



# CITY COUNCIL AGENDA

## MAYOR AND COUNCIL WORKSHOP

Wednesday, June 12, 2019  
2:00 p.m.

ADJOURNED MEETING

City Council Chambers  
300 North Coast Highway

**CALL TO ORDER**  
**PLEDGE OF ALLEGIANCE**  
**ROLL CALL**

### **PUBLIC HEARING ITEMS:**

1. City Council: Introduction of an ordinance to add Chapter 24 to the Oceanside City Code; adoption of a resolution establishing the amended text as part of the Local Coastal Program (LCPA19-00004) and requesting California Coastal Commission (CCC) certification; adoption of a resolution establishing Short-Term Rental permit and inspection fees; and modification of the position control by creating one (1) new Senior Code Enforcement Officer position

The proposed amendment would:

- Set forth regulations for short-term rental (STR) properties that are intended to minimize potential adverse impacts from STR operators and outline expectations for STR operators and guests, including annual permit requirements, maximum occupancy, parking, complaint response time, minimum night stay, noise, and enforcement protocol; and establish the amended zoning ordinance text as part of the Local Coastal Program
- A) Report by Shannon Vitale, Planner II
  - B) Discussion
  - C) Recommendation – introduce the ordinance, adopt the resolutions, and modify position control

2. Public Communication on City Council Matters (off-agenda items)

### **ADJOURNMENT**

The next regularly scheduled meeting is at 3:30 p.m. on Wednesday, June 5, 2019

### **AGENDA POSTING AND MATERIALS**

The agenda has been posted at least 72 hours prior to the meeting at the Civic Center Plaza, 300 North Coast Highway. The agenda may also be inspected at the City Clerk's Office at 300 North Coast Highway. Persons requiring assistance or auxiliary aids in order to participate may contact the City Clerk at 300 North Coast Highway, Oceanside, CA, telephone (760) 435-3000 at least 24 hours prior to the meeting.

*STAFF REPORT**CITY OF OCEANSIDE*

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DATE: June 12, 2019

TO: Honorable Mayor and City Councilmembers  
Chairman and Members of the Community Development Commission

FROM: Development Services Department

SUBJECT: **SHORT-TERM RENTAL POLICIES AND REGULATIONS**

**SYNOPSIS**

Staff recommends that the City Council introduce an ordinance to add Chapter 24 to the Oceanside City Code; adopt a resolution establishing the amended text as part of the Local Coastal Program and requesting California Coastal Commission (CCC) certification of the Local Coastal Program (LCPA19-00004); adopt a resolution establishing a short-term rental permit and inspection fees; and modify position control by creating (1) new Senior Code Enforcement Officer position to be paid through fee revenues.

The proposed amendment would:

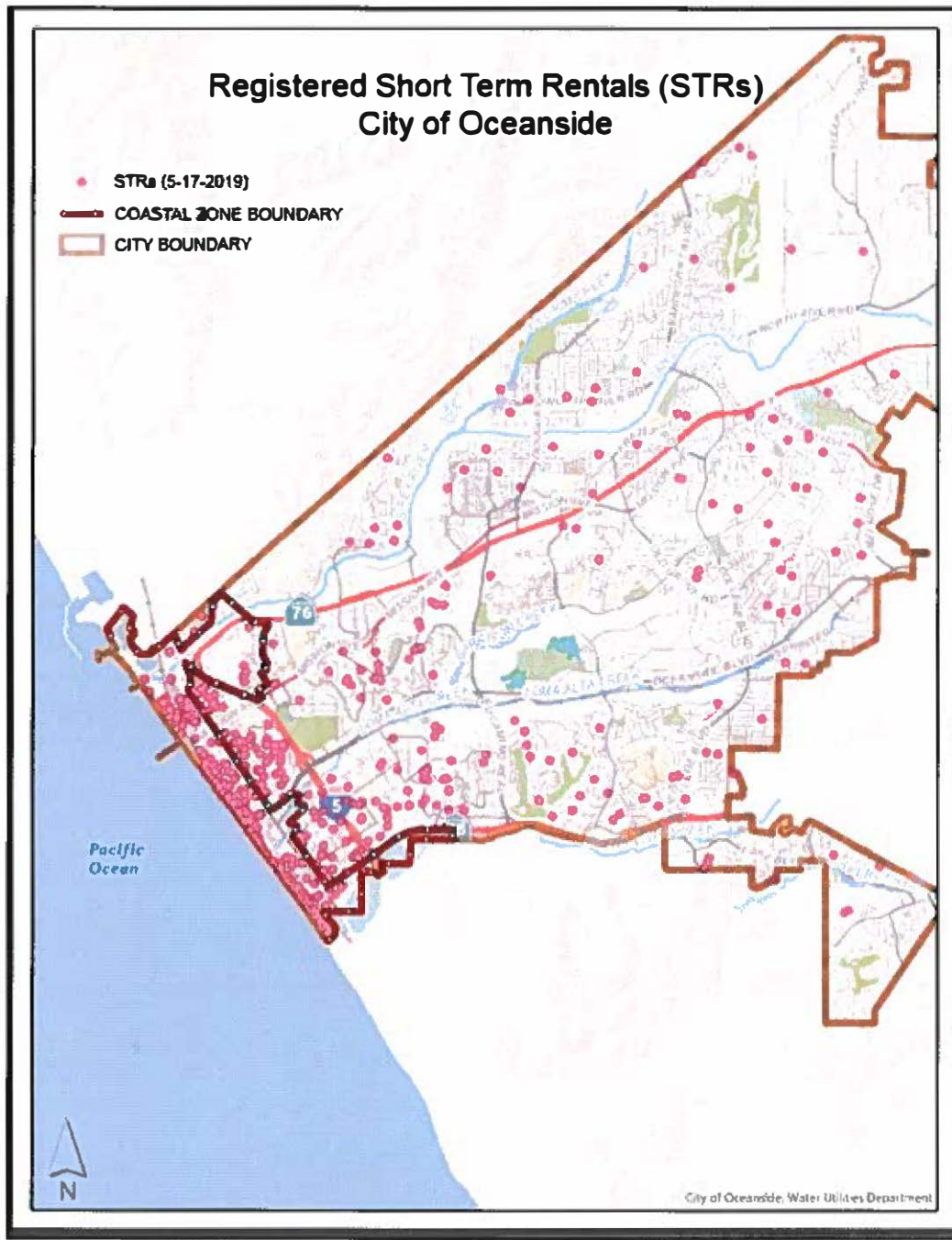
- a) Set forth regulations for short-term rental (STR) properties that are intended to minimize potential adverse impacts from STR operators and outline expectations for STR operators and guests, including maximum occupancy, parking, complaint response time, minimum night stay, noise, and enforcement protocol; and
- b) Establish the amended zoning ordinance text as part of the Local Coastal Program (LCPA19-00004).

**BACKGROUND**

A short-term rental (STR) is defined as the rental of any legally permitted dwelling unit (or portion thereof) for occupancy for dwelling, lodging, or sleeping purposes for a period of no more than 30 consecutive days. Although STRs are not specifically defined or regulated in the Zoning Ordinance, in consultation with the City Attorney's Office, City staff has determined that the rental of a dwelling unit for 30 consecutive days or less is not currently prohibited.

The City has experienced a dramatic increase in the number of STRs over the past few years. As of March 2019, there were approximately 900 registered STRs in the City, with estimates of nearly 1,300 operating. As illustrated in the figure below, the vast majority of STRs are located west of Interstate 5 and concentrated close to the shoreline, with approximately 75 percent of the registered STRs located within the Coastal Zone.

Figure 1: Map of Registered STRs



The staff report prepared for the April 22 Planning Commission meeting (Attachment 8) provides a detailed summary of the existing STR regulations as well as the City's previous efforts to draft a STR ordinance in 2016.

### STR Ad Hoc Committee

In response to the increase in STRs throughout the City, the Planning Commission appointed an Ad Hoc Committee (comprised of Planning Commissioners Colleen Balch, Curtis Busk, and Tom Rosales) to thoroughly study the issue and recommend an approach to the regulation of STRs. Three Ad Hoc Committee (AHC) meetings were held (August 21, 2018, November 27, 2018, and January 29, 2019) to discuss possible STR regulations and hear public testimony. The meetings were well attended by the public, and speakers shared their views both in support of and opposition to STRs. Included as Attachment 9, the staff reports prepared for the AHC meetings provide a summary of the discussion that occurred at each meeting.

### City Council Direction

On January 23, 2019, the City Council directed staff to put together a STR program that addresses compliance and accountability of STR operators while providing a means to ensure tax revenue is collected and resident concerns are addressed. Specifically, Councilmember Rodriguez and Deputy Mayor Feller requested staff to:

1. Facilitate a voluntary collection agreement with STR hosting platforms (including AirBnB, VRBO, and HomeAway) and ensure the hosting platforms provide quarterly updates to the City.
  - a. A voluntary collection agreement with AirBnB went into effect on May 1, 2019. Staff anticipates receiving the first TOT remittance in June 2019.
  - b. Staff is currently pursuing a voluntary collection agreement with the Expedia Group (the company managing VRBO and HomeAway). Staff anticipates reaching an agreement in summer 2019.
2. Establish an annual STR permit fee to offset processing and administrative time necessary to review STR applications.
3. Determine the cost to hire an additional code enforcement officer to respond to complaints involving STRs.

Per City Council direction, staff continued to work with the STR AHC to formulate policy recommendations for STRs.

### **PROJECT DESCRIPTION**

Staff created a permitting options matrix and Good Neighbor Policy (GNP) to guide the AHC discussion on possible STR recommendations. It should be noted that the GNP is now different from the AHC recommended GNP as it continued to evolve after the final AHC meeting. Staff held additional interdepartmental meetings to discuss STRs and revised the GNP to reflect the additional discussion and new information.

While staff agrees with most of the AHC recommendations, there are a few items for which a different or revised approach is recommended. The recommendations provide a framework for regulating STRs throughout the City. The proposed regulations are intended to minimize potential adverse impacts from STR operations and outline expectations for STR operators and guests. The regulations address STR operator responsibilities, maximum occupancy, parking, complaint response time, minimum night stay, noise, and enforcement protocol. A table summarizing the final AHC and staff recommendations is provided as Attachment 5. Key components of the proposed STR regulations include the following:

1. Ministerial Operating Permit and GNP required for all STRs, unless the unit is exempt.
2. Exempt units include hosted units where the STR operator lives on-site and STR locations where all of the following conditions exist:
  - a. Property is governed by an HOA that contains at least 50 units;
  - b. Property where the STR is located is self-contained (i.e., gated);
  - c. Property provides 24-hour on-site management or 24-hour security; and
  - d. Property meets applicable parking requirements.
3. Payment of Transient Occupancy Tax (10%) and Oceanside Tourism Marketing District assessment (1.5%) for all STRs.
4. Contact information: 24-hour contact information for all STRs provided on a sign posted on the property and listed in an online City directory of all registered STRs.
5. Maximum occupancy: Two people per bedroom, plus two people.
6. Length of stay: Two-night minimum consecutive night stay.
7. Daytime guests (allowed between 7am-10pm): Maximum of 10 guests.
8. Parking: All garage, driveway and designated on-site parking spaces shall be made available for vehicle parking. No vehicles shall be parked in a designated fire lane nor block or restrict access to adjacent properties.
9. Initial property inspection conducted by Fire Department staff at time of STR registration, with subsequent inspections to occur every three years if no complaints or violations. A self-inspection (with a form provided by the fire department) to occur in the intervening years between inspections.
10. Complaint response time: The owner or authorized agent shall respond to a complaint within one hour.
11. Enforcement: An STR that has been the subject of three verified complaints in a twelve-month period will be automatically referred to the City Attorney for enforcement of appropriate remedies.

12. Annual permit fee of \$250.
13. Prohibition of any new STRs located in a mobile home park.
14. Annual reporting program: Staff to monitor the following:
  - a. Number of STRs allowed and whether a cap should be established.
  - b. Number of corporate owned STRs.
  - c. Inspection process.
  - d. STR permit exemption process.

The permit process and applicable standards for STRs would be implemented through the introduction of Chapter 24 to the Oceanside City Code. The full text of Chapter 24 is included as Exhibit A in Attachment 1. Following City Council adoption of the Oceanside City Code amendment and Local Coastal Program Amendment (LCPA19-00004), staff will forward Chapter 24 of the Municipal Code to the CCC for certification in order to become effective in the coastal zone.

## **ANALYSIS**

Many nearby coastal cities have adopted regulations to address concerns with STRs. Staff has spent a considerable amount of time reviewing these regulations and speaking to the staff of nearby cities that have STR regulations in place. The comparison of STR regulations in other jurisdictions indicates there are several permitting approaches that cities commonly employ to address STRs and their impacts on residential neighborhoods. Existing regulations range from prohibitions in certain zoning districts, capping the total number of STRs, requiring STR permits and compliance with a GNP, or merely requiring a business license. A summary of the STR policies for the cities of Carlsbad, Del Mar, Encinitas, San Diego, Santa Cruz, and Solana Beach is provided in the staff reports prepared for the AHC (Attachment 9). It should be noted that the City of San Diego has since rescinded its STR Ordinance, and the policies listed in the AHC staff report dated August 21, 2018 are no longer in effect.

In addition to reviewing regulations adopted in other coastal cities, Planning Division staff has had multiple interdepartmental meetings involving staff from the City Attorney's Office, City Manager's Office, Code Enforcement Division, Finance Department, Fire Department, Housing Division, Parking Enforcement, and Police Department to discuss possible STR regulations and the feasibility of the AHC's recommendations for regulating STRs. Planning staff incorporated feedback from these interdepartmental meetings into the comments and recommendations made to the AHC. City staff comments on possible regulations for STRs (including the permit process, maximum number of STRs, permit exemptions, operational requirements, occupancy, parking, enforcement protocol, permit fees, and others) are described in detail in the staff reports prepared for the AHC meetings (Attachment 9).

When determining the appropriate process for regulating STRs, it is important to note the CCC recognizes STRs as an important source of affordable visitor accommodations that promote public access to the coast. With approximately 75 percent of the City's registered STRs located within the coastal zone, consideration of the CCC's position on STRs is an important factor. The CCC has not always supported overly restrictive regulations, including onerous minimum or maximum stays or prohibitions, finding such regulations to be inconsistent with the Coastal Act. Recognizing the CCC stance on STRs, staff attempted to develop STR policies and regulations that were reasonable and addressed community concerns regarding the impact of STRs on residential neighborhoods.

A detailed discussion of potential STR permitting options and STR regulations is provided in the staff reports prepared for the AHC meetings (Attachment 9) and Planning Commission meeting (Attachment 8).

It should be noted that prior to the Planning Commission meeting, staff made the following revisions (indicated by underlined text) to the proposed STR ordinance:

1. Section 24.2 Definitions (E)
  - a. Short-Term Rental: A "short-term rental" is a dwelling unit, or any portion thereof, offered for rent or rented for dwelling, lodging, or sleeping, for no more than thirty consecutive days in the city, including single family or multiple family units. This excludes bed and breakfasts, hotels, motels, and timeshares.
2. Section 24.4 Short-Term Rental Permit Exemptions
  - a. The following short-term rental properties are considered exempt from the permit requirements in Section 24.3 and the operational requirements in Section 24.7 provided the owner and/or operator of the unit remains in compliance with Chapter 34, Article III governing transient occupancy tax.

A key issue that came up during the Planning Commission deliberations is the impact STRs have on the overall community character and the compatibility of STR properties located in residential neighborhoods. Some commissioners felt that STRs should be prohibited or at least capped in residential zoning districts. The Planning Commission also voiced concerns that STRs, specifically non-hosted and corporate owned STRs, take away units from the City's housing stock and should be restricted.

STRs are a significant source of revenue for the City and brought in approximately \$2.47 million in Fiscal Year 2017-18. A detailed breakdown of revenue attributed to STRs is provided in the staff report prepared for the EDC meeting (which is included as Attachment 10).

In order to provide for enhanced code enforcement, staff recommends an annual STR permit fee of \$250 per unit. This fee would apply to all STR operators, unless exempt (hosted units and HOAs that are self-contained and have 24-hour on-site management). The revenue collected from an annual STR permit fee would cover the cost of an additional full-time code enforcement officer and permit processing. Additionally, staff recommends a fire inspection fee of \$119 collected at time of STR registration and every three years thereafter if there are no complaints or violations.

**FISCAL IMPACT**

The \$250 annual STR fee would generate approximately \$150,000 in annual revenue to the City based on a minimum of 600 non-exempt STRs. Revenue from the STR permit fee will be deposited to account 933900101.4458 and will offset the expense toward a new Senior Code Enforcement Officer.

A new Senior Code Enforcement Officer will cost approximately \$132,452 and will be appropriated as follows:

| <b>Account</b> | <b>Amount</b>    |
|----------------|------------------|
| 933900101.5105 | \$ 87,672        |
| 933900101.5105 | \$ 1,598         |
| 933900101.5207 | \$ 43,181        |
| <b>Total</b>   | <b>\$132,451</b> |

Any revenue over the cost of a Senior Code Enforcement Officer would be allocated to the Business License Division to offset permit processing.

The \$119 Fire inspection fee will generate additional revenue in the amount of \$71,400 in the first year and every three years thereafter. This revenue will be deposited to account 550551101.4451.0011.

**ENVIRONMENTAL DETERMINATION**

Planning Division staff has completed a preliminary review of this project in accordance with the City of Oceanside’s Environmental Review Guidelines and the California Environmental Quality Act (CEQA), 1970. Based on that review, the Planning Division finds that the proposed project would not, in and of itself, occasion land development or any other material change to the environment. Therefore, in accordance with the provisions of the California Environmental Quality Act (CEQA) Guidelines Section 15061 (b) (3), there is no possibility the proposed municipal code text amendment may have a significant effect on the environment and therefore is not subject to CEQA review.



## **COMMISSION/ COMMITTEE REVIEW**

### **Housing Commission**

The Permitting Options Matrix, including staff recommendations, was presented to the Housing Commission on February 27, 2019. The Commission voted 7-1 to recommend approval of the staff recommendations regarding potential STR regulations. The Commission also recommended that a portion of the TOT revenue generated by STRs be set aside to help fund affordable housing. The Commission commented that STRs should be prohibited in mobile home parks, but did not make a formal recommendation to prohibit STRs from operating in mobile home parks.

### **Economic Development Commission**

The Permitting Options Matrix, including staff recommendations was presented to the EDC on April 9, 2019. After a thorough discussion, the EDC voted 4-2-2 (two commissioners abstained from voting and two commissioners were absent) to not recommend moving forward staff recommendations regarding potential STR regulations commenting that the proposed regulations do not sufficiently address the impacts STRs have on the community. A detailed summary of the EDC's comments is provided in the staff report prepared for the Planning Commission (Attachment 8).

### **Planning Commission**

On April 22, 2019, the Planning Commission conducted a public hearing on the proposed amendment, and after due consideration, adopted a resolution by a 5-0 vote (two commissioners were absent) forwarding the amendments to the City Council with a recommendation of approval through adoption of Planning Commission Resolution No. 2019-P16.

The Commission's motion included a revision to staff's recommendation by including the following provisions:

- 1. New non-hosted short-term rentals be prohibited in the following residential zoning districts: R1, R3, RE, RS, RM and RH.*

The Planning Commission expressed concerns that non-hosted STRs are incompatible in residential zones and the city should limit the number of non-hosted properties in residential zoning districts. Rather than phase out the existing 327 non-hosted STRs located in residential zoning districts, the Commission suggested grandfathering in the existing and prohibiting any new non-hosted STRs from locating in residential zones.

Staff Response: At this time, staff does not recommend prohibiting new non-hosted STRs. Rather, staff recommends implementing the proposed STR ordinance and GNP. Staff plans to review and monitor the STR program, report to Council on a regular basis, and will recommend revisions to the ordinance, as necessary.

2. *Staff will monitor the number of corporate short-term rental units and provide a report to the Planning Commission within one year of the date of the adoption of amendments to the Municipal Code regarding short-term rental regulations.*

The Planning Commission expressed concerns with the number of STRs owned by corporate entities and the impact these properties have on the community, especially residential neighborhoods. Additionally, some commissioners voiced concerns that corporate owned STRs take housing stock out of the housing market and should be restricted.

Staff Response: Staff will include this information in its regular reports to Council and will propose revisions to the STR ordinance if necessary.

Additional revisions, based on comments provided by the public, may be considered by the City Council at its discretion.

### **CITY ATTORNEY'S ANALYSIS**


The City Council is authorized to hold a public hearing in this matter. Consideration of the matter should be based on the testimony and evidence presented at the hearing. After conducting the public hearing, the Council shall affirm, modify or deny the project. The supporting documents have been reviewed and approved as to form by the City Attorney.

**RECOMMENDATION**

Staff recommends that the City Council introduce an ordinance to add Chapter 24 to the Oceanside City Code; adopt a resolution establishing the amended text as part of the Local Coastal Program and requesting California Coastal Commission certification of the Local Coastal Program Amendment (LCPA19-00004); adopt a resolution establishing a short-term rental permit and inspection fees; and modify the Neighborhood Services Department's position control by creating (1) new Senior Code Enforcement Officer position to be paid through fee revenues.

