

City of Sacramento
Planning and Design Commission Report
915 I Street Sacramento, CA 95814
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File ID: 2025-01885

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Title 5 (Business Licenses & Regulations) & Title 17 (Planning & Development Code) Amendments Related to Short-Term Rentals (City Code Chapter 5.114, Section 17.228.104, and Article II of Chapter 17.228) (M25-026) [Published 02/06/2026]

File ID: 2025-01885

Location: Citywide

Recommendation: Conduct a public hearing and upon conclusion, pass a **Motion:** 1) determining the ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c)(3), 15061(b)(3), and 15378(b)(5); and 2) recommending City Council adopt an ordinance amending City Code Chapter 5.114, Section 17.228.104, and Article II of Chapter 17.228, all related to short-term rentals.

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Presenter: Kevin Colin, Zoning Administrator, (916) 808-5260, kcolin@cityofsacramento.org, Community Development Department

Attachments:

- 1-Description/Analysis
- 2-City Code Chapter 5.114 (Short-Term Rentals)
- 3-City Code Section 17.228.108 (Special Use Regulations)
- 4-Redline Ordinance
- 5-Clean Ordinance
- 6-June 24, 2025 Law & Legislation Committee Staff Report
- 7-Staff PowerPoint Presentation

Description/Analysis

Issue Detail: The City's short-term rental (STR) regulations were adopted in 2016 through the creation of City Code Chapter 5.114 (Short-Term Rentals) (**Attachment 2**) and amendments to Section 17.228.104 (Special Use Regulations) (**Attachment 3**). Aside from some minor code amendments (e.g., to enhance enforcement, collect district assessments, regulate use of multi-unit dwellings), most of what was enacted in 2016 remains in effect today.

On June 24, 2025, the Finance Department sought and obtained direction from the Law & Legislation Committee on an ordinance amending Chapter 5.114. The Committee concurred with staff's recommendations seeking to standardize the regulatory practice for primary residences, reduce complaints associated with short-term rentals, and, for long-term rental housing units, support both the preservation of those existing and increase in the construction of new units, namely Accessory Dwelling Units (ADUs).

A single ordinance has been prepared to facilitate the Law & Legislation Committee's direction, incorporating amendments to both Title 5 and 17 of the City Code. Amendments to both titles of City Code are necessary to ensure a consistent regulatory program able to achieve the City Council's policy goals. The Planning & Design Commission is invited to comment on the entire ordinance but required by City Code Section 17.916.010(B) to provide a recommendation on amendments specific to Title 17.

City Code Chapter 5.114 (Short-Term Rentals) Amendments

City Code Title 5 (Business Licenses and Regulations) is generally administered by the Finance Department. Chapter 5.114 regulates short-term rentals through prescribed standards and an annual permit requirement. The following summarizes substantive amendments to that chapter.

Change #1 (Residency): Require short-term rentals to be at the property owner's primary residence.

Rationale: Chapter 5.114 presently allows permittees the ability to rent their primary residence - where the permittee resides at least 184 days a year - with no limit on total amount of rental days. Permittees renting out property that is not their primary residence are limited to 90 rental days per year. The Finance Department has found an increasingly high percentage of Short-Term Rental Permit applications are for non-primary residences. Those permit locations constituted approximately 2/3rds of all complaints in 2025.

To prevent the purchase of residential properties for the sole purpose of running a permanent short-term rental business, as well as to reduce the disruptive nature of non-primary residence short-term rentals, the ordinance removes the option for applicants to rent out properties that are not their primary residence. This aligns with nearby jurisdictions and ensures a balance between allowing property owners to supplement their income and maintaining the integrity and safety of our community.

Change #2 (Permittees): One Short-Term Rental Permit per property owner.

Rationale: Chapter 5.114 presently allows either an owner, lessee, or holder of a similar interest in

a dwelling unit to obtain a Short-Term Rental Permit. Short-Term Rental Permit applications to the Finance Department often concern applicants who have long-term leases for property (i.e., are not property owners). Some applicants provide information to satisfy the burden of proof for primary residency (i.e., to enable lodging for 365 days/year rather than 90 days/year) but do not actually reside at the property.

Issuing one permit per property owner works in concert with the primary residency requirement described above to the same ends - discouragement of permanent short-term rental businesses, allow owners to supplement their income (e.g., to repay construction loan for ADU), and maintain the safety and integrity of our community (e.g., by putting the person with legal control and self-interest closest to the short-term rental). It also supports the preservation of existing rental housing (e.g., multi-unit buildings) for long-term rather than short-term use.

Change #3 (Accessory Dwelling Units): Allow a property owner's primary residence to be either a primary dwelling or accessory dwelling unit (ADU).

Rationale: City Code Chapter 5.114 presently treats properties with ADUs differently than those without them. Because short-term rental permits are issued by dwelling unit and ADU's are a separate dwelling unit (i.e., from the primary dwelling), applicants cannot claim the ADU as their primary residence and, if granted a short-term rental permit for the ADU, they are limited to 90 days of rental annually.

Finance Department staff have received complaints from permittees and applicants that constructed an ADU with the intent of using it as a short-term rental (e.g., allowing for ADU construction cost recovery, establishment of an additional source of income). Treating all dwellings on a property the same while also limiting short-term rental permits to one per property owner supports both the production of new housing and economic activity through tourism.

The greatest challenge to ADU construction is the cost. This regulatory change provides another avenue for recouping those costs while at the same time supporting the construction of a dwelling that will last 50 years or more and serve many purposes over its lifetime (e.g., rental housing, aging in place or with family, short-term rental).

Note: Most accessory dwelling units are permitted in accordance with the City's local ordinance (i.e., City Code Section 17.228.108) rather than State prescribed standards at Government Code Section 66323 which require a rental term longer than 30 days.

Change #4 (Multi-Unit Dwellings): Limit Short-Term Rental Permits to lots with four or fewer dwelling units.

Rationale: City Code Section 17.228.104 allows short-term rentals in multi-unit buildings when a

conditional use permit is approved and the property is located within the R-4, R-4A, R-5, OB, OB-2, OB-3, SC, C-2, C-3, C-4, M-1, M-1(S), M-2, M-2(S), MRD, M-T or HC zones. Since that section was enacted in July 2020, only three conditional use permits have been approved for a total of ten dwelling units. Each permit allows short-term rental for 365 days/year.

Community Development staff filter inquiries for short-term rentals in multi-family buildings through applicable housing policies, including those emphasizing the need to increase housing supply (for rental, in particular) and those that strive to avoid displacement. Anecdotally, it appears staff's responses on those points discourage most prospective Conditional Use Permit applicants from proceeding.

Consistent with Law & Legislation Committee direction, the proposed ordinance will allow properties with multi-unit buildings of up to four (4) dwelling units a total of one (1) short-term rental permit. The stated reason for this aligns with that described at Change 3 (Accessory Dwelling Units) above - to also facilitate the construction of Missing Middle Housing in accordance with Interim Ordinance No. 2024-0027. All the restrictions described above will also apply (i.e., one short-term rental permit per property/owner; property owner has primary residence on site).

Change #5 (Online Hosting Platforms): Require hosting platforms to provide more information to reduce the number of properties operating without a Short-Term Rental Permit.

Rationale: Most short-term rentals are advertised on online hosting platforms such as AirBnb and VRBO. Currently, City Code Chapter 5.114 requires these platforms to keep and preserve all records deemed necessary to determine the amount of the Transient Occupancy Tax (TOT) permittees are liable for. This is to enable permittees to collect the TOT and remit to the City.

The proposed ordinance will additionally require hosting platforms to provide the City, on a regular basis, with the following information:

- Permit number
- Name of the party responsible
- Street address of the rental
- Number of days booked within the reporting period.

This additional information will allow the City to reduce the number of properties operating without a short-term rental permit through better informed and more efficient enforcement practices.

City Code Section 17.228.104 (Special Use Regulation) Amendments

Existing short-term rental zoning regulations within Title 17 can be summarized as follows:

- Allowed within single-unit and duplex dwelling units when:
 - Lodging is for six or fewer people at any time; and
 - 365 days annually, if the dwelling unit is the permittee's primary residence; and
 - 90 days annually, if the dwelling is not the permittee's primary residence.
- Conditional use permit required if located in a multi-unit dwelling building within the R-4, R-4A, R-5, OB, OB-2, OB-3, SC, C-2, C-3, C-4, M-1, M-1(S), M-2, M-2(S), MRD, M-T and HC zones.

