



CITY COUNCIL AGENDA

City of Canyon Lake, California

Tuesday, March 17, 2026

Notice and Call

Special City Council Meeting at 6:00 P.M.

City Hall Council Chambers
31516 Railroad Canyon Road
Canyon Lake, CA 92587

CITY COUNCIL MEMBERS:

Mayor Jeremy Smith
Mayor Pro Tem Kasey Castillo
Council Member Joshua Steeber
Council Member Mark Terry
Council Member Dale Welty

Public Comment: Any person wishing to address the City Council on any matter within the jurisdiction of the City, whether or not it appears on this agenda, is asked to complete a speaker card and provide it to the City Clerk prior to the start of public comment. The City Council has adopted a time limit of three (3) minutes per person. Comments on specific agenda items will be heard when the item is called. Please note that if you are addressing the City Council on items NOT on the agenda, the Brown Act does not allow discussion of such items. Therefore, the City Council may only do the following: refer the matter to staff, ask for additional information or request a report back, or give a very limited factual response. Electronic comments may be submitted to cityclerk@canyonlakeca.gov. Comments submitted electronically will be provided to the City Council and included in the official record but will not be read aloud during the meeting.

CEQA Notice: Unless stated otherwise on the agenda, every item on the agenda is exempt from CEQA Guidelines sections 15060(c), 15061(b)(3), 15273, 15378, 15301, 15323 and/or Public Resources Code section 21065.

Council Agendas: The designated office for inspection of records is the Office of the City Clerk, Canyon Lake City Hall, 31516 Railroad Canyon Road, Canyon Lake, CA 92587. Complete agenda packets are available for public review at City Hall during normal business hours and on the City's website at www.canyonlakeca.gov.

ADA Notice: In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting or if you need agenda documents provided in an alternate format, please contact the City Clerk's Office at (951) 244-2955 at least 48 hours prior to the meeting to ensure that reasonable arrangements can be made.

REGULAR SESSION

CALL TO ORDER

FLAG SALUTE

ROLL CALL

Castillo, Steeber, Terry, Welty, Smith

PUBLIC COMMENT (3 MINUTES)

Members of the public wishing to address the City Council on any matter within the City's jurisdiction are asked to complete a speaker card and provide it to the City Clerk prior to the start of public comment. Comments on specific agenda items will be heard when the item is called. Comments on Consent Calendar items will be heard prior to the City Council's consideration of that calendar. Each speaker is allowed (3) minutes to speak.

BUSINESS ITEMS

1. (1) Introduction of Urgency Ordinance No. 273 - An Urgency Ordinance of the City Council of the City of Canyon Lake, California, Pursuant to California Government Code Section 65858 Establishing a Forty-Five (45) Day Moratorium on the Establishment or Expansion of Beauty Establishments Within the City of Canyon Lake

Recommendation:

(1) Introduce and adopt Urgency Ordinance No. 273 establishing a forty-five (45) day interim moratorium on the establishment or expansion of beauty establishments within the City of Canyon Lake; (2) direct the City Manager to provide a status report on the research and drafting of permanent regulations at the next regular meeting of the City Council; and (3) direct the City Clerk to place an extension of the moratorium on the agenda for the next regular meeting of the City Council.

ADJOURNMENT

AFFIDAVIT OF POSTING: I, Sheryl L. Garcia, City Clerk of the City of Canyon Lake, California, do hereby declare that the foregoing agenda was posted as of the date noted below, at least twenty-four (24) hours prior to the meeting per Government Code 54954.2, and as required by Resolution 2019-42.

Sheryl L. Garcia, MMC, CPM
City Clerk
Dated: March 16, 2026



CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Arron Brown, City Manager

BY: Steven Graham, City Attorney

DATE: 03/17/2026

SUBJECT: (1) Introduction of Urgency Ordinance No. 273 - An Urgency Ordinance of the City Council of the City of Canyon Lake, California, Pursuant to California Government Code Section 65858 Establishing a Forty-Five (45) Day Moratorium on the Establishment or Expansion of Beauty Establishments Within the City of Canyon Lake

Recommendation:

(1) Introduce and adopt Urgency Ordinance No. 273 establishing a forty-five (45) day interim moratorium on the establishment or expansion of beauty establishments within the City of Canyon Lake; (2) direct the City Manager to provide a status report on the research and drafting of permanent regulations at the next regular meeting of the City Council; and (3) direct the City Clerk to place an extension of the moratorium on the agenda for the next regular meeting of the City Council.

