



"We are a welcoming, active and business-friendly rural foothill community built on California's rich gold rush history."

Planning Commission Staff Report

Meeting Date: January 6, 2026

Prepared By: Carole Kendrick, Director of Development Services
Jay Roberts, Code Enforcement Official

PROJECT INFORMATION SUMMARY

Case File: Zoning Ordinance Amendment (ZOA) 25-02 – Hosted Short Term Rentals

Request: Public Hearing and Recommendation to City Council on Proposed Amendments to Title 10 (Zoning), Chapter 4, Section 20 (Short-Term Rentals) of the Placerville City Code to Include Hosted Short-Term Rentals; and Finding that the Project is Exempt from the California Environmental Quality Act (CEQA) Pursuant to California Code of Regulations, Title 14, Chapter 3, Section 15060(c)(2) and (3).

Summary Recommendation:

1. Conduct a public hearing and receive public input on the proposed ordinance amendment.
2. Adopt a resolution recommending that the City Council introduce and waive the first reading of the ordinance amending Title 10, Chapter 4, Section 20 of the Placerville City Code to include hosted short-term rentals, with allowance for hosted rentals in residential zones subject to specified safeguards (see Attachment A, Exhibit A).
3. Find that the proposed ordinance amendment is exempt from CEQA pursuant to California Code of Regulations, Title 14, Chapter 3, Section 15060(c)(2) and (3), as the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment and is not a "project" as defined under CEQA.

BACKGROUND

In July 2022, the City Council adopted Ordinance No. 1710, which added Section 10-4-20 to Title 10, Chapter 4 of the City Code. This section established regulations for short-term rentals (STRs) as a permitted use in specified commercial zones (originally listed as CBC, C, and HWC). The regulations were intended to support tourism and economic development by allowing STRs as commercial lodging facilities, while protecting residential neighborhoods by restricting STRs to commercial zones and prohibiting the conversion of long-term residential units in mixed-use developments. Key elements include:

- A cap of 10 STR permits issued per calendar year.

- Requirements for business licenses, transient occupancy tax (TOT) payments, maximum occupancy based on parking and bedrooms, noise restrictions, record-keeping, and annual renewals with inspections.
- Enforcement mechanisms, including revocation for violations or nuisance conditions.

Since adoption, the City has issued STR permits consistent with these standards. However, evolving trends in the short-term rental market, including the rise of "hosted" rentals (where the property owner or a designated host resides on the property during the guest stay), have prompted a review of the code. Hosted STRs are often seen as a lower-impact alternative to unhosted rentals, potentially reducing neighborhood complaints related to noise, parking, and property management. The proposed amendment seeks to update Section 10-4-20 to explicitly include and regulate hosted STRs, ensuring consistency with state law, the City's General Plan goals for economic vitality and neighborhood preservation, and community feedback.

This ordinance amendment originated from a request by Councilmember Nicole Gotberg on August 8, 2023, during a City Council meeting, where she advocated for exploring regulatory options for hosted short-term rentals – specifically expressing interest in allowing them in residential zones as a lower-impact alternative that could provide supplemental income for homeowners without significantly affecting neighborhood character.

The proposed amendment seeks to update Section 10-4-20 to explicitly include and regulate hosted STRs, ensuring consistency with state law, the City's General Plan goals for economic vitality and neighborhood preservation, and community feedback.

PROJECT DESCRIPTION/PROPOSED CHANGES

The proposed ordinance amendment updates Section 10-4-20 to incorporate hosted short-term rentals into the regulatory framework, with an expansion to allow hosted STRs in residential zones under specific safeguards (see Attachment A, Exhibit A). Hosted STRs are defined as those where the owner or a responsible host is present on the property (e.g., in the primary dwelling) during the entire rental period, providing on-site management. Unhosted STRs remain limited to commercial zones. The key changes, as shown in the proposed amended draft (Redlined Zoning Code attachment), include:

- **Purpose and Applicability:** Expanded to include residential zones for hosted STRs only.
- **Definitions:** Addition of "Hosted Short-Term Rental" and "Unhosted Short-Term Rental."
- **Permitted Use:** Unhosted STRs permitted in CBD, C, HWC; hosted STRs permitted in residential and commercial zones, with prohibition on converting long-term units to unhosted rentals. Hosted rentals must be in the owner's primary residence.
- **Permit Requirements:** Updated processing, with administrative permits for hosted in residential zones. Proof of primary residence required for residential hosted STRs. Cap of 10 for unhosted in commercial; suggested cap of 50-100 citywide for hosted in residential, with annual renewals.

- **Development and Operational Standards:** Additional provisions for residential hosted STRs, including limits to primary dwelling, occupancy caps (2 per bedroom +2, max 10), parking requirements, 120-night annual limit, and application of all existing standards (business license, TOT, 24/7 host availability, noise, etc.).
- **Enforcement and Revocation:** Strengthened, with immediate revocation for violations like primary residence or night cap breaches.
- **No Property Rights:** Reaffirmation that permits are revocable licenses.

These changes aim to facilitate hosted STRs responsibly by allowing them in residential zones with mitigations, while maintaining the commercial focus for unhosted rentals to protect long-term housing.