PREPARED BY:

SUBMITTED BY:

  
Shannon Vitale  
Planner II

  
Michelle Skaggs Lawrence  
City Manager

REVIEWED BY:

Deanna Lorson, Assistant City Manager  
Jonathan Borrego, Development Services Director  
Margery Pierce, Neighborhood Services Director  
Rick Robinson, Fire Chief  
Jeff Hunt, City Planner  
Jane McPherson, Financial Services Director



Attachments:

1. City Council Ordinance (w/Exhibit A)
2. City Council Resolution
3. City Council Fee Resolution
4. Planning Commission Resolution 2019-P16
5. AHC and Staff Recommendations re: STRs
6. Good Neighbor Policy
7. STRs per Zoning District Table
8. Planning Commission Staff Report (dated April 22, 2019)
9. STR Ad Hoc Committee Meeting Staff Memos (dated August 21, 2018, November 27, 2018, and January 29, 2019)
10. Housing Commission Meeting and Economic Development Commission Meeting Staff Memos (dated February 26, 2019 and April 9, 2019)
11. Notice of Exemption

On-Line Attachments:

12. Public comments: <https://www.ci.oceanside.ca.us/gov/dev/planning/str.asp>

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE ADDING CHAPTER 24 OF THE OCEANSIDE CITY CODE TO CREATE PERMIT REQUIREMENTS FOR AND TO REGULATE SHORT-TERM RENTALS

WHEREAS, the City of Oceanside (“city”) has experienced a dramatic increase in the number of residential properties being used as short-term rentals; and

WHEREAS, short-term rentals are not explicitly addressed in the Oceanside City Code; and

WHEREAS, the city has approximately 935 registered short-term rentals; and

WHEREAS, the city has received complaints related to the operation of short-term rentals in residential neighborhoods, including complaints concerning excessive occupants, noise, reduction of street parking and increased trash; and

WHEREAS, staff desires to minimize the adverse impacts short-term rentals may have on surrounding residential properties; and

WHEREAS, on June 25, 2018, the Planning Commission appointed a Short-Term Rental Ad Hoc Committee to recommend policies regarding the regulation of short-term rentals; and

WHEREAS, the Short-Term Rental Ad Hoc Committee held three public meetings on August 21, 2018, November 27, 2018, and January 29, 2019 to receive public testimony and discuss permitting options and regulations for short-term rentals and come up with recommendations for regulating short-term rentals; and

WHEREAS, on January 23, 2019, the City Council directed staff to put together a comprehensive short-term rental program and Good Neighbor Policy to ensure compliance and accountability for short-term rentals; and

WHEREAS, on February 26, 2019, the Housing Commission voted 7-1 to recommend approval of the short-term rental recommendations; and

WHEREAS, on April 9, 2019, the Economic Development Commission voted 4-2 (with two members abstaining and two members absent) to not recommend moving forward staff’s

1 recommendations due to concerns that the proposed regulations and Good Neighbor Policy did  
2 not adequately address issues related to STRs and the impact STRs have on neighborhoods; and

3 WHEREAS, on April 22, 2019, the Planning Commission conducted a duly-noticed  
4 public hearing as prescribed by law and voted 5-0 (with two members absent) to recommend  
5 City Council approval of the Local Coastal Program Amendment (LCPA19-00004) and  
6 proposed addition of Chapter 24 of the Oceanside City Code with the following revisions:

- 7 1. New non-hosted short-term rentals be prohibited in the following residential zoning  
8 districts (R1, R3, RE, RS, RM and RH); and
- 9 2. Staff will monitor the number of corporate short-term rental units and provide a report  
10 to the Planning Commission within one year of the date of the adoption of amendments  
11 to the Oceanside City Code regarding short-term rental regulations.

12 WHEREAS, with respect to those properties located within the Coastal Zone, this  
13 ordinance is subject to review and certification of the California Coastal Commission; and

14 WHEREAS, a Notice of Exemption was prepared by the Resource Officer of the City of  
15 Oceanside for this project pursuant to the California Environmental Quality Act of the 1970 and  
16 State Guidelines;

17 NOW, THEREFORE, the City Council of the City of Oceanside does ordain as follows:

18 SECTION 1. Sections 24.1 through 24.8 is added to Chapter 24, of the Oceanside City  
19 Code and the revised text of said Chapter is added to the implementing plan of the City's Local  
20 Coastal Program, as specified in Exhibit A, and as follows:

21 **Section 24.1 Findings and Purpose**

22 The City Council finds that the city has seen a substantial increase in the number of  
23 residential properties being used as short-term rentals. With the rise in the number of short-  
24 term rentals, the city has received complaints from citizens and neighborhood groups over the  
25 adverse impacts caused by this transient use on adjacent properties. The purpose of this section  
26 is to balance the city's desire to promote economic development and tourism with the city's  
27 legitimate need to mitigate the adverse impacts often associated with short-term rentals,  
28 including excessive noise, overcrowding, reduction of street parking, and the accumulation of

1 refuse. The regulations contained herein are intended to minimize the adverse impacts short-  
2 term rental properties have on surrounding properties. The city also seeks to ensure that the city  
3 is collecting transient occupancy taxes as required by Chapter 34 of the Oceanside City Code as  
4 well as the Oceanside Tourism Marketing District.

#### 5 **Section 24.2 Definitions**

6 A. Bedroom. A “bedroom” is a private room furnished with a bed and intended primarily  
7 for sleeping. Bedrooms must be separated from other rooms by a door and have at least one  
8 window and emergency escape/rescue opening and a closet or storage nook. Additionally, the  
9 room must be accessible to a bathroom without crossing into another bedroom.

10 B. Daytime guest. “Daytime guest” is defined as an individual allowed at a short-term rental  
11 property between the hours of 7am and 10pm. Daytime guests do not count towards the total  
12 occupancy allowed in a short-term rental property.

13 C. Dwelling unit. “Dwelling unit” shall have the same meaning as set forth in Section 330  
14 of the Oceanside Zoning Ordinance.

15 D. Hosted unit. “Hosted unit” is a dwelling unit where the owner of the property or their  
16 tenant occupies the dwelling unit as his or her principal residence and offers a portion of the  
17 dwelling unit for short-term rental while remaining on-site.

18 E. Owner. “Owner” is the person(s) or entity(ies) that hold(s) legal and/or equitable title to  
19 the subject short-term rental.

20 F. Short-term rental. A “short-term rental” is a dwelling unit, or any portion thereof,  
21 offered for rent or rented for dwelling, lodging or sleeping for no more than thirty consecutive  
22 days in the city, including single family or multiple family units. This excludes bed and  
23 breakfasts, hotels, motels, and timeshares.

#### 24 **Section 24.3 Permit Required**

25 A. Unless exempt pursuant to Section 24.4, an owner shall obtain a short-term rental permit  
26 from the city before renting a dwelling unit for a short-term rental or advertising the  
27 availability of a short-term rental unit. The application for a short-term rental permit shall  
28 include the following information on a form provided by the city:

- 1 1. The name, address, and telephone number of the owner of the short-term  
2 rental unit, including local emergency contact information.
- 3 2. The name, address and telephone number of the owner's authorized  
4 representative, including twenty-four (24) hour local emergency contact  
5 information.
- 6 3. The address of the proposed short-term rental unit.
- 7 4. The number of bedrooms in the short-term rental unit.
- 8 5. Acknowledgement of receipt and executed agreement to comply with the  
9 City's "Short-Term Rental Good Neighbor Policy" requirements.

10 B. A short-term rental permit shall be valid for twelve calendar months from the date of  
11 issuance and must be renewed thereafter for a new twelve-month term.

12 C. The application for a short-term rental permit or renewal shall be accompanied by a non-  
13 refundable application fee established by resolution of the City Council. The application fee  
14 shall not exceed the city's estimated reasonable cost of administering the provisions of this  
15 Chapter.

16 D. The application shall be submitted by the owner or the owner's authorized agent. Even if  
17 the application is submitted by the owner's authorized agent, the owner shall be responsible for  
18 complying with this Chapter and all other laws applicable to the short-term rental.

19 E. The application will be reviewed by the City Manager or designee and a short-term rental  
20 permit will be issued unless the applicant fails to demonstrate compliance with this article or  
21 other applicable provisions of the Oceanside City Code, the Oceanside Zoning Ordinance,  
22 conditions or approval for the dwelling unit, or other applicable law. The City Manager or  
23 designee may deny an application for a short-term rental if the applicant fails to demonstrate  
24 compliance with Chapter 34, Article III governing transient occupancy tax. The City Manager  
25 or designee may further deny the short-term rental permit if the applicant has provided any false  
26 information in the application or if the City has revoked a short-term rental permit in the  
27 owner's name within the preceding twelve months. In addition to the operational requirements  
28 set forth in Section 24.7, the City Manager or designee shall have the authority to impose

1 additional conditions on the use of any short-term rental unit in order to mitigate potential  
2 secondary effects unique to the subject property.

3 F. The short-term rental permit shall not be assignable. Following a change in ownership, a  
4 new short-term rental permit shall be required before the new owner rents or advertises the unit  
5 for rent as a short-term rental unit.

6 G. An initial property inspection of the short-term rental property is required when the  
7 short-term rental permit application is received by the City. The inspection is subject to a non-  
8 refundable fee established by resolution of the City Council. If there are no verifiable  
9 complaints or violations received by city staff, the property inspection is to occur every three  
10 years.

#### 11 **Section 24.4 Short-Term Rental Permit Exemptions**

12 The following short-term rental properties are exempt from the permit requirement in  
13 Section 24.3 and the operational requirements in Section 24.7 provided the owner and/or  
14 operator of the unit remains in compliance with Chapter 34, Article III governing transient  
15 occupancy tax:

16 1. Hosted Units

17 2. Short-term rentals governed by a homeowner association that contains at least 50  
18 units and are self-contained. To be considered self-contained, the short term rentals governed  
19 by the homeowner association must be gated with twenty-four (24) hour security and/or twenty-  
20 four (24) hour on-site management and shall meet applicable parking requirements.

#### 21 **Section 24.6 Short-Term Rental Prohibitions**

22 A. Except as provided in Section 24.6(B), short-term rentals are prohibited in a  
23 manufactured home park, as defined in Chapter 16.B.2(c) of the Oceanside City Code.

24 B. Notwithstanding section 24.6(A), a short-term rental in a manufactured home park that  
25 has been registered pursuant to Chapter 34 of the Oceanside City Code prior to the introduction  
26 of this ordinance shall be eligible for a short-term rental permit in accordance with the  
27 provisions of this Chapter 24.

28



1           **Section 24.7           Operational Requirements**

2    A.    All short-term rental properties must comply with the provisions of Chapter 34 of the  
3    Oceanside City Code regarding the collection and remittance of transient occupancy taxes and  
4    the collection and remittance of the Oceanside Tourism Marketing District Assessment.  
5    Failure to comply with these provisions may result in revocation of a short-term rental permit.

6    B.    The owner or the owner’s authorized agent, identified in the application for a short-term  
7    rental permit, shall be available twenty-four (24) hours a day, seven (7) days a week, to  
8    respond to complaints pursuant to this Section 24.7(F) concerning the condition, operation or  
9    conduct of occupants of the short-term rental unit or their guests.

10   C.   Short-term rental property owners shall display on the exterior of a short-term rental unit,  
11   a notice, utilizing a template approved by the City, containing a twenty-four (24) hour, seven  
12   (7) days a week phone number for a private party responsible for the facility to take complaints  
13   regarding its operation. The exterior display will also contain the number of bedrooms and the  
14   maximum number of occupants permitted to stay in the unit. The notice shall be in plain view  
15   of the general public and/or common area and shall be maintained in good condition at all  
16   times. The notice shall continue to be displayed as long as the unit is used as a short-term  
17   rental.

18   D.    The short-term rental property address and twenty-four (24) hour contact phone number  
19   or the owner or owner’s authorized agent shall be listed on the City’s short-term rental  
20   directory website.

21   E.    The owner and/or the owner’s authorized representative shall use reasonably prudent  
22   business practices to ensure the occupants and guest of the short-term rental unit do not create  
23   unreasonable noise or disturbances, engage in disorderly conduct or violate any provisions of  
24   this ordinance or other applicable laws.

25   F.    Upon notification by a city employee authorized to enforce this Chapter that any  
26   occupant or guest of the occupant of a short-term rental unit has created unreasonable noise or  
27   disturbance, engaged in disorderly conduct or committed a violation of an applicable law, the  
28   owner and/or the owner’s authorized agent, shall use all reasonable efforts to immediately halt

1 and prevent a reoccurrence of such conduct. Failure of the owner or the owner's authorized  
2 agent to respond to a notification provided under this Section 24.7(F) within sixty (60) minutes  
3 of the receipt of that notification shall be prima facie evidence that the owner or the owner's  
4 agent has failed to use reasonable efforts as required by Section 24.7(E).

5 G. All garage, driveway and on-site designated parking spaces shall be made available for  
6 vehicle parking.

7 H. Parking of any detached camper, boat, boat trailer or other non-motorized vehicle shall  
8 be in accordance with Oceanside Traffic Code section 13.25. Parking of any vehicle over  
9 seven (7) feet in height shall be in accordance with Oceanside Traffic Code section 13.26.

10 I. No vehicles shall be parked in a designated fire lane nor block or restrict access to  
11 adjacent properties.

12 J. Rental properties shall be kept clean with no visible trash. All trash containers shall be  
13 stored out of public view except when at the curb on trash collection days by the City's  
14 authorized waste hauler.

15 K. The maximum number of occupants allowed to occupy the short-term rental unit shall be  
16 limited to two people per bedroom plus two people per unit.

17 L. The maximum number of daytime guests allowed in a short-term rental property shall be  
18 ten (10) guests, regardless of bedroom count. Daytime guests are allowed between 7:00 a.m.  
19 and 10:00 p.m.

20 M. All short-term rental agreements shall have a minimum two (2) night consecutive stay.

21 N. No amplified or reproduced sound shall be audible from the property line of any short-  
22 term rental unit between the hours of 10:00 p.m. and 10:00 a.m. Any disturbing, excessive, or  
23 offensive noises as defined in Section 38.17 of the Oceanside City Code shall be prohibited  
24 between the hours of 10:00 p.m. and 10:00 a.m.

25 O. Prior to the occupancy of the short-term rental unit, the owner or the owner's authorized  
26 representative shall:

- 27 1. Obtain the name, address, and telephone number of the renter.

- 1                   2. Provide a copy of city-prepared “Short-Term Rental Good Neighbor Policy”  
2                   handout summarizing the requirements of this ordinance to the renter.
- 3                   3. Require the renter to execute a formal acknowledgement that he or she is  
4                   legally responsible for compliance with all requirements of this ordinance by  
5                   all occupants and their guests.
- 6                   4. The information required by paragraphs 1 and 3 of this subsection shall be  
7                   maintained by the owner or the owner’s authorized representative for a period  
8                   of three years and shall be made available upon request to any officer of the  
9                   city responsible for the enforcement of this ordinance or other applicable laws.

10                   **Section 24.8                   Violations and Penalties**

11                   A. Any person who violates the provisions of this Chapter shall be deemed guilty of a  
12                   misdemeanor punishable by a fine not exceeding one thousand (\$1000) dollars, imprisonment  
13                   for a term not to exceed six (6) months, or both, pursuant to Chapter 1, section 1.7(A) of this  
14                   Code. The City Attorney may prosecute or authorize or direct the prosecution of this Chapter  
15                   as an infraction pursuant to Chapter 1, section 1.7(b) punishable by the fines specified in  
16                   Chapter 1, section 1.7(b)(2) of this Code.

17                   B. In addition to any penalties imposed pursuant to Chapter 1.7 of this Code, any person  
18                   who violates the provisions of this Chapter may be issued an administrative citation by an  
19                   enforcement officer pursuant to Chapter 1, section 1.14 through 1.14.8 of this Code.

20                   C. Any property maintained in violation of this Chapter is hereby declared to be a public  
21                   nuisance that may be abated in accordance with Chapter 17 of this Code.

22                   D. In addition to any other remedy for violations of this Chapter, the City Manager or the  
23                   City Manager’s designee may revoke a short-term rental permit for a violation of this Chapter.  
24                   The procedures set forth in Chapter 15, section 15.5 shall apply to any proposed revocation of  
25                   a short-term rental permit.

26                   SECTION 2. The City Clerk of the City of Oceanside is hereby directed to publish this  
27                   ordinance, or the title hereof, as a summary, pursuant to state statute, once within fifteen (15)  
28                   days after its passage in a newspaper of general circulation published in the City of Oceanside.

1 SECTION 3. For those properties located outside of the Coastal Zone, this Ordinance shall  
2 take effect and be in force on the thirtieth (30<sup>th</sup>) day from and after its final passage. For  
3 properties located within the Coastal Zone, this Ordinance shall take effect following  
4 unconditional certification of LCPA 19-00004 by the California Coastal Commission.

5 SECTION 4. Severability.

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

12 INTRODUCED at a public hearing of the City Council of the City of Oceanside,  
13 California, held on the 12<sup>th</sup> day of June, 2019, and, thereafter,

14 PASSED AND ADOPTED at a regular meeting of the City Council of the City of  
15 Oceanside California, held on the \_\_\_ day of \_\_\_\_\_, 2019, by the following vote:

16 AYES:

17 NAYS:

18 ABSENT:

19 ABSTAIN:

20 \_\_\_\_\_  
MAYOR OF THE CITY OF OCEANSIDE

21  
22 ATTEST:

APPROVED AS TO FORM:

23  
24 \_\_\_\_\_  
CITY CLERK

25   
26 \_\_\_\_\_  
CITY ATTORNEY

**EXHIBIT "A"**  
**LCPA19-00004**

Sections 24.1 through 24.8 is added to Chapter 24, of the Oceanside City Code section as follows:

**Section 24.1 Findings and Purpose**

The City Council finds that the city has seen a substantial increase in the number of residential properties being used as short-term rentals. With the rise in the number of short-term rentals, the city has received complaints from citizens and neighborhood groups over the adverse impacts caused by this transient use on adjacent properties. The purpose of this section is to balance the city's desire to promote economic development and tourism with the city's legitimate need to mitigate the adverse impacts often associated with short-term rentals, including excessive noise, overcrowding, reduction of street parking, and the accumulation of refuse. The regulations contained herein are intended to minimize the adverse impacts short-term rental properties have on surrounding properties. The city also seeks to ensure that the city is collecting transient occupancy taxes as required by Chapter 34 of the Oceanside City Code as well as the Oceanside Tourism Marketing District.

**Section 24.2 Definitions**

- A. **Bedroom.** A "bedroom" is a private room furnished with a bed and intended primarily for sleeping. Bedrooms must be separated from other rooms by a door and have at least one window and emergency escape/rescue opening and a closet or storage nook. Additionally, the room must be accessible to a bathroom without crossing into another bedroom.
- B. **Daytime guest.** "Daytime guest" is defined as an individual allowed at a short-term rental property between the hours of 7am and 10pm. Daytime guests do not count towards the total occupancy allowed in a short-term rental property.
- C. **Dwelling unit.** "Dwelling unit" shall have the same meaning as set forth in Section 330 of the Oceanside Zoning Ordinance.
- D. **Hosted unit.** "Hosted unit" is a dwelling unit where the owner of the property or their tenant occupies the dwelling unit as his or her principal residence and offers a portion of the dwelling unit for short-term rental while remaining on-site.

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E. Owner. "Owner" is the person(s) or entity(ies) that hold(s) legal and/or equitable title to the subject short-term rental.

F. Short-term rental. A "short-term rental" is a dwelling unit, or any portion thereof, offered for rent or rented for dwelling, lodging or sleeping for no more than thirty consecutive days in the city, including single family or multiple family units. This excludes bed and breakfasts, hotels, motels, and timeshares.

**Section 24.3 Permit Required**

A. Unless exempt pursuant to Section 24.4, an owner shall obtain a short-term rental permit from the city before renting a dwelling unit for a short-term rental or advertising the availability of a short-term rental unit. The application for a short-term rental permit shall include the following information on a form provided by the city:

1. The name, address, and telephone number of the owner of the short-term rental unit, including local emergency contact information.
2. The name, address and telephone number of the owner's authorized representative, including twenty-four (24) hour local emergency contact information.
3. The address of the proposed short-term rental unit.
4. The number of bedrooms in the short-term rental unit.
5. Acknowledgement of receipt and executed agreement to comply with the City's "Short-Term Rental Good Neighbor Policy" requirements.

B. A short-term rental permit shall be valid for twelve calendar months from the date of issuance and must be renewed thereafter for a new twelve-month term.

C. The application for a short-term rental permit or renewal shall be accompanied by a non-refundable application fee established by resolution of the City Council. The application fee shall not exceed the city's estimated reasonable cost of administering the provisions of this Chapter.

D. The application shall be submitted by the owner or the owner's authorized agent. Even if the application is submitted by the owner's authorized agent, the owner shall be

## EXHIBIT "A"

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responsible for complying with this Chapter and all other laws applicable to the short-term rental.

E. The application will be reviewed by the City Manager or designee and a short-term rental permit will be issued unless the applicant fails to demonstrate compliance with this article or other applicable provisions of the Oceanside City Code, the Oceanside Zoning Ordinance, conditions or approval for the dwelling unit, or other applicable law. The City Manager or designee may deny an application for a short-term rental if the applicant fails to demonstrate compliance with Chapter 34, Article III governing transient occupancy tax. The City Manager or designee may further deny the short-term rental permit if the applicant has provided any false information in the application or if the City has revoked a short-term rental permit in the owner's name within the preceding twelve months. In addition to the operational requirements set forth in Section 24.7, the City Manager or designee shall have the authority to impose additional conditions on the use of any short-term rental unit in order to mitigate potential secondary effects unique to the subject property.

F. The short-term rental permit shall not be assignable. Following a change in ownership, a new short-term rental permit shall be required before the new owner rents or advertises the unit for rent as a short-term rental unit.

G. An initial property inspection of the short-term rental property is required when the short-term rental permit application is received by the City. The inspection is subject to a non-refundable fee established by resolution of the City Council. If there are no verifiable complaints or violations received by city staff, the property inspection is to occur every three years.

### **Section 24.4 Short-Term Rental Permit Exemptions**

The following short-term rental properties are exempt from the permit requirement in Section 24.3 and the operational requirements in Section 24.7 provided the owner and/or operator of the unit remains in compliance with Chapter 34, Article III governing transient occupancy tax:

EXHIBIT "A"

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1. Hosted Units

2. Short-term rentals governed by a homeowner association that contains at least 50 units and are self-contained. To be considered self-contained, the short term rentals governed by the homeowner association must be gated with twenty-four (24) hour security and/or twenty-four (24) hour on-site management and shall meet applicable parking requirements.

**Section 24.6 Short-Term Rental Prohibitions**

- A. Except as provided in Section 24.6(B), short-term rentals are prohibited in a manufactured home park, as defined in Chapter 16.B.2(c) of the Oceanside City Code.
- B. Notwithstanding section 24.6(A), a short-term rental in a manufactured home park that has been registered pursuant to Chapter 34 of the Oceanside City Code prior to the introduction of this ordinance shall be eligible for a short-term rental permit in accordance with the provisions of this Chapter 24.

**Section 24.7 Operational Requirements**

- A. All short-term rental properties must comply with the provisions of Chapter 34 of the Oceanside City Code regarding the collection and remittance of transient occupancy taxes and the collection and remittance of the Oceanside Tourism Marketing District Assessment. Failure to comply with these provisions may result in revocation of a short-term rental permit.
- B. The owner or the owner's authorized agent, identified in the application for a short-term rental permit, shall be available twenty-four (24) hours a day, seven (7) days a week, to respond to complaints pursuant to this Section 24.7(F) concerning the condition, operation or conduct of occupants of the short-term rental unit or their guests.
- C. Short-term rental property owners shall display on the exterior of a short-term rental unit, a notice, utilizing a template approved by the City, containing a twenty-four (24) hour, seven (7) days a week phone number for a private party responsible for the facility to take complaints regarding its operation. The exterior display will also contain the



**EXHIBIT "A"**  
**LCPA19-00004**

number of bedrooms and the maximum number of occupants permitted to stay in the unit. The notice shall be in plain view of the general public and/or common area and shall be maintained in good condition at all times. The notice shall continue to be displayed as long as the unit is used as a short-term rental.

D. The short-term rental property address and twenty-four (24) hour contact phone number or the owner or owner's authorized agent shall be listed on the City's short-term rental directory website.

E. The owner and/or the owner's authorized representative shall use reasonably prudent business practices to ensure the occupants and guest of the short-term rental unit do not create unreasonable noise or disturbances, engage in disorderly conduct or violate any provisions of this ordinance or other applicable laws.