Background/Analysis:

This Addendum supplements the Staff Report dated March 11, 2026 and is prepared in connection with the Special Meeting of the City Council called for March 17, 2026 to consider an Urgency Ordinance establishing a moratorium on Beauty Establishments.

At the regular City Council meeting held on March 11, 2026, four (4) members of the City Council were present. Councilmember Dale Welty was excused absent due to illness. At the meeting, Councilmember Welty transmitted written correspondence to the City Council indicating his support for adoption of the proposed moratorium ordinance.

As noted in the original Staff Report, adoption of an urgency ordinance pursuant to Government Code section 65858 requires an affirmative vote of at least four-fifths (4/5) of the City Council, in this case, a minimum of four (4) affirmative votes. Following discussion, the City Council considered a motion to introduce and adopt the Urgency Ordinance with amendments made at the meeting. The motion received three (3) affirmative votes, from Councilmember Terry, Mayor Pro Tem Castillo, and Mayor Smith, and one (1) negative vote from Councilmember Steeber. Because the motion did not receive the required four (4) affirmative votes, the ordinance was not adopted at the March 11, 2026 meeting.

During the course of discussion, the City Council raised significant questions regarding the potential effect of the proposed moratorium on currently operating beauty establishments, in particular, whether the ordinance as originally drafted would prohibit existing businesses from adding stylists, service stations, chairs, or booths within their current physical footprint without expanding into additional floor area. Members of the public and business community present at the meeting expressed similar concerns. The amended version of the ordinance attached to this Addendum addresses the rights of existing beauty establishments to continue and reasonably operate their businesses during the moratorium period, without impeding the City's stated objective of studying and regulating the

establishment of new beauty establishments and the physical expansion of existing ones.

Following the March 11, 2026 meeting, the City Council called a Special Meeting for Tuesday, March 17, 2026 to consider the amended ordinance.

A summary of the amendments includes:

1. Addressing Relocation: The amended ordinance provides that a relocating beauty establishment may move to an equal or modestly larger space (up to 10% larger) and remain exempt from the moratorium, provided it does not leave behind an operational vacancy that another beauty establishment can immediately occupy. Relocations to spaces more than 10% larger than the original premises are treated as expansions and are prohibited during the moratorium period.

2. Explicit Exemptions for Existing Businesses: An existing beauty establishment, such as a hair salon that wishes to add stylists, chairs, or stations may do so freely during the moratorium period, as long as it does so within its existing physical footprint and without expanding into additional floor area. The moratorium, as amended, is focused on preventing the physical growth and proliferation of beauty establishments in the City's commercial areas, not on regulating the day-to-day operational decisions of businesses already lawfully operating within their permitted premises.

A few common factual scenarios are addressed below to illustrate the operation of the amended moratorium:

Scenario 1: New Nail Salon Seeks to Open in a Vacant Storefront

Facts: A new business owner executes a lease for a vacant retail suite in Canyon Lake Towne Center that was most recently occupied by a clothing boutique. The owner intends to open a nail salon.

Result: **PROHIBITED**. The opening of a new beauty establishment at a premises not previously operating as a beauty establishment constitutes "establishment" under Section 3(B). No permit, zoning clearance, or business license authorizing the new nail salon may be issued during the moratorium period. The City may not accept a complete application for such a use.

Scenario 2: Existing Hair Salon Wants to Add Three Styling Chairs

Facts: A hair salon currently operating in a 900-square-foot suite wishes to add three additional styling chairs within its existing space. No construction or floor area changes are involved.

Result: **PERMITTED**. Under Section 5(E)(4), an increase in the number of service stations, chairs, or similar functional units of service capacity is expressly not prohibited by the moratorium, provided the gross floor area of the premises does not increase.

Scenario 3: Existing Hair Salon Wants to Absorb Adjacent Vacant Suite

Facts: A hair salon operating in a 600-square-foot suite wishes to remove the dividing wall and incorporate an adjacent 300-square-foot vacant suite, increasing its total floor area to 900 square feet.