The ordinance will streamline existing short-term rental regulations by removing all the above requirements and, instead, rely on Chapter 5.114 of City Code. As amended (and described above), that chapter provides regulations that also support and reinforce those of the 2040 General Plan and Housing Element.

Policy Considerations: The following goals and policies of the 2040 General Plan (including Housing Element) are relevant when considering the ordinance:

- Land Use & Placemaking Policy LUP-2.1 (Overall Balance of Uses): The City should encourage a balance and a mix of employment, residential, commercial, cultural, and tourism-related uses, as well as a full range of amenities and services necessary to support a thriving city.
- Historic & Cultural Resources Element Policy HCR-3.3 (Heritage Tourism): The City shall work with the local tourism industry, property owners, businesses, non-profit organizations, and other public agencies to develop and promote Heritage Tourism opportunities, integrating efforts with ongoing initiatives for economic development and promotion of the creative economy.
- Housing Element Goal 3 (Promoting Accessory Dwelling Units): Facilitate the construction of at least 600 accessory dwelling units by 2029.
- Housing Element Goal 4 (Advancing Equity and Inclusion): Create more equitable and inclusive neighborhoods.
- Housing Element Goal 5 (Protecting Residents from Displacement): Protect residents at-risk of displacement from their homes and their communities.
- Housing Element Goal 6 (Preserving the Existing Housing Stock): Preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote continued housing affordability.

Environmental Considerations: The proposed ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c)(3), 15061(b)(3), and 15378(b)(5). The ordinance concerns the regulation of lodging which must occur within an existing dwelling. The ordinance does not create new or alter existing regulations for development resulting in physical changes to the environment. For amendments to Title 5 of the City Code, the ordinance makes non-substantive amendments concerning administrative matters (e.g., who may obtain permits, how many permits, responsibilities of hosting platforms) and reduces the number of potential permits per property to one. For amendments to Title 17 of the City Code, the ordinance relocates existing criteria (i.e., maximum number of guests) to Title 5 and removes the potential for increasing the number of guests or increase in lodging days per year (i.e., through a Conditional Use Permit). For all these reasons, it can be seen with certainty and there is no possibility the ordinance will have a significant effect on the environment and, therefore, is exempt from and not subject to CEQA.

Sustainability: Not applicable.

Commission/Committee Action: On June 24, 2025, the Law & Legislation Committee reviewed, discussed and provided direction to the Finance Department on the preparation of an ordinance amending City Code Chapter 5.114 (Short-Term Rentals). The Committee concurred with the approach presented and directed staff to present an ordinance to the full City Council, without further review by the Committee. See **Attachment 4** for the staff report prepared for the Committee.

Rationale for Recommendation: The proposed ordinance will simplify existing regulations and accomplish the following:

- Greater protection of existing housing stock from commercial use for lodging purposes exclusively.
- Support homeowner's ability to construct accessory dwelling units and missing-middle housing through a clear financial means of recouping costs.
- Preserve existing rental housing for long-term rather than short-term use.
- Continued support of local economic activity (e.g., through tourism).

Financial Considerations: Not applicable.

Public/Neighborhood Outreach and Comments: City staff have been keeping the Housing Policy Working Group (HPWG) informed on this ordinance, including this public hearing before the Commission. The HPWG is a body established by the City of Sacramento in 2019 composed of housing advocates, market rate/affordable developers, architects, and neighborhood representatives, among others. Its primary purpose is to vet and gather ongoing feedback on housing-related planning and policies. Additionally, city staff provided notice of this hearing to all registered community groups.

Chapter 5.114

SHORT-TERM RENTALS

Sections:

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- 5.114.020 Fees and penalties established.
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Article V . Hosting Platform Responsibilities

5.114.400 Hosting platform responsibilities.

5.114.410 District short-term rentals.

Article I. General Provisions

5.114.010 Definitions.

For purposes of this chapter, the following definitions apply:

"Advertisement" means any method used to solicit interest in the rental, including internet-based listing or hosting services.

"Applicant" means the person applying for a short-term rental permit.

"Assessment" has the same meaning as in California [Streets and Highways Code](#) section 36606.5.

"Booking transaction" means the reservation of a short-term rental between a host and a prospective lodger.

"City manager" means the city manager or designee.

"CC&Rs" (also known as "covenants, conditions, and restrictions") means limitations and rules placed on a group of homes by a builder, developer, neighborhood association, or homeowner association.

"District" means the Sacramento Tourism Marketing District established by Resolution No. 2012-141 and the Sacramento Tourism Infrastructure District established by Resolution No. 2018-0419 and their subsequent renewals pursuant to the Property and Business Improvement District Law of 1994 (Cal. Sts. & Hy. Code, § 36600 et seq.)

"Dwelling" has the same meaning as in section 17.108.050. "Dwelling unit" has the same meaning as in section 17.108.050.

"Host" means a person who owns, leases, sub-leases, or has any other legal interest in a dwelling or dwelling unit offered for use as a short-term rental.

"Hosting platform" means a person who collects or receives a fee, directly or indirectly, for conducting a booking transaction using any medium of facilitation, including an internet-based platform.

"Lodger" means a person to whom a permittee is providing lodging for compensation.

"Lot" has the same meaning as in section 17.108.130.

"Permittee" means the person to whom a short-term rental permit is issued.

"Primary residence" means the dwelling unit in which the applicant or permittee resides for at least 184 days during the calendar year.

"Property owner" means the owner of the property on which the short-term rental dwelling unit exists, or their agent authorized to lease the short-term rental dwelling unit.

"Short-term rental" has the same meaning as in section 17.228.104.D.

"Transient occupancy tax" means the tax imposed under chapter 3.28. (Ord. 2024-0007 § 1; Ord. 2020-0005 § 1; Ord. 2018-0040 § 1; Ord. 2016-0004 § 1)

5.114.020 Fees and penalties established.

A. The following nonrefundable fees are established and imposed pursuant to the provisions of this chapter:

1. Short-term rental permit application fee; and
2. Short-term rental permit appeal fee.

B. The city council shall establish by resolution the amounts of the foregoing fees, and any penalties. (Ord. 2020-0005 § 2; Ord. 2016-0004 § 1)

5.114.030 Permits not transferable.

A short-term rental permit may not be transferred. (Ord. 2016-0004 § 1)

5.114.040 Violations.

A. Any person who violates a provision of this chapter is subject to criminal sanctions and administrative penalties pursuant to Chapter 1.28.

B. Violations of this chapter are hereby declared to be a public nuisance subject to a civil action for abatement by the city attorney pursuant to Chapter 1.28.

C. Any person who violates a provision of this chapter is liable for civil penalties of not less than two hundred fifty dollars (\$250.00) or more than twenty-five thousand dollars (\$25,000.00) for each day the violation continues.

D. In addition to any other remedy allowed by law, all remedies prescribed under this chapter are cumulative and the election of one or more remedies does not bar the city from the pursuit of any other remedy to enforce this chapter. (Ord. 2016-0004 § 1) 5.114.040

Article II. Short-Term Rental Permits

5.114.100 Short-term rental permit required-Consent required.

A. No person shall operate a short-term rental unless there is a short-term rental permit in effect for that dwelling unit.

B. Upon demand of a peace officer or city employee authorized to enforce this chapter, every person operating a short-term rental shall present the short-term rental permit that is in effect for that dwelling unit.

C. No person shall operate a short-term rental without the consent of the property owner.

D. No person shall operate a short-term rental in more than one dwelling unit on the same lot, unless the person's primary residence is in the city. (Ord. 2018-0040 § 2; Ord. 2016-0004 § 1)

5.114.110 Applications for short-term rental permits.

A. An owner, lessee, or holder of a similar interest in a dwelling unit may apply for a short-term rental permit by filing an application with the city manager. The application must be on a form approved by the city manager and may require any information or documentation consistent with the provisions of this chapter.

B. To renew a short-term rental permit, the permittee shall file an application with the city manager. The application must be submitted no later than thirty (30) days prior to the short-term rental permit expiration date. Untimely applications to renew short-term rental permits are subject to a late penalty in the amount established by resolution of the city council.

C. Every application for a short-term rental permit, including renewal applications, shall be accompanied by the short-term rental permit application fee in the amount established by resolution of the city council.

