

# CITY of CYPRESS 5275 Orange Avenue, Cypress, California 90630 Phone 714-229-6700 www.cypressca.org

July 21, 2025

The Honorable Maria D. Hernandez
Presiding Judge of the Orange County Superior Court
700 Civic Center Drive West
Santa Ana. CA 92701

# <u>City of Cypress Response - Long-Term Solutions to Short-Term Rentals</u>

Honorable Presiding Judge Hernandez:

The City of Cypress has received and reviewed the above-referenced Grand Jury Report. In accordance with the Grand Jury's request, I respectfully submit the following response.

### Findings:

<u>Finding 1:</u> Despite the increasing media coverage of Online Booking Agencies (OBAs), STRs are not a new phenomenon in Orange County.

Response: The City agrees with the finding.

<u>Finding 2:</u> The steady growth of STR usage in the last decade raises concerns of potential public nuisance.

Response: The City agrees with the finding.

<u>Finding 3:</u> Even with robust Code Enforcement, a city's statutory ban on STRs is not enough to keep STRs from operating.

Response: The City agrees with the finding.

<u>Finding 12:</u> City leaders have no regular communication with each other concerning STR issues, limiting opportunities to develop strategies and expertise to improve service.

Response: The City partially agrees with the finding. While there is no formal communication structure dedicated solely to STR among Orange County cities, collaboration does occur. In addition to venues for elected officials like the League of California Cities and The Association of California Cities – Orange County, the county city managers and planning directors operate professional organizations to discuss a range of municipal issues, including STRs.



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# **Recommendations:**

<u>Recommendation 1:</u> Cities should review and begin to update ordinances to keep up with the rapidly changing nature of court findings and legislation related to STRs, by December 31, 2025, and no less frequently than every three years thereafter. (F4, F12)

Response: The City agrees the STR legal landscape is evolving. The City successfully addresses STR activity on a case-by-case basis and an STR ordinance would not eliminate the need for case-by-case enforcement. The City does not believe an ordinance is necessary at this time.

<u>Recommendation 2</u>: Cities should consider developing a plan for upcoming major events that are expected to create a surge in demand for STRs and their associated Transient Occupancy Tax, by December 31, 2025, and no less frequently than every two years thereafter. (F11)

Response: The City will take this recommendation under advisement. While the 2026 World Cup is not likely to increase in STR activity in Cypress, the 2028 Olympics may. In fact, the City is already working to support its hotel operators to ensure their success during the Olympics.

Recommendation 9: City leaders should have regular discussions with each other to share STR management strategies on a biannual basis commencing no later than January 1, 2026. (F12)

Response: The City would participate in county-wide STR management discussions.

The City of Cypress would like to thank the Grand Jury for addressing this issue. Should you have any questions or need additional information, please do not hesitate to contact me.

Best Regards,

Peter Grant City Manager

c: Cypress City Council