and supports enforcement of local rules, TOT collection, and compliance. The proposed amendment incorporates these SB 346 provisions to ensure Placerville can invoke this authority, improving oversight of platforms facilitating STRs within City limits.

At the regular City Council meeting on February 10, 2026, this item (ZOA 25-02) was agendaized for consideration. The Council discussed the proposed regulations, including enforcement needs, number of permits allowed and the need for clarification. The item was introduced and minimal changes were directed at that meeting; the draft ordinance will reflect the current version for the March 10, 2026, City Council meeting, if the continuance is granted.

Discussion: Staff recommends that this item be continued without discussion until March 10, 2026, City Council meeting.

Public Communications: A public notice was published in the Mountain Democrat on January 16, 2026. As of the preparation of this report, the Development Services Department has received no public comments, with the exception of comments received at the January 6, 2026, Planning Commission meeting from Kathi Lishman and Michael Drobesh regarding parking and number of complaints before revocation. Any comments submitted before the scheduled City Council meeting will be presented to the Council during the public hearing.

Options:

1. Continue the item without discussion to the March 10, 2026, City Council meeting, as recommended.
2. Provide alternative direction (e.g., different continuance date or proceed with discussion).

Environmental: No change – the proposed amendment remains exempt from CEQA per prior analysis (Section 15060(c)(2) and (3)).

Cost: None associated with this continuance request.

Budget Impact: None associated with this continuance request.



Dave Warren, City Manager



Carole Kendrick, Director of Development Services

Incorporated by Reference

- City of Placerville General Plan
- City of Placerville Zoning Ordinance
- City of Placerville Ordinance No. 1710
- El Dorado County Regulations – Vacation Home Rental Ordinance Chapter 5.56
- Senate Bill 346 (2025)
- City of Placerville Planning Department file ZOA 25-02