D. No person shall knowingly make a false statement of fact or knowingly omit any information that is required in an application for a short-term rental permit. (Ord. 2016-0004 § 1)

5.114.120 Grounds for denying a short-term rental permit.

The city manager may deny an application for a short-term rental permit for any of the following reasons:

A. The application is incomplete;

B. The application contains a false or misleading statement or omission of a material fact;

C. The dwelling is subject to an enforcement action pursuant to any provision of this code, including, but not limited to, Chapters 8.04 (Nuisances Generally), 8.96 (Dangerous Buildings Code), and 8.100 (Housing Code);

D. The dwelling has more than once been found to be in violation of any provisions of this code, including, but not limited to, Chapters 8.96 (Dangerous Buildings Code) and 8.100 (Housing Code);

E. The property owner or occupants of the dwelling have more than once been found to be in violation of any applicable law, including, but not limited to, Chapters 8.08 (Social Nuisance Code) and 8.68 (Noise Control);

F. The applicant or the property owner is delinquent on any payment to the city of any fees, penalties, taxes, or any other monies related to the property;

G. Within two years of the date of application, a short-term rental permit for the dwelling was denied for any of the reasons provided in subsections B through F or revoked; or

H. The operation of a short-term rental by the applicant or at the dwelling is a threat to the public health, safety, or welfare. (Ord. 2020-0005 § 3; Ord. 2016-0004 § 1)

5.114.130 Issuance of short-term rental permit-Notice to neighbors.

A. Unless the city manager determines that grounds for denying an application for a short-term rental permit exist, the city manager shall issue the permit. The city manager may impose conditions on the permit as necessary to protect the public health, safety, and welfare.

B. Upon issuance of a short-term rental permit, the city will notify all owners of property within two hundred (200) feet of the permitted short-term rental dwelling unit. The notice will be in writing and contain the location of the short-term rental dwelling unit and the contact information for the permittee. (Ord. 2016-0004 § 1)

5.114.140 Term of short-term rental permit.

A short-term rental permit is valid for one year from the date the permit was issued, unless it is suspended or revoked sooner. (Ord. 2016-0004 § 1)

5.114.150 Compliance with CC&Rs.

No person shall operate a short-term rental in violation of applicable CC&Rs or similar regulations. (Ord. 2018-0040 § 3)

Article III. Short-Term Rental Regulations

5.114.200 Occupancy limit.

A. No permittee shall rent to more than six people per short-term rental.

B. Notwithstanding subsection A, if the permittee's primary residence is not on the same lot as the short-term rental, the permittee shall not rent to more than six people per lot. (Ord. 2018-0040 § 5; Ord. 2016-0004 § 1)

5.114.210 Annual limit.

If the short-term rental dwelling unit is not the primary residence of the permittee, no permittee shall, for compensation, provide lodging for more than an aggregate of 90 days during the term of the short-term rental permit. (Ord. 2024-0007 § 2; Ord. 2016-0004 § 1)

5.114.220 Registry required.

A. A permittee shall keep a register that documents the following information:

1. All dates on which the permittee provided lodging for compensation;
2. The number of lodgers on each date; and
3. The amount of rent paid by lodgers for each night of lodging.

B. A permittee shall maintain this register in a printed format for at least three years and, except as provided in subsection C below, shall provide the register to the city upon request.

C. For rentals that are not the primary residence of the permittee, the permittee shall provide an updated copy of the register to the city each January, April, July, and October, by sending or delivering the register to the city department and address listed on the short-term rental permit. (Ord. 2017-0048 § 1; Ord. 2016-0004 § 1)

5.114.230 Posting of permit and permit number.

A. A permittee shall post a copy of the short-term rental permit in a conspicuous place in each room in which a lodger is expected to sleep.

B. All persons operating a short-term rental shall identify the city short-term rental permit number in any advertisement for that rental. (Ord. 2018-0040 § 4; Ord. 2017-0048 § 2; Ord. 2016-0004 § 1)

5.114.240 Signs prohibited.

No permittee shall post on the short-term rental dwelling unit property any sign or writing visible from the exterior of the dwelling indicating that the dwelling unit is available for rent. (Ord. 2016-0004 § 1)

5.114.260 Special events prohibited.

No permittee shall allow any conferences, weddings, fundraisers, or similar gatherings at the short-term rental dwelling unit. (Ord. 2016-0004 § 1)

5.114.270 Taxes.

Permittees shall pay the appropriate business operations tax as set forth in Chapter 3.08 and the uniform transient occupancy tax as set forth in Chapter 3.28. (Ord. 2016-0004 § 1)

5.114.280 Advertising in violation of this chapter.

No person shall make, print, publish, or disseminate an advertisement for any activity that violates this chapter. (Ord. 2018-0040 § 6)

Article IV. Procedures for Actions on Permits

5.114.300 Suspending, revoking, or conditioning a short-term rental permit.

A. The city manager may suspend, revoke, or condition any short-term rental permit for any of the following reasons:

1. One or more of the circumstances upon which a short-term rental permit could be denied as described in section 5.114.120 exists or has occurred; or
2. The permittee has violated any provision of this chapter.

B. The conditions that the city manager may impose on the short-term rental permit include, but are not limited to:

1. Requiring the permittee to remain at the dwelling unit during certain hours while guests are present;
2. For rentals that are the primary residence of the permittee, requiring a property manager who resides in the city and who will quickly respond to complaints;
3. Reducing the number of guests that are allowed to lodge at the dwelling unit; and
4. Reducing the number of days in a year that the permittee is allowed to provide lodging.

C. For rentals that are not the primary residence of the permittee, the city manager shall impose a condition on the short-term permit that the permittee identify - by name, address, and contact information, including phone number and email address - a property manager who resides within a 30-mile radius of the short-term rental and who will quickly respond to complaints. The permittee shall notify the city of any change in information for the property manager. (Ord. 2017-0048 § 3; Ord. 2016-0004 § 1)

5.114.310 Hearing required-Exception.

A. No short-term rental permit may be suspended, revoked, or conditioned until the permittee is provided a notice of hearing pursuant to Section 5.114.320 and an opportunity to be heard by the city manager.

B. Notwithstanding subsection A, a permit issued pursuant to this chapter may be suspended, revoked, or conditioned immediately upon the city manager's determination that the immediate suspension of the permit is necessary to protect the public health, safety, or welfare.

C. If a permit is immediately suspended pursuant to subsection B, the permittee subsequently shall be provided a notice of hearing pursuant to Section 5.114.320 and an opportunity to be heard by the city manager. (Ord. 2016-0004 § 1)

5.114.320 Notice of hearing.

A. The city manager shall serve on the permittee a notice of hearing on the decision to suspend, revoke, or condition a short-term rental permit. The notice shall be in writing and contain a brief statement of the grounds for the action, and the date, time, and location of the hearing.

B. The notice of hearing shall be personally served or sent by certified mail to the permittee at the address submitted in the permit application at least ten (10) calendar days prior to the hearing. Service by certified mail is complete at the time the notice is deposited in the mail. (Ord. 2016-0004 § 1)

5.114.330 Notice of decision.

A. If, after the permittee has had an opportunity to be heard, the city manager decides to suspend, revoke, or condition a short-term rental permit, the city manager shall serve a notice of decision on the permittee. The notice shall be in writing and contain:

1. The specific grounds for the decision;
2. A statement that the permittee may appeal the decision by submitting an appeal, in writing to the city manager, within ten (10) calendar days of the date of service of the notice; and
3. A statement advising that the failure to appeal the decision will constitute a waiver of all rights to an appeal hearing, a failure to exhaust administrative remedies, and a bar to any judicial action pertaining to the city manager's decision.

B. The notice of decision shall be personally served or sent by certified mail to the permittee at the address submitted in the permit application. Service by certified mail is complete at the time the notice is deposited in the mail. (Ord. 2016-0004 § 1)

5.114.340 Return of the permit.

A permittee shall return a suspended or revoked short-term rental permit to the city manager within three calendar days of the receipt of the notice of decision described in Section 5.114.330. (Ord. 2016-0004 § 1)

5.136.350 Appeal of action on permit.

A. Any applicant or permittee may appeal the city manager's decision to deny, suspend, revoke, or condition a short-term rental permit by submitting a written notice of appeal to the city manager within ten (10) calendar days from the date of service of the notice of decision. The written notice of appeal must contain:

1. A brief statement in ordinary and concise language of the specific decision protested, together with any material facts claimed to support the appeal;
2. A brief statement in ordinary and concise language of the relief sought, and the reasons why it is claimed the protested decision should be reversed or otherwise set aside;
3. The signatures of all parties named as appellants and their official mailing addresses; and
4. A declaration under penalty of perjury by at least one appellant as to the truth of the matters stated in the notice of appeal.

B. The appeal hearing shall be conducted by a hearing examiner appointed pursuant to Section 8.04.070.

C. Upon receipt of any appeal filed pursuant to this section, the city manager shall transmit the appeal to the hearing examiner, who shall cause it to be calendared for the next regularly scheduled appeal hearing date that is at least fifteen (15) days later.