Result: **PROHIBITED**. Any increase in the gross floor area of a premises devoted to beauty establishment services constitutes "expansion" under Section 3(C)(1), regardless of whether the additional space was vacant. No permit authorizing the expansion may be processed or issued during the moratorium period.

Scenario 4: Existing Nail Salon Wants to Begin Offering Eyelash Extension Services

Facts: A nail salon currently offering only manicure and pedicure services wishes to begin offering eyelash extension services. The owner plans to dedicate one existing station to the new service type without any construction or floor area change.

Result: **PERMITTED**. Under Section 5(E)(5), the addition of one or more categories of beauty establishment services not previously offered at the premises is expressly not prohibited by the moratorium, provided no floor area increase is involved. The nail salon may add eyelash extension services within its existing footprint.

Scenario 5: Existing Hair Salon Relocates to a Larger Suite

Facts: A hair salon currently operating in a 700-square-foot suite wishes to relocate to a 900-square-foot suite elsewhere in Canyon Lake Towne Center. The new suite represents approximately 129% of the current floor area devoted to beauty services.

Result: **PROHIBITED**. Under Section 3(C)(2), the relocation of a beauty establishment to a premises where the gross floor area devoted to beauty services exceeds 110% of the floor area at the original premises constitutes "expansion." Because 900 square feet exceeds 110% of 700 square feet (which would be 770 square feet), the proposed relocation is a prohibited expansion. The City may not issue permits authorizing the relocation.

Scenario 6: Existing Hair Salon Relocates to a Comparable Suite and Closes Original Location

Facts: A hair salon currently operating in a 700-square-foot suite wishes to relocate to a 750-square-foot suite in a different part of the Canyon Lake Towne Center. The operator will vacate and permanently close the original location upon opening in the new space. The new suite represents approximately 107% of the current floor area.

Result: **PERMITTED**. Under Section 5(D), this relocation qualifies for the exemption because (1) 750 square feet does not exceed 110% of 700 square feet (which would be 770 square feet), and (2) the operator permanently ceases all operations at the original premises on or before commencing operations at the new premises. The City may process permits for the relocation. Note, however, that no new beauty establishment may subsequently open in the vacated original suite during the moratorium period.

Scenario 7: Change of Ownership of an Existing Hair Salon

Facts: The owner of a hair salon in the Canyon Lake Towne Center decides to sell the business to a new operator. The new operator intends to continue operating a hair salon in the same premises, with no floor area changes.

Result: **PERMITTED**. Under Section 5(E)(3), a change in ownership, tenancy, or operation of an existing beauty establishment is not prohibited by the moratorium, provided the gross square footage of the premises devoted to beauty establishment services remains the same. A straightforward change of ownership, standing alone, is not regulated by the moratorium.

Fiscal Impact Yes/No: No

Additional Fiscal Information:

There is no direct fiscal impact associated with the adoption of the proposed urgency ordinance. Any staff time associated with evaluating potential regulatory amendments will be absorbed within the existing budget.

Attachments:

- 1 - Urgency Ordinance Redline
- 2 - Urgency Ordinance Final

ORDINANCE NO. 273

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 65858 ESTABLISHING A FORTY-FIVE (45) DAY MORATORIUM ON THE ESTABLISHMENT OR EXPANSION OF BEAUTY ESTABLISHMENTS WITHIN THE CITY OF CANYON LAKE

WHEREAS, the City of Canyon Lake (“City”) is a municipal corporation organized and operating under the laws of the State of California, with the authority to regulate land use within its boundaries pursuant to its police powers and the Planning and Zoning Law; and

WHEREAS, the City’s commercial district contains a limited supply of retail and service tenant spaces intended to provide a diverse mix of neighborhood-serving businesses, including restaurants, retail establishments, personal services, and professional services; and

WHEREAS, the City has observed a proliferation of beauty establishments, including but not limited to nail salons, hair salons, barber shops, eyelash studios, esthetician services, ~~permanent makeup studios~~, and similar personal care establishments, raising concerns regarding the over-concentration of similar uses and the long-term economic vitality and diversity of the City’s commercial areas; and

WHEREAS, these uses have increasingly occupied a disproportionate share of the City’s limited commercial tenant spaces, resulting in a concentration that reduces opportunities for other commercial services that support the needs of Canyon Lake residents and visitors; and

