



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: Urgency Interim Ordinance –Temporary Moratorium on Home-Sharing and Vacation Rentals.

MEETING DATE: August 12, 2025

RECOMMENDATION:

That the City Council introduce and adopt Ordinance No. XXXX, establishing a temporary moratorium on home-sharing and vacation rental uses. This action will allow the City to carefully assess and address the impacts of these activities and ensure that any future regulations support the best interests of our community. The Council should also take any related actions necessary to implement this interim measure effectively.

BACKGROUND:

Recently, a complaint was received regarding a property with an unpermitted vacation rental that was advertising over forty (40) bunk beds for rent on a hosting platform called Airbnb.

On April 2, 2019, the City Council adopted Ordinance No. 707 amending Chapter 3.10 and adding Chapter 5.63 to the City of Commerce Municipal Code (“CMC”) relating to licensing and operation regulations for home-sharing (Attachment 1). This Ordinance was established to regulate short-term rentals and home-sharing operations, which include temporary lodging less than thirty (30) consecutive days by visitors staying in Commerce. Among other things, this Ordinance requires that at least one of the primary residents live on-site for home-sharing operations and prohibits vacation rentals which include the rental of any dwelling unit, in whole or in part for less than thirty (30) consecutive days.

Although this Ordinance was established, the process for approval of home-sharing operations was never established.

ANALYSIS:

In response to recent concerns, including complaints about unpermitted vacation rentals, as mentioned above on Airbnb, the City is taking action to address the impacts of home-sharing and vacation rental businesses. While current CMC provisions allow for the above-

mentioned rentals under specific standards, the process for approving such operations has yet to be established, prompting the need for immediate review and possible revision.

The City Council finds an urgent need to regulate these activities, as unchecked home-sharing and vacation rentals may adversely affect surrounding communities and strain limited municipal resources. To address this, the Council proposes adopting Ordinance No. XXXX to enact a 45-day moratorium on the advertisement and operation of these rentals within the City. This interim measure allows for the necessary study and consideration of further amendments to the CMC, ensuring compatibility with the City's long-range planning vision and updated General Plan, which prioritizes the well-being of neighborhoods adjacent to residential areas.

The City is already contending with the negative effects of these land uses. Allowing new or expanded home-sharing and vacation rentals before completing a thorough analysis would immediately threaten public health, safety, and welfare. Therefore, the most prudent course is to temporarily halt licensing and permitting for these uses while the City evaluates their impacts and regulatory needs.

Declaring this ordinance as an urgency measure is essential for the immediate preservation of public peace, health, and safety. By establishing a temporary moratorium, the City aims to prevent further complications and provide time to develop comprehensive regulations that balance neighborhood integrity, business opportunity, and strategic economic growth.

FISCAL IMPACT

This activity may be carried out without additional impact on the current operating budget.

RELATIONSHIP TO STRATEGIC GOALS:

This item relates to the 2016 Strategic Action Plan's goal of: Economic growth - Guiding Principles 1 to "Create and strengthen our identity, as a community that promotes opportunity and success for business that meets the strategic focus for economic growth, will have a positive impact on the quality of life and the City's financial sustainability," and 3 "Support a long-range planning vision through the City's General Plan, zoning ordinance, and related land use planning documents that incorporate community and stakeholder input and provide a compass for strategic economic growth, infrastructure investments and city fiscal planning."

Prepared by: Jessica Serrano, Director of Community Development
Approved as to form by: Noel Tapia, City Attorney
Respectfully submitted: Ernie Hernandez, City Manager

ATTACHMENTS:

1. Ordinance No. 707
2. Interim Urgency Ordinance No. XXXX - Establishing a Citywide 45-Day Moratorium Prohibiting the Approval, Expansion, Intensification or Relocation of Any New or Existing Home-Sharing