D. The hearing examiner shall serve a notice of appeal hearing on each appellant. The notice shall be in writing and contain the date, time, and location of the appeal hearing. The notice shall be personally served or sent by mail to the appellant at the address shown on the appeal at least ten (10) days prior to the date of the hearing.

E. Only those matters or issues specifically raised by the appellant in the written notice of appeal shall be considered in the appeal hearing.

F. Failure of any person to file a timely appeal in accordance with the provisions of this section shall constitute an irrevocable waiver of the right to an administrative hearing and a final adjudication of the matter and any portion thereof. (Ord. 2016-0004 § 1)

Article V. Hosting Platform Responsibilities

5.114.400 Hosting platform responsibilities.

A. No hosting platform shall accept a fee for any booking transaction unless the host has a valid city-issued short-term rental permit.

B. A hosting platform is, and has the responsibilities of, an operator as provided in chapter 3.28 for the limited purposes of collecting the transient occupancy tax for a booking transaction and remitting the tax to the city in accordance with section 3.28.070 and keeping and preserving records for city inspection in accordance with section 3.28.140. (Ord. 2020-0005 § 4)

5.114.410 District short-term rentals.

A. Except as provided in subsection C, if a host is required to pay a district assessment and utilizes a hosting platform to collect any fee from lodgers—

1. The host shall inform the hosting platform that the hosting platform must collect the district assessment from the lodger; and

2. The hosting platform shall, on behalf of the host, collect the district assessment from the lodger and remit it to the city. A hosting platform's obligations under this paragraph are in addition to any district-assessment obligations of the host, regardless of the host's compliance with subsection A.1.

B. A host remains obligated to remit its district assessments even if a hosting platform fails to discharge the obligation described in subsection A.2.

C. Subsection A does not apply if the host provides the city an affidavit, signed by the host under penalty of perjury, verifying that the host will pay the district assessments directly to city. (Ord. 2024-0007 § 3)

17.228.104 Bed and breakfast inn in residential zones.

A. Bed and breakfast inn in RE, R-1, R-1A, R-1B, and R-2 zones. A zoning administrator's conditional use permit is required to establish a bed and breakfast inn in these zones. The property owner or a manager shall reside on site, unless the bed and breakfast inn is a short-term rental under subsections B and C below, in which case the property owner or a manager is not required to reside onsite. The bed and breakfast inn shall not have more than seven guest rooms. Conferences, weddings, fund raisers, and similar gatherings of non-lodgers are prohibited.

B. Bed and breakfast inn in R-2A, R-2B, R-3, and R-3A zones. A zoning administrator's conditional use permit is required to establish a bed and breakfast inn in these zones. The bed and breakfast inn shall not have more than 14 guest rooms. In these zones, the zoning administrator's conditional use permit may allow facilities for conferences, weddings, fund raisers, and other similar gatherings and functions attended by non-lodgers as a part of the bed and breakfast inn use, and may include conditions restricting type, frequency, and timing of events, and other limits on operations as the decision-maker determines necessary to issue the conditional use permit. Except as expressly authorized in the conditional use permit, gatherings and functions attended by non-lodgers are prohibited.

C. Notwithstanding subsections A and B of this section, a short-term rental, as defined in subsection D, is a permitted use of a dwelling unit and a zoning administrator's conditional use permit is not required for that use. A short-term rental must comply with the requirements in chapter 5.114. The provisions of chapter 17.228 (Home Occupations) do not apply to short-term rentals.

D. For purposes of this section, a "short-term rental" means a bed and breakfast inn that is limited as follows:

1. Lodging is provided for no more than six persons at any time; and
2. If the dwelling unit is not the primary residence of the permittee, lodging is provided for no more than an aggregate of 90 days during the term of the short-term rental permit required under chapter 5.114. "Primary residence of the permittee" means the dwelling unit in which the person issued the short-term rental permit, established in chapter 5.114, resides for at least 184 days during a calendar year.

E. Except as specifically stated, nothing in this section exempts the operation of a bed and breakfast inn or short-term rental from the requirements of any other provision of this code, including chapter 3.08 (Business Operations Tax) and chapter 3.28 (Uniform Transient Occupancy Tax). (Ord. 2024-0051 § 15; Ord. 2020-0025 § 21; Ord. 2016-0003 § 6; Ord. 2013-0020 § 1; Ord. 2013-0007 § 1)

ORDINANCE NO.

Adopted by the Sacramento City Council

[Date Adopted]

AN ORDINANCE AMENDING CHAPTER 5.114 OF THE SACRAMENTO CITY CODE, RELATING TO SHORT-TERM RENTALS; AND AMENDING SECTIONS 17.108.200 AND 17.228.104 OF, AND ADDING SECTION 17.228.235 TO, THE SACRAMENTO CITY CODE, RELATING TO PLANNING AND DEVELOPMENT

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

The City Council finds and determines as follows:

- A. As amended by this ordinance, the Planning and Development Code complements, supports, and facilitates the implementation of the goals, policies, and other provisions of the general plan and the city’s specific plans and transit village plans; and
- B. The amendments in this ordinance promote the public health, safety, convenience, and welfare of the city.

SECTION 2.

- A. Section 5.114.010 of the Sacramento City Code is hereby amended as follows:
 - 1. A definition of “dwelling unit, accessory” is hereby added to read as follows:
“Dwelling unit, accessory” has the same meaning as in section 17.108.050.
 - 2. A definition of “dwelling unit, junior accessory” is hereby added to read as follows:
“Dwelling unit, junior accessory” has the same meaning as in section 17.108.050.
 - 3. The definition of “host” is hereby amended to read as follows:
“Host” means a property owner or a person who ~~owns~~, leases, sub-leases, or has any other legal interest in a dwelling or dwelling unit offered for use as a short-term rental.
 - 4. The definition of “primary residence” is hereby amended to read as follows:
“Primary residence” means the dwelling unit in which ~~the applicant or permittee~~ a person has resided for at least 184 days during ~~the calendar year~~ the previous 12 months.
 - 5. The definition of “property owner” is hereby amended to read as follows:

“Property owner” means a person with record ownership~~the owner~~ of the property on which the short-term rental exists, ~~or their agent authorized to lease the short-term rental dwelling unit.~~

6. The definition of “short-term rental” is hereby amended to read as follows:

“Short-term rental” ~~has the same meaning as in section 17.228.104.D~~means a dwelling unit used to provide lodging to a lodger for compensation for a period of 30 consecutive days or less for compensation.

B. Except as amended by subsection A above, all provisions of section 5.114.010 remain unchanged and in full effect.

SECTION 3.

Section 5.114.100 of the Sacramento City Code is hereby amended to read as follows:

5.114.100 Short-term rental permit required ~~Consent required.~~

A. No person shall operate a short-term rental unless there is a short-term rental permit in effect for that dwelling unit.

B. Upon demand of a peace officer or city employee authorized to enforce this chapter, every person operating a short-term rental shall present the short-term rental permit that is in effect for that dwelling unit.

~~C. No person shall operate a short term rental without the consent of the property owner.~~

~~D. No person shall operate a short term rental in more than one dwelling unit on the same lot, unless the person's primary residence is in the city.~~

SECTION 4.

Section 5.114.110 of the Sacramento City Code is hereby amended to read as follows:

5.114.110 Applications for short-term rental permits.

A. A property owner, or the authorized agent of the property owner, lessee, or holder of a similar interest in a dwelling unit may apply for a short-term rental permit by filing an application with the city manager. The application must be on a form approved by the city manager and may require any information or documentation consistent with the provisions of this chapter.

B. To renew a short-term rental permit, the permittee shall file an application with the city manager. The application must be submitted no later than ~~thirty (30) days~~ before the short-term rental permit expiration date. Untimely

applications to renew short-term rental permits are subject to a late penalty in the amount established by resolution of the city council.

C. Every application for a short-term rental permit, including renewal applications, shall be accompanied by the short-term rental permit application fee in the amount established by resolution of the city council.

D. No person shall knowingly make a false statement of fact or knowingly omit any information that is required in an application for a short-term rental permit.

SECTION 5.

A. Subsection I is hereby added to section 5.114.120 of the Sacramento City Code to read as follows:

I. The applicant seeks authorization for a short-term rental that is unlawful pursuant to any law.

B. Except as amended by subsection A above, all provisions of section 5.114.120 remain unchanged and in full effect.

SECTION 6.

