



**CITY OF OCEANSIDE**  
DEVELOPMENT SERVICES DEPARTMENT / PLANNING DIVISION

## Memorandum

**Date:** October 3, 2019

**To:** Honorable Mayor and Councilmembers

**Through:** Michelle Lawrence, City Manager *ML*  
Deanna Lorson, Assistant City Manager *DL*

**From:** Jonathan Borrego, Development Services Director *JB*

**By:** Shannon Vitale, Planner II *SV*

**Subject:** **Short-Term Rental (STR) Update**

### Background

On June 19, 2019, the City Council adopted an ordinance to add Chapter 24 to the Oceanside City Code establishing Short-Term Rental (STR) regulations. As part of its motion to adopt the ordinance, City Council requested a quarterly report providing information on the number and location of registered STRs and the number of complaints attributed to STRs. City Council also requested information on the number of registered STRs that are located on non-conforming panhandle lots. A non-conforming panhandle lot is a lot that does not meet city standards set forth in Oceanside Zoning Ordinance 1050(Y). Pursuant to Section 24.6 (B) of the newly-adopted ordinance, owners of non-conforming panhandle lots would be ineligible to rent their property as a STR beginning November 1, 2019.

At this time, the STR ordinance only applies to properties that are located outside the Coastal Zone. As described later in this memo, the ordinance will not apply to properties within the Coastal Zone until the California Coastal Commission (CCC) certifies the document, which could happen as early as October 16, 2019.

This memo provides the information requested in the first quarter report.

### Number and Type of Registered STRs

As of September 6, 2019, the City has 950 registered STRs. Registered STR's are those that are remitting Transient Occupancy Taxes. The number of registered STRs has increased by 50 since April 2019 when the number of STRs was last tabulated. The table below provides a comparison of the number of registered STRs in those districts with the most STRs, prior to the effective date of the STR ordinance and the current number of registered STRs. As the table below illustrates, there has not been a significant change in the percentage of STRs in each zoning district. The majority of STRs are still located in Downtown District 5 (D-5). This is largely attributed to North Coast Village, which has 315 registered STRs (increase from 300 STRs in April 2019). The single-

family zoning designations (RS and R1) saw a small increase in STR registrations during this period, but still account for less than half the total STR registrations in the City.

**Table 1: STRs per Zoning District**

Zoning District	# of STRs			
	April 2019	September 2019	Change	Percentage of total STRs
Downtown District 5 (D-5)	411	424	13	44.63%
Single Family Residential (RS)	120	123	3	12.95%
Residential Tourist (RT)	101	100	-1	10.53%
Residential Estate B (RE-B)	69	70	1	7.37%
Medium Density Residential- Coastal (R3)	45	52	7	5.47%
Single Family Residential- Coastal (R1)	40	41	1	4.28%

City Council also requested data on the dwelling type of STRs registered in the City. As Table 2 indicates below, a majority of STRs are located in a single-family residence. At this time, staff does not have data on the number of hosted versus non-hosted units. Hosted units are exempt from needing a STR permit per Section 24.4(1) of the STR Ordinance. Once the STR Ordinance becomes effective, staff will monitor and track this activity. At least 315 of the currently registered STRs would be considered exempt under the new rules because they are part of North Coast Village, which qualifies for an exemption pursuant to Section 24.4 (2) of the STR ordinance.

