



Staff Report

TO: Honorable Mayor and Members of the City Council
FROM: Steven Jones, Community Development Director
BY: Darron Usher, Principal Management Analyst
DATE: March 3, 2026
SUBJECT: Follow-Up Discussion on Short-Term Rentals

Description: This item brought forth is to discuss proposed updates to the Strategic Plan as we approach our FY26/27 Adopted Budget.

Background and Analysis:

Short-term rentals (STRs) are generally defined as residential properties rented for fewer than 30 consecutive days. These rentals have grown in popularity nationwide through online platforms such as Airbnb and VRBO, which facilitate peer-to-peer lodging.

In 2023, City Council discussed the regulation of STRs within the City of Beaumont. At that time, no formal action was taken to adopt an ordinance regulating or prohibiting STR activity.

At the state level, the California Legislature has considered regulation of STRs. Most notably, Senate Bill 584, which proposed a uniform statewide tax framework for STRs, did not advance in the Assembly. As a result, regulation and taxation of STRs remain within the authority of local jurisdictions, allowing cities to adopt policies that reflect local priorities and community goals. SB 346 (Durazo) was signed in October 2025 and effective January 1, 2026, which allowed local jurisdictions to mandate rental platforms report specific data on STRs to ensure proper Transient Occupancy Tax (TOT) is collected.

On February 4, 2025, the City Council directed staff to return with data related to STR activity within Beaumont. On April 15, 2025, staff provided additional information using data gathered through Granicus. Key findings include:

- **56 STR listings**, representing **52 unique rental units**, located within or near the City of Beaumont

- Listings are often posted across multiple platforms, making manual tracking inefficient
- Nightly rental rates range from **\$100 to \$300**, with an estimated **50% occupancy rate**
- Estimated annual usage of approximately **182.5 nights per unit**
- **Median nightly rate: \$115**

Policy Considerations

Currently, the City of Beaumont does not regulate short-term rentals. If the Council chooses to move forward with regulation and TOT collection, adoption of a local ordinance would be required.

Council may consider the following options:

1. **Prohibit STRs**
 - Direct staff to draft an ordinance prohibiting short-term rentals and return to Council for review and approval.
2. **Allow and Regulate STRs**
 - Direct staff to draft an ordinance permitting short-term rentals, return with the ordinance for Council consideration, and pursue software solutions to support registration and TOT collection.
3. **No Action**
 - Receive and file the report.

Fiscal Impact:

The estimated cost of preparing this staff report was \$300.

Estimated Annual Gross Revenue

- 182.5 nights × \$115 × 52 unique rentals
- **Estimated annual gross revenue: \$1,091,350**

At a **10% Transient Occupancy Tax (TOT)** rate, potential annual TOT revenue could reach **\$109,135**. However, based on discussions with STR consultants and more conservative assumptions, annual TOT revenue is estimated to be closer to **\$75,000**.

If Council elects to regulate STRs and collect TOT, software would be required to manage registration, compliance, and tax collection. **Estimated annual software costs range from \$20,000 to \$35,000**, depending on the modules and services selected.

Recommended Action:

Direct staff on how to move forward with the short-term rentals within the City of Beaumont.