WHEREAS, the over-concentration of beauty establishments in the City's limited commercial areas threatens the public health, safety, and welfare by reducing the availability of essential neighborhood-serving uses including food service, medical and professional services, and daily-needs retail upon which Canyon Lake residents depend for their health, safety, and general welfare and undermining the long-term fiscal health and economic welfare of the City by eroding the diversity of the commercial tax base, thereby threatening the City's ability to fund essential public services and infrastructure; and

WHEREAS, Government Code section 65858 authorizes the City Council to adopt an interim urgency ordinance prohibiting any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the City is studying, considering, or intends to study within a reasonable time; and

WHEREAS, the City Council finds that this urgency ordinance is narrowly tailored, in both scope and duration, by temporarily prohibiting the establishment, ~~or expansion, or intensification~~ of beauty establishments while the City considers appropriate policy and regulatory responses; and

WHEREAS, approval of additional beauty establishments during the study period may exacerbate the existing over-concentration of such uses and undermine the City’s efforts to maintain a balanced commercial environment; and

WHEREAS, the City Council desires to adopt this interim urgency ordinance, which shall take effect immediately upon its adoption by at least a four-fifths (4/5) vote of the City Council, and remain in effect for forty-five (45) days unless extended as provided by law.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES ORDAIN AS FOLLOWS:

Section 1. **Findings.** The City Council hereby finds and determines that the above recitals are true and correct and incorporates them herein as substantive findings in support of this Ordinance.

In addition, the City Council specifically finds:

- A. The City has received and may continue to receive applications, pre-applications, and inquiries for new beauty establishments, including but not limited to nail salons, hair salons, barber shops, eyelash studios, esthetician services, and similar personal care establishments~~nail salons, hair salons, esthetician studios, eyelash studios, and similar personal care businesses~~, as well as proposals to expand ~~or intensify~~ existing beauty establishments. Such proposals may be processed and approved under existing regulations in the absence of this Interim Ordinance.
- B. Existing General Plan and zoning provisions do not comprehensively address the appropriate number, spacing, and locations for beauty establishments in light of land use compatibility concerns and the City's interest in maintaining a balanced mix of commercial services within its limited commercial areas.
- C. There is a reasonable likelihood that approvals of additional beauty establishments granted during the City's study and consideration of potential policy and regulatory changes would be in conflict with, or substantially undermine, any contemplated amendments to the General Plan, zoning ordinance, or other standards regulating such uses.
- D. There is further a reasonable likelihood that approvals of additional beauty establishments during the City's study and consideration of potential regulatory changes could cause an over-concentration of such uses within particular commercial areas of the City. The City desires to promote a diverse mix of commercial services and ensure that available commercial tenant spaces are able to support a broad range of businesses serving the needs of Canyon Lake residents.
- E. A temporary moratorium on the establishment or expansion~~, or intensification~~ of beauty establishments is necessary to maintain the status quo while the City completes its studies and considers any proposed policy and regulatory changes.
- F. This Ordinance has no effect on any beauty establishments that have already received all required discretionary and ministerial approvals prior to the effective date of this Ordinance.
- G. The adoption of this Interim Urgency Ordinance is therefore necessary for the immediate preservation of the public peace, health, and safety within the meaning of Government Code section 65858.

Section 2. Moratorium Imposed.

- A. Pursuant to Government Code section 65858, an interim moratorium is hereby imposed on the approval of any applications, permits, or entitlements for the establishment, or expansion, or intensification of beauty establishments within the City of Canyon Lake, except as expressly provided in this Ordinance.
- B. During the effective period of this Ordinance, no City official, officer, employee, department, board, commission, or agency shall accept as complete, process, approve, or issue any discretionary or ministerial permit, approval, or entitlement that would authorize: (1) the establishment of any new beauty establishment; or (2) the expansion ~~or intensification~~ of any existing beauty establishment, ~~including but not limited to increases in floor area devoted to beauty services, the addition of new service stations or workstations, or other modifications that would increase the capacity or intensity of such use.~~

Section 3. Definitions.