F. Upon notification by a city employee authorized to enforce this Chapter that any occupant or guest of the occupant of a short-term rental unit has created unreasonable noise or disturbance, engaged in disorderly conduct or committed a violation of an applicable law, the owner and/or the owner's authorized agent, shall use all reasonable efforts to immediately halt and prevent a reoccurrence of such conduct. Failure of the owner or the owner's authorized agent to respond to a notification provided under this Section 24.7(F) within sixty (60) minutes of the receipt of that notification shall be prima facie evidence that the owner or the owner's agent has failed to use reasonable efforts as required by Section 24.7(E).

G. All garage, driveway and on-site designated parking spaces shall be made available for vehicle parking.

H. Parking of any detached camper, boat, boat trailer or other non-motorized vehicle shall be in accordance with Oceanside Traffic Code section 13.25. Parking of any vehicle over seven (7) feet in height shall be in accordance with Oceanside Traffic Code section 13.26.

I. No vehicles shall be parked in a designated fire lane nor block or restrict access to adjacent properties.

EXHIBIT "A"

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J. Rental properties shall be kept clean with no visible trash. All trash containers shall be stored out of public view except when at the curb on trash collection days by the City's authorized waste hauler.

K. The maximum number of occupants allowed to occupy the short-term rental unit shall be limited to two people per bedroom plus two people per unit.

L. The maximum number of daytime guests allowed in a short-term rental property shall be ten (10) guests, regardless of bedroom count. Daytime guests are allowed between 7:00 a.m. and 10:00 p.m.

M. All short-term rental agreements shall have a minimum two (2) night consecutive stay.

N. No amplified or reproduced sound shall be audible from the property line of any short-term rental unit between the hours of 10:00 p.m. and 10:00 a.m. Any disturbing, excessive, or offensive noises as defined in Section 38.17 of the Oceanside City Code shall be prohibited between the hours of 10:00 p.m. and 10:00 a.m.

O. Prior to the occupancy of the short-term rental unit, the owner or the owner's authorized representative shall:

1. Obtain the name, address, and telephone number of the renter.
2. Provide a copy of city-prepared "Short-Term Rental Good Neighbor Policy" handout summarizing the requirements of this ordinance to the renter.
3. Require the renter to execute a formal acknowledgement that he or she is legally responsible for compliance with all requirements of this ordinance by all occupants and their guests.
4. The information required by paragraphs 1 and 3 of this subsection shall be maintained by the owner or the owner's authorized representative for a period of three years and shall be made available upon request to any officer of the city responsible for the enforcement of this ordinance or other applicable laws.

**EXHIBIT "A"**

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**Section 24.8            Violations and Penalties**

- A. Any person who violates the provisions of this Chapter shall be deemed guilty of a misdemeanor punishable by a fine not exceeding one thousand (\$1000) dollars, imprisonment for a term not to exceed six (6) months, or both, pursuant to Chapter 1, section 1.7(A) of this Code. The City Attorney may prosecute or authorize or direct the prosecution of this Chapter as an infraction pursuant to Chapter 1, section 1.7(b) punishable by the fines specified in Chapter 1, section 1.7(b)(2) of this Code.
- B. In addition to any penalties imposed pursuant to Chapter 1.7 of this Code, any person who violates the provisions of this Chapter may be issued an administrative citation by an enforcement officer pursuant to Chapter 1, section 1.14 through 1.14.8 of this Code.
- C. Any property maintained in violation of this Chapter is hereby declared to be a public nuisance that may be abated in accordance with Chapter 17 of this Code.
- D. In addition to any other remedy for violations of this Chapter, the City Manager or the City Manager's designee may revoke a short-term rental permit for a violation of this Chapter. The procedures set forth in Chapter 15, section 15.5 shall apply to any proposed revocation of a short-term rental permit.

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE AMENDING THE LOCAL COASTAL PROGRAM BY ADDING CHAPTER 24 OF THE OCEANSIDE CITY CODE TO CREATE SHORT-TERM RENTAL REGULATIONS AND ESTABLISHING THE AMENDED TEXT AS PART OF THE IMPLEMENTATION PLAN OF THE COASTAL PROGRAM AND REQUESTING CALIFORNIA COASTAL COMMISSION CERTIFICATION OF SAID AMENDMENT**

**(City of Oceanside –Applicant)**

**(LCPA19-00004)**

WHEREAS, the California Coastal Act (Public Resources Code §30000, et seq.) (the "Coastal Act") requires that the City adopt a Local Coastal Program (LCP) which meets the requirements of the Coastal Act at the local level and implements its provisions and policies;

WHEREAS, on January 25, 1985, the California Coastal Commission ("Commission") approved with suggested modifications, the City's Land Use Plan ("LUP") and, pursuant to Public Resources Code §30512.2, found the City's LUP to be consistent with the policies and requirements of Chapter 3 of the Coastal Act and to meet the basic stated goals specified in Public Resources Code §30001.5; and

WHEREAS, on December 8, 2008, the California Coastal Commission (CCC) established with the City of Oceanside that development proposals in those portions of the Coastal Zone located outside of the Downtown Redevelopment Area would be reviewed for consistency under the standards of the City's 1986 Zoning Ordinance, in light of the fact that the previously applicable 1992 Zoning Ordinance had never received CCC certification; and

WHEREAS, the City of Oceanside has experienced a dramatic increase in the number of residential properties being used as short-term rentals (STRs); and

WHEREAS, the city has approximately 900 registered STRs; and

WHEREAS, the city has received complaints related to the operation of STRs including complaints concerning excessive occupants, noise, reduction of street parking and increased trash; and

1           WHEREAS, the city does not have operational guidelines or regulations for STRs; and  
2           WHEREAS, on June 25, 2019, the Planning Commission appointed a STR Ad Hoc  
3 Committee to recommend policies regarding the regulation of STRs; and

4           WHEREAS, the STR Ad Hoc Committee held three public meetings on August 21,  
5 2018, November 27, 2018, and January 29, 2019 to discuss permitting options and regulations  
6 for STRs and come up with recommendations for regulating STRs; and

7           WHEREAS, it is the desire of the City Council to establish policies and regulations for  
8 STRs; and

9           WHEREAS, on January 23, 2019, the City Council directed staff to put together a  
10 comprehensive STR program and Good Neighbor Policy to ensure compliance and  
11 accountability for STRs; and

12           WHEREAS, on February 26, 2019, the Housing Commission voted 7-1 to recommend  
13 approval of staff's recommendations for STR regulations; and

14           WHEREAS, on April 9, 2019, the Economic Development Commission voted 4-2-2  
15 (with two members abstaining and two members absent) to not recommend moving forward  
16 staff's recommendations due to concerns that the proposed regulations and Good Neighbor  
17 Policy did not adequately address issues related to STRs and the impact STRs have on  
18 neighborhoods; and

19           WHEREAS, on April 22, the Planning Commission conducted a duly-noticed public  
20 hearing as prescribed by law and voted 5-0 (with two members absent) to recommend City  
21 Council approval of the Local Coastal Program Amendment (LCPA19-00004) to amend  
22 Chapter 24 of the Oceanside City Code with the following revisions:

- 23 1.     New non-hosted short-term rentals be prohibited in the following residential zoning  
24 districts (R1, R3, RE, RS, RM and RH); and
- 25 2.     Staff will monitor the number of corporate short-term rental units and provide a report to  
26 the Planning Commission within one year of the date of the adoption of amendments to the  
27 Oceanside City Code regarding short-term rental regulations; and

28

1           WHEREAS, the Planning Division has prepared text amendments to Chapter 24 of the  
2 Oceanside City Code to introduce STR permit requirements and regulations and to establish the  
3 amended text of Chapter 24 of the Oceanside City Code as part of the implementing documents  
4 of the Local Coastal Program (LCPA19-00004); and

5           WHEREAS, with respect to those properties located within the coastal zone, the text  
6 amendment is subject to review and certification of the California Coastal Commission; and

7           WHEREAS, a Notice of Exemption was prepared by the Resource Officer of the City  
8 of Oceanside for this project pursuant to the California Environmental Quality Act of 1970 and  
9 the State Guidelines thereto amended to date and hereby approved by the City Council in  
10 conjunction with its recommendations on the application; and

11           WHEREAS, the City Council conducted a duly-noticed public workshop on May 29,  
12 2019, to consider the proposed Oceanside City Code Amendment and Local Coastal Program  
13 Amendment (LCPA19-00004), and the recommendation of the Planning Commission thereon,  
14 and heard and considered written and oral testimony regarding the proposed amendments; and

15           WHEREAS, based upon such evidence, testimony and staff reports, this Council finds  
16 that the Local Coastal Program Amendment (LCPA19-00004) conforms with and is adequate  
17 to carry out the land use plan of the Local Coastal Program.

18           NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

19           SECTION 1. Pursuant to Public Resources Code §30510(a), the Oceanside City  
20 Council hereby certifies that the Local Coastal Program Amendment (LCPA19-00004) is  
21 intended to be carried out in a manner fully in conformity with the Coastal Act of 1976 and is  
22 hereby adopted. The proposed Oceanside City Code amendment sets forth regulations intended  
23 to minimize the potential adverse impacts from short-term rental operators while still allowing  
24 for visitor serving accommodations in coastal areas.

25           SECTION 2. Pursuant to the California Environmental Quality Act of 1970, and the  
26 State Guidelines thereto amended to date, a Notice of Exemption has been issued for the project  
27 by the Resource Officer for the City of Oceanside.

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SECTION 3. Pursuant to Coastal Commission Local Coastal Program Regulations §13551(b), this Local Coastal Plan Amendment shall take effect upon Coastal Commission certification.

SECTION 4. Notice is hereby given that the time within which judicial review must be sought on the decision is governed by Public Resources Code §30801.

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this 12<sup>th</sup> day of June, 2019, by the following vote:

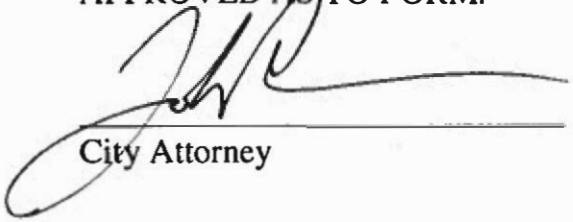
- AYES:
- NAYS:
- ABSENT:
- ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
City Attorney

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE ADOPTING A SHORT-TERM RENTAL PERMIT AND INSPECTION FEE**

WHEREAS, on June 12, 2019, the City Council of the City of Oceanside did conduct a duly-noticed public hearing for the purposes of considering adoption of a short-term rental and inspection fee; and

WHEREAS, the City Council did hear all persons desiring to speak either in favor or in opposition to, the revision of such fees; and

WHEREAS, the purpose of the Short-term Rental Permit and Inspection Fees is to provide a fair mechanism for defraying public costs associated with the actual costs of processing, regulating and inspecting short-term rental properties.

NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

SECTION 1. The Permit and Inspection Fee for Short-term Rentals will be established as follows:

| <b>FEE DESCRIPTION</b>                | <b>AMOUNT</b>                                               | <b>ACCOUNT</b>      |
|---------------------------------------|-------------------------------------------------------------|---------------------|
| Short-term Rental Permit Fee          | \$250.00 annually                                           | 933900101.4458      |
| Short-term Rental Fire Inspection Fee | \$119.00 upon registration and every three years thereafter | 550551101.4451.0011 |

SECTION 2. The Short-term rental fees shall take effect November 1, 2019.

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1 PASSED AND ADOPTED by the City Council of the City of Oceanside, California,  
2 this 12<sup>th</sup> day of June, 2019, by the following vote:

3  
4 AYES:

5 NAYS:

6 ABSENT:

7 ABSTAIN:  
8  
9

MAYOR OF THE CITY OF OCEANSIDE

10  
11 ATTEST:

APPROVED AS TO FORM:

12  
13  
14 \_\_\_\_\_  
City Clerk

  
15 \_\_\_\_\_  
City Attorney

**ATTACHMENT 4**

PLANNING COMMISSION  
RESOLUTION NO. 2019-P16

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF OCEANSIDE RECOMMENDING CITY COUNCIL APPROVAL OF LOCAL COASTAL PROGRAM AMENDMENT LCPA19-00004 TO AMEND CHAPTER 24 OF THE MUNICIPAL CODE TO SET FORTH SHORT TERM RENTAL POLICIES AND REGULATIONS AND ESTABLISH THE AMENDED TEXT AS PART OF THE LOCAL COASTAL PROGRAM

---

APPLICATION NO: LCPA19-00004  
APPLICANT: City of Oceanside  
LOCATION: Citywide

---

THE PLANNING COMMISSION OF THE CITY OF OCEANSIDE, CALIFORNIA DOES RESOLVE AS FOLLOWS:

WHEREAS, the City of Oceanside (“city”) has experienced a dramatic increase in the number of residential properties being used as short-term rentals; and

WHEREAS, the city has approximately 900 registered short term rentals; and

WHEREAS, the city has received complaints related to the operation of short-term rentals in residential neighborhoods, including complaints concerning excessive occupants, noise, reduction of street parking and increased trash; and

WHEREAS, the city does not have operational guidelines or regulations for short-term rentals; and

WHEREAS, the Planning Commission, on June 25, 2018, appointed a Short-Term Rental Ad Hoc Committee to recommend policies regarding the regulation of short-term rentals; and

WHEREAS, the Short-Term Rental Ad Hoc Committee held three public meetings on August 21, 2018, November 27, 2018, and January 29, 2019 to discuss permitting options and regulations for short-term rentals and come up with recommendations for regulating short-term rentals via a permitting options matrix; and

WHEREAS, the City Council, on January 23, 2019, directed staff to put together a comprehensive short-term rental program and Good Neighbor Policy to ensure compliance and accountability for short-term rentals; and

WHEREAS, the Housing Commission, on February 26, 2019, reviewed the short-term rental Ad Hoc Committee Permitting Options Matrix, including staff recommendations, and voted 7-1 to recommend approval of the permitting options matrix, including staff’s recommendations; and

1 WHEREAS, the Economic Development Commission, on April 9, 2019, reviewed the STR  
2 Ad Hoc Committee Permitting Options Matrix, including staff recommendations, and voted 4-2  
3 (with two members abstaining and two members absent) to not recommend moving forward staff's  
4 recommendations due to concerns that the proposed regulations and Good Neighbor Policy did not  
adequately address issues related to STRs and the impact STRs have on neighborhoods; and

5 WHEREAS, amendments to the City's Municipal Code regarding the regulation of short-  
6 term rental properties were prepared for City Council consideration; and

7 WHEREAS, with respect to those properties located within the coastal zone, the policies and  
8 regulations established by this text amendment are subject to review and certification of the  
California Coastal Commission; and

9 WHEREAS, the Planning Commission, after giving the required notice, did on the 22<sup>nd</sup>  
10 day of April, 2019 conduct a duly noticed public hearing as prescribed by law to consider said  
text amendments; and

11 WHEREAS, in accordance with the provisions of the California Environmental Quality  
12 Act (CEQA) Guidelines Section 15061(b)(3), the Resource Officer of the City of Oceanside has  
13 determined that the proposed project does not have the potential for causing a significant effect  
on the environment and therefore is not subject to CEQA review; and

14 WHEREAS, a Notice of Exemption was prepared by the Resource Officer of the City of  
15 Oceanside for this project pursuant to the California Environmental Quality Act of the 1970 and  
State Guidelines;

16 WHEREAS, studies and investigations made by this Commission and on its behalf reveal  
17 the following facts pertaining to the proposed Local Coastal Program Amendment:

- 18 1. Pursuant to Public Resources Code §30510(a), the Planning Commission hereby certifies  
19 that the Local Coastal Program Amendment (LCPA19-00004) is intended to be carried out  
20 in conformance with the Coastal Act of 1976. The proposed municipal code text  
21 amendments set forth regulations intended to minimize the potential adverse impacts from  
short-term rental operators while still allowing for visitor serving accommodations in coastal  
areas.
- 22 2. The Local Coastal Program Amendment conforms to the Local Coastal Program, in that it  
23 does not impact public coastal access, water or marine resources, sensitive habitat, visual  
24 resources, visitor serving uses, or public facilities.

1 3. Pursuant to Coastal Commission Local Coastal Program Regulations §13551(b), this  
2 amendment shall take effect upon Coastal Commission approval, following City Council  
3 approval and adoption.

4 NOW, THEREFORE, BE IT RESOLVED that the Planning Commission does hereby  
5 recommend that the City Council approve Local Coastal Program Amendment (LCPA19-00004)  
6 as represented in the attached Exhibit "A", with the following revisions:

- 7 1. New non-hosted short-term rentals be prohibited in the following residential zoning districts  
8 (R1, R3, RE, RS, RM and RH); and
- 9 2. Staff will monitor the number of corporate short-term rental units and provide a report to  
10 the Planning Commission within one year of the date of the adoption of amendments to the  
11 Municipal Code regarding short-term rental regulations.

12 PASSED AND ADOPTED Resolution No. 2019-P16 on April 22, 2019 by the following  
13 vote, to wit:

14 AYES: Krahel, Busk, Rosales, Morrissey, Goodkind

15 NAYS: None

16 ABSENT: Custer, Balma

17 ABSTAIN: None

18   
19 \_\_\_\_\_  
20 Kyle Krahel, Chairperson  
21 Oceanside Planning Commission

22 ATTEST:

23   
24 \_\_\_\_\_  
25 Jeff Hunt, Secretary

26 I, JEFF HUNT, Secretary of the Oceanside Planning Commission, hereby certify that this is a true  
27 and correct copy of Resolution No. 2019-P16.

28 Dated: April 22, 2019

**ATTACHMENT 5**

**Ad Hoc Committee (AHC) and Staff Short-Term Rental Recommendations**

|                                                                                                      | <b>AHC Recommendation</b>                                                                                                                                                                                                  | <b>Staff Recommendation</b>                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Permit Process                                                                                       | Ministerial Permit and GNP unless exempt                                                                                                                                                                                   | Same                                                                                                                                                                                                                                                                                                                                                                            |
| Exempt Units                                                                                         | 1) Hosted Unit or<br><br>2) HOA that is gated and provides 24-hour on-site management                                                                                                                                      | 1) Same<br><br>2) HOA that contains at least 50 units and are self-contained (gated and 24-hour security an/or 24-hour on-site management) and meets applicable parking requirements                                                                                                                                                                                            |
| Payment of Taxes                                                                                     | TOT and OTMD                                                                                                                                                                                                               | Same                                                                                                                                                                                                                                                                                                                                                                            |
| Contact Information<br><br>(Phone # for private party responsible for responding to complaints 24/7) | Sign posted on property and online city directory                                                                                                                                                                          | 8 ½" x 11" sign (template provided by the City) posted on the exterior of the unit and online City directory                                                                                                                                                                                                                                                                    |
| Maximum Occupancy                                                                                    | Two people/bedroom, plus two people                                                                                                                                                                                        | Same                                                                                                                                                                                                                                                                                                                                                                            |
| Length of Stay                                                                                       | Two night minimum consecutive night stay                                                                                                                                                                                   | Same                                                                                                                                                                                                                                                                                                                                                                            |
| Daytime Guests<br>(guests allowed between 7am-10pm)                                                  | 10 people                                                                                                                                                                                                                  | Same                                                                                                                                                                                                                                                                                                                                                                            |
| Parking                                                                                              | All garage, driveway and designated on-site parking spaces shall be made available for vehicle parking                                                                                                                     | Same with added requirement that no vehicles shall be parked in a designated fire lane nor block or restrict access to adjacent properties                                                                                                                                                                                                                                      |
| Inspection Process                                                                                   | Fire Department to conduct initial property inspection at time of STR registration with regular inspections to occur every three years if no complaints or violations.<br><br>\$119 Fire Inspection Fee every three years. | Fire Department to conduct initial property inspection at time of STR registration with regular inspections (by Code Enforcement) to occur every three years if no complaints or violations.<br><br>\$119 Fire Inspection Fee at time of STR registration.<br><br>Self-inspection (form provided by the Fire Department) to occur in the intervening years between inspections. |

**Ad Hoc Committee (AHC) and Staff Short-Term Rental Recommendations**

|                                            | <b>AHC Recommendation</b>                                                                                                                                           | <b>Staff Recommendation</b>                                                                                                                                                                 |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inspection Warning/Complaint Response Time | One-hour inspection warning for code enforcement violations.                                                                                                        | Owner or authorized agent to respond to a complaint within one hour.                                                                                                                        |
| Enforcement                                | Three citations within 12 months or 5 citations within 24 months may result in permit revocation for 36 months. Some violations may result in immediate revocation. | STR that has been the subject of three verified complaints in a 12 month period will be automatically referred to the City Attorney for enforcement.                                        |
| Permit Fee                                 | \$300-\$400/year                                                                                                                                                    | \$250/year                                                                                                                                                                                  |
| Ownership                                  | Distinguish corporate ownership from home ownership and further regulate or cap the corporate ownership.                                                            |                                                                                                                                                                                             |
| Prohibitions                               | Mobile Home Parks                                                                                                                                                   | Mobile Home Parks. Allow the existing registered STRs to remain operating in a mobile home park as long as they pay applicable taxes and remain registered.                                 |
| Annual Reporting Program                   |                                                                                                                                                                     | Staff to implement an annual review and reporting program. Staff to monitor a) number of STRs and whether a cap should be established, b) inspection process, and c) STR permit exemptions. |



# CITY OF OCEANSIDE

## Short Term Rental Good Neighbor Policy

### ATTACHMENT 6

The Good Neighbor Policy (GNP) was created to minimize the adverse impacts Short Term Rental (STR) properties may have on surrounding residential neighborhoods. STR owners/operators and guests are responsible for ensuring the following rules are acknowledged and followed:

#### STR Operator Responsibilities

- 1. 24-Hour Contact Available.** Owner or owner's authorized agent shall be available 24 hours a day, seven days a week to respond to complaints concerning condition, operation, or conduct of STR occupants.
- 2. Contact Information.** A copy of the STR Permit and TOT Registration Number shall be displayed on the exterior of the unit. The notice must include a local emergency contact phone number that is reachable at all times. The property address and contact phone number for the STR shall also be included on the City webpage directory for STRs.
- 3. Complaint Response Time.** The owner or owner's authorized agent must respond to a complaint received by the City or neighbor within 60 minutes of receipt of the complaint.
- 4. Trash.** Rental properties shall be kept clean with no visible trash. All trash containers shall be stored out of public view except when at the curb on collection days. Ensure guests know about and adhere to the neighborhood trash collection schedule.
- 5. Occupancy.** The maximum number of occupants shall be limited to two adults per bedroom plus two people per unit (including children). The number of bedrooms listed on the STR permit application will determine the appropriate occupancy level for the unit. Bedroom shall be defined as a "private room furnished with a bed and intended primarily for sleeping. Bedrooms must be separated from other rooms by a door and have at least one window and emergency escape/rescue opening and a closet or storage nook. Additionally the room must be accessible to a bathroom without crossing into another bedroom."
- 6. Parking.** All garage, driveway, and on-site designated parking spaces shall be made available for vehicle parking.
- 7. Minimum Night Stay.** Two- night minimum stay for all guests.
- 8. Enforcement.** Violations of the ordinance are subject to all of the criminal and civil remedies set forth in Chapter 1 of the Oceanside City Code. These include misdemeanor criminal prosecution, administrative monetary citations, and/or civil nuisance abatement actions. In addition, a STR permit may be modified, suspended, or revoked for documented violation(s) of the Ordinance. Any STR that has been the subject of three verified complaints in a twelve month period will be automatically referred to the City Attorney Office for enforcement of appropriate remedies.
- 9. Formal Acknowledgement.** This GNP must be shared with all guests and renters must execute a formal written acknowledgement that they are legally responsible for compliance with all requirements listed under "Guest Responsibilities" below.