Section 5.114.160 is hereby added to the Sacramento City Code to read as follows:

5.114.160 Existing short-term rental permit renewal.

Notwithstanding any other provision of this chapter, a short-term rental permit that is valid on July 1, 2026, is subject to the provisions of this chapter in effect on June 30, 2026. That permit may be renewed for one additional year subject to the provisions of this chapter in effect on June 30, 2026. This section remains in effect until July 1, 2028, and on that date is repealed.

SECTION 7.

Section 5.114.200 of the Sacramento City Code is hereby amended to read as follows:

5.114.200 Occupancy limit.

~~A. No permittee shall provide lodging rent to more than six people at any time per short-term rental.~~

~~B. Notwithstanding subsection A, if the permittee's primary residence is not on the same lot as the short term rental, the permittee shall not rent to more than six people per lot.~~

SECTION 8.

Section 5.114.205 is hereby added to the Sacramento City Code to read as follows:

5.114.205 Lot limits.

A. No property owner shall allow more than one short-term rental on any lot.

B. No property owner shall allow a short-term rental on any lot that has more than four dwelling units.

SECTION 9.

Section 5.114.210 of the Sacramento City Code is hereby amended to read as follows:

5.114.210 Annual limit~~Permit limit.~~

~~If the short term rental dwelling unit is not the primary residence of the permittee, no permittee shall, for compensation, provide lodging for more than an aggregate of 90 days during the term of the short term rental permit. No permittee shall hold more than one short-term rental permit at any time.~~

SECTION 10.

Section 5.114.215 is hereby added to the Sacramento City Code to read as follows:

5.114.215 Primary residence requirement.

A. If a permittee is a natural person, the short-term rental must be on the same lot as their primary residence.

B. If a permittee is not a natural person, the short-term rental must be on the same lot as the primary residence of a natural person with a beneficial ownership interest in the permittee.

SECTION 11.

A. Subsection C of section 5.114.220 of the Sacramento City Code is hereby deleted.

~~C. For rentals that are not the primary residence of the permittee, the permittee shall provide an updated copy of the register to the city each January, April, July, and October, by sending or delivering the register to the city department and address listed on the short term rental permit.~~

B. Except as amended by subsection A above, all provisions of section 5.114.220 remain unchanged and in full effect.

SECTION 12.

Section 5.114.300 of the Sacramento City Code is hereby amended to read as follows:

5.114.300 Suspending, revoking, or conditioning a short-term rental permit.

- A. The city manager may suspend, revoke, or condition any short-term rental permit for any of the following reasons:
1. One or more of the circumstances upon which a short-term rental permit could be denied as described in section 5.114.120 exists or has occurred; or
 2. The permittee has violated any provision of this chapter.
- B. The conditions that the city manager may impose on the short-term rental permit include, but are not limited to the following:
1. Requiring the permittee to remain at the dwelling unit during certain hours while guests are present;
 2. ~~For rentals that are the primary residence of the permittee,~~ Requiring a property manager who resides in the city and who will quickly respond to complaints;
 3. Reducing the number of guests that are allowed to lodge at the dwelling unit; and
 4. Reducing the number of days in a year that the permittee is allowed to provide lodging.
- ~~C. For rentals that are not the primary residence of the permittee, the city manager shall impose a condition on the short term permit that the permittee identify by name, address, and contact information, including phone number and email address a property manager who resides within a 30-mile radius of the short term rental and who will quickly respond to complaints. The permittee shall notify the city of any change in information for the property manager~~

SECTION 13.

Section 5.136.350 in chapter 5.114 of the Sacramento City Code is hereby renumbered to section 5.114.350.

SECTION 14.

Section 5.114.400 of the Sacramento City Code is hereby amended to read as follows:

5.114.400 Hosting platform responsibilities.

- A. No hosting platform shall accept a fee for any booking transaction for a dwelling unit unless the platform has confirmed that the host has a valid city-issued short-term rental permit for that dwelling unit.

B. A hosting platform is, and has the responsibilities of, an operator as provided in chapter 3.28 for the limited purposes of collecting the transient occupancy tax for a booking transaction and remitting the tax to the city in accordance with section 3.28.070 and keeping and preserving records for city inspection in accordance with section 3.28.140.

C. A hosting platform with listings in the city shall provide to the city manager, on at least a monthly basis and in a format specified by the city manager, the following information:

1. The short-term rental permit number for each listing;

2. The name of the person responsible for each listing;

3. The street address of each listing; and

4. For each booking that occurs within the reporting period, the number of days booked.

SECTION 15.

A. A definition of “short-term rental” is hereby added to section 17.108.200 of the Sacramento City Code to read as follows:

“Short-term rental” means a short-term rental as defined in section 5.114.010.

B. Except as amended by subsection A above, all provisions of section 17.108.200 remain unchanged and in full effect.

SECTION 16.

Section 17.228.104 of the Sacramento City Code is hereby amended to read as follows:

17.228.104 Bed and breakfast inn.

A. Bed and breakfast inn in RE, R-1, R-1A, R-1B, and R-2 zones. A zoning administrator's conditional use permit is required to establish a bed and breakfast inn in these zones. The property owner or a manager shall reside on site, ~~unless the bed and breakfast inn is a short term rental under subsections B and C below, in which case the property owner or a manager is not required to reside onsite.~~ The bed and breakfast inn ~~shall~~must not have more than seven guest rooms. Conferences, weddings, fund raisers, and similar gatherings of non-lodgers are prohibited.

B. Bed and breakfast inn in R-2A, R-2B, R-3, and R-3A zones. A zoning administrator's conditional use permit is required to establish a bed and breakfast inn in these zones. The bed and breakfast inn ~~shall~~must not have more than 14 guest rooms. In these zones, the zoning administrator's conditional use permit may allow facilities for

conferences, weddings, fund raisers, and other similar gatherings and functions attended by non-lodgers as a part of the bed and breakfast inn use, and may include conditions restricting type, frequency, and timing of events, and other limits on operations as the decision-maker determines necessary to issue the conditional use permit. Except as expressly authorized in the conditional use permit, gatherings and functions attended by non-lodgers are prohibited.

C. ~~Reserved. Notwithstanding subsections A and B of this section, a short-term rental, as defined in subsection D, is a permitted use of a dwelling unit and a zoning administrator's conditional use permit is not required for that use. A short term rental must comply with the requirements in chapter 5.114. The provisions of chapter 17.228 (Home Occupations) do not apply to short-term rentals.~~

D. ~~Reserved. For purposes of this section, a "short term rental" means a bed and breakfast inn that is limited as follows:~~

~~1. Lodging is provided for no more than six persons at any time; and~~

~~2. If the dwelling unit is not the primary residence of the permittee, lodging is provided for no more than an aggregate of 90 days during the term of the short-term rental permit required under chapter 5.114. "Primary residence of the permittee" means the dwelling unit in which the person issued the short-term rental permit, established in chapter 5.114, resides for at least 184 days during a calendar year.~~

E. Except as specifically stated, nothing in this section exempts the operation of a bed and breakfast inn or short-term rental from the requirements of any other provision of this code, including chapter 3.08 (Business Operations Tax) and chapter 3.28 (Uniform Transient Occupancy Tax).

SECTION 17.

Section 17.228.235 is hereby added to the Sacramento City Code to read as follows:

17.228.235 Short-term rentals exempt from this article.

Short-term rentals subject to chapter 5.114 are exempt from the provisions of this article.

ORDINANCE NO.

Adopted by the Sacramento City Council

[Date Adopted]

AN ORDINANCE AMENDING CHAPTER 5.114 OF THE SACRAMENTO CITY CODE, RELATING TO SHORT-TERM RENTALS; AND AMENDING SECTIONS 17.108.200 AND 17.228.104 OF, AND ADDING SECTION 17.228.235 TO, THE SACRAMENTO CITY CODE, RELATING TO PLANNING AND DEVELOPMENT

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

The City Council finds and determines as follows:

- A. As amended by this ordinance, the Planning and Development Code complements, supports, and facilitates the implementation of the goals, policies, and other provisions of the general plan and the city’s specific plans and transit village plans; and
- B. The amendments in this ordinance promote the public health, safety, convenience, and welfare of the city.

SECTION 2.

- A. Section 5.114.010 of the Sacramento City Code is hereby amended as follows:
 - 1. A definition of “dwelling unit, accessory” is hereby added to read as follows:
“Dwelling unit, accessory” has the same meaning as in section 17.108.050.
 - 2. A definition of “dwelling unit, junior accessory” is hereby added to read as follows:
“Dwelling unit, junior accessory” has the same meaning as in section 17.108.050.
 - 3. The definition of “host” is hereby amended to read as follows:
“Host” means a property owner or a person who leases, sub-leases, or has any other legal interest in a dwelling or dwelling unit offered for use as a short-term rental.
 - 4. The definition of “primary residence” is hereby amended to read as follows:
“Primary residence” means the dwelling unit in which a person has resided for at least 184 days during the previous 12 months.
 - 5. The definition of “property owner” is hereby amended to read as follows:
“Property owner” means a person with record ownership of the property on which the short-term rental exists..