- A. For purposes of this Ordinance, “beauty establishment” includes any business primarily engaged in providing cosmetic or personal grooming services, including but not limited to hair salons, barber shops, nail salons, eyelash or eyebrow studios, esthetician services, permanent makeup services, skin care studios, and similar personal beauty or cosmetic service establishments.
- B. For the purposes of this Ordinance, “establishment” means any of the following acts, whether undertaken by a new or existing person or entity:
 - (1) The opening, locating, or commencing of operation of a beauty establishment at any premises within the City at which a beauty establishment was not lawfully operating immediately prior to the effective date of this Ordinance, or at any premises at which such operation had ceased, been discontinued, or been abandoned;
 - (2) The conversion or change of use of any premises or portion thereof from a non-beauty-establishment use to a beauty establishment use, regardless of whether the premises was previously occupied by any other business; or
 - (3) The addition of beauty establishment services, as defined herein, at a premises currently operating as a different and lawfully permitted use, such that beauty establishment services become a primary or co-equal component of the business conducted at that premises.
- C. For the purposes of this Ordinance, “expansion” means any of the following acts with respect to an existing beauty establishment:
 - (1) Any increase in the gross floor area of a premises devoted, in whole or in part, to the provision of beauty establishment services, including but not limited to the addition of adjacent or contiguous tenant space; or

(2) The relocation of an existing beauty establishment to a different premises within the City where the new premises provides gross floor area for beauty establishment services that exceeds one hundred ten percent (110%) of the gross floor area for beauty establishment services at the premises from which the establishment is relocating, as measured at the time of relocation.

Section 4. Study and Review. During the moratorium period established by this Ordinance and any extension thereof, the City Manager, or designee, is authorized and directed to:

- A. Evaluate the number and location of existing beauty establishments within the City and the need, if any, for additional establishments in light of current and projected demand and the City's broader policy objectives;
- B. Develop and present to the City Council for consideration any proposed amendments to the General Plan, zoning ordinance, and other applicable regulations governing beauty establishments, including but not limited to standards addressing the number, location, and concentration of such uses within the City's limited commercial areas, including the Canyon Lake Towne Center, as well as potential spacing requirements or other regulatory measures intended to maintain a balanced mix of commercial services; and
- C. Provide opportunities for public input and participation to ensure that residents, businesses, and other stakeholders may comment on potential policy and regulatory changes affecting beauty establishments.

Section 5. Applicability and Exemptions.

- A. This Ordinance applies to all property within the City of Canyon Lake, including any area subsequently annexed to the City during the effective period of this Ordinance, unless otherwise provided by law.
- B. The following are exempt from the moratorium established by this Ordinance: (1) beauty establishments for which all required discretionary approvals and ministerial permits necessary to authorize operation (including but not limited to any required conditional use permit, zoning clearance, or tenant improvement permit) were finally granted prior to the effective date of this Ordinance, provided that the establishment is operated in substantial conformance with those approvals; and (2) tenant improvements, interior renovations, or other minor modifications to existing beauty establishments that do not expand the floor area devoted to beauty services ~~or otherwise intensify the use.~~
- C. Nothing in this Ordinance shall be construed to deprive any person of vested rights legally obtained prior to the effective date of this Ordinance, as those rights may be determined under applicable state law.
- D. The relocation of an existing beauty establishment to a different premises within the City is exempt from the moratorium established by this Ordinance, provided that both of the following conditions are satisfied:
 - (1) The gross floor area devoted to beauty establishment services at the new premises does not exceed one hundred ten percent (110%) of the gross floor area devoted to beauty

establishment services at the premises from which the beauty establishment is relocating, as measured at the time of relocation; and

(2) The beauty establishment permanently ceases all operations at the original premises on or before the date it commences operations at the new premises, and no beauty establishment use, whether by the same operator, a successor, an assignee, or any other person or entity, is established or continued at the original premises during the effective period of this Ordinance or any extension thereof.

E. Permits, approvals, and entitlements required solely in connection with the activities described in this subsection shall not be subject to the moratorium imposed by Section 2 of this Ordinance and shall be processed in the ordinary course.