# CITY OF OCEANSIDE

## Short Term Rental Good Neighbor Policy

### **STR Guest Responsibilities**

- 1. Parking.** Vehicles shall be parked in garage, driveway, and on-site designated parking spaces whenever possible. Please avoid parking on street if on-site parking is available. No vehicles shall be parked on a designated fire lane nor block or restrict access to adjacent properties.
- 2. Occupancy.** The maximum number of occupants shall be two adults per bedroom plus two people per unit (including children).
- 3. Daytime Guests.** The maximum number of daytime guests allowed in a STR unit shall be 10 guests, regardless of bedroom count. Daytime guests are allowed between 7am and 10pm.
- 4. Noise.** Any disturbing, excessive, or offensive noises as defined in Section 38.17 of the Oceanside City Code shall be prohibited between the hours of 10pm and 10am.

*Revised 03/19/19*

DRAFT



# ATTACHMENT 7

## Short-Term Rentals per Zoning District

| Zoning Designation | # of STRs  | % of Total STRs |
|--------------------|------------|-----------------|
| A                  | 2          | 0.21%           |
| C2                 | 7          | 0.75%           |
| CC                 | 1          | 0.11%           |
| CG                 | 1          | 0.11%           |
| CP                 | 6          | 0.64%           |
| CS-HO              | 5          | 0.53%           |
| D-1                | 1          | 0.11%           |
| D-11               | 1          | 0.11%           |
| D-12               | 3          | 0.32%           |
| D-13               | 2          | 0.21%           |
| D-15               | 1          | 0.11%           |
| D-4A               | 24         | 2.57%           |
| D-4B               | 3          | 0.32%           |
| <b>D-5</b>         | <b>411</b> | <b>43.96%</b>   |
| D-5A               | 5          | 0.53%           |
| D-6A               | 5          | 0.53%           |
| D-6B               | 1          | 0.11%           |
| D-7A               | 3          | 0.32%           |
| D-7B               | 6          | 0.64%           |
| D-9                | 5          | 0.53%           |
| H                  | 4          | 0.43%           |
| OP                 | 1          | 0.11%           |
| PD-1               | 6          | 0.64%           |
| PD-11              | 1          | 0.11%           |
| PD-14              | 1          | 0.11%           |
| PD-15              | 1          | 0.11%           |
| PD-16              | 3          | 0.32%           |
| PD-3               | 1          | 0.11%           |
| PD-4               | 1          | 0.11%           |
| PD-9               | 1          | 0.11%           |
| <b>R1</b>          | <b>40</b>  | <b>4.28%</b>    |
| <b>R3</b>          | <b>45</b>  | <b>4.81%</b>    |
| RE-A               | 2          | 0.21%           |
| <b>RE-B</b>        | <b>69</b>  | <b>7.38%</b>    |
| RH                 | 16         | 1.71%           |
| RH-U               | 8          | 0.86%           |
| RM-A               | 13         | 1.39%           |
| RM-B               | 6          | 0.64%           |
| RM-C               | 1          | 0.11%           |
| <b>RS</b>          | <b>120</b> | <b>12.83%</b>   |
| <b>RT</b>          | <b>101</b> | <b>10.80%</b>   |
| SP-1-84            | 1          | 0.11%           |
| <b>TOTAL</b>       | <b>935</b> | <b>100.00%</b>  |

## ATTACHMENT 8

PLANNING COMMISSION



CITY OF OCEANSIDE

---

DATE: April 22, 2019

TO: Chairperson and Members of the Planning Commission

FROM: Development Services Department/Planning Division

SUBJECT: **CONSIDERATION OF A MUNICIPAL CODE AMENDMENT AMENDING CHAPTER 24 OF THE MUNICIPAL CODE TO ESTABLISH SHORT-TERM RENTAL POLICIES AND REGULATIONS AND LOCAL COASTAL PROGRAM AMENDMENT (LCPA19-00004) ESTABLISHING THE AMENDED TEXT AS PART OF THE IMPLEMENTING DOCUMENT OF THE LOCAL COASTAL PROGRAM – SHORT-TERM RENTALS – APPLICANT: CITY OF OCEANSIDE**

### **RECOMMENDATION**

Staff recommends that the Planning Commission by motion:

- (1) Adopt Planning Commission Resolution No. 2019-P16 recommending City Council approval of Municipal Code Amendment and Local Coastal Plan Amendment (LCPA19-00004) with findings of approval attached herein.

### **SUMMARY**

Staff is proposing a municipal code amendment and Local Coastal Plan Amendment to adopt policies and regulations for short-term rentals in the City of Oceanside.

### **BACKGROUND**

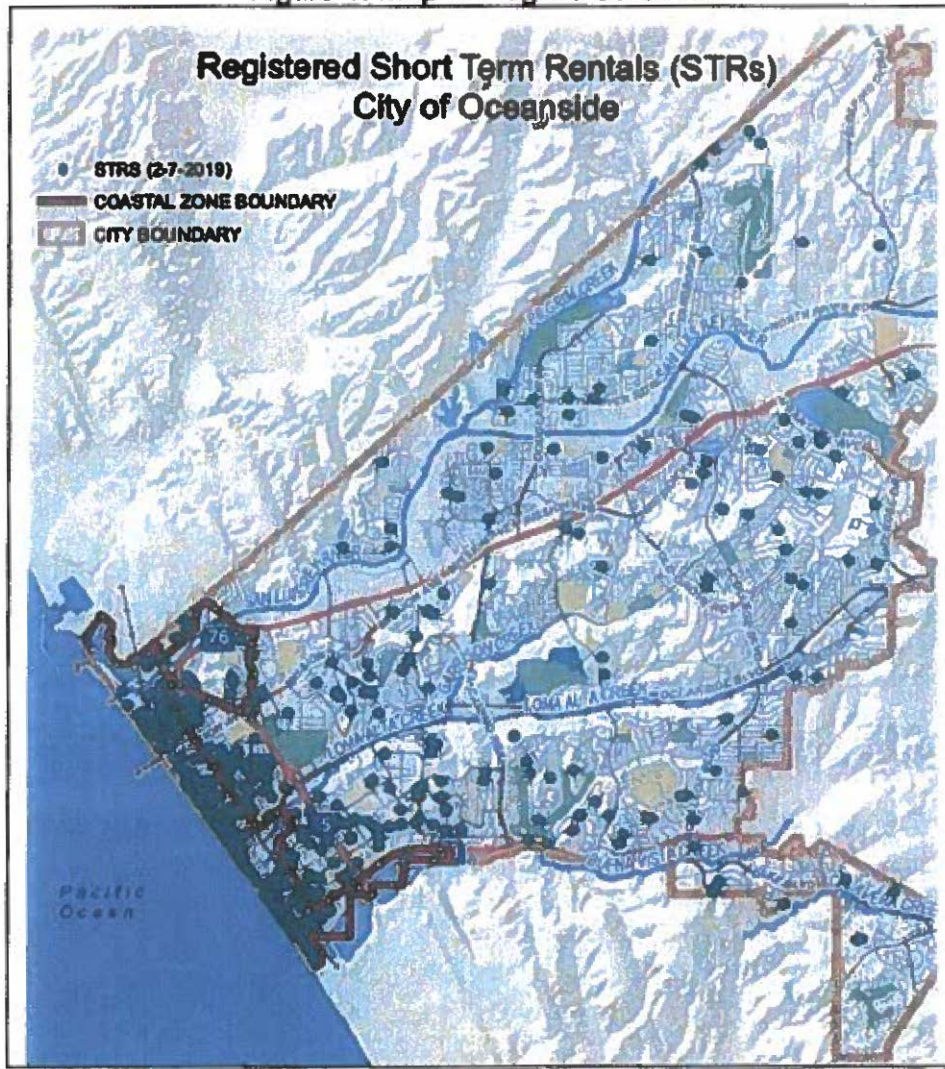
A short-term rental (STR) is defined as the rental of any legally permitted dwelling unit (or portion thereof) for occupancy for dwelling, lodging, or sleeping purposes for a period of less than 30 consecutive days. Although STRs are not specifically defined or regulated in the Zoning Ordinance, in consultation with the City Attorney's Office, City staff has determined that the rental of a dwelling unit for less than 30 consecutive days is not prohibited.

Over the last few years, the advent of online booking sites such as AirBnB, HomeAway, VRBO and others have made it easier and more convenient for property owners to advertise their homes for STR use. As a result, STRs are becoming more popular in

many cities and there has been a significant increase in the use of private homes for vacation rental purposes. Oceanside is no exception. The City has experienced a dramatic increase in the number of STRs over the past few years. STRs have become a significant source of revenue for the City, bringing in approximately \$2.47 million dollars for the 2017-2018 fiscal year (July 1, 2017 to June 30, 2018).

As illustrated in the figure below, the vast majority of STRs are located west of Interstate 5 and concentrated close to the shoreline, with approximately 75% of the registered STRs located within the Coastal Zone.

Figure 1: Map of Registered STRs



As of March 2019, there were approximately 900 registered STRs in the City, with estimates of nearly 1,300 operating. The City actively pursues unregistered STRs through the use of a third party contractor, Host Compliance. Host Compliance collects data from owner advertising platforms, including AirBnB, HomeAway, VRBO, and

others. The information collected includes property and ownership records, rental rates, length of stay, number of bedrooms, occupancy limits, and estimated rental revenue. Since contracting with Host Compliance in 2017, the number of registered STRs has increased 68%. It is anticipated the number of registered STRs will continue to rise as more properties are identified through Host Compliance.

The table below provides a breakdown on the number of STRs located in each Neighborhood Planning Area. The two Neighborhood Planning Areas located in the Coastal Zone include South Oceanside and Townsite. Since approximately 75% of registered STRs are located in the Coastal Zone, the highest concentration of STRs occurs in these two Neighborhood Planning areas.

**Table 1: Percentage of STRs per Neighborhood Planning Area**

| Neighborhood Name         | Number of STRs | Percentage    |
|---------------------------|----------------|---------------|
| Airport                   | 5              | 0.5%          |
| Eastside Capistrano       | 17             | 1.8%          |
| Fire Mountain             | 39             | 4.2%          |
| Guajome                   | 16             | 1.7%          |
| Ivey Ranch/Rancho Del Oro | 8              | 0.9%          |
| Lake                      | 5              | 0.5%          |
| Loma Alta                 | 22             | 2.4%          |
| Mira Costa                | 19             | 2.0%          |
| Morro Hills               | 2              | 0.2%          |
| North Valley              | 15             | 1.6%          |
| Ocean Hills               | 4              | 0.4%          |
| Oceana                    | 1              | 0.1%          |
| Peacock                   | 7              | 0.7%          |
| San Luis Rey              | 13             | 1.4%          |
| <b>South Oceanside</b>    | <b>97</b>      | <b>10.4%</b>  |
| <b>Townsite</b>           | <b>661</b>     | <b>70.7%</b>  |
| Tri-City                  | 4              | 0.4%          |
| <b>TOTAL</b>              | <b>935</b>     | <b>100.0%</b> |

The table below provides a summary of the zoning districts with the highest percentages of STRs.

**Table 2: Percentage of STRs per Zoning District**

| Zoning District                          | Number of STRs | Percentage |
|------------------------------------------|----------------|------------|
| Downtown District 5 (D-5)                | 411            | 43.96%     |
| Single Family Residential (RS)           | 120            | 12.83%     |
| Residential Tourist (RT)                 | 101            | 10.80%     |
| Residential Estate B (RE-B)              | 69             | 7.38%      |
| Medium Density Residential- Coastal (R3) | 45             | 4.81%      |
| Single Family Residential- Coastal (R1)  | 40             | 4.28%      |



Nearly half of all STRs are located in Downtown District 5. This is largely attributed to North Coast Village, which has nearly 300 registered STRs. The RS (Single Family Residential) has 120 registered STRs and makes up the second largest percentage with approximately 13% of registered STRs. The RS District, which is located outside the coastal zone, has the highest concentration of STRs outside the coastal area. A majority of the registered STRs located in the RS District are located west of Interstate 5. Attachment 3 provides a full breakdown of STRs per zoning district.

### Existing STR Regulations

Currently, the City does not have locational requirements or formal operational regulations in place for STRs. The City currently applies the following process to STRs:

- All STR operators must register with the City and pay a 10% Transient Occupancy Tax (TOT) and a 1.5% Oceanside Tourism Marketing District (OTMD) assessment;
- STRs that consist of 5 or more units on one property must obtain a City business license; and
- New accessory dwelling units (ADUs) and the associated primary unit cannot be rented out short term.

### 2016 Draft STR Permit and Good Neighbor Policy (GNP)

In 2016, in response to complaints received by the City, staff from the City Manager's Office, the City Attorney's Office, the Finance Department, and the Planning Division produced draft STR regulations and a GNP following a review of regulations established in nearby coastal cities. The key provisions of the STR regulations and GNP drafted in 2016 are as follows:

1. All STRs required to obtain a permit and business license;
2. Parking of all guest vehicles on-site (i.e. no parking on the street);
3. Maximum occupancy of two people per bedroom, plus one additional person per unit; and
4. STR owner or authorized agent must be available 24 hours a day, 7 days a week by phone and able to respond to complaints within one hour.

The draft STR regulations and permit process were released for public review in November 2016. Although the process was comparatively less restrictive than approaches used in other coastal cities, the City received a large volume of concerns from STR operators, especially regarding required on-site parking and occupancy limits. Due to the high volume of concerns with the draft regulations, further review was postponed to allow staff more time to review how other cities are dealing with STRs, gain a better understanding of the California Coastal Commission's (CCC) position on STRs, and to consider further refinement to the draft regulations based on input received.

## STR Ad Hoc Committee

In response to the increase in STRs throughout the City, the Planning Commission has expressed concerns with associated impacts and discussed options available to regulate STRs. As previously mentioned, the City does not currently have regulations on STRs. Planning Division staff suggested the Planning Commission could form an Ad Hoc Committee (AHC) that could prepare policy recommendations regarding the regulation of STRs. The recommendations could be considered by the full Planning Commission for recommendation to the City Council. On June 25, 2018, the Planning Commission appointed an AHC (comprised of Commissioners Balch, Busk, and Rosales) to thoroughly study the issue and recommend an approach to the regulation of STRs. Three AHC meetings were held (August 21<sup>st</sup>, 2018, November 27<sup>th</sup>, 2018, and January 29<sup>th</sup>, 2019) to discuss possible STR regulations and hear public testimony. The meetings were well attended by the public, and speakers shared their views both in support of and opposition to STRs. Included as Attachment 7, the staff reports prepared for the AHC meetings provide a summary of the discussion that occurred at each meeting.

## City Council Direction

On January 23, 2019, the City Council considered Mayor/Councilmember Item #18 "Request by Councilmember Rodriguez and Deputy Mayor Feller for staff to put together a comprehensive Short-Term Vacation Rental (STVR) program in consideration of the attached suggestions, the current STVR ADHOC committee recommendations and Good Neighbor Policy." Per City Council direction, staff continued to work with the STR AHC to formulate policy recommendations for STRs.

## PROJECT DESCRIPTION

Staff created a permitting options matrix and GNP to guide the AHC discussion on possible STR recommendations. The final AHC recommendations per the matrix are included as Attachment 5 and the GNP, also reviewed by the AHC, is included as Attachment 6. It should be noted that the GNP is different from the AHC recommended GNP as it continued to evolve after the final AHC meeting. Staff held additional interdepartmental meetings to discuss STRs and revised the GNP to reflect the additional discussion and new information.

While staff agrees with most of the AHC recommendations, there are a few items for which a different approach is recommended. Staff recommendations that differ from the AHC recommendations are provided in italics in the list below. The recommendations provide a framework for regulating STRs throughout the City. The proposed regulations are intended to minimize potential adverse impacts from STR operations and outline expectations for STR operators and guests. The regulations address STR operator responsibilities, maximum occupancy, parking, complaint response time, minimum night stay, noise, and enforcement protocol. A table summarizing the final AHC and staff recommendations is

provided as Attachment 4. Key components of the proposed STR regulations include the following:

1. Ministerial Operating Permit and GNP required for all STRs, unless the unit is exempt.
2. Exempt units include hosted units where the STR operator lives on-site and STR locations where all of the following conditions exist:
  - a. Property is governed by an HOA;
  - b. Property where the STR is located is self-contained (i.e., gated); and
  - c. Property provides 24-hour on-site management.
3. Payment of Transient Occupancy Tax (10%) and Oceanside Tourism Marketing District assessment (1.5%) for all STRs.
4. Contact information: 24-hour contact information for all STRs provided on a sign posted on the property and listed in an online City directory of all registered STRs.
5. Maximum occupancy: Two people per bedroom, plus two people.
6. Length of stay: Two-night minimum consecutive night stay.
7. Daytime guests (allowed between 7am-10pm): Maximum of 10 guests.
8. Parking: All garage, driveway and designated on-site parking spaces shall be made available for vehicle parking.

*Staff also recommends that parked vehicles not be allowed to block or restrict access to adjacent properties and vehicles shall not be parked in a designated fire lane.*
9. Inspection process: One-hour inspection warning for code enforcement violations.

*After consultation with the City Attorney's Office, staff does not support this approach due to concerns with constitutional protections. Alternatively, staff recommends having language in the GNP that requires an owner or authorized agent to respond to a complaint within one hour.*
10. Initial property inspection conducted by Fire Department staff at time of STR registration, with subsequent inspections to occur every three years if no complaints or violations.

*Staff recommends the Fire Department to conduct the initial property inspection at time of STR registration and subsequent inspections could be performed by city-designated staff every three years if there are no complaints or violations. Additionally, staff recommends a self-inspection (with a form provided by the Fire Department) for the intervening years between formal inspections.*
11. Three strikes policy (three citations within 12 months or five citations within 24 months may result in STR revocation of 36 months. Some violations may result in immediate revocation.)

*After consultation with the City Attorney's Office, staff recommends enforcement language stating that any STR that has been the subject of three verified complaints in a twelve-month period will be automatically referred to the City Attorney for enforcement of appropriate remedies.*

12. Annual permit fee of \$300 to \$400 used to fund enhanced enforcement.  
*Staff recommends a \$250 annual permit fee.*
13. Distinguish corporate ownership from home ownership and further regulate or cap the corporate ownerships.  
*At this time staff does not recommend this approach as it will be difficult to monitor and regulate.*
14. Prohibition of STRs in any mobile home park.  
*Staff recommends prohibiting any new STRs in mobile home parks, but allowing the existing five registered mobile home STRs to remain.*
15. *Staff recommends implementing an annual review and reporting process to monitor the effectiveness of the proposed STR permit process and GNP. Staff recommends monitoring the following:*
  - a. *Number of STRs allowed. Staff can monitor whether a maximum number of STRs should be allowed in the City or in an area or neighborhood.*
  - b. *Inspection Process. Staff can monitor to determine if annual property and/or fire inspections should be required or if an inspection every three years is sufficient.*
  - c. *STR permit exemption process. Staff can evaluate whether properties considered exempt (hosted units and HOAs that are gated and have 24-hour on-site management) shall maintain an exempt status or if they should be subject to obtaining a STR permit and/or abide by a GNP.*

The permit process and applicable standards would be implemented through modifications to the Oceanside City Code via adoption of a new Chapter 24 (Attachment 2).

## **ANALYSIS**

Many nearby coastal cities have adopted regulations to address concerns with STRs. Staff has spent a considerable amount of time reviewing these regulations and speaking to the staff of nearby cities that have STR regulations in place. The comparison of STR regulations in other jurisdictions indicates there are several permitting approaches that cities commonly employ to address STRs and their impacts on residential neighborhoods. Existing regulations range from prohibitions in certain zoning districts, capping the total number of STRs, requiring STR permits and compliance with a GNP, or merely requiring a business license. A summary of the STR policies for the cities of Carlsbad, Del Mar, Encinitas, San Diego, Santa Cruz, and Solana Beach is provided in the staff reports prepared for the AHC (Attachment 7). It should be noted that the City



of San Diego has since rescinded its STR Ordinance, and the policies listed in the AHC staff report dated August 21, 2018 are no longer in effect.

In addition to reviewing regulations adopted in other coastal cities, Planning Division staff has had multiple interdepartmental meetings involving staff from the City Attorney's Office, City Manager, Code Enforcement Division, Finance Department, Fire Department, Housing Division, Parking Enforcement, and Police Department to discuss possible STR regulations and the feasibility of the AHC's recommendations for regulating STRs. Planning staff incorporated feedback from these interdepartmental meetings into the comments and recommendations made to the AHC. City staff comments on possible regulations for STRs (including the permit process, maximum number of STRs, permit exemptions, operational requirements, occupancy, parking, enforcement protocol, permit fees, and others) are described in detail in the staff reports prepared for the AHC meetings (Attachment 7).

When determining the appropriate process for regulating STRs, it is important to note the CCC recognizes STRs as an important source of affordable visitor accommodations that promote public access to the coast. With approximately 75% of the City's registered STRs located within the coastal zone, consideration of the CCC's position on STRs is an important factor. The CCC has not always supported overly restrictive regulations, including onerous minimum or maximum stays or prohibitions, finding such regulations to be inconsistent with the Coastal Act. Recognizing the CCC stance on STRs, staff attempted to develop STR policies and regulations that were reasonable and addressed community concerns regarding the impact of STRs on residential neighborhoods.

As previously mentioned, a detailed discussion of potential STR permitting options and STR regulations is found in the staff reports prepared for the AHC meetings. Key issues that came up during the AHC deliberations include the following:

1. Permit Process
  - a. The AHC discussed whether a STR permit, if required, should be ministerial or discretionary. Staff recommended against requiring a discretionary permit for every STR as this would overwhelm staff resources. The AHC and staff agreed that a ministerial permit issued by the Finance Division is sufficient.
2. Permit Exemptions
  - a. Hosted Units: The AHC discussed whether certain properties may be exempt from obtaining a STR permit. Staff suggested hosted units (where the property owner remains on-site) could be exempt because the homeowner can monitor and regulate the conduct of guests. Based on public perception and community feedback, it appears hosted units are typically viewed more favorably than whole home rentals and hosted units generally do not have an impact on residential neighborhoods.
  - b. HOAs: The AHC discussed whether large HOA-governed properties that have an on-site manager and are gated (such as North Coast Village and St. Malo) can be exempt since these properties generally do not generate formal complaints to

the City because they are self-contained and the HOA monitors and enforces guest activity. Staff recommends permit exemptions for HOAs that meet the above criteria, since these properties already regulate themselves and thus generally do not have a negative impact on the surrounding community.