DISCUSSION/ANALYSIS

The proposed amendment aligns with the City's General Plan policies promoting tourism, economic development, and balanced land use. By explicitly including hosted STRs and allowing them in residential zones with safeguards (e.g., primary residence requirement, night caps, occupancy limits), the City can regulate emerging models, ensure tax compliance, and minimize disruptions while providing homeowner income opportunities. Staff has reviewed similar regulations in nearby jurisdictions (e.g., El Dorado County and other Sierra foothill communities), where hosted rentals are often permitted in residential areas with lighter restrictions due to reduced risks.

Staff believes this update responsibly facilitates hosted STRs citywide, supporting tourism in commercial areas and homeowner flexibility in residential zones, while upholding community priorities. No significant issues were identified during review. The amendment does not alter core development standards or environmental protections and supports housing goals by restricting to primary residences and prohibiting conversions.

If the Planning Commission wishes to adjust safeguards (e.g., modify caps or limits), staff can refine the proposal accordingly.

Comparison to other California Jurisdictions:

Many California cities and counties regulate short-term rentals (STRs) by distinguishing between hosted (host present on-site during the stay) and unhosted (whole-home, host absent) rentals. Hosted STRs are generally viewed as lower-impact, often allowed with fewer restrictions to minimize neighborhood disturbances while supporting supplemental income for residents.

Examples of jurisdictions that explicitly allow or regulate hosted STRs include:

- **San Francisco:** Hosted rentals (homesharing) are permitted in the host's primary residence (where the host lives at least 275 days/year). Unhosted rentals are capped at 90 days/year. Requires registration, business license, and TOT remittance.
- **Santa Monica:** Only hosted home-sharing is allowed (host on-site throughout stay in primary residence). Unhosted/vacation rentals are prohibited. Requires a home-sharing permit and business license.
- **Pasadena:** Distinguishes Type 1 (hosted, host on-site except daytime/work hours) and Type 2 (unhosted). Hosted are more readily permitted in primary residences.
- **Los Angeles (City):** Allows hosted stays in primary residences without a day cap; unhosted capped at 120 days/year.
- **South Lake Tahoe:** Allows hosted rentals (host on-site); unhosted have been heavily restricted or phased out in residential areas, with permits required.
- **Napa:** Allows both hosted (up to 60 permits) and limited non-hosted (41 permits) but hosted are prioritized and must be in the host's primary residence.
- **Oceanside:** Defines and permits hosted STRs (owner occupies as principal residence, rents portion while on-site).

Other cities like Redwood City and Pasadena also favor hosted rentals with no or higher day limits compared to unhosted.

Placerville's proposed amendment aligns with this statewide trend by explicitly including hosted STRs and allowing them in residential zones with safeguards (e.g., primary residence, 120-night cap, permit cap, on-site host). Like many jurisdictions, it emphasizes lower impacts through on-site presence while restricting unhosted to commercial zones. The permit cap, annual renewals, TOT requirements, occupancy standards, and enforcement mechanisms are consistent with common practices to balance tourism benefits with community protection. This approach positions Placerville similarly to tourism-oriented communities while preserving housing stock.

Environmental Review:

The proposed ordinance amendment qualifies for exemption from CEQA review under California Code of Regulations, Title 14, Chapter 3, Section 15060(c)(2) and (3). The activity involves textual amendments to the City Code that do not result in a direct or reasonably foreseeable indirect physical change to the environment. Furthermore, the amendment does not constitute a "project" as defined by CEQA Guidelines Section 15378, as it is an administrative action to update regulations without approving specific development. No environmental impacts are anticipated, and no further CEQA analysis is required.

Public Communications:

A public notice was published in the Mountain Democrat on December 17, 2025, as shown in the Proof of Publication (Attachment C). As of the preparation of this report, the Planning Department has not received any public comments. Any comments submitted before the

scheduled Planning Commission meeting will be presented to the Commission during the public hearing.

DECISION MAKING AUTHORITY

The **Planning Commission's** authority to hold a public hearing and make a recommendation to the City Council on proposed amendments to Title 10, Chapter 4, Section 20 of the Placerville Municipal Code (regarding Short Term Rentals) comes from the following sources:

- **City of Placerville Practices and Descriptions:** The official City website and related documents describe the Planning Commission as responsible for reviewing land use proposals and making recommendations to the City Council on amendments to the Zoning Ordinance (Title 10 of the Municipal Code), rezoning requests, General Plan amendments, and other planning matters. This includes preparing and reviewing ordinance amendments for consistency with the General Plan and State law.
- **Standard California Local Government Structure:** Under California law (Government Code Sections 65100 et seq. and 65800 et seq.), local planning commissions serve in an advisory capacity to the legislative body (City Council). They typically conduct public hearings on zoning ordinance amendments and forward recommendations to the Council, which holds final adoption authority. This process aligns with Placerville's practices, as evidenced by historical examples where the Commission has reviewed and recommended zoning text amendments to the Council.

RECOMMENDED PLANNING COMMISSION ACTION

Hold a public meeting; and,

The Planning Commission may take one of the following actions based on the analysis provided:

1. Forward a recommendation of approval to the City Council
2. Forward a recommendation of approval with modifications to the City Council
3. Forward a recommendation of denial to the City Council

ATTACHMENTS

- A. Ordinance No. XX – Draft
 - a. Redlined Zoning Code
- B. Planning Commission Resolution No. XX - Draft
- C. Proof of Publication

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