6. The definition of “short-term rental” is hereby amended to read as follows:
“Short-term rental” means a dwelling unit used to provide lodging to a lodger for compensation for a period of 30 consecutive days or less for compensation.

B. Except as amended by subsection A above, all provisions of section 5.114.010 remain unchanged and in full effect.

SECTION 3.

Section 5.114.100 of the Sacramento City Code is hereby amended to read as follows:

5.114.100 Short-term rental permit required.

A. No person shall operate a short-term rental unless there is a short-term rental permit in effect for that dwelling unit.

B. Upon demand of a peace officer or city employee authorized to enforce this chapter, every person operating a short-term rental shall present the short-term rental permit that is in effect for that dwelling unit.

SECTION 4.

Section 5.114.110 of the Sacramento City Code is hereby amended to read as follows:

5.114.110 Applications for short-term rental permits.

A. A property owner, or the authorized agent of the property owner, may apply for a short-term rental permit by filing an application with the city manager. The application must be on a form approved by the city manager and may require any information or documentation consistent with the provisions of this chapter.

B. To renew a short-term rental permit, the permittee shall file an application with the city manager. The application must be submitted no later than 30 days before the short-term rental permit expiration date. Untimely applications to renew short-term rental permits are subject to a late penalty in the amount established by resolution of the city council.

C. Every application for a short-term rental permit, including renewal applications, shall be accompanied by the short-term rental permit application fee in the amount established by resolution of the city council.

D. No person shall knowingly make a false statement of fact or knowingly omit any information that is required in an application for a short-term rental permit.

SECTION 5.

A. Subsection I is hereby added to section 5.114.120 of the Sacramento City Code to read as follows:

I. The applicant seeks authorization for a short-term rental that is unlawful pursuant to any law.

B. Except as amended by subsection A above, all provisions of section 5.114.120 remain unchanged and in full effect.

SECTION 6.

Section 5.114.160 is hereby added to the Sacramento City Code to read as follows:

5.114.160 Existing short-term rental permit renewal.

Notwithstanding any other provision of this chapter, a short-term rental permit that is valid on **July 1, 2026**, is subject to the provisions of this chapter in effect on **June 30, 2026**. That permit may be renewed for one additional year subject to the provisions of this chapter in effect on **June 30, 2026**. This section remains in effect until **July 1, 2028**, and on that date is repealed.

SECTION 7.

Section 5.114.200 of the Sacramento City Code is hereby amended to read as follows:

5.114.200 Occupancy limit.

No permittee shall provide lodging to more than six people at any time per short-term rental.

SECTION 8.

Section 5.114.205 is hereby added to the Sacramento City Code to read as follows:

5.114.205 Lot limits.

A. No property owner shall allow more than one short-term rental on any lot.

B. No property owner shall allow a short-term rental on any lot that has more than four dwelling units.

SECTION 9.

Section 5.114.210 of the Sacramento City Code is hereby amended to read as follows:

5.114.210 Permit limit.

No permittee shall hold more than one short-term rental permit at any time.

SECTION 10.

Section 5.114.215 is hereby added to the Sacramento City Code to read as follows:

5.114.215 Primary residence requirement.

- A. If a permittee is a natural person, the short-term rental must be on the same lot as their primary residence.
- B. If a permittee is not a natural person, the short-term rental must be on the same lot as the primary residence of a natural person with a beneficial ownership interest in the permittee.

SECTION 11.

A. Subsection C of section 5.114.220 of the Sacramento City Code is hereby deleted.

B. Except as amended by subsection A above, all provisions of section 5.114.220 remain unchanged and in full effect.

SECTION 12.

Section 5.114.300 of the Sacramento City Code is hereby amended to read as follows:

5.114.300 Suspending, revoking, or conditioning a short-term rental permit.

- A. The city manager may suspend, revoke, or condition any short-term rental permit for any of the following reasons:
 - 1. One or more of the circumstances upon which a short-term rental permit could be denied as described in section 5.114.120 exists or has occurred; or
 - 2. The permittee has violated any provision of this chapter.
- B. The conditions that the city manager may impose on the short-term rental permit include, but are not limited to the following:
 - 1. Requiring the permittee to remain at the dwelling unit during certain hours while guests are present;
 - 2. Requiring a property manager who resides in the city and who will quickly respond to complaints;
 - 3. Reducing the number of guests that are allowed to lodge at the dwelling unit; and

4. Reducing the number of days in a year that the permittee is allowed to provide lodging.

SECTION 13.

Section 5.136.350 in chapter 5.114 of the Sacramento City Code is hereby renumbered to section 5.114.350.

SECTION 14.

Section 5.114.400 of the Sacramento City Code is hereby amended to read as follows:

5.114.400 Hosting platform responsibilities.

A. No hosting platform shall accept a fee for any booking transaction for a dwelling unit unless the platform has confirmed that the host has a valid city-issued short-term rental permit for that dwelling unit.

B. A hosting platform is, and has the responsibilities of, an operator as provided in chapter 3.28 for the limited purposes of collecting the transient occupancy tax for a booking transaction and remitting the tax to the city in accordance with section 3.28.070 and keeping and preserving records for city inspection in accordance with section 3.28.140.

C. A hosting platform with listings in the city shall provide to the city manager, on at least a monthly basis and in a format specified by the city manager, the following information:

1. The short-term rental permit number for each listing;
2. The name of the person responsible for each listing;
3. The street address of each listing; and
4. For each booking that occurs within the reporting period, the number of days booked.

SECTION 15.

A. A definition of “short-term rental” is hereby added to section 17.108.200 of the Sacramento City Code to read as follows:

“Short-term rental” means a short-term rental as defined in section 5.114.010.

B. Except as amended by subsection A above, all provisions of section 17.108.200 remain unchanged and in full effect.

SECTION 16.

Section 17.228.104 of the Sacramento City Code is hereby amended to read as follows:

17.228.104 Bed and breakfast inn.

A. Bed and breakfast inn in RE, R-1, R-1A, R-1B, and R-2 zones. A zoning administrator's conditional use permit is required to establish a bed and breakfast inn in these zones. The property owner or a manager shall reside on site. The bed and breakfast inn must not have more than seven guest rooms. Conferences, weddings, fund raisers, and similar gatherings of non-lodgers are prohibited.

B. Bed and breakfast inn in R-2A, R-2B, R-3, and R-3A zones. A zoning administrator's conditional use permit is required to establish a bed and breakfast inn in these zones. The bed and breakfast inn must not have more than 14 guest rooms. In these zones, the zoning administrator's conditional use permit may allow facilities for conferences, weddings, fund raisers, and other similar gatherings and functions attended by non-lodgers as a part of the bed and breakfast inn use, and may include conditions restricting type, frequency, and timing of events, and other limits on operations as the decision-maker determines necessary to issue the conditional use permit. Except as expressly authorized in the conditional use permit, gatherings and functions attended by non-lodgers are prohibited.

C. Reserved.

D. Reserved.

E. Except as specifically stated, nothing in this section exempts the operation of a bed and breakfast inn or short-term rental from the requirements of any other provision of this code, including chapter 3.08 (Business Operations Tax) and chapter 3.28 (Uniform Transient Occupancy Tax).

SECTION 17.

Section 17.228.235 is hereby added to the Sacramento City Code to read as follows:

17.228.235 Short-term rentals exempt from this article.

Short-term rentals subject to chapter 5.114 are exempt from the provisions of this article.

File ID: 2025-01007

6/24/2025

Regulation Changes: Short-term Rentals

File ID: 2025-01007

Location: Citywide

Recommendation: Review, discuss, and provide direction to the Interim City Manager on preparing an ordinance amending City Code Chapter 5.114 related to Short-Term Rentals.