(1) Routine repair, maintenance, or replacement of existing equipment or fixtures in kind;

(2) Interior cosmetic improvements that do not alter the gross floor area devoted to beauty services;

(3) A change in ownership, tenancy, or operation of an existing beauty establishment, standing alone, where the gross square footage of the premises devoted, in whole or in part, to the provision of beauty establishment services remains the same;

(4) An increase in the number of service stations, chairs, booths, treatment rooms, styling stations, manicure or pedicure stations, esthetic treatment rooms, or other functional units of service capacity, so long as such increase does not involve an increase to the gross floor area of the premises; and

(5) The addition of one or more categories of beauty establishment services not previously offered at the premises, so long as such increase does not involve an increase to the gross floor area of the premises.

Section 6. **Severability.** If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

Section 7. **CEQA.** The City Council finds that this Ordinance is not a “project” or is otherwise exempt from the California Environmental Quality Act (“CEQA”) and State CEQA Guidelines (Title 14, California Code of Regulations) under Section 15060(c)(2), because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.

Section 8. Effective Date; Duration; Extension. This Ordinance is adopted as an urgency measure pursuant to Government Code section 65858 and is necessary for the immediate preservation of the public peace, health, and safety. This Ordinance shall take effect immediately upon its adoption by at least a four-fifths (4/5) vote of the City Council.

This Ordinance shall remain in effect for forty-five (45) days from the date of its adoption, unless extended by the City Council in accordance with Government Code section 65858. Any extension of this Ordinance shall require notice and a public hearing in compliance with Government Code section 65858, and shall be supported by written findings that the conditions warranting the moratorium continue to exist.

PASSED, APPROVED, AND ADOPTED this ~~11th~~17th day of March, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the Mayor's signature above and certify that the City Council duly adopted this Ordinance as recorded in the vote tally stated herein.

Sheryl L. Garcia, MMC, CPM
City Clerk

APPROVED AS TO FORM:

Steven Graham Pacifico, City Attorney

ORDINANCE NO. 273

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 65858 ESTABLISHING A FORTY-FIVE (45) DAY MORATORIUM ON THE ESTABLISHMENT OR EXPANSION OF BEAUTY ESTABLISHMENTS WITHIN THE CITY OF CANYON LAKE

WHEREAS, the City of Canyon Lake (“City”) is a municipal corporation organized and operating under the laws of the State of California, with the authority to regulate land use within its boundaries pursuant to its police powers and the Planning and Zoning Law; and

WHEREAS, the City’s commercial district contains a limited supply of retail and service tenant spaces intended to provide a diverse mix of neighborhood-serving businesses, including restaurants, retail establishments, personal services, and professional services; and

WHEREAS, the City has observed a proliferation of beauty establishments, including but not limited to nail salons, hair salons, barber shops, eyelash studios, esthetician services, and similar personal care establishments, raising concerns regarding the over-concentration of similar uses and the long-term economic vitality and diversity of the City’s commercial areas; and

WHEREAS, these uses have increasingly occupied a disproportionate share of the City’s limited commercial tenant spaces, resulting in a concentration that reduces opportunities for other commercial services that support the needs of Canyon Lake residents and visitors; and

WHEREAS, the over-concentration of beauty establishments in the City's limited commercial areas threatens the public health, safety, and welfare by reducing the availability of essential neighborhood-serving uses including food service, medical and professional services, and daily-needs retail upon which Canyon Lake residents depend for their health, safety, and general welfare and undermining the long-term fiscal health and economic welfare of the City by eroding the diversity of the commercial tax base, thereby threatening the City's ability to fund essential public services and infrastructure; and

WHEREAS, Government Code section 65858 authorizes the City Council to adopt an interim urgency ordinance prohibiting any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the City is studying, considering, or intends to study within a reasonable time; and

WHEREAS, the City Council finds that this urgency ordinance is narrowly tailored, in both scope and duration, by temporarily prohibiting the establishment or expansion of beauty establishments while the City considers appropriate policy and regulatory responses; and

WHEREAS, approval of additional beauty establishments during the study period may exacerbate the existing over-concentration of such uses and undermine the City’s efforts to maintain a balanced commercial environment; and

WHEREAS, the City Council desires to adopt this interim urgency ordinance, which shall take effect immediately upon its adoption by at least a four-fifths (4/5) vote of the City Council, and remain in effect for forty-five (45) days unless extended as provided by law.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES ORDAIN AS FOLLOWS:

Section 1. **Findings.** The City Council hereby finds and determines that the above recitals are true and correct and incorporates them herein as substantive findings in support of this Ordinance.

