



Agenda Item

Orange City Council

Item #: 9.3.

5/26/2026

File #: 26-0271

TO: Honorable Mayor and Members of the City Council

THRU: Jarad Hildenbrand, City Manager

FROM: Russell Bunim, Community Development Director

1. SUBJECT

Public Hearing to consider adoption of an urgency ordinance establishing a temporary moratorium on new massage establishments

2. SUMMARY

The proposed urgency ordinance establishes a temporary moratorium on the approval, issuance, acceptance, or processing of permits, business licenses, and land use entitlements for new massage establishments within the City. This action is necessary due to documented enforcement concerns involving massage establishments. The moratorium will allow the City time to finalize updated regulatory standards currently under development.

3. RECOMMENDED ACTION

1. Conduct and close the Public Hearing.
2. Adopt Ordinance No. 08-26 and the findings of urgency. An Urgency Ordinance of the City Council of the City of Orange establishing a temporary moratorium on massage establishments pending review and update to the City's Municipal Code and Zoning Code.

4. FISCAL IMPACT

No immediate fiscal impact. The proposed moratorium may temporarily delay potential business license revenue but is necessary to prevent future enforcement costs and resource demands associated with noncompliant operations.

5. STRATEGIC PLAN GOALS

Goal 1: Maintain Strong Emergency and Safety Services

6. DISCUSSION AND BACKGROUND

The City regulates massage establishments to protect public health, safety, and welfare. Massage business operators are currently required to obtain a City Business License, complete a fingerprint-based background check conducted by the Police Department, and comply with minimum zoning requirements prior to the issuance of a Massage Establishment Permit by the Finance Department.

However, the City's existing regulatory framework lacks several important operational and land use standards necessary to effectively regulate massage establishments and address ongoing

enforcement concerns. Current regulations do not include:

- Adequate separation requirements, including 500-foot buffer restrictions between massage establishments and sensitive uses such as public and private schools, daycare facilities, parks, and playgrounds;
- Clear zoning standards distinguishing primary massage establishments from ancillary wellness or beauty spa services, including establishments associated with chiropractic, acupuncture, barbering, esthetician, or similar uses, and limitations on the number of dedicated massage rooms;
- Conditional Use Permit requirements and operational performance standards;
- Sufficient regulations to deter illicit sexual activity and unprofessional conduct; and
- Effective enforcement mechanisms, including permit suspension and revocation procedures, and progressive administrative citation penalties for repeat violations.

As a result of these regulatory deficiencies, the City has experienced a significant increase in the number of massage establishments, with nearly 100 businesses currently operating citywide.

In recent years, the Orange Police Department and the Community Development Department's Code Enforcement Division have identified evidence of illicit sexual activity and other unlawful conduct occurring within certain massage establishments in the City of Orange. These activities negatively impact surrounding neighborhoods and commercial areas, create public safety concerns, and undermine economic development efforts by contributing to blight and adverse public perception.

Enforcement Actions in the City of Orange

Through inspections and joint enforcement operations, the Orange Police Department and Code Enforcement Division have identified more than 20 massage establishments engaged in violations including:

- Massage services provided without proper State certification or licensing;
- Failure to maintain qualified or certified massage therapists on site;
- Business operations inconsistent with approved land use standards or permitted uses;
- Unsanitary or unmaintained massage facilities,
- Suspected unlawful sexual activity occurring within establishments; and
- Misleading, deceptive, or otherwise noncompliant business practices.

In addition to violations involving illicit sexual activity and unprofessional conduct, Code Enforcement officers have documented numerous health, safety, and building code violations during inspections, including: unlicensed business operations; unpermitted interior construction such as partitioned rooms and shower facilities; unsafe electrical, gas, and plumbing systems; illegal residential occupancy; unlicensed alcohol service; and boarded or obscured windows designed to conceal interior activities or prevent visibility into the premises.

In at least one recent case, the City's Code Enforcement Division and Orange Police Department conducted a joint enforcement operation pursuant to a search warrant, during which officers documented multiple violations, including the absence of certified massage therapists and evidence that massage services were actively being performed in violation of City requirements at the time of inspection. These findings demonstrate the ongoing and immediate nature of the City's enforcement concerns.

The City has also observed recurring patterns in which massage establishments cease operations and subsequently attempt to reopen under new ownership, management, or business names, resulting in continued compliance issues and placing ongoing demands on City enforcement and public safety resources.

Massage and other establishments that offer illicit sexual activity pose an immediate and significant threat to the health, safety, and welfare of the community. Among other things, these impacts include the potential for: (1) injury and abuse to patrons being solicited for unlawful services, and (2) increased opportunities for prostitution activity and human trafficking of workers by virtue of the secretive nature associated with offering unauthorized and undisclosed services.

To address these concerns, the City is currently developing comprehensive amendments to its massage establishment regulations, including enhanced operational standards, updated permitting requirements, ownership and operator restrictions, zoning controls, and enforcement provisions designed to improve accountability and protect the public health, safety, and welfare.

Without the adoption of a temporary moratorium, additional massage establishments may become established or vested under the City's current regulatory framework before the proposed amendments can be completed and adopted. This could further increase enforcement burdens, undermine the effectiveness of future regulations, and exacerbate existing public safety and nuisance concerns.

Other cities throughout Orange County have recently adopted similar temporary moratoriums on new massage establishments as a proactive measure to preserve the status quo while evaluating and strengthening local regulatory frameworks. These actions reflect a broader recognition among municipalities that existing regulations may be insufficient to address evolving enforcement and land use challenges associated with massage establishments.

The Proposed Urgency Moratorium:

California Government Code Sections 36937 and 65858 authorize the City Council to adopt an Interim Urgency Ordinance to protect the public health, safety, and welfare. Section 65858 specifically permits the City to impose a temporary moratorium on land uses that may conflict with zoning regulations under study.

The proposed Urgency Ordinance includes the required findings that certain massage establishments have been associated with illicit activities that pose a threat to the community. If adopted by a four-fifths vote of the City Council (6 out of 7), the proposed Ordinance would take effect immediately and establish a 45-day moratorium on the approval or issuance of use permits, variances, building permits, and other entitlements for new massage establishments and the expansion of existing establishments.

During the moratorium, massage establishments that already possess a valid massage

establishment permit may continue to obtain business licenses and building permits, and existing businesses may continue to apply for and renew business licenses. The City may also continue processing and making final decisions on those applications.

The 45-day period will allow staff to collect data, assess the impacts of massage establishments, and develop recommendations for possible amendments to the Zoning Code and regulatory framework. Staff will also evaluate potential regulations for personal care businesses with private rooms, inspection requirements and schedules, and whether existing regulatory processes can be applied to other businesses where illicit massage activity may occur.

Under California Government Code Section 65858(b), the City Council may extend the moratorium for an additional 22 months and 15 days, for a maximum total duration of two years. Staff respectfully request that the City Council adopt the proposed interim urgency ordinance to provide time to study and address these issues.

7. ATTACHMENTS

- Urgency Ordinance No. 08-26