**3. Number and location of STRs**

a. Staff asked the AHC to consider whether there should be a total cap on the number of STRs allowed or if STRs should only be allowed in certain zoning districts. As described in the AHC staff reports, although the AHC and staff are not recommending a cap at this time, three possible options for placing a cap on STRs are as follows:

(1) Citywide cap

(2) Cap on STRs in single-family zoning districts west of Interstate 5

(3) Maximum concentration per zoning district

b. Staff asked the AHC to consider if STRs in the coastal zone should be regulated differently than STRs inland or if there should be a prohibition of STRs outside the coastal zone (similar to Carlsbad). Initially, the AHC considered limiting STRs to the coastal zone, but after further discussion the AHC recommended allowing STRs citywide (with a prohibition in mobile home parks).

**4. Enforcement**

a. Both the AHC and staff agreed that enhanced enforcement is necessary to address the impacts associated with STRs in residential neighborhoods. By adding enforcement language including operational standards to a STR Ordinance, Code Enforcement would have an enforcement tool to address community complaints. Additionally, staff suggested a STR Permit fee that could cover the cost of an additional full time Code Enforcement officer.

**5. Affordable Housing Impact Fee**

a. Initially, the AHC had mixed opinions on whether such a fee should apply for STR properties. The City of San Diego recently established a STR affordable housing impact fee of \$3.96 per night (whole home units) and \$2.73 per night (home share units). However, the City of San Diego STR ordinance has since been rescinded and this fee no longer applies. If a similar fee is adopted by Oceanside, it is estimated that such a fee would produce between \$200,000 to \$300,000, annually. Staff does not support the creation of such a fee in Oceanside given the relatively small benefit in comparison to the large amount of time and cost necessary to implement and administer such a fee program. The AHC agreed with staff and does not recommend an affordable housing impact fee.

**6. Operational Requirements**

a. The AHC and staff discussed operational requirements that would help alleviate potential adverse impacts STR properties have on residential neighborhoods. The primary concerns relate to occupancy and parking. The AHC and staff recommend STR operators and guests abide by a GNP that outlines the operational requirements for STRs. Key components of the GNP address maximum occupancy (two people/bedroom, plus two), parking (all garage and designated parking spaces made available for parking), and daytime guests (maximum of 10 additional guests allowed between 7am and 10pm).

**7. Fiscal Impact**

- a. As mentioned earlier, STRs are a significant source of revenue for the City. Placing strict regulations and/or a cap or prohibition on STRs may significantly impact the City's annual revenue.

**8. Complaints attributed to STRs**

- a. Despite the high number of STRs in the City, the number of formal complaints attributed to STRs has been relatively low, although it is recognized that there may be many concerns that are not reported to the City. The City's Code Enforcement Division received 43 complaints between 2014 and 2018. The complaints primarily consisted of excessive occupants, noise, and unlicensed STR operators. Both the AHC and staff recommended STR operator contact information be made available and policies addressing operational requirements, including establishing a maximum occupancy of two people per bedroom, plus two people per unit, to minimize the impact STR properties have on adjacent properties.

Staff brought the proposed STR recommendations to the Housing Commission and Economic Development Commission (EDC) for their feedback and recommendations. Housing Commission and EDC input is summarized below.

**Housing Commission**

The Permitting Options Matrix, including staff recommendations, was presented to the Housing Commission on February 27, 2019. The Commission voted 7-1 to recommend approval of the staff recommendations regarding potential STR regulations. The Commission also recommended that a portion of the TOT revenue generated by STRs be set aside to help fund affordable housing. The Commission commented that STRs should be prohibited in mobile home parks, but did not make a formal recommendation to prohibit STRs from operating in mobile home parks.

**Economic Development Commission**

The Permitting Options Matrix, including staff recommendations was presented to the EDC on April 9, 2019. After a thorough discussion, the EDC voted 4-2-2 (two members abstained from voting and two members were absent) to not recommend moving forward staff recommendations regarding potential STR regulations. The EDC commissioners felt the GNP did not adequately address issues related to STRs and the impact STRs have on neighborhoods, especially single-family neighborhoods. Concerns related to the loss of community character and the need to protect neighborhoods for full time residents were brought up by the EDC. The EDC commented that homeowners and full time residents should be prioritized over the needs of STR operators. Some EDC commissioners stated that STRs have a negative impact on the community and are not good for economic development because they lower property values.

Other comments by the EDC included:

1. There should be a cap on the number of STRs allowed, especially in single-family zoning districts.
2. STRs should only be allowed in certain neighborhoods and/or zoning districts.
  - a. Possibly grandfather existing STRs, but not allow new STRs in certain areas.
  - b. Prohibit STRs in certain residential areas such as Arrowwood, Fire Mountain, and Rancho Del Oro.
3. STRs should only be allowed in the coastal zone or west of Interstate-5.
4. STRs operate as mini-hotels and should not be allowed in residential areas.
5. The proposed occupancy of two people/bedroom, plus two is restrictive. Possibly exclude children from the total occupancy.
6. STRs are a business and should be regulated as such.
7. GNP is a good start, but need to evaluate further.
8. STRs impact affordable housing stock.

## **ENVIRONMENTAL DETERMINATION**

Planning Division staff has completed a preliminary review of this project in accordance with the City of Oceanside's Environmental Review Guidelines and the California Environmental Quality Act (CEQA), 1970. Based on that review, the Planning Division finds that the proposed project would not, in and of itself, occasion land development or any other material change to the environment. Therefore, in accordance with the provisions of the California Environmental Quality Act (CEQA) Guidelines Section 15061 (b) (3), there is no possibility the proposed municipal code text amendment may have a significant effect on the environment and therefore is not subject to CEQA review.

## **SUMMARY**

The proposed STR regulations seek to reduce impacts from STRs through the requirement of a permit, compliance with operational standards and enhanced enforcement. The regulations are an improvement over the current situation where the City does not have any operational requirements for STRs. Future monitoring can determine if further revisions are warranted.

The proposed protocols and standards conform to the Local Coastal Program, in that they would not impact public coastal access, water or marine resources, sensitive habitat, public visual resources, visitor serving uses, or public facilities. They also conform to the General Plan goal and objective of ensuring the enhancement of community and neighborhood values by setting forth standards and regulations for STRs that minimize conflicts and impacts to adjacent residential land uses.

The proposed municipal code text amendment is intended to minimize the adverse impacts short-term rental properties may have on surrounding residential neighborhoods; while clarifying that STRs are permissible in these areas.

Therefore, staff recommends that the Planning Commission:

- (1) Adopt Planning Commission Resolution No. 2019-P16 recommending approval of Local Coastal Program Amendment (LCPA19-00004) with findings of approval attached herein.

PREPARED BY:



Shannon Vitale  
Planner II

SUBMITTED BY:



Jeff Hunt  
City Planner

JH/SV/fil

**Attachments:**

1. Planning Commission Resolution No. 2019-P16
2. Draft Municipal Code Amendment to Chapter 24 of the City Code (Exhibit A)
3. STRs per Zoning District Table
4. STR Ad Hoc Committee and Staff Recommendations re: STRs
5. STR Ad Hoc Committee Permitting Options Matrix
6. Draft Good Neighbor Policy
7. Staff memos prepared for the STR Ad Hoc Committee Meetings (dated August 21, 2018, November 27, 2018, and January 29, 2019)
8. Staff memo prepared for the Housing Commission Meeting (dated February 26, 2019)
9. Staff memo prepared for the Economic Development Commission Meeting (dated April 9, 2019)
10. Notice of Exemption
11. Public Comments: <https://www.ci.oceanside.ca.us/gov/dev/planning/str.asp>

**City of Oceanside**  
**Development Services Department**

**Memorandum**

**DATE:** August 21, 2018

**TO:** Short Term Rental Ad Hoc Committee

**FROM:** Shannon Vitale, Planner I

**SUBJECT:** CONSIDERATION OF OPTIONS FOR THE REGULATION OF SHORT TERM RENTALS

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**Background**

Over the last few years, the advent of online booking sites such as AirBnB, HomeAway, VRBO and others has made it easier and more convenient for property owners to advertise their homes for short term rental (STR) use. STRs are usually defined as the rental of any legally permitted dwelling unit (or portion of any legally permitted dwelling unit) for occupancy for dwelling, lodging or sleeping purposes for period of less than 30 consecutive days. As a result, STRs are becoming more popular in many cities, especially tourist destinations. The advent of these on-line booking/listing platforms has resulted in a significant increase in the use of private homes for vacation rental purposes. As described later in this report, in 2016, the City developed draft regulations and a “good neighbor policy” for STR uses but at this point has no formal operational regulations in place.

Currently, there are approximately 800 registered STRs in the City of Oceanside. In its recent review of development proposals, the Planning Commission has expressed concerns with the impacts associated with STRs and discussed options that were available to regulate STRs in order to address such impacts. In addition, similar concerns regarding the impacts of STRs have been expressed by individual Planning Commissioners in the past, during the Commissioner’s Reports agenda item. In response to these concerns, Planning Division staff consulted with other City staff including the City Attorney’s Office and noted to the Planning Commission that the City Council sets policy direction and has not acted to regulate STRs. However, City staff suggested that the Planning Commission could form an Ad Hoc Committee that could forward policy recommendations regarding the regulation of STRs. The recommendations could be considered by the full Planning Commission for recommendation to the City Council for their consideration and possible direction. On June 25, 2018, the Planning Commission appointed an Ad Hoc Committee to recommend an approach to the regulation of STRs throughout the City. The Ad Hoc Committee members include Commissioners Balch, Busk and Rosales. Staff anticipates having three Ad Hoc Committee meetings prior to presenting any recommendations to Planning Commission.

### **Existing STR Regulations**

Similar to many other coastal cities, the City of Oceanside has a long history of allowing STRs. The City has determined that STRs are allowed in all residential zoning districts. Although STRs are not specifically defined in the Zoning Ordinance, City staff has determined that the rental of a dwelling unit for less than 30 consecutive days is not prohibited. The City currently applies the following permitting process to STRs:

- All STR operators must register with the City and pay Transient Occupancy Taxes (TOT) and an Oceanside Tourism Marketing District (OTMD) assessment (taxed at 10% and 1.5%, respectively);
- STRs that consist of 5 or more units on one property must obtain a City business license; and
- New accessory dwelling units (ADUs) and the associated primary unit cannot be rented short term (this restriction is not yet certified in the Coastal Zone.)

The California Coastal Commission (CCC) recognizes STRs as an important source of affordable visitor accommodations that promote public access to the coast. The CCC has not historically supported regulations that it deems too restrictive, including outright STR bans, finding such regulations to be inconsistent with the Coastal Act.

### **Existing STRs in Oceanside**

According to data provided by the Finance Department, there are approximately 800 registered STRs in the City. The vast majority of these STRs are located west of Interstate 5 and concentrated close to the shoreline, with 75% of the registered STRs located within the Coastal Zone. Over half of the STRs located in the Coastal Zone are in Downtown District 5 (High Density Residential). This is largely attributed to North Coast Village, which has nearly 300 registered STRs. The RT (Residential Tourist) District, south of Wisconsin Avenue and west of the railroad, has 96 registered units and makes up the second largest percentage with approximately 12% of registered STRs. There are 383 registered units in the City's residential zoning districts; 196 of these are in the Coastal Zone and 187 in the balance of the City. Nearly all registered units in the inland area are located in a residential zoning district. The table below provides a breakdown of STRs by zoning district:

**Table 1: STRs by Zoning Designation**

| <b>Zone</b>                                                                      | <b>Number of Properties</b> | <b>Percent of Total STRs</b> |
|----------------------------------------------------------------------------------|-----------------------------|------------------------------|
| Coastal Zone                                                                     | 583                         | 74.8%                        |
| Inland Areas                                                                     | 196                         | 25.2%                        |
| <b>Coastal Zone</b>                                                              |                             |                              |
| Commercial                                                                       | 4                           | 0.5%                         |
| D-4A<br>(Downtown Transient Uses and Single Family and Multi Family Residential) | 31                          | 4.0%                         |
| D-4B<br>(Downtown Transient Uses and Multi-Family Residential)                   | 2                           | 0.3%                         |
| D-5<br>(Downtown High Density Residential)                                       | 368                         | 47.2%                        |
| D-5A<br>(Downtown Medium Density Residential)                                    | 6                           | 0.8%                         |
| D-7A<br>(Downtown High Density Residential)                                      | 3                           | 0.4%                         |
| D-9<br>(Downtown Commercial and Single Family and Multi Family Residential)      | 2                           | 0.3%                         |
| D-11<br>(Downtown Commercial and Multi Family Residential)                       | 1                           | 0.1%                         |
| Harbor                                                                           | 4                           | 0.5%                         |
| PD (Planned Development)                                                         | 3                           | 0.4%                         |
| R1 (Single Family Residential)                                                   | 34                          | 4.4%                         |
| R3 (Medium Density Residential)                                                  | 29                          | 3.7%                         |
| RT (Residential Tourist)                                                         | 96                          | 12.3%                        |
| <b>Total</b>                                                                     | <b>583</b>                  | <b>74.8%</b>                 |
| <b>Inland Area</b>                                                               |                             |                              |
| Agriculture                                                                      | 1                           | 0.1%                         |
| Commercial                                                                       | 5                           | 0.6%                         |
| D-9<br>(Downtown Commercial/Residential)                                         | 3                           | 0.4%                         |
| PD (Planned Development)                                                         | 8                           | 1.0%                         |
| RE (Residential Estate)                                                          | 56                          | 7.2%                         |
| RH (High Density Residential)                                                    | 17                          | 2.2%                         |
| RM (Medium Density Residential)                                                  | 16                          | 2.1%                         |
| RS (Single Family Residential)                                                   | 90                          | 11.6%                        |
| <b>Total</b>                                                                     | <b>196</b>                  | <b>25.2%</b>                 |



**Financial Considerations**

As stated above, STR operators are required to pay TOT (10%) and OTMD (1.5%). The revenue generated from STRs over the last four quarters (April 2017 to March 2018) provided over \$2.7 million in revenue to the City.

The City has contracted with an outside firm, Host Compliance, to assist with identifying STRs throughout the City and ensuring operators are registered and paying applicable taxes. Host Compliance helps staff identify the location of STRs and provides data on the growing number of STRs operating within the City. Host Compliance collects data from owner advertising platforms, including AirBnB, HomeAway, VRBO, and others. The information collected includes property and ownership records, rental rates, length of stay, number of bedrooms, occupancy limits, and estimated rental revenue. The number of registered STRs has increased since Host Compliance has been monitoring STRs and it is anticipated that the number of operators complying with the City’s STR permitting process will continue to rise as more properties are identified through Host Compliance.

**STR Complaints**

Despite the high number of STRs in the City, the number of formal complaints attributed to STRs has been relatively low, although it is recognized that there may be many concerns that are not reported to the City. The City’s Code Enforcement Division received 43 complaints between 2014 and 2018. An additional 23 complaints against STRs were filed with the police department from July 2016 to July 2018. The majority of complaints were for properties located in a residential zone. The complaints primarily consisted of excessive occupants, noise, and unlicensed STR operators. The table below provides the number of complaints received per zoning district:

**Table 2: STR Complaints by Zoning District**

| Number of Complaints | Zoning District |
|----------------------|-----------------|
| 3                    | D-4A            |
| 1                    | D-4B            |
| 11                   | D-5             |
| 1                    | D-5A            |
| 1                    | D-7A            |
| 5                    | PD              |
| 2                    | R1              |
| 3                    | R3              |
| 8                    | RE-B            |
| 2                    | RMA             |
| 18                   | RS              |
| 9                    | RT              |

**2016 Draft STR Permit and Good Neighbor Policy**

In 2016, in response to complaints received by the City, staff from the City Manager’s Office, the City Attorney’s Office, the Finance Department and the Planning Division produced draft STR regulations and a Good Neighbor Policy (GNP) following a review of regulations established in nearby coastal cities. The key provisions of the STR regulations and GNP drafted in 2016 are as follows:

A STR is defined as the rental of any portion of any dwelling unit for less than 30 consecutive days.

1. Any existing or new STR located anywhere in the city would require a permit and business license in order to operate.
2. The business license would require compliance with the STR permit and payment of Transient Occupancy Tax.
3. The annual fee would be approximately \$50-\$60 with the permit being issued by the Business License Division along with a business license.
4. The STR permit ordinance would reside in the Municipal Code, not the Zoning Code, and would not involve any notice to neighbors nor a public hearing prior to the approval of individual STR permits.
5. An STR permit would be conditioned to assure:
  - a. The STR permit is displayed in a conspicuous place and include the owner's or their agent's phone number.
  - b. The owner or their agent is available 24 hours a day, 7 days a week by phone, and will respond to complaints within 60 minutes.
  - c. Parking of all guest vehicles is on-site (i.e., no parking on the street).
  - d. Refuse containers will be stored out of public view.
  - e. A maximum of two people per room, plus one additional person per unit.
  - f. Amplified sound is not be audible off-site from 10:00 p.m. to 10:00 a.m.
  - g. The GNP is provided to all renters, who must acknowledge its receipt.
6. The GNP explains the requirements that all renters must abide by (essentially the conditions of the permit.)
7. Violations can result in revocation of the permit, denial of a permit, and/or a fine of \$1,000 or imprisonment of 6 months.

The 2016 draft STR regulations, permit process, and GNP were presented to various commissions, including the Planning Commission, Housing Commission, Economic Development Commission, and Downtown Advisory Commission. They were not presented to the City Council. While all the commissions generally supported the draft ordinance and GNP, there were suggested revisions. The Planning Commission recommended restricting STRs in certain zoning districts and adding a noticing process to inform neighbors of a new STR unit. The Economic Development Commission stated that North Coast Village and other large HOAs should be exempt from permit requirements and the parking and occupancy requirements should be revised. The Downtown Advisory Council recommended a uniform GNP throughout the City and identical regulations for long and short-term rentals. Additionally, they recommended a cap on the total number of STRs allowed in the City.

The draft STR regulations, permit process, and GNP were also released for public review in November 2016. Although the draft STR permit process was comparatively less onerous/restrictive than approaches used in other cities, the City received a large volume of concerns from STR operators, especially regarding required on-site parking and occupancy limits. The table below summarizes the comments received by staff in 2016:

**Table 3: Public Comments on Proposed STR Regulations, Permit Process, and GNP**

| <b>Number of Comments</b> | <b>Concern/Recommendation</b>                |
|---------------------------|----------------------------------------------|
| 5                         | Generally supported regulations with changes |
| 25                        | Generally did not support regulation         |
| 2                         | Restrict to RT Zone                          |
| 1                         | Do not designate areas for STRs              |
| 13                        | Remove parking restrictions                  |
| 4                         | Ensure enforcement                           |
| 1                         | Remedies are too stiff                       |
| 2                         | Exempt HOAs                                  |
| 4                         | Revise Permit fee to percentage of TOT       |
| 21                        | Remove occupancy requirement                 |
| 3                         | Include long-term rentals                    |
| 4                         | Exempt North Coast Village                   |
| 2                         | Enforce Good Neighbor Policy                 |
| 1                         | Minimum night stay                           |
| 3                         | Restrict STR to Coastal Zone                 |
| 3                         | Cost of enforcement                          |
| 1                         | Include Pet Policy                           |

Due to the high volume of concerns with the draft STR regulations, permit process and GNP, City Council review was postponed to allow staff more time to review how other cities are dealing with STRs, gain a better understanding of the CCC's position on STRs, and to consider further refinement to the draft regulations based on input received.

**STR Regulations in Other Cities**

Many nearby coastal cities have adopted regulations to address concerns with STRs. Staff has spent a considerable amount of time reviewing these regulations and speaking to the staffs of certain cities that have STR regulations in place. Existing regulations range from prohibitions in certain zoning districts, capping the total number of STRs, requiring STR permits and compliance with a GNP, or merely requiring a business license. Following are some regulatory highlights of San Diego County coastal communities

**Carlsbad:** The City of Carlsbad adopted a STR vacation rental ordinance on May 5, 2015. Due to concerns about the possible negative effects of vacation rental properties in residential neighborhoods, the City restricted STRs to the Coastal Zone and La Costa Resort and Spa Master Plan area. The Carlsbad STR ordinance requires STR operators to obtain a STR permit and business license that must be renewed annually. STR operators must abide by a Good Neighbor Policy and there is a maximum occupancy of two people per bedroom plus one person per unit.

On July 24, 2018, in an effort to further reduce the impacts of STRs on the Carlsbad residential community, staff recommended revising the existing STR regulations to include the following:

1. Set forth a definition of bedroom to assist with determining the appropriate occupancy level for a STR.
2. Clarify that time-share units and trailer coaches parked on residential property are not considered STRs.
3. Add a requirement for STR owners to prepare an impact response plan, including information on how to contact the owner to report a complaint concerning the property.
4. Specify that STRs may only be used for residential purposes; commercial activities and special events are prohibited.
5. To the greatest extent possible, on-site parking for the STR shall be used for guests and tenants.
6. Set forth a requirement that three administrative citations or verifiable violations incurred by a STR within a 24-month period will result in permit revocation for a period of 36 months.

The City Council approved the STR revisions by a 5-0 vote and introduced an ordinance amending the STR regulations. Once a second reading of the ordinance occurs, the STR revisions will go into effect.

**Encinitas:** The City of Encinitas adopted a STR ordinance in 2005. The City regulates STRs through their municipal code. The City uses a detailed STR permit application that must be reviewed by Planning Division staff. A site plan and floor plan must be submitted for review. The maximum occupancy is two people per bedroom, plus one person per unit. Parking is limited to the number of designated on-site parking spaces.

**Solana Beach:** The City of Solana Beach adopted a STR ordinance in 2003. A STR permit is required. Although the City does not have locational requirements, there is a minimum seven-day stay requirement for all STRs located in a residential zoning district. The STR ordinance does not specify occupancy or parking regulations for STRs.

**Del Mar:** The City of Del Mar is currently revising its STR ordinance. Currently, STRs are only allowed in the Residential Commercial and Visitor Commercial Zones. The City Council adopted a revised ordinance in November, 2017. The revised ordinance would allow STRs in commercial zones and in residential zones for up to 28 days per calendar year with a minimum rental term of seven consecutive days. The CCC rejected the ordinance as submitted, stating the ordinance was too restrictive and would result in adverse impacts to public access and affordable visitor accommodations. The City is determining how best to respond to the CCC's comments.

**San Diego:** The City of San Diego approved regulations governing STRs on July 16, 2018 with the second reading of the regulations on August 1, 2018.