Contact: Jackie Rice, Revenue Manager, (916) 808-5844, jlrice@cityofsacramento.org; Peter Coletto, Director of Finance, (916) 808-5416, pcoletto@cityofsacramento.org; Bryan Howard, Program Manager, (916) 808-4847, bdhoward@cityofsacramento.org; Department of Finance

Presenter: Jackie Rice, Revenue Manager, (916) 808-5844, jlrice@cityofsacramento.org; Peter Coletto, Director of Finance, (916) 808-5416, pcoletto@cityofsacramento.org; Department of Finance

Attachments:

1-Description/Analysis

Description/Analysis

Issue Detail: The City's short-term rental (STR) ordinance was adopted in January 2016 and created Chapter 5.114 of the Sacramento City Code. Aside from some minor code amendments, to enhance enforcement and collection of applicable district assessments, most of what was enacted in 2016 remains in effect today. Based on the experience of the program to date, staff is seeking direction on potential amendments with a goal of standardizing regulatory practice for primary residences, limiting complaints associated with STRs, and preserving or increasing the City's supply of long-term rental units.

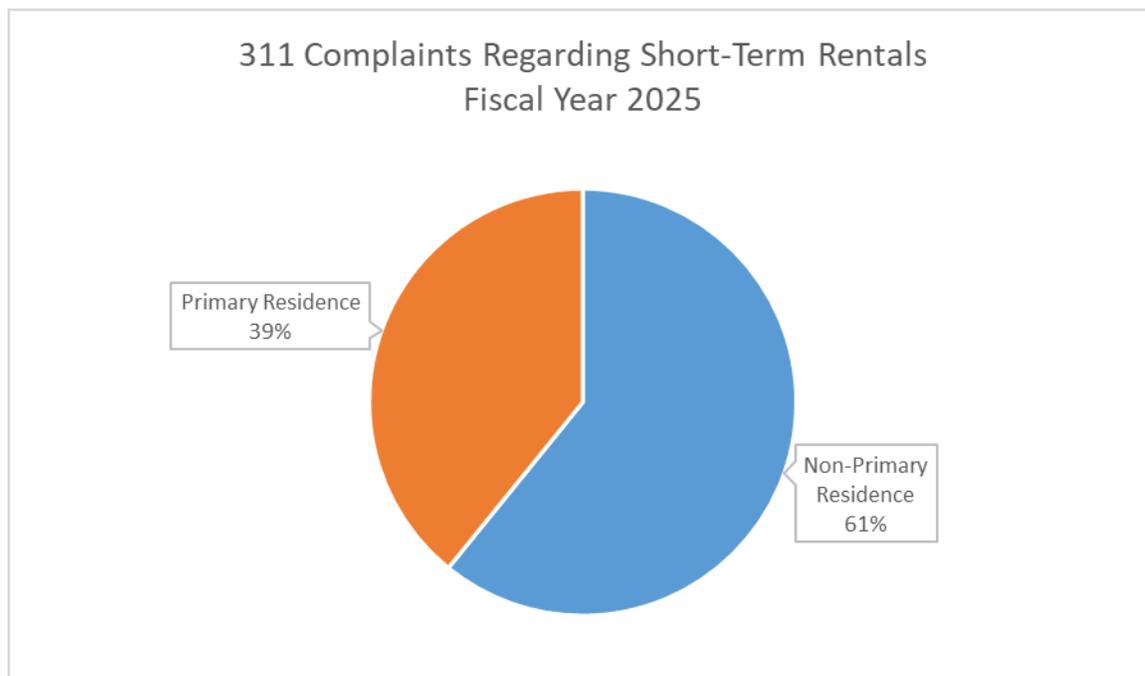
Primary versus Non-Primary Residence

Currently, STR permittees renting out their primary residence have no maximum on the number of rental days allowed per year. Permittees renting out property that is not their primary residence are limited to 90 rental days during the life of the annual permit. An increasingly high percentage of STR applications are for the rental of non-primary residences. Many of these applicants are purchasing properties for the purpose of using them solely for STRs. The table below illustrates these increases.

Year	Permits Issued	% Increase	Primary Residences	% Primary Residences	Non-Primary Residences	% Non-Primary Residence
2018	53		41	77%	12	23%
2019	271	411%	217	80%	54	20%
2020	282	4%	213	76%	69	24%
2021	420	49%	282	67%	138	33%
2022	506	20%	302	60%	204	40%
2023	583	15%	281	48%	302	52%
2024	547	-6%	223	41%	324	59%
2025 (YTD)	83		33	40%	50	60%

Note: 2025 (YTD) is through 03/28/2025

Complaints regarding the STR program are fielded by staff throughout the City. The most common complaints are regarding properties operating without a permit as well as complaints regarding noise and undesired traffic. The chart below depicts the reports in fiscal year 2024 from the community regarding STRs as reported to 311.



To prevent the purchase of residential properties for the sole purpose of running a permanent STR business, as well as to reduce the disruptive nature of non-primary residence STRs, staff recommend removing the option for applicants to rent out properties that are not their primary residence. This is in alignment with nearby jurisdictions and ensures that the program strikes the right balance between allowing property owners to supplement their income and maintaining the integrity and safety of our community. Additionally, staff recommend that STR permits only be granted to the property owner. The City often receives STR permit applications from applicants who enter into long-term leases to

occupy properties who then update their personal information to satisfy the burden of proof for primary residence. In some cases, these applicants are not actually living there, and are utilizing the leased property as a full-time STR. Issuing permits only to property owners prevents this from occurring. Finally, to ensure applicants are only renting out primary residences, staff recommend only allowing one STR permit per permittee.

Accessory Dwelling Units (ADUs)

In the summer of 2023, staff began tracking the structure type used for STR. Since then, staff have seen an increase in STR applications received for ADUs. There were 16 STR permits issued for ADUs in the second half of 2023 and 52 STR permits were issued for ADUs in 2024. Because STR permits are issued by dwelling unit, and an ADU is a separate dwelling unit from the main unit, the applicant cannot claim the ADU as their primary residence and is limited to 90 days of rental during the permit term. As such, property owners with a dwelling unit separate from the main dwelling are treated differently than someone who converts living space within their home. Staff have received complaints from permittees and applicants that constructed an ADU with the intent to use it as an STR, allowing them to recover the costs of the ADU and to ensure an additional source of income in the future. To resolve this issue, staff recommends that City Code be amended so that an ADU is considered the primary residence of the applicant.

Multi-Unit Dwelling Properties

Existing zoning standards classify STRs, when located in multi-unit dwelling buildings, as a "Hotel/Motel" land use. Depending upon a property's zoning district, an STR located in these building types is either subject to a Conditional Use Permit or not allowed. If the Committee elects to proceed with the property ownership and primary residence requirements outlined above, multi-unit dwelling buildings will not be eligible for STR unless they are condominium units where room(s) are rented rather than the entire unit. Excluding rental apartments from use as STRs is consistent with the City's Housing Element goals and policies to provide affordable housing opportunities. For this point and others raised in this report, the Community Development Department would concurrently prepare amendments to Title 17 (Planning & Development) of the City Code to ensure consistency with Chapter 5.114.

Online Hosting Platforms

The majority of STRs are advertised on online hosting platforms such as AirBnb and VRBO. Currently, the code requires these platforms to keep and preserve all records deemed necessary to determine the amount of the Transient Occupancy Tax (TOT) they are liable to collect and remit to the City, and the City shall have the right to inspect at all reasonable times. Staff recommends the code be amended to require hosting platforms to provide to the City, on a regular basis, the following information for any listings within the City of Sacramento: permit number; name of responsible party; street address of the rental; and the number of days booked within the reporting period. This will allow the City to reduce the number of STR properties operating without a permit.

Other Enforcement Measures

To promote adherence to the STR code, staff also recommend that the code more clearly state the due dates of registries to be provided by hosts as follows:

- a. January through March, due April 30th;
- b. April through June, due July 31st;
- c. July through September, due October 31st; and

d. October through December, due January 31st.

Additionally, staff recommend that residency be established by no less than 60 days prior to application for a STR permit. This ensures that proper documentation is available to validate the primary residence of the applicant.

Policy Considerations: Housing Element Goal 3 (Promoting Accessory Dwelling Units) states, “Facilitate the construction of at least 600 accessory dwelling units by 2029.” One effective strategy to increase the supply of affordable housing is facilitating the construction of accessory dwelling units (ADUs). Existing regulations allow ADUs to be used for lodging purposes rather than housing.

Economic Impacts: None

Environmental Considerations: This action is not a “project” subject to CEQA because it involves administrative matters and will not result in new physical development, direct changes to the physical environment, and any reasonably foreseeable indirect physical change in the environment. (CEQA Guidelines § 15378(b)(5).)

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: The proposed changes would simplify enforcement of the STR program and would alleviate the issues that lead to most complaints related to the STR program. These changes are in alignment with nearby jurisdictions and allow for income supplementation for property owners, while maintaining the integrity of neighborhoods.

Financial Considerations: While the total revenue from STR permits will drop, the permit fee is designed to recover the costs of the program. As such, the cost to administer the program will also decrease, resulting in no new net cost for the program.