In addition, the City Council specifically finds:

- A. The City has received and may continue to receive applications, pre-applications, and inquiries for new beauty establishments, including but not limited to nail salons, hair salons, barber shops, eyelash studios, esthetician services, and similar personal care establishments, as well as proposals to expand existing beauty establishments. Such proposals may be processed and approved under existing regulations in the absence of this Interim Ordinance.
- B. Existing General Plan and zoning provisions do not comprehensively address the appropriate number, spacing, and locations for beauty establishments in light of land use compatibility concerns and the City's interest in maintaining a balanced mix of commercial services within its limited commercial areas.
- C. There is a reasonable likelihood that approvals of additional beauty establishments granted during the City's study and consideration of potential policy and regulatory changes would be in conflict with, or substantially undermine, any contemplated amendments to the General Plan, zoning ordinance, or other standards regulating such uses.
- D. There is further a reasonable likelihood that approvals of additional beauty establishments during the City's study and consideration of potential regulatory changes could cause an over-concentration of such uses within particular commercial areas of the City. The City desires to promote a diverse mix of commercial services and ensure that available commercial tenant spaces are able to support a broad range of businesses serving the needs of Canyon Lake residents.
- E. A temporary moratorium on the establishment or expansion of beauty establishments is necessary to maintain the status quo while the City completes its studies and considers any proposed policy and regulatory changes.
- F. This Ordinance has no effect on any beauty establishments that have already received all required discretionary and ministerial approvals prior to the effective date of this Ordinance.
- G. The adoption of this Interim Urgency Ordinance is therefore necessary for the immediate preservation of the public peace, health, and safety within the meaning of Government Code section 65858.

Section 2. Moratorium Imposed.

- A. Pursuant to Government Code section 65858, an interim moratorium is hereby imposed on the approval of any applications, permits, or entitlements for the establishment or expansion of beauty establishments within the City of Canyon Lake, except as expressly provided in this Ordinance.
- B. During the effective period of this Ordinance, no City official, officer, employee, department, board, commission, or agency shall accept as complete, process, approve, or issue any discretionary or ministerial permit, approval, or entitlement that would authorize: (1) the establishment of any new beauty establishment or (2) the expansion of any existing beauty establishment.

Section 3. Definitions.

- A. For purposes of this Ordinance, “**beauty establishment**” includes any business primarily engaged in providing cosmetic or personal grooming services, including but not limited to hair salons, barber shops, nail salons, eyelash or eyebrow studios, esthetician services, permanent makeup services, skin care studios, and similar personal beauty or cosmetic service establishments.
- B. For the purposes of this Ordinance, “establishment” means any of the following acts, whether undertaken by a new or existing person or entity:
 - (1) The opening, locating, or commencing of operation of a beauty establishment at any premises within the City at which a beauty establishment was not lawfully operating immediately prior to the effective date of this Ordinance, or at any premises at which such operation had ceased, been discontinued, or been abandoned;
 - (2) The conversion or change of use of any premises or portion thereof from a non-beauty-establishment use to a beauty establishment use, regardless of whether the premises was previously occupied by any other business; or
 - (3) The addition of beauty establishment services, as defined herein, at a premises currently operating as a different and lawfully permitted use, such that beauty establishment services become a primary or co-equal component of the business conducted at that premises.
- C. For the purposes of this Ordinance, “expansion” means any of the following acts with respect to an existing beauty establishment:
 - (1) Any increase in the gross floor area of a premises devoted, in whole or in part, to the provision of beauty establishment services, including but not limited to the addition of adjacent or contiguous tenant space; or

(2) The relocation of an existing beauty establishment to a different premises within the City where the new premises provides gross floor area for beauty establishment services that exceeds one hundred ten percent (110%) of the gross floor area for beauty establishment services at the premises from which the establishment is relocating, as measured at the time of relocation.