The City Council adopted the following STR regulations:

1. Differentiate between whole home and home share STRs. Whole home is defined as the occupancy of the host's entire dwelling while the host is not physically present. Home share is defined as the occupancy of a portion of the host's dwelling while the host is physically present.
2. Whole home STRs require a license and are limited to the host's primary residence. A host may obtain up to two licenses (i.e. one for the primary dwelling unit and one for an

- accessory dwelling unit that is located on the same parcel). If a property owner owns multiple properties in the jurisdiction, they are only able to obtain a STR license for their primary residence.
3. Whole home STRs located in the Coastal Zone and Downtown Community Plan Area are subject to a 3-night minimum stay.
  4. Home share does not require a license, but a host must register their dwelling unit with the City and pay TOT.
  5. Neighborhood Use Permit required if the STR has four or more bedrooms.
  6. All STRs must pay an Affordable Housing Impact Fee (\$2.73/night for home share and \$3.96/night for whole home).
  7. All hosts must comply with the Good Neighbor Policy, including having a local contact person to immediately address any complaints and disturbances.
  8. A "Three Strikes" Policy. After the third violation within a 12-month period, the STR license may be revoked.

### **Key Considerations**

When determining the appropriate STR permitting process, it is important to note the CCC recognizes vacation rentals as an important source of visitor accommodations. With approximately 75% of the City's registered STRs located within the Coastal Zone, consideration of the CCC's position on regulating STRs is an important factor. The CCC has indicated that if a community already provides an ample supply of vacation rentals and further proliferation of vacation rentals would impair community character or other coastal resources, restrictions may be appropriate. However, if the restrictions are too strict or prohibitive, CCC support may not be likely.

The CCC supports developing reasonable and balanced regulations tailored to the specific issues of the community, while providing appropriate enforcement to ensure consistency with applicable laws. The CCC has, in the past, supported STR regulations that include the following:

1. Limits on total number of vacation rentals allowed within certain areas;
2. Limits on the types of housing that can be used as a vacation rental;
3. Limits on maximum vacation rental occupancies;
4. Limits on the amount of time a residential unit can be used as a vacation rental during a given time period;
5. Requirements for 24-hour management and/or response, whether onsite or within a certain distance of the vacation rental;
6. Requirements regarding onsite parking, garbage, and noise;
7. Signage requirements (including posting 24 hour contact information);
8. Payment of Transient Occupancy Tax (TOT); and
9. Enforcement protocols, including requirements for responding to complaints and enforcing against violations of vacation rental requirements, including providing for revocation of vacation rental permits in certain circumstances.

The comparison of STR regulations in other local coastal jurisdictions indicates there are several permitting approaches that cities commonly employ to address STRs and their impacts on residential neighborhoods. While all of the cities require a STR permit and adherence to a GNP, the regulations and restrictions for the STR permit vary. Some jurisdictions have locational requirements, while others have minimum and maximum rental nights per year. As mentioned

earlier, STRs in Oceanside are currently permitted by-right and do not require a permit as long as the operator registers with the City and pays applicable taxes.

The following table provides a summary of potential permitting options. As noted later in this report, staff does not support the issuance of a discretionary permit for STRs:

**Table 4: STR Permitting Options**

|                                        |                                                                      |
|----------------------------------------|----------------------------------------------------------------------|
| Permitted By-Right                     | Pay taxes and comply with existing nuisance regulations              |
| Ministerial Permit                     | Apply for permit issued by staff                                     |
| Ministerial Permit and Notification    | Notice provided to neighbors, permit approval by staff               |
| Discretionary Permit with Notification | Notice provided to neighbors, permit approval by Planning Commission |

Due to the previous community concerns relating to the parking and occupancy requirements proposed in the draft 2016 GNP, the Ad Hoc Committee may want to consider revising the 2016 GNP. Should the Ad Hoc Committee wish to do so, staff would offer the following revised language based on research of other STR ordinances. A revised GNP including the above noted changes is attached to the staff report (Attachment 2):

1. Remove the requirement that mandates parking for all vehicles must be provided on-site in the driveway, garage, or carport. Instead, insert the following language similar to Carlsbad: “To the greatest extent possible, on-site parking for the STR shall be used for guests and tenants”.
2. Revise the maximum occupancy requirement to state: “The number of occupants shall be limited to two persons per bedroom, plus two.” The two person per bedroom is a common standard used by many other communities and the “plus two” provision would accommodate the use of a pull out couch bed which is oftentimes provided in an STR.
3. STRs should be used for tourist lodging only. The use of STRs for commercial events or special events such as weddings shall be prohibited.

**Other Regulatory Considerations:**

The following regulatory options enacted by other local communities could also be considered by the Ad Hoc Committee. Staff has provided a working matrix with a list of possible STR regulations to assist the Ad Hoc Committee in making any recommendations (Attachment 3). It’s anticipated that any forthcoming Committee recommendations would be shared with the entire Planning Commission for further action, including a possible recommendation to the City Council. Once Council direction is received, staff would draft ordinance language and present such language to both the Planning Commission and City Council at future public hearings:

- Add enforcement language to the GNP to ensure STR operators abide by the regulations set forth in the GNP. With enhanced language that establishes consequences for violations (e.g., a three strikes policy), Code Enforcement would have a significant enforcement tool to ensure compliance with a potential GNP, thereby helping to address common community complaints.
- Consider a total cap on the number of STRs and not allow the total number of STRs to exceed a specific number or a prohibition on new STRs and/or phasing out existing STRs. It is important to consider, however, that STRs are a significant source of revenue for the City. In fact, STRs brought in over \$2.7 million dollars in revenue over the last four quarters (April 2017 to March 2018). Placing strict regulations and/or a cap or prohibition on STRs may significantly impact a significant source of City revenue.
- Consider whether STRs in the Coastal Zone should be regulated differently from STRs in the inland areas. Approximately 75% of registered STRs are located in the Coastal Zone. Regulations of STRs in the Coastal Zone will need to be certified by the CCC. As noted earlier, the CCC is generally not supportive of prohibitions or overly restrictive regulations on STRs located in the Coastal Zone. The Ad Hoc Committee may choose to treat the entire Coastal Zone as a visitor-serving area and only require a business license for STRs (even in the residential zoning districts). Alternatively, a STR Permit may be required, but with less restrictive policies regarding onsite parking, occupancy, length of stay, etc.
- Consider exempting larger HOA-governed properties (such as North Coast Village) that have an on-site manager and 24-hour surveillance from certain operational requirements. These properties generally do not generate formal complaints to the City because they are largely self-contained and the HOA monitors and enforces guest activity.
- Distinguish between whole home and home sharing STRs for the purpose of regulation. The City currently classifies all STRs the same and does not have separate regulations. However, based on public input, it appears that whole home rentals generally have a greater impact to residential neighborhoods because they have a higher number of occupants and vehicles and generate more noise. Owner occupied rentals generally do not have the same impact to the neighborhood as whole home rentals, perhaps because they are subject to more oversight from their on-site operators.
- Require payment of an affordable housing impact fee to be collected to offset the loss of permanent housing stock. The City of San Diego conducted a study regarding affordable housing impact fees and the Committee could recommend a similar approach to calculate the appropriate impact fees associated with STRs. Such action would represent a significant policy decision on the part of the City and would only be enacted after significant further study, including an in-depth fee analysis. Significant staffing resources could also be needed to implement such a program and for that reason, staff does not readily support such a program.
- With respect to permitting option, staff would recommend against requiring a Conditional Use Permit and a public hearing for every STR application as this would quickly overwhelm staff resources. However, requiring a Business License and/or STR permit and GNP is a

feasible approach based on existing staff resources and the success of similar approaches taken by other cities.

**Environmental Review**

Pursuant to Public Resources Code section 21065, this action does not constitute a “project” within the meaning of the California Environmental Quality Act (CEQA) in that it has no potential to cause either a direct physical change in the environment, or a reasonable foreseeable indirect physical change in the environment.

**Recommendation**

Staff recommends the Ad Hoc Committee consider all of the information included in this staff report and all public testimony received at the Ad Hoc committee meeting then utilize the attached matrix to begin formulating any policy recommendations to be shared with the entire Planning Commission at a future meeting.

**Attachments:**

1. Draft Ordinance Prepared in 2016
2. Draft Good Neighbor Policy
3. Permitting Options



**City of Oceanside**  
**Development Services Department**

**Memorandum**

**DATE:** November 27, 2018

**TO:** Short Term Rental Ad Hoc Committee

**FROM:** Shannon Vitale, Planner II

**SUBJECT:** CONSIDERATION OF OPTIONS FOR THE REGULATION OF SHORT TERM RENTALS

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**Background**

There are approximately 800 registered Short Term Rentals (STRs) in the City of Oceanside, with estimates of 1,200 STRs operating. Online booking sites such as AirBnB, Home Away, VRBO and others has made it easier and more convenient for property owners to advertise their homes for STR use and the City has seen an increase in STR properties. In response to the increase in STRs throughout the City, the Planning Commission has expressed concerns with the associated impacts.

STRs are usually defined as the rental of any legally permitted dwelling unit (or portion of any legally permitted dwelling unit) for occupancy for dwelling, lodging, or sleeping purposes for a period of less than 30 consecutive days. Although STRs are not specifically defined or regulated in the Zoning Ordinance, City staff has determined that the rental of a dwelling unit for less than 30 consecutive days is not prohibited.

The California Coastal Commission (CCC) recognizes STRs as an important source of affordable visitor accommodations that promote public access to the coast. The CCC has not historically supported overly restrictive regulations, including onerous minimum or maximum stays or outright bans, finding such regulations to be inconsistent with the Coastal Act.

In 2016, the City developed draft regulations and a Good Neighbor Policy (GNP) for STR uses, but at this point has no formal regulations in place.

On June 25, 2018, the Planning Commission appointed an Ad Hoc Committee (comprised of Commissioners Balch, Busk and Rosales) to recommend an approach to the regulation of STRs. Staff anticipates having three Ad Hoc Committee (AHC) meetings prior to presenting any recommendations to the Planning Commission. It is anticipated that any forthcoming AHC recommendations would be shared with the entire Planning Commission for further action, including a possible recommendation to the City Council. As further described below, the first AHC meeting was held on August 21, 2018 and it is anticipated the third and final meeting will be held late January, 2019.

### **Summary of First STR Ad Hoc Committee Meeting**

The first AHC meeting was held on August 21, 2018. There were approximately 70 people in attendance and 50 public speakers shared their views both in support and opposition to STRs. Staff presented information regarding existing STRs in Oceanside, the current process for registering a STR, and a summary of STR regulations for other coastal jurisdictions in San Diego County. Additionally, staff provided an overview of regulation options and a working matrix with a list of possible STR approaches and regulations to assist the AHC in making any recommendations. Staff discussed each item of the matrix with those AHC members present (Commissioner Busk was not able to attend the meeting). The AHC provided feedback and direction on the possible permitting options and directed staff to research some items further. The AHC comments on the STR matrix presented at the first meeting are included as Attachment 1, with staff responses provided in italics.

The following sections summarize the initial discussion at the AHC meeting as well as information requested by the AHC regarding STR permitting options.

### **Permit Process**

Currently, the City does not require STR operators to apply for a business license unless there are five or more STR units on one property. The AHC members present were of the opinion that a business license should be required for all STRs. In addition to a business license, the Committee stated that compliance with a GNP should be required for all STRs. Based on direction received at the AHC meeting, staff updated the 2016 Draft GNP to include the preliminary feedback received. The 2018 version of the Draft GNP is included as Attachment 2.

Most coastal jurisdictions in San Diego County require a business license for all STRs. Some jurisdictions also require a STR operating permit which may contain operational conditions of approval. The AHC stated that a STR operating permit could be issued in conjunction with the business license. In lieu of such a permit, conditions of approval could be placed on the business license.

### **Density of STRs**

Another STR permitting option discussed is whether to establish a maximum number of STRs, either by neighborhood or citywide. It is important to consider, however, that STRs are a significant source of revenue for the City and any actions that would serve to limit these uses would have fiscal implications deserving of further study. STRs brought in approximately \$2.47 million dollars in revenue for the 2017-2018 fiscal year (July 1, 2017 to June 30, 2018). Placing a cap on STRs may impact a significant source of City revenue.

Commissioner Balch suggested that there should be a cap on the maximum number of STRs allowed in the City and/or per neighborhood. Commissioner Rosales requested that staff provide the percentage of total housing units utilized as STRs. According to 2018 data provided by SanGIS, there are approximately 74,915 housing units in the City of Oceanside. As of October 10, 2018, the number of registered STRs was 821 units. Thus, STRs account for approximately 1.1% of the total housing stock provided in the City. Commissioner Rosales also requested staff to provide a breakdown of the number of STRs located in each Neighborhood Planning Area. This data is provided in the table below:

**Table 1: STRs per Neighborhood**

| Neighborhood Planning Area | Number of STRs | Housing Units* | % of Housing Stock |
|----------------------------|----------------|----------------|--------------------|
| Airport                    | 4              | 1334           | .29                |
| East Side Capistrano       | 6              | 2836           | .21                |
| Fire Mountain              | 35             | 2799           | 1.25               |
| Guajome                    | 14             | 5200           | .27                |
| Ivey Ranch/Rancho Del Oro  | 4              | 5886           | .07                |
| Lake                       | 3              | 2748           | .11                |
| Loma Alta                  | 17             | 5046           | .37                |
| Mira Costa                 | 13             | 5540           | .23                |
| Morro Hills                | 1              | 263            | .38                |
| North Valley               | 14             | 8123           | .17                |
| Ocean Hills                | 5              | 3851           | .13                |
| Oceana                     | 1              | 2192           | .05                |
| Peacock                    | 8              | 3208           | .25                |
| San Luis Rey               | 12             | 8574           | .14                |
| South Oceanside            | 88             | 3330           | 2.64               |
| Townsite                   | 592            | 12190          | 4.86               |
| Tri-City                   | 4              | 1795           | .22                |
| <b>TOTAL</b>               | <b>821</b>     | <b>74,915</b>  | <b>1.1</b>         |

*\*Data provided by SanGIS (2018)*

As noted in the above table, the Townsite neighborhood has the highest percentage of STRs (4.86 percent). This is primarily attributed to North Coast Village, which has nearly 300 registered STRs. The two Neighborhood Planning Areas located in the coastal zone (South Oceanside and Townsite) have the highest number of STRs as well as the highest percentages of total occupied housing units serving as STRs.

The AHC also discussed whether STRs should be allowed citywide. Due to concerns about the possible negative effects of vacation rental properties in residential neighborhoods, the City of Carlsbad restricted STRs to the coastal zone and La Costa Resort and Spa Master Plan area. Commissioner Rosales commented that STRs should be limited to the Coastal areas, similar to Carlsbad's STR regulations.

When considering whether STRs should be limited to the coastal zone, as they are in Carlsbad, it is important to recognize the difference between Oceanside and Carlsbad coastal zones. The City of Oceanside is approximately 42 square miles and has 2.25 square miles of land located within the Coastal Zone. Land located in the Coastal Zone accounts for approximately six percent of the total area of the City. By comparison, the City of Carlsbad is approximately 39 square miles and has approximately 15 square miles or thirty-eight percent of land located in the Coastal Zone. The figures below illustrate the Coastal Zone boundaries for Oceanside and Carlsbad.

Figure 1: Oceanside Coastal Zone

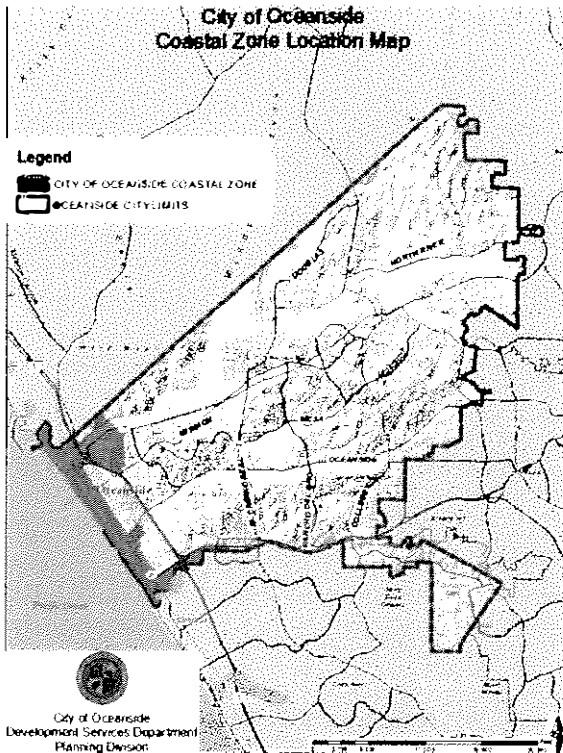
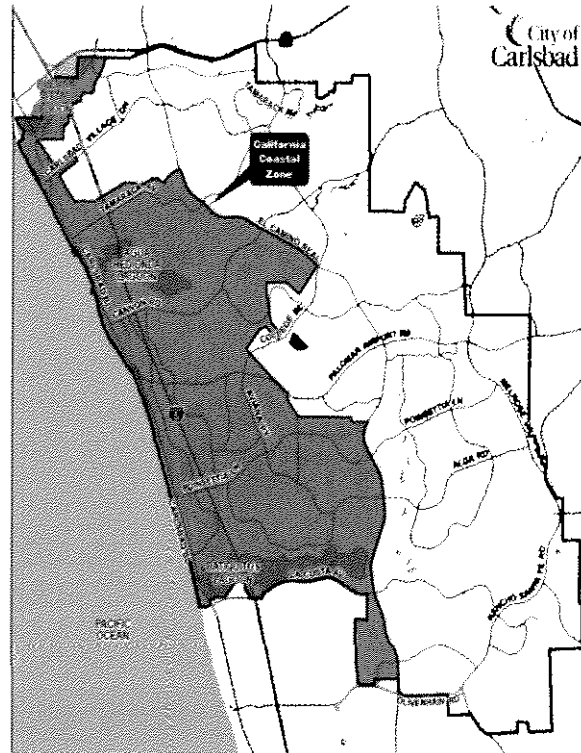


Figure 2: Carlsbad Coastal Zone



Although approximately 75% of the registered STRs in Oceanside are located within the Coastal Zone, there are approximately 200 registered STRs located inland. If STRs are only allowed in the Coastal Zone, the AHC must consider options for existing registered STRs located inland (i.e. whether the registered units will be grandfathered in or if they are no longer able to operate following a presumed amortization period).

### Exemptions from Licensing/Permit Process

Other STR considerations presented to the AHC concerned whether certain properties should be exempt from the business license/permit process. The Committee agreed that no zoning districts should be exempt, but self-contained Homeowner Associations (such as North Coast Village, Robert's Cottages and St. Malo) could possibly be exempt from the operational requirements provided in the Draft 2018 GNP. One consideration is to require a business license for each STR, but perhaps have different conditions applied to the business license since the units are self-contained and have a 24-hour manager on-site. Another consideration is to have one business license per Homeowner Association (i.e. one business license for North Coast Village with each STR operating under the North Coast Village business license).

### Homeshaaring

The AHC discussed whether home shares should be regulated differently from whole home rentals. Home share is defined as the occupancy of a portion of a host's dwelling while the host is physically present. Conversely, whole home is defined as the occupancy of the host's entire dwelling while the host is not physically present. According to data provided by Host Compliance, a firm hired by the city to track STR activity, 93% of STRs in Oceanside are whole

home rentals. Based on public perception and community feedback, it appears that whole home rentals generally have a greater impact on residential neighborhoods. Home share rentals, which are owner occupied, are typically viewed more favorably than whole home rentals because the homeowner is present at all times and can monitor/regulate the conduct of guests. Commissioner Rosales suggested that home shares could be exempt from the STR business license/permit process or have different regulations than whole home rentals.

### **General STR Regulations**

Staff provided the AHC with examples of regulations adopted in other coastal cities. Additionally staff has spent a considerable amount of time reviewing these regulations and has had multiple interdepartmental meetings with the City Attorney's Office, Finance Department, Code Enforcement Division, and Planning Division to discuss possible STR regulations.

A list of possible regulations for the AHC to consider were presented at the first AHC Meeting. The Committee's comments are summarized below.

- **Maximum Occupancy:** The AHC suggested a total occupancy of two people per bedroom, plus two people per unit. The City could choose to exclude children from the total occupancy count to be more inclusive of families with multiple children traveling together. For example, the Draft GNP Policy could read, "The number of occupants shall be limited to two adults per bedroom, plus two people per unit, excluding children". If the AHC is interested in excluding children, then further consideration may want to be given towards the maximum age of excluded children as it's arguable that a 17 year old child could be as impactful as an 18-year old adult.
- **Length of Stay:** The AHC stated there should be a minimum consecutive night stay of three to five nights. Coastal Commission staff have indicated that a 2 night minimum would likely be more supportable.
- **Special Events:** The City of Carlsbad recently prohibited special events in conjunction with STRs. Carlsbad's STR ordinance states that a STR should be used for residential purposes only and events including, but not limited to weddings, receptions, and large parties are prohibited. Commissioner Balch agreed with the language in the Carlsbad Ordinance while Commissioner Rosales requested staff to further define a "special event" and that perhaps limited small-scale events can occur at a STR. When defining a special event, the City could choose to use the threshold established by the Parks and Recreation Division or establish another threshold. The Parks and Recreation Division requires a "Special Event Permit" for beach events that have 25 or more people and public park events with 50 or more people. Another related possibility would be to specifically exclude commercial events.
- **Parking:** In response to community concerns regarding public parking spaces occupied by STR vehicles, the Draft 2016 GNP required on-site parking for all vehicles. However, this requirement is not feasible for many STR properties and many opposed this policy when it was contemplated in 2016. Due to the infeasibility of on-site parking for some STRs, the City of Carlsbad recently revised their STR Ordinance to state, "All occupants and guests shall, to the greatest extent possible, utilize any on-site parking of the short-term vacation rental and avoid parking on nearby residential streets". Commissioner

Balch suggested that on-site parking should be required for new STRs, but there could be exceptions for existing STRs that do not have on-site parking available (i.e. homes built prior to 1950 that do not have a garage or carport). Commissioner Rosales requested more information, specifically inquiring if a parking study has been done for the City. In 2008, a parking analysis was done to determine the parking demands for Downtown Oceanside. A consultant hired by the Public Works Department is presently preparing another parking study, which is expected to be released for public review in February 2019, but it will again focus only on the Downtown Districts. There has not been a citywide or coastal parking study completed to date nor is one planned. In the course of preparing recommendations for revised parking standards for residential uses in the coastal zone, staff has observed that a significant percentage of on-site parking resources for non-STR properties are not regularly utilized for parking (e.g., alley accessed garages). Limiting STR tenants to use of on-site parking spaces only while not requiring the same for full time residents poses an equity issue that would need to be further analyzed.