Local Business Enterprise (LBE): None.



Planning and Design Commission
March 12, 2026



SHORT TERM RENTAL ORDINANCE

OVERVIEW

- *Background*
- *Law & Legislation Committee Direction*
- *Overview of Amendments*
- *Staff Recommendation*

Background

Short-term Rentals

Definition

- Short-term rental = lodging in a dwelling
 - < 30 days
 - Bathroom, Kitchen & Sleeping Area

Short-term Rentals

Regulations

Background

Title 5 (Business)

- Annual permit
- Who
 - Owners/Other
- Lodging duration
 - 365/90
- How many guests
- Taxes
- Hosting platforms

Title 17 (Zoning)

- By-right in SFD/DUP zones
 - Up to 6 guests
 - 365/90 days
- CUP in Multi-Unit zones
 - 17 zones

Short-term Rental Permits

Background

Year	Permits Issued	% Increase	Primary	% Primary	Non-Primary	% Non-Primary
2018	53		41	77%	12	23%
2019	271	411%	217	80%	54	20%
2020	282	4%	213	76%	69	24%
2021	420	49%	282	67%	138	33%
2022	506	20%	302	60%	204	40%
2023	583	15%	281	48%	302	52%
2024	547	-6%	223	41%	324	59%
2025	537	-2%	213	40%	324	60%

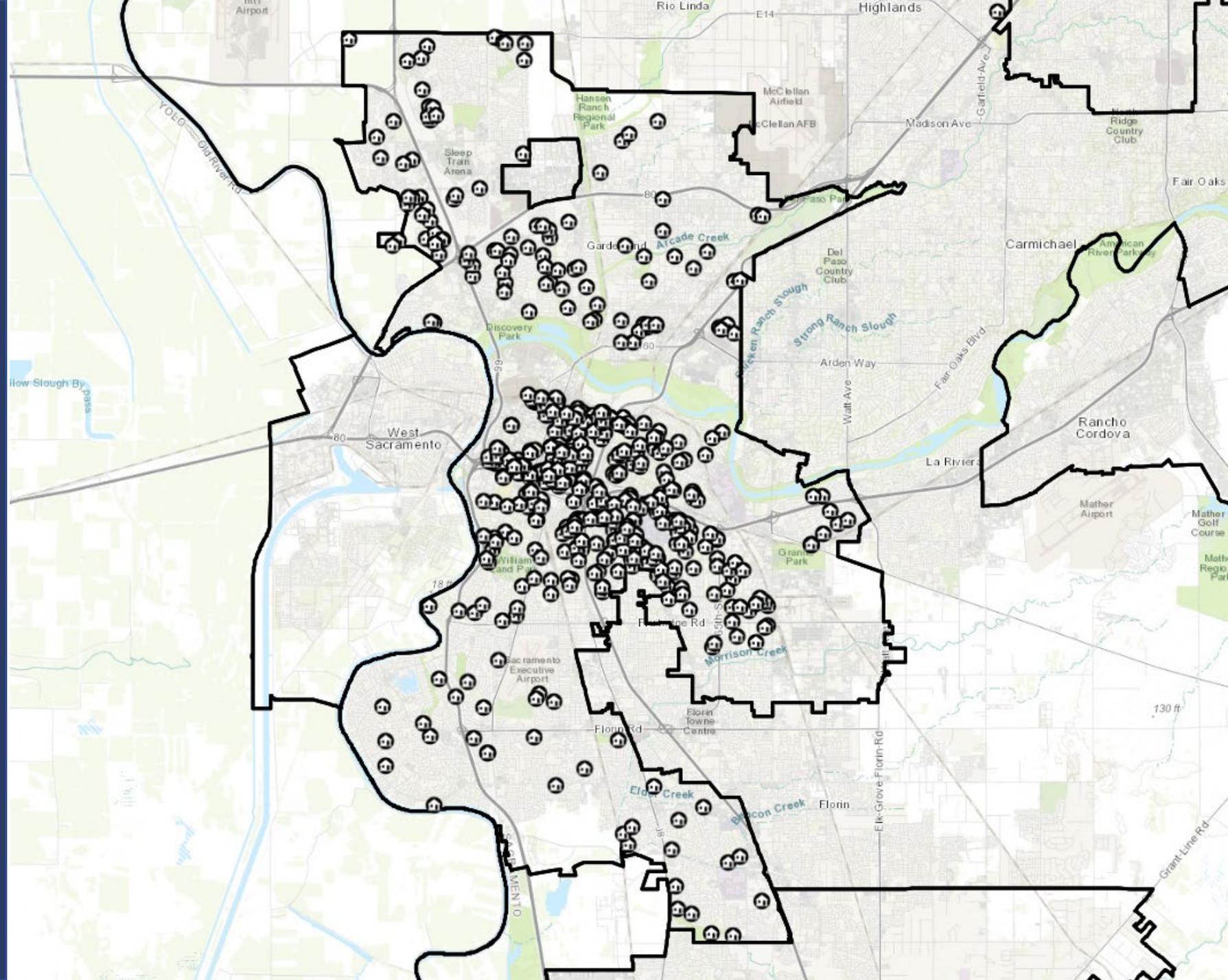
Short-term Rental Permits

Background

Year	Permits Issued	% Increase	Primary	% Primary	Non-Primary	% Non-Primary
2018	53		41	77%	12	23%
2019	271	411%	217	80%	54	20%
2020	282	4%	213	76%	69	24%
2021	420	49%	282	67%	138	33%
2022	506	20%	302	60%	204	40%
2023	583	15%	281	48%	302	52%
2024	547	-6%	223	41%	324	59%
2025	537	-2%	213	40%	324	60%


0.26% = 202,231 total dwellings / 537 short-term rentals

Short-term Rental Permits



Committee Direction

Concurred with staff recommendation to:

- Standardize regulatory practice for primary residences
 - i.e., structures & permittees
- Reduce complaints
- Support both preservation of existing housing and increase in construction of new units



L&L - 6/24/25

Overview of Amendments

Amendments Proposed

City Code Chapter 5.114

Change #1 - Residency

Change #2 - Permittees

Change #3 - Accessory Dwelling Units

Change #4 - Multi-Unit Dwellings

Change #5 - Online Hosting Platforms

City Code Chapter 17.228.104

Remove all existing requirements

Rely on Chapter 5.114

Overview of Amendments

Amendments Proposed

City Code Chapter 5.114

Change #1 - Residency

- Require short-term rentals be at property owner's primary residence
- Remove ability for short-term rental at non-primary residence

Why?

- Discourage permanent rental businesses
- Support owner's supplemental income
- Greater compliance

Overview of Amendments

Amendments Proposed

City Code Chapter 5.114

Change #2 - Permittees

- One short-term rental permit per owner
- Remove ability for non-owners to obtain permit

Why?

- Same as Change #1
- Preserves existing long-term rental housing

Overview of Amendments

Amendments Proposed

City Code Chapter 5.114

Change #3 - Accessory Dwelling Units

- Allow "*primary residence*" to be primary dwelling or accessory dwelling unit

Why?

- Treat all dwellings on lot the same
- Support property owner's supplemental income
- Greatest challenge to ADU construction = cost

Overview of Amendments

Amendments Proposed

City Code Chapter 5.114

Change #4 - Multi-Unit Dwellings

- Limit short-term rental permits to lots with four or fewer dwelling units

Why?

- Facilitate construction of Missing Middle Housing
- Preserve existing rental housing
- Only three (3) CUPs approved since July 2020

Overview of Amendments

Amendments Proposed

City Code Chapter 5.114

Change #5 - Online Hosting Platforms

- Require hosting platforms to provide more information

Why?

- Reduce # of unpermitted properties
- More efficient enforcement practices

Overview of Amendments

Amendments Proposed

City Code Chapter 17.228.104

Change #5 - Online Hosting Platforms

- Remove all existing requirements
- Rely on Chapter 5.114

Why?

- Already by-right land use at single-unit properties
- CUP for multi-family unused/unnecessary

STAFF RATIONALE

- Ordinance simplifies existing regulations
- Greater protection of existing housing stock from commercial use for lodging purposes exclusively.
- Support homeowner's ability to construct accessory dwelling units and missing-middle housing through a clear financial means of recouping costs.
- Preserve existing rental housing for long-term rather than short-term use.
- Continued support of local economic activity (e.g., through tourism).

STAFF RECOMENDATION

Conduct a public hearing and upon conclusion move the staff recommendation to City Council

THANKS!

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City of
SACRAMENTO