Section 4. **Study and Review.** During the moratorium period established by this Ordinance and any extension thereof, the City Manager, or designee, is authorized and directed to:

- A. Evaluate the number and location of existing beauty establishments within the City and the need, if any, for additional establishments in light of current and projected demand and the City's broader policy objectives;
- B. Develop and present to the City Council for consideration any proposed amendments to the General Plan, zoning ordinance, and other applicable regulations governing beauty establishments, including but not limited to standards addressing the number, location, and concentration of such uses within the City's limited commercial areas, including the Canyon Lake Towne Center, as well as potential spacing requirements or other regulatory measures intended to maintain a balanced mix of commercial services; and
- C. Provide opportunities for public input and participation to ensure that residents, businesses, and other stakeholders may comment on potential policy and regulatory changes affecting beauty establishments.

Section 5. **Applicability and Exemptions.**

- A. This Ordinance applies to all property within the City of Canyon Lake, including any area subsequently annexed to the City during the effective period of this Ordinance, unless otherwise provided by law.
- B. The following are exempt from the moratorium established by this Ordinance: (1) beauty establishments for which all required discretionary approvals and ministerial permits necessary to authorize operation (including but not limited to any required conditional use permit, zoning clearance, or tenant improvement permit) were finally granted prior to the effective date of this Ordinance, provided that the establishment is operated in substantial conformance with those approvals; and (2) tenant improvements, interior renovations, or other minor modifications to existing beauty establishments that do not expand the floor area devoted to beauty services.
- C. Nothing in this Ordinance shall be construed to deprive any person of vested rights legally obtained prior to the effective date of this Ordinance, as those rights may be determined under applicable state law.
- D. The relocation of an existing beauty establishment to a different premises within the City is exempt from the moratorium established by this Ordinance, provided that both of the following conditions are satisfied:
 - (1) The gross floor area devoted to beauty establishment services at the new premises does not exceed one hundred ten percent (110%) of the gross floor area devoted to beauty

establishment services at the premises from which the beauty establishment is relocating, as measured at the time of relocation; and

(2) The beauty establishment permanently ceases all operations at the original premises on or before the date it commences operations at the new premises, and no beauty establishment use, whether by the same operator, a successor, an assignee, or any other person or entity, is established or continued at the original premises during the effective period of this Ordinance or any extension thereof.

E. Permits, approvals, and entitlements required solely in connection with the activities described in this subsection shall not be subject to the moratorium imposed by Section 2 of this Ordinance and shall be processed in the ordinary course.

(1) Routine repair, maintenance, or replacement of existing equipment or fixtures in kind;

(2) Interior cosmetic improvements that do not alter the gross floor area devoted to beauty services;

(3) A change in ownership, tenancy, or operation of an existing beauty establishment, standing alone, where the gross square footage of the premises devoted, in whole or in part, to the provision of beauty establishment services remains the same;

(4) An increase in the number of service stations, chairs, booths, treatment rooms, styling stations, manicure or pedicure stations, esthetic treatment rooms, or other functional units of service capacity, so long as such increase does not involve an increase to the gross floor area of the premises; and

(5) The addition of one or more categories of beauty establishment services not previously offered at the premises, so long as such increase does not involve an increase to the gross floor area of the premises.

Section 6. **Severability.** If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

Section 7. **CEQA.** The City Council finds that this Ordinance is not a “project” or is otherwise exempt from the California Environmental Quality Act (“CEQA”) and State CEQA Guidelines (Title 14, California Code of Regulations) under Section 15060(c)(2), because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.

Section 8. Effective Date; Duration; Extension. This Ordinance is adopted as an urgency measure pursuant to Government Code section 65858 and is necessary for the immediate preservation of the public peace, health, and safety. This Ordinance shall take effect immediately upon its adoption by at least a four-fifths (4/5) vote of the City Council.

This Ordinance shall remain in effect for forty-five (45) days from the date of its adoption, unless extended by the City Council in accordance with Government Code section 65858. Any extension of this Ordinance shall require notice and a public hearing in compliance with Government Code section 65858, and shall be supported by written findings that the conditions warranting the moratorium continue to exist.

PASSED, APPROVED, AND ADOPTED this 17th day of March, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jeremy Smith, Mayor

ATTEST & CERTIFIED:

I, Sheryl Garcia, City Clerk of the City of Canyon Lake, hereby attest to the Mayor's signature above and certify that the City Council duly adopted this Ordinance as recorded in the vote tally stated herein.

Sheryl L. Garcia, MMC, CPM
City Clerk

APPROVED AS TO FORM:

Steven Graham Pacifico, City Attorney