- **Ownership:** The AHC commented that the STR does not need to be the primary residence, nor does the unit need to be owner-occupied. In July 2018, the City of San Diego passed an ordinance that would limit STRs to a primary residence. However, the San Diego City Council recently voted 8-1 to repeal the ordinance. Commissioner Balch mentioned that staff should look into establishing a maximum number of STRs per owner. Similar to some cities, the AHC could consider limiting STRs to the owner's primary residence plus an additional unit. This may alleviate community concerns over single property owners purchasing multiple properties to operate STRs. Multiple STRs owned by a single business entity lends credence to some community concerns that STRs are commercial enterprises and should, therefore, be limited to commercial zones. Because some entities in Oceanside presently own multiple STR properties, should the AHC decide to limit the number of STRs owned, careful consideration would need to be given as to how to address these current operators and their properties owned.

**Enforcement:**

The AHC stated that the GNP should have enforcement language to ensure STR operators abide by the regulations set forth in the GNP and held accountable when they do not. With enhanced language that establishes consequences for violations (e.g., a three strikes policy), Code Enforcement would have a significant enforcement tool to ensure compliance with a potential GNP, thereby helping to address common community complaints. Additionally, the Committee suggested that there should be a one-hour inspection warning for violations. In other words, a STR operator should make their property available for inspection within one hour's notice. Requiring STR operators to make their properties available for Code Enforcement inspection on short notice is not uncommon in communities that allow STRs. Currently, the Code Enforcement Department responds to a violation by issuing a "Need to Inspect Letter" or "Notice of Alleged Violation". This letter is mailed to the property owner. Therefore, there is a significantly reduced likelihood that a Code Enforcement officer will observe the alleged violation reported.

As discussed at the last AHC meeting, despite the high number of STRs in the City, the number of formal complaints attributed to STRs is relatively low. The following table illustrates the majority of complaints filed with the Code Enforcement Department cite unlicensed STRs.

**Table 2: STR Complaints \***

| Number of Complaints | Description of Complaint |
|----------------------|--------------------------|
| 29                   | Unlicensed STR           |
| 6                    | High Occupancy           |
| 3                    | Excessive Noise          |
| 3                    | Other                    |
| 1                    | Trash                    |

*\*Data provided by Code Enforcement Department for a period between 2014 to 2018.*

There may be many concerns not reported to the City. It is likely some percentage of STRs have excessive occupancy and generate more parking demand than can be accommodated on-site. Having a GNP that addresses occupancy and parking may help mitigate the community's concern with the impacts of STRs in a community.

Both Commissioners agreed that an annual inspection of the STR property should be a requirement and can be part of the annual registration or business license renewal process. Commissioner Balch further suggested an inspection fee based on the square footage of the dwelling.

#### **Potential Licensing/Permit Fees**

In order to provide for enhanced Code Enforcement, staff suggested that a STR business license/permit fee could be considered as a means to fund an enhanced enforcement program. The Committee agreed that a fee should be required for all STRs. Should the AHC decide to recommend an enhanced enforcement program, further consideration would need to be given towards how such a fee program should be calculated. For example, if the desire is to add one additional full time Code Enforcement officer to handle STR-related complaints, then the annual fee charged to each STR should collectively cover the cost of that officer.

The AHC also considered if an affordable housing impact fee should be applied to STRs. Commissioner Rosales commented that an impact fee is not necessary and should not apply to STRs. Commissioner Balch asked staff to provide more information on San Diego's program, which requires an affordable housing impact fee of \$2.73/night for home share units and \$3.96/night for whole home units. These fees are meant to assist with the creation of affordable housing. The affordable housing impact fees justified in the City of San Diego STR Ordinance are not expected to contribute significantly to expanding the long-term housing stock in the City. As mentioned by staff at the last AHC meeting, staff would not support the creation of such a fee in Oceanside given the relatively small benefit in comparison to the large amount of time and cost necessary to implement and administer such a program.

#### **Santa Cruz STR Ordinance**

The AHC directed staff to review the STR Ordinance adopted by the City of Santa Cruz. Below are the regulatory highlights of the STR Ordinance adopted by City Council on October 24, 2017:

- No new non-hosted STRs. The City of Santa Cruz classifies STRs as non-hosted and hosted. Non-hosted is defined as a STR where the owner resides in the home for less than six months during the year. Hosted is defined as a STR where the owner resides in the home for more than six months in the year, although the owner does not need to be present during the guests stay. As of July 10, 2018, the City is no longer issuing STR

permits for new non-hosted units. The City allowed 150 registered non-hosted STRs to be grandfathered in, but will not allow any additional non-hosted units.

- The City will allow up to a maximum of 250 hosted STR permits. New hosted STR permits are considered on a first-come-first-served basis. When the maximum number of STR permits have been issued, applications will be placed on a waiting list for considerations as permits become available.
- All new-hosted STRs shall be located in the principal residence of the owner.
- One STR is allowed per Assessor Parcel Number.
- New STRs are not permitted in an accessory dwelling unit (ADU) or in the main house of an ADU property. There are some exceptions for existing ADUs operating as STRs prior to the date of the Ordinance.
- STRs containing five or more bedrooms are subject to a public hearing.
- Maximum occupancy is two people per bedroom, plus two additional persons regardless of the age of the occupant.
- The maximum number of vehicles allowed at a STR is as follows: one vehicle per one bedroom unit, two vehicles per two or three bedroom unit, and one additional vehicle per additional bedroom for units in excess of three bedrooms.
- No special events (including weddings and parties) can occur at the STR.

### **Key Considerations**

When determining the appropriate STR permitting process for the City of Oceanside, as has been noted, it is important to recognize the CCC views STRs as an important source of visitor accommodations. With approximately 75% of the City's registered STRs located within the Coastal Zone, consideration of the CCC's position on regulating STRs is an important factor. The CCC supports developing reasonable and balanced regulations tailored to the specific issues of the community, while providing appropriate enforcement to ensure consistency with applicable laws.

Another key consideration is the fact that the overwhelming majority of STRs do not generate any community complaints so any further regulation of this land use should be handled with this fact in mind. However, staff does recognize that some of the community's concerns are not necessarily limited to operational issues (e.g., noise, parking, etc.) but have more to do with maintaining community character and traditional housing stock.



**Process**

The STR permitting options matrix that was discussed in detail at the first AHC Meeting provided a framework for the AHC to begin formulating policy recommendations. Staff has updated the matrix by incorporating the comments received from the first meeting and has provided additional information on certain items, as requested. Staff also reviewed the results of the first AHC meeting with Commissioner Busk who was absent for the first meeting. The AHC can consider the information already presented as well as the new information provided in this staff report to craft their recommended approach to the regulation of STRs throughout the City. At the third and final AHC meeting, staff will review the final AHC recommendations, as well as staff recommended policies with the committee. These recommendations will eventually be presented to the full Planning Commission for their consideration and possible recommendation to the City Council. The Planning Division will likely provide a staff recommendation to the full Planning Commission.

**Recommendation**

Staff recommends the Ad Hoc Committee consider all of the information included in this staff report and all public testimony received at the Ad Hoc Committee meeting and via email correspondence to continue formulating policy recommendations for the regulation of short term rentals, by using the attached permitting options matrix

**Attachments:**

1. Permitting Options Matrix
2. Draft 2018 Good Neighbor Policy
3. STR Ad Hoc Committee Staff Report (August 21, 2018)

**City of Oceanside**  
**Development Services Department**

**Memorandum**

**DATE:** January 29, 2019

**TO:** Short Term Rental Ad Hoc Committee

**FROM:** Shannon Vitale, Planner II

**SUBJECT:** CONSIDERATION OF OPTIONS FOR THE REGULATION OF SHORT TERM RENTALS

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**Background**

A Short Term Rental (STR) is defined as the rental of any legally permitted dwelling unit (or portion thereof) for occupancy for dwelling, lodging, or sleeping purposes for a period of less than 30 consecutive days. Although STRs are not specifically defined or regulated in the Zoning Ordinance, City staff has determined that the rental of a dwelling unit for less than 30 consecutive days is not prohibited.

In response to the increase in STRs throughout the City, the Planning Commission has expressed concerns with the associated impacts and appointed an Ad Hoc Committee (comprised of Commissioners Balch, Busk and Rosales) to recommend an approach to the regulation of STRs. The first Ad Hoc Committee (AHC) meeting was held on August 21, 2018. A summary of the first AHC meeting is included in the memo prepared for the November 27, 2018 AHC meeting (Attachment 2). The second AHC meeting was held on November 27, 2018. A summary of the AHC comments and recommendations from this meeting is included on the STR permitting options matrix (Attachment 3) with additional requested information provided in the memo below.

It is anticipated that any forthcoming AHC recommendations would be shared with the Housing Commission and Economic Development Commission prior to going to the Planning Commission for a possible recommendation to City Council.

**Summary of Second STR Ad Hoc Committee Meeting**

The second AHC meeting was held on November 27, 2018. There were approximately 60 people in attendance and 38 public speakers shared their views both in support and opposition to STRs. During this meeting, staff provided a summary of the items discussed at the first AHC meeting as well as additional information requested by the AHC. The AHC provided additional feedback and direction on the possible permitting options and directed staff to further research certain items. The permitting options matrix has been updated to reflect the AHC comments from the second meeting and a column was added to incorporate staff comments.

The following sections provide additional information requested by the AHC at its last meeting.

### **Permit Process**

A summary of the AHC responses regarding the appropriate permit process for STRs is provided in the attached permitting matrix. While the AHC agreed that STR operators should apply for a business license and/or STR permit, pay applicable taxes, and abide by a Good Neighbor Policy (GNP), there were mixed opinions on whether public notice should be required for STRs. Staff suggests creating a STR directory on the City webpage instead of requiring STR operators to provide a mailed notice to surrounding property owners. The online directory would be available 24 hours a day and anyone can search the directory for information. Staff finds this approach more effective than a mailed paper notice which could be misplaced or thrown away. Additionally, a mailed public notice would only provide information to surrounding property owners within a specified radius while an online directory is available to everyone. The directory would include a list of STR operators (including the property address and 24-hour contact information). Additionally, staff suggests every STR operator place a notice sign on their property that provides the STR registration number and 24-hour contact information. The notice sign would have to be clearly visible from the adjacent right-of-way and will utilize a standard template created by staff. The notice sign should also include the maximum occupancy allowed for the unit.

Commissioner Balch requested that staff research public notice requirements for a “Large Family Child Care” facility. Per the State of California Health and Human Services Agency Department of Social Services (Title 22, Division 12, Chapter 3), a “Large Family Child Care” facility is a home that provides family child care for up to 12 children or up to 14 children if no more than four are infants. Per the State guidelines, public noticing is not required for large family child care facilities. However, some cities have adopted their own regulations that require public notification. Currently, the City of Oceanside does not have noticing requirements for child care facilities.

The AHC also discussed whether certain properties should be exempt from obtaining a STR permit. While Commissioner Rosales stated that gated HOAs and hosted STR units could potentially be exempt, Commissioners Balch and Busk stated that all STRs should be required to obtain a STR permit. Staff favors offering permit exemptions for hosted STRs as well as STR properties that are part of HOAs that are physically self-contained (i.e., within a gated complex) and provide 24-hour on-site management. Staff’s opinion is that properties meeting the criteria mentioned above already regulate themselves and thus generally do not have a negative impact on the surrounding community. Examples of such properties would include North Coast Village and St. Malo. Exempt properties would still be required to pay Transient Occupancy Tax (TOT) and other applicable taxes and/or fees, as required.

### **Number of STRs**

The AHC discussed whether policies should be established to determine a maximum number of STRs allowed in the City. Commissioner Balch mentioned that the increase of STRs has resulted in a loss of neighborhood character and single family homes are being converted into “mini hotels”. Commissioner Busk stated that the high number of STRs has created parking problems because STR guests are taking up public parking spaces available on the street. As of January 9, 2019, there were 901 registered STRs in the City with estimates of approximately 1,300 currently in operation.

Commissioner Rosales requested that staff provide three scenarios for placing a cap on STRs. Although staff does not favor a cap at this time, if the AHC were to recommend placing a cap on STRs, three possible options are as follows:

**1. Citywide cap**

- a. The AHC could recommend an absolute number of STRs allowed in the entire City. Staff suggests a threshold higher than the current number of registered STRs (901) to avoid phasing out existing registered STRs.

**2. Cap on STRs located in single-family zoning districts west of Interstate 5**

- a. The AHC could recommend a cap on the total number of STRs allowed in certain residential zoning districts. It is important to note that some residential parts of the City function primarily as vacation areas and are zoned to allow transient uses outright. For example, the Residential Tourist (RT) District provides for “tourist cottages and summer rentals” as a permitted use. With approximately 75% of the registered STRs located in the coastal zone, neighborhoods west of Interstate 5 have a greater concentration of STRs. If the AHC were to pursue a cap on STRs in certain residential zoning districts, staff suggests the cap only apply to new STRs located in single-family districts (R1, RS, or RE Districts) located west of Interstate-5. This cap would apply to the single-family zoning districts located within the Townsite and South Oceanside Neighborhood Planning Areas - the two neighborhoods with the highest number of STRs.

**3. Concentration or separation standards per zoning district or neighborhood planning area**

- a. The AHC could recommend a maximum concentration of STRs in each zoning district or neighborhood planning area. Commissioner Balch stated that the South Oceanside neighborhood should have a maximum number of STRs allowed. According to data provided by the Finance Division, there are currently 88 registered STRs in the South Oceanside neighborhood. A table showing the concentration of STRs in each neighborhood planning area was provided in the memo prepared for the second AHC meeting. The current concentration of STRs in each residential zoning district (including the downtown districts that have STRs) is provided in the table below:

**Table 1: Concentration of STRs in Residential Zoning Districts**

| <b>Zone</b>   | <b>Number of STRs</b> | <b>Housing Units*</b> | <b>% of Housing Units</b> |
|---------------|-----------------------|-----------------------|---------------------------|
| Downtown D-4A | 31                    | 148                   | 21.0                      |
| Downtown D-4B | 2                     | 16                    | 12.50                     |
| Downtown D-5  | 368                   | 5,836                 | 6.31                      |
| Downtown D-5A | 6                     | 82                    | 7.32                      |
| Downtown D-7A | 3                     | 114                   | 2.63                      |
| R1            | 34                    | 559                   | 6.08                      |
| R3            | 29                    | 1,708                 | 1.70                      |
| RT            | 96                    | 815                   | 11.78                     |
| PD            | 11                    | 7,701                 | .14                       |
| RE            | 56                    | 8,089                 | .69                       |
| RH            | 17                    | 3,816                 | .45                       |
| RM            | 16                    | 23,026                | .07                       |
| RS            | 90                    | 16,467                | .55                       |

*\*Data provided by SanGIS (2018)*

As previously mentioned, staff does not favor placing a cap on STRs at this time. Rather, staff favors implementing a STR permit process and GNP with enhanced enforcement. Once STR regulations are adopted, staff can monitor and review how effective the policies are at addressing concerns attributed to STRs. Staff can monitor and provide a progress report annually to the Planning Commission, with the option of reporting sooner if warranted. If necessary, STR policies could be revised.

While there are many arguments regarding STRs, of paramount importance staff notes STRs are a significant source of revenue for the City and any actions that would limit these uses would have fiscal implications deserving of further study. STRs brought in approximately \$2.47 million dollars in revenue for the 2017-2018 fiscal year (July 1, 2017 to June 30, 2018). Placing a cap on STRs may therefore impact a significant source of City revenue.

### **Operational Regulations**

The AHC comments regarding possible operational regulations (including maximum occupancy, minimum consecutive night stay, special events and parking) are provided on the permitting options matrix; attached. The AHC requested additional information on the following items:

1. **Maximum Occupancy:** The AHC recommended a maximum occupancy of two people per bedroom, plus two additional people per unit (including children). It is important to establish an accepted bedroom definition in order to determine the appropriate occupancy level for a STR. Commissioner Balch requested staff to further research how “bedroom” is defined in the Residential and Building Codes. Since bedroom is not defined in the California Building Code, California Residential Code or International Residential Code, Planning staff consulted with the Building Division and Fire Department to determine an appropriate definition for bedroom. Staff recommends that “Bedroom” be defined as follows: “a private room furnished with a bed and intended primarily for sleeping, separated from other rooms by a door or other entry way and having at least one window

and emergency escape and rescue opening and a closet or storage nook. Additionally, the room is accessible to a bathroom without crossing into another bedroom.”

2. **Special Events:** The initial draft GNP stated that “STRs may only be used for residential purposes; commercial activities and special events are prohibited.” Commissioner Rosales requested staff to revise the term “special event”. Instead of language prohibiting special events, staff revised the GNP to establish a maximum number of daytime guests. Daytime guests would be required to leave by 10:00 p.m. Such a limitation would still allow for small events (less than 10 guests) at a STR property.
3. **Parking:** The AHC comments regarding on-site parking are provided in the permitting options matrix. Based on input received from the AHC, staff revised the GNP language to read, “All garage, driveway, and on-site designated parking spaces shall be made available for vehicle parking.” Planning staff met with parking enforcement staff and learned that prohibiting on-street parking for STRs is difficult to enforce and may not be feasible. Additionally, as noted in the last staff memo, staff has observed that a significant percentage of on-site parking resources for non-STR properties are not regularly utilized for parking. Limiting STR tenants to use on-site parking spaces only while not requiring the same for full time residents poses an equity issue.
4. **Hosting Platforms:** The AHC recommended that staff consider agreements with online hosting platforms (i.e. AirBnB, Home Away and VRBO), stating that the hosting platforms could help ensure STRs are registered and held accountable to pay applicable taxes. Staff has engaged in prior negotiation efforts with hosting platforms but has been unable to reach agreement with respect to the terms of such an arrangement. The City Council is scheduled to discuss this matter at its January 23 meeting and staff will provide an update to the Ad Hoc Committee at today’s meeting.

### **Enforcement**

The AHC recommended enhanced enforcement for STRs through a one-hour code enforcement inspection warning for violations, annual property inspection, and a three strikes policy. The AHC recommendations and staff comments are included in the permitting options matrix. Staff favors enhanced enforcement in order to ensure compliance with the GNP and thus reduce conflicts. Additionally, depending on its severity, a STR permit may be revoked after an initial violation.

The City can also continue to monitor unregistered STRs and utilize firms such as Host Compliance, an outside firm that assists with identifying the location of STRs. Since contracting with Host Compliance in 2017, to track STR activity, the number of STRs registered in the City has increased 68%.

### **Permit Fees**

The AHC recommended that a STR permit fee be required and that the fee should be calculated based on square footage. Staff was not able to identify other cities that have implemented STR permit fees based on square footage. A comparison of STR permit fees for other jurisdictions is provided in the table below:

**Table 2: STR Permit Fees**

| Jurisdiction         | STR Permit Fee                                          |
|----------------------|---------------------------------------------------------|
| City of Carlsbad     | No Permit Fee (Business License fee only)               |
| City of Encinitas    | \$150                                                   |
| City of Solana Beach | \$110                                                   |
| City of Del Mar      | TBD                                                     |
| City of San Diego    | \$949*                                                  |
| City of San Clemente | \$140- \$536                                            |
| City of Santa Cruz   | \$262                                                   |
| City of Los Angeles  | \$89 (less than 120 days)<br>\$850 (more than 120 days) |

*\*City of San Diego STR Ordinance has been rescinded. This permit fee no longer applies.*

As mentioned in earlier staff memos, staff suggested a STR permit fee could fund an enhanced enforcement program. Annual fee revenue should collectively cover the cost of a full time Code Enforcement officer. A suggested STR permit fee is \$300 to \$400 per STR permit. Staff believes this would cover an additional full time Code-Enforcement officer dedicated to handling STR-related complaints.

**Affordable Housing Impact Fee**

The AHC had mixed opinions on whether an affordable housing impact fee should be assessed for STR properties. As mentioned at the previous AHC meetings, staff does not support the creation of such a fee in Oceanside given the relatively small benefit in comparison to the large amount of time and cost necessary to implement and administer such a fee program. It is estimated that such a fee would produce between \$200,000 to \$300,000 annually if an affordable housing impact fee of \$3.96 per night (the impact fee established by the City of San Diego) was adopted. This is a rough number that is calculated based on the number of nights STRs were booked last year.

**Hotel Revenue**

Staff was requested to provide information regarding the impact STRs have on hotel revenue. Planning staff met with Visit Oceanside staff on December 18, 2018 to discuss the impacts STRs have had on hotel revenue. Although there has been a decrease in hotel occupancy levels in 2017, the average daily rate for hotels in the City has increased. According to the Finance Department total TOT revenue (including TOT generated from STRs and hotels/motels) increased 6.03% in fiscal year 2017-2018.

**Process**

The STR permitting options matrix discussed in detail at the first and second AHC meetings provided a framework for the AHC to formulate policy recommendations. Staff has updated the matrix by incorporating the comments received from the second meeting and providing additional information on certain items, as requested. The AHC can consider the information already presented as well as new information provided in this staff report to finalize their recommendations regarding the regulation of STRs throughout the City.

**Next Steps**

Staff anticipates bringing the permitting options matrix (including the AHC recommendations and staff comments) to the Housing Commission on February 26, 2019 and the Economic Development

Commission (EDC) in early March 2019. Staff will then present the AHC recommendations and staff recommendations (including comments received from the Housing Commission and EDC) to the full Planning Commission for further action on April 8, 2019. Staff anticipates bringing a recommendation to City Council for their consideration in Spring 2019.

**Recommendation**

Staff recommends the Ad Hoc Committee consider all of the information included in this staff report and all public testimony received at the Ad Hoc Committee meeting and via email correspondence, and utilize the permitting options matrix to finalize their policy recommendations for the regulation of short term rentals.

**Attachments:**

1. Memo prepared for first Ad Hoc Committee Meeting (Dated August 21, 2018)
2. Memo prepared for second Ad Hoc Committee Meeting (Dated November 27, 2018)
3. Permitting Options Matrix
4. 2019 Good Neighbor Policy



*STAFF REPORT*



*CITY OF OCEANSIDE*

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**DATE:** February 26, 2019  
**TO:** Chairperson and Members of the Housing Commission  
**FROM:** Development Services Department  
**SUBJECT: CONSIDERATION OF OPTIONS FOR THE REGULATION OF SHORT TERM RENTALS**

**SYNOPSIS**

Staff recommends that the Housing Commission review the Planning Commission Ad Hoc Committee Permitting Options Matrix, including staff recommendations, and provide feedback via a motion and vote to be shared with the Economic Development Commission, Planning Commission and City Council.

**BACKGROUND**

A Short Term Rental (STR) is defined as the rental of any legally permitted dwelling unit (or portion thereof) for occupancy for dwelling, lodging, or sleeping purposes for a period of less than 30 consecutive days. Although STRs are not specifically defined or regulated in the Zoning Ordinance, in consultation with the City Attorney's Office, City staff has determined that the rental of a dwelling unit for less than 30 consecutive days is not prohibited.

There are approximately 900 registered STRs in the City, with estimates of nearly 1,300 operating. The City actively pursues unregistered STRs through use of a third party contractor, Host Compliance. Since contracting with Host Compliance in 2017, the number of registered STRs has increased 68%. In response to the increase in STRs throughout the City, the Planning Commission has expressed concerns with the associated impacts and appointed an Ad Hoc Committee (comprised of Planning Commissioners Colleen Balch, Curtis Busk and Tom Rosales) to thoroughly study the issue and recommend an approach to the regulation of STRs. Three Ad Hoc Committee (AHC) meetings were held (August 21<sup>st</sup>, 2018, November 27<sup>th</sup>, 2018, and January 29<sup>th</sup>, 2019) to discuss possible STR regulations and hear public testimony. The staff memos prepared for each AHC meeting are attached to this report (Attachment 1) and provide additional background information related to STRs in the City.

Staff created a permitting options matrix and draft Good Neighbor Policy (GNP) to guide the AHC discussion on possible STR recommendations. The final AHC recommendations per the matrix are included as Attachment 2 and the GNP, also reviewed by the AHC, is included as Attachment 3. It should be noted the GNP is different from the AHC recommendations matrix and continues to evolve as staff holds

additional meetings to discuss STRs. The AHC recommendations and GNP will also be shared with the Economic Development Commission on March 12<sup>th</sup>, prior to consideration by the full Planning Commission on April 8<sup>th</sup>. City Council consideration of the Planning Commission's recommendation is anticipated to occur on May 22<sup>nd</sup>.

## **ANALYSIS**

The AHC recommendations would provide a framework for regulating STRs throughout the City.

### **AHC Recommendations**

Key components of the AHC recommendations include the following:

1. Ministerial Operating Permit and GNP required for all STRs unless the unit is exempt.
2. Exempt units include hosted units where the STR operator lives on-site; and STR locations where all of the following conditions exist:
  - a. Property is governed by an HOA
  - b. Property where the STR is located is self-contained (i.e., gated)
  - c. Property provides 24-hour on-site management.
3. Payment of Transient Occupancy Tax (10%) and Oceanside Tourism Marketing District assessment (1.5%) for all STRs – no exemptions.
4. 24-hour contact information for all STRs provided on a sign posted on the property and in an online City directory of all registered STRs.
5. Maximum occupancy of two people per bedroom, plus two people.
6. Two-night minimum consecutive night stay.
7. Maximum number of daytime guests (allowed between 7am-10pm) is 10 guests.
8. All garage, driveway and designated on-site parking spaces shall be made available for vehicle parking.
9. One-hour inspection warning for code enforcement violations.
10. Initial property inspection conducted by Fire Department staff at time of STR registration with regular inspections to occur every three years if no complaints or violations.
11. Three strikes policy (three citations within 12 months or five citations within 24 months may result in STR revocation of 36 months. *Some violations may result with immediate revocation.*)
12. Annual permit fee of \$300 to \$400 used to fund enhanced enforcement.
13. Distinguish corporate ownership from home ownership and further regulate or cap the corporate ownerships.
14. STRs be prohibited in any Mobile Home Park.

The AHC does not recommend placing a total cap on STRs or limiting the number of STRs per owner at this time. The AHC recommended that there should be a distinction between private or corporate ownership, but did not recommend a maximum number of STRs per owner. Alternatively, the AHC suggests the City implement a STR permit process and GNP with enhanced enforcement and for staff to review and monitor for

effectiveness. Staff can monitor and provide a progress report annually to the Planning Commission, with the option of proposing revisions if warranted.

The topic of whether an affordable housing impact fee should be assessed for STR properties came up during the AHC meetings. Initially, the AHC had mixed opinions on whether such a fee should apply for STR properties. The City of San Diego recently established a STR affordable housing impact fee of \$3.96 per night (whole home units) and \$2.73 per night (home share units). However, the City of San Diego STR ordinance has since been rescinded and this fee no longer applies. If a similar fee is adopted by Oceanside, it is estimated that such a fee would produce between \$200,000 to \$300,000, annually. Staff does not support the creation of such a fee in Oceanside given the relatively small benefit in comparison to the large amount of time and cost necessary to implement and administer such a fee program. The AHC agreed with staff and does not recommend an affordable housing impact fee.

While the AHC recommends that STRs should be allowed citywide, the AHC does not recommend allowing STRs in mobile home parks. After further discussing the issue following the last AHC meeting, staff recommends that STRs not be allowed in mobile home parks that are subject to the City's rent control program but not restricted in mobile home parks without rent control restrictions.

### Staff Recommendations

While staff agrees with most of the AHC recommendations listed above, there are a few items staff does not currently support or in which a different approach is recommended. These items include the following:

1. Distinguishing between private versus corporate ownership.
  - a. The AHC recommended that there should be a distinction between the types of ownership of STR properties. At this time, staff does not recommend this approach as it will be difficult to regulate.
2. One-hour inspection warning for code enforcement violations.
  - a. After consultation with the City Attorney's Office, staff does not support this approach at this time. Staff is working with the City Attorney's Office to revise this language for possible inclusion in the STR regulations.
3. Three strikes policy (three citations within 12 months or five citations within 24 months may result in STR revocation of 36 months. Depending on severity of violation, permit may be revoked after initial citation).
  - a. After consultation with the City Attorney's Office, staff revised the enforcement language to read as follows: "Violations of the ordinance are subject to all of the criminal and civil remedies set forth in Chapter 1 of the Oceanside City Code. These include misdemeanor criminal prosecution, administrative monetary citations, and/or civil nuisance abatement actions. In addition, a short term rental permit may be modified, suspended, or revoked for documented violation(s) of the Ordinance. Any short term rental that has been the subject of three verified complaints in a twelve month

period will be automatically referred to the City Attorney Office for enforcement of appropriate remedies.”

4. **Mobile home park prohibition.**
  - a. Staff recommends prohibiting STRs in rent controlled mobile home parks only but to not restrict their establishment in non-rent controlled parks.
5. **Annual reporting program.** Staff recommends implementing an annual review and reporting process to monitor the effectiveness of the proposed STR permit process and GNP and make revisions as necessary. Staff recommends monitoring the following:
  - a. Cap on the number of STRs allowed and whether a maximum number of STRs should be allowed in the City.
  - b. **Inspection Process.** Staff can monitor to determine if annual property and/or fire inspections are required or if the inspections can occur less frequently (i.e. every three years if no complaints or code enforcement violations.)
  - c. **STR permit exemptions.** Staff can evaluate whether properties considered exempt (hosted units and HOAs that are gated and have 24-hour on-site management) shall maintain an exempt status or if they should be subject to obtaining a STR permit and/or abide by a GNP.

#### **FISCAL IMPACT**

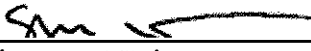
STRs brought in approximately \$2.47 million dollars in revenue for the 2017-2018 fiscal year (July 1, 2017 to June 30, 2018).

The AHC recommends an annual STR permit fee of \$300 to \$400 to cover the cost of one additional full time code enforcement officer and to cover permit processing time. The funds generated from a STR permit fee would help to provide enhanced enforcement and dedicated staff to respond to complaints attributed to STR properties. Also, a Fire Inspection Fee of \$119 would be required at time of registration and every three years thereafter.

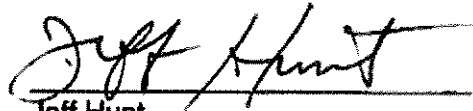
#### **RECOMMENDATION**

Staff recommends that the Housing Commission review the Planning Commission Ad Hoc Committee Permitting Options Matrix, including staff recommendations, and provide feedback via a motion and vote to be shared with the Economic Development Commission, Planning Commission and City Council.

PREPARED BY:

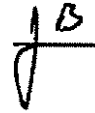
  
\_\_\_\_\_  
Shannon Vitale  
Planner II

SUBMITTED BY:

  
\_\_\_\_\_  
Jeff Hunt  
City Planner

REVIEWED BY:

Jonathan Borrego, Development Services Director



**Attachments:**

1. Staff memos prepared for STR Ad Hoc Committee Meetings
2. STR Ad Hoc Committee Recommendations for STRs (Permitting Options Matrix)
3. Draft Good Neighbor Policy

**City of Oceanside**  
**Development Services Department**

**Memorandum**

**DATE:** April 9, 2019

**TO:** Economic Development Commission

**FROM:** Shannon Vitale, Planner II

**SUBJECT:** CONSIDERATION OF OPTIONS FOR THE REGULATION OF SHORT TERM RENTALS

---

**Recommendation**

Staff recommends that the Economic Development Commission review the Planning Commission Ad Hoc Committee Permitting Options Matrix, including staff recommendations, and provide feedback via a motion and vote to be shared with the Planning Commission and City Council.

**Background**

A Short Term Rental (STR) is defined as the rental of any legally permitted dwelling unit (or portion thereof) for occupancy for dwelling, lodging, or sleeping purposes for a period of less than 30 consecutive days. Although STRs are not specifically defined or regulated in the Zoning Ordinance, in consultation with the City Attorney's Office, City staff has determined that the rental of a dwelling unit for less than 30 consecutive days is not prohibited.

There are approximately 900 registered STRs in the City, with estimates of nearly 1,300 operating. The City actively pursues unregistered STRs through use of a third party contractor, Host Compliance. Since contracting with Host Compliance in 2017, the number of registered STRs has increased 68%. In response to the increase in STRs throughout the City, the Planning Commission has expressed concerns with the associated impacts and appointed an Ad Hoc Committee (comprised of Planning Commissioners Colleen Balch, Curtis Busk and Tom Rosales) to thoroughly study the issue and recommend an approach to the regulation of STRs. Three Ad Hoc Committee (AHC) meetings were held (August 21st, 2018, November 27th, 2018, and January 29th, 2019) to discuss possible STR regulations and hear public testimony.

Staff created a permitting options matrix and draft Good Neighbor Policy (GNP) to guide the AHC discussion on possible STR recommendations. The final AHC recommendations per the matrix are included as Attachment 1 and the GNP, also reviewed by the AHC, is included as Attachment 2. It should be noted the GNP is different from the AHC recommendations matrix and continues to evolve as staff holds additional meetings to discuss STRs. The AHC recommendations, including staff recommendations were shared with the Housing Commission on February 26, 2019.

## **Analysis**

The AHC recommendations would provide a framework for regulating STRs throughout the City.

## **AHC Recommendations**

Key components of the AHC recommendations include the following:

1. Ministerial Operating Permit and GNP required for all STRs unless the unit is exempt.
2. Exempt units include hosted units where the STR operator lives on-site; and STR locations where all of the following conditions exist:
  - a. Property is governed by an HOA
  - b. Property where the STR is located is self-contained (i.e., gated)
  - c. Property provides 24-hour on-site management.
3. Payment of Transient Occupancy Tax (10%) and Oceanside Tourism Marketing District assessment (1.5%) for all STRs – no exemptions.
4. 24-hour contact information for all STRs provided on a sign posted on the property and in an online City directory of all registered STRs.
5. Maximum occupancy of two people per bedroom, plus two people.
6. Two-night minimum consecutive night stay.
7. Maximum number of daytime guests (allowed between 7am-10pm) is 10 guests.
8. All garage, driveway and designated on-site parking spaces shall be made available for vehicle parking.
9. One-hour inspection warning for code enforcement violations.
10. Initial property inspection conducted by Fire Department staff at time of STR registration with regular inspections to occur every three years if no complaints or violations.
11. Three strikes policy (three citations within 12 months or five citations within 24 months may result in STR revocation of 36 months. Some violations may result with immediate revocation.)
12. Annual permit fee of \$300 to \$400 used to fund enhanced enforcement.
13. Distinguish corporate ownership from home ownership and further regulate or cap the corporate ownerships.
14. Prohibition of STRs in any mobile home park.

The AHC did not recommend placing a total cap on STRs or limiting the number of STRs per owner at this time. The AHC recommended that there should be a distinction between private or corporate ownership, but did not recommend a maximum number of STRs per owner. Alternatively, the AHC suggested the City implement a STR permit process and GNP with enhanced enforcement and for staff to review and monitor for

effectiveness. Staff can monitor and provide a progress report annually to the Planning Commission, with the option of proposing revisions if warranted.

The topic of whether an affordable housing impact fee should be assessed for STR properties came up during the AHC meetings. Initially, the AHC had mixed opinions on whether such a fee should apply for STR properties. The City of San Diego recently established a STR affordable housing impact fee of \$3.96 per night (whole home units) and \$2.73 per night (home share units). However, the City of San Diego STR ordinance has since been rescinded and this fee no longer applies. If a similar fee is adopted by Oceanside, it is estimated that such a fee would produce between \$200,000 to \$300,000, annually. Staff does not support the creation of such a fee in Oceanside given the relatively small benefit in comparison to the large amount of time and cost necessary to implement and administer such a fee program. The AHC agreed with staff and did not recommend an affordable housing impact fee.

While the AHC recommended that STRs should be allowed citywide, the AHC did not recommend allowing STRs in mobile home parks. Initially, staff recommended that STRs not be allowed in mobile home parks that are subject to the City's rent control program. However, after further discussing the issue at an interdepartmental meeting, staff revised their recommendation to align with the AHC recommendation to prohibit STRs in all mobile home parks. Staff recommends grandfathering in the existing five STRs that are located in a mobile home park.

The AHC recommended an annual STR permit fee of \$300 to \$400 to cover the cost of one additional full time code enforcement officer and to cover permit processing time. After further discussion at an interdepartmental meeting, staff recommends an annual permit fee of \$250. As further described later in this memo, the funds generated from a STR permit fee would help to provide enhanced enforcement and dedicated staff to respond to complaints attributed to STR properties; and would cover administrative staff time for permit processing.

The AHC also recommended a Fire Inspection Fee of \$119 that would be required at time of registration and collected every three years thereafter in conjunction with subsequent inspections.

### **Staff Recommendations**

While staff agrees with most of the AHC recommendations listed above, there are a few items staff does not currently support or in which a different approach is recommended. These items include the following:

1. Distinguishing between private versus corporate ownership.
  - a. The AHC recommended that there should be a distinction between the types of ownership of STR properties. At this time, staff does not recommend this approach as it will be difficult to regulate.
2. One-hour inspection warning for code enforcement violations.



- a. After consultation with the City Attorney's Office, staff does not support this approach due to concerns with constitutional protections. Alternatively, staff recommends having language in the GNP that requires an owner or authorized agent to respond to a complaint within one hour.
3. Property inspection
    - a. Similar to the AHC recommendation, staff recommends an initial property inspection conducted by the Fire Department at time of STR registration and then every three years thereafter if there are no complaints or violations. While staff recommends the Fire Department to conduct the initial property inspection, subsequent inspections could be performed by the Code Enforcement Department. Additionally, staff recommends a self-inspection (with a form provided by the Fire Department) for the intervening years between inspections.
  4. Three strikes policy (three citations within 12 months or five citations within 24 months may result in STR revocation of 36 months. Depending on severity of violation, permit may be revoked after initial citation).
    - a. After consultation with the City Attorney's Office, staff revised the enforcement language to read as follows: "Violations of the ordinance are subject to all of the criminal and civil remedies set forth in Chapter 1 of the Oceanside City Code. These include misdemeanor criminal prosecution, administrative monetary citations, and/or civil nuisance abatement actions. In addition, a short term rental permit may be modified, suspended, or revoked for documented violation(s) of the Ordinance. Any short term rental that has been the subject of three verified complaints in a twelve month period will be automatically referred to the City Attorney Office for enforcement of appropriate remedies."
  5. Mobile home park prohibition.
    - a. At this time, staff recommends grandfathering in the existing five STRs that are located in a mobile home park and prohibiting any additional STRs located in a mobile home park.
  6. Annual reporting program. Staff recommends implementing an annual review and reporting process to monitor the effectiveness of the proposed STR permit process and GNP and make revisions as necessary. Staff recommends monitoring the following:
    - a. The number of STRs allowed and whether a maximum number of STRs should be allowed in the City or in an area or neighborhood.
    - b. Inspection Process. Staff can monitor to determine if annual property and/or fire inspections should be required or if the inspections can occur less frequently (i.e. every three years if no complaints or code enforcement violations.)
    - c. STR permit exemptions. Staff can evaluate whether properties considered exempt (hosted units and HOAs that are gated and have 24-hour on-site management) shall maintain an exempt status or if they should be subject to obtaining a STR permit and/or abide by a GNP.

7. Annual STR permit fee.
  - a. After further discussion at an interdepartmental meeting, staff recommends an annual STR permit fee of \$250. Staff believes this fee is appropriate and would generate enough funds to cover the cost of an additional code enforcement officer and cover permit processing time.
8. Fire lane and property access
  - a. Staff recommends the GNP state that parked vehicles shall not block or restrict access to adjacent properties. Additionally, staff recommends that the GNP prohibit vehicles from parking in a designated fire lane.

**Housing Commission Summary**

The Permitting Options Matrix, including staff recommendations, was presented to the Housing Commission on February 27, 2019. The Commission voted 7-1 to recommend approval of the staff recommendations regarding potential STR regulations. The Commission also recommended that a portion of the TOT revenue generated by STRs be diverted to help fund affordable housing. However, the Commission did not discuss the dollar amount that should be set aside. The Commission commented that STRs should be prohibited in all mobile home parks, but did not make a formal recommendation to prohibit STRs from operating in mobile home parks.

**Fiscal Impact**

**TOT Revenue**

According to the Finance Department, total TOT revenue for the City has increased over the past few years. The following table provides a breakdown of annual TOT received since 2011. The first row provides the annual TOT generated from STRs while the second row provides TOT generated from hotels/motels/timeshares.

**Table 1: TOT Revenue**

|                 | FY<br>2011/2012 | FY<br>2012/2013 | FY<br>2013/2014 | FY<br>2014/2015 | FY<br>2015/2016 | FY<br>2016/2017 | FY<br>2017/2018 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| STR Revenue     | \$790,222       | \$917,738       | \$1,082,489     | \$1,359,008     | \$1,614,945     | \$1,926,257     | \$2,474,693     |
| Non STR Revenue | \$3,026,933     | \$3,321,448     | \$3,624,984     | \$4,591,702     | \$4,959,234     | \$5,139,913     | \$5,469,777     |
| Total Revenue   | \$3,817,155     | \$4,239,186     | \$4,707,473     | \$5,950,710     | \$6,574,179     | \$7,066,170     | \$7,944,470     |

As indicated in the table above, although the City has seen a greater increase in TOT attributed to STRs, TOT from non-STR properties (hotels, motels and timeshares) continues to increase as well. Total TOT has increased each year and increased approximately 6% in the last fiscal year (2017-2018).

The AHC requested staff to provide information regarding the impact STRs have on hotels. Planning staff met with Visit Oceanside staff on December 18, 2018 to discuss the impacts STRs have had on hotel revenue. Although there has been a decrease in

hotel occupancy levels in 2017, the average daily rate for hotels in the City has increased. More recently, rates and occupancy have plateaued.

**STR Permit Fee**

In order to provide for enhanced code enforcement, the AHC and Staff recommend an annual STR permit fee. This fee would apply to all STR operators, unless exempt (hosted units and HOAs that are self-contained and have 24-hour on-site management). The annual fee charged to each STR should collectively cover the full cost of one additional full-time code enforcement officer, plus permit processing time of about \$25 per permit. As the number of registered STRs increases, the amount charged for a STR permit could decrease. Staff anticipates an annual increase in the number of registered STRs, thereby reducing the fee amount required per STR permit, over time. On the other hand, if some STRs are exempted from the permit fee, the fee amount would have to increase.

The table below provides a breakdown of potential revenue generated from a STR permit fee:

**Table 2: Projected Revenue from STR Permit Fee**

| Year | # of STR Permits* | Permit Fee        |           |                 |           |
|------|-------------------|-------------------|-----------|-----------------|-----------|
|      |                   | \$250             | \$200     | \$300           | \$250     |
|      |                   | Projected Revenue |           |                 |           |
|      |                   | All STRs          |           | Non-Exempt STRs |           |
| 2019 | 900               | \$225,000         | \$180,000 | \$180,000       | \$150,000 |
| 2020 | 1000              | \$250,000         | \$200,000 | \$210,000       | \$175,000 |
| 2021 | 1200              | \$300,000         | \$240,000 | \$270,000       | \$225,000 |
| 2022 | 1300              | \$325,000         | \$260,000 | \$300,000       | \$250,000 |
| 2023 | 1400              | \$350,000         | \$280,000 | \$330,000       | \$275,000 |

*\* The number of STR permits includes exempt STRs, estimated to equal 300.*

**Next Steps**

The AHC recommendations and staff recommendations will go before the Planning Commission for their recommendation on April 22, 2019 prior to going to City Council for consideration at a workshop on May 29, 2019.

**Attachments:**

1. Permitting Options Matrix
2. 2019 Good Neighbor Policy
3. Link to view staff memos prepared for the STR Ad Hoc Committee Meetings:  
<https://www.ci.oceanside.ca.us/gov/dev/planning/str.asp>




**NOTICE OF EXEMPTION**  
City of Oceanside, California

Post Date:  
Removal:  
(30 days)

- 1. **APPLICANT:** City of Oceanside
- 2. **ADDRESS:** 300 N. Coast Highway, Oceanside, CA 92054
- 3. **PHONE NUMBER:** (760) 435-4373
- 4. **LEAD AGENCY:** City of Oceanside
- 5. **PROJECT MGR.:** Shannon Vitale, Planner II
- 6. **PROJECT TITLE:** Municipal Code Amendment & Local Coastal Program Amendment (LCPA19-00004) – Short-Term Rentals
- 7. **DESCRIPTION:** MUNICIPAL CODE AMENDMENT and LOCAL COASTAL PROGRAM AMENDMENT (LCPA19-00004) amending Chapter 24 of the Oceanside Municipal Code to establish short-term rental policies and regulations and establishing the amended text as part of the implementing document of the Local Coastal Program. The proposed regulations are intended to minimize potential adverse impacts from STR operators and outline expectations for short-term rental operators and guests. The regulations address short-term rental operator responsibilities, maximum occupancy, parking, complaint response time, minimum night stay, noise, and enforcement protocol. For those properties located within the coastal zone, the proposed Local Coastal Program Amendment will not be effective until certification by the California Coastal Commission.

**ADMINISTRATIVE DETERMINATION:** Planning Division staff has completed a preliminary review of this project in accordance with the City of Oceanside's Environmental Review Guidelines and the California Environmental Quality Act (CEQA), 1970. Based on that review, the Planning Division finds that the proposed project would not, in and of itself, occasion land development or any other material change to the environment. Projects subject to the amended provisions would be subject to separate CEQA review. Therefore, the Planning Division has determined that further environmental evaluation is not required because:

- "The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA" (Section 15061(b)(3)); or,
- The project is statutorily exempt, Section \_\_\_\_\_, (Sections 15260-15277); or,
- The project is categorically exempt, Class 8, "Action by Regulatory Agencies for Protection of the Environment" per Section 15308 of the California Environmental Quality Act; or,
- The project does not constitute a "project" as defined by CEQA (Section 15378).

  
Shannon Vitale, Planner II      Date: April 15, 2019

cc:  Project file    Counter file    Library   Posting:  County Clerk \$50.00 Admin. Fee