**Table 2: Type of Dwelling Unit**

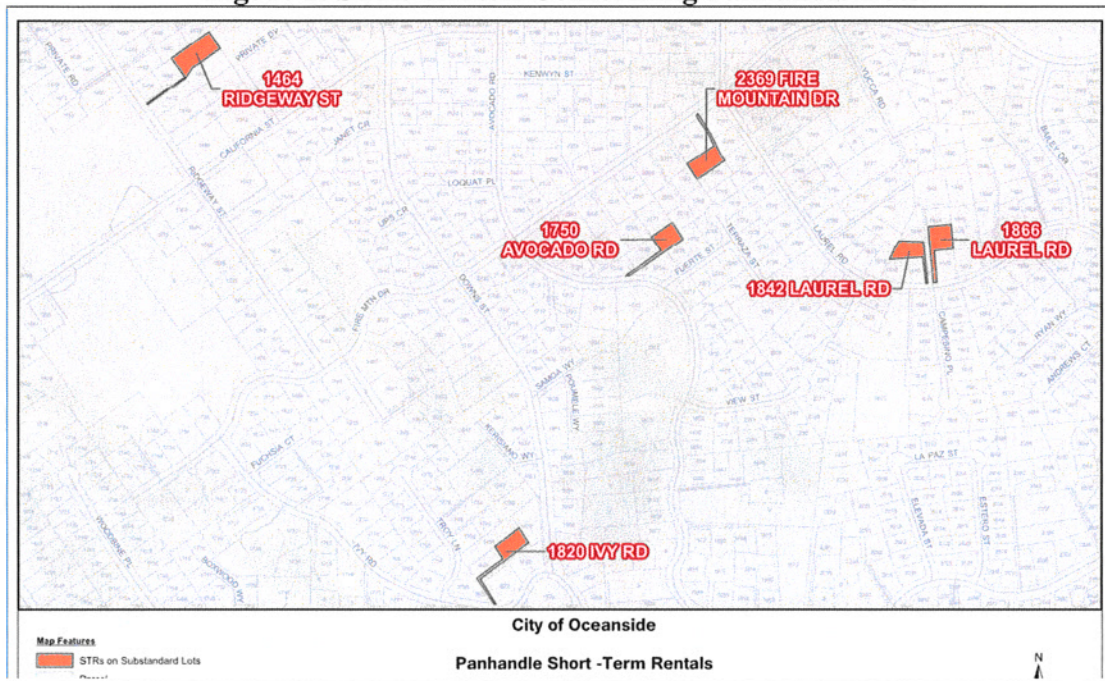
Type of Dwelling	# of STRs	Percentage
Single-Family	532	56%
North Coast Village	315	34%
Condominium	100	11%
Apartment	3	.01%

**Number of Registered STRs on Non-Conforming Lots:**

Staff has identified sixteen (16) registered STRs that are located on a panhandle lot. Of these sixteen (16) properties, six (6) are considered a substandard, non-conforming panhandle lot because the lot does not meet City standards in terms of minimum access road pavement width. Pursuant to Section 24.6 (B) of the STR ordinance, owners of non-conforming panhandle lots would not be eligible to rent their property as a STR beginning November 1, 2019, regardless of whether the unit is hosted or non-hosted. The following Figure 1 shows the location of the six registered STRs that are located on a non-conforming panhandle lot.



**Figure 1: STRs on Non-Conforming Panhandle Lots**



Staff has attempted to contact the STR operators on these six non-conforming lots in order to determine whether they are hosted or non-hosted. Staff has thus far been able to contact four of the six owners and the four owners contacted have indicated that they operate hosted units.

**Number of Complaints**

According to data provided by Code Enforcement, twelve (12) complaints attributed to STRs have been received since the STR ordinance was adopted in June 2019. The following table provides a breakdown of the complaints received:

**Table 3: STR Complaints**

Address	Complaint
1801 S. Pacific St.	Graffiti
915 N. Pacific St.	Waste Container in Public View
212 Oceanside Blvd.	Plants Obstructing Sidewalk
1635 S. Pacific St.	Waste Container in Public View
1733 S. Pacific St.	Waste Container out before 6pm
1919 S. Pacific St.	Graffiti
1635 S. Pacific St.	Unlicensed Wedding Business
513 Garfield St.	Solid Waste Items in Alley
1708 Broadway	Mattress in Alley
1919 S. Pacific Street	Bed bugs in Beachfront Rentals Location
2287 Fuerte Street	Unpermitted curb cut on Terraza St. frontage
2369 Fire Mountain Drive	Waste Container in Public View

Staff will continue to monitor the number of complaints attributed to STRs, including any complaints related to parking. Staff expects that parking-related complaints will diminish once the occupancy limit contained in the Ordinance (i.e., two persons per bedroom plus two) is implemented and enforced citywide. Should staff find that this is not the case, additional strategies to address parking will be explored and presented to Council for its consideration.

### **Next Steps**

The STR ordinance is scheduled for review and potential certification by the CCC on October 16, 2019. If the CCC certifies the document that day, the STR ordinance will immediately become effective for properties located in the Coastal Zone and the new regulations will then apply citywide.

An interdepartmental team, including staff from Code Enforcement, Finance, Fire, Planning and Police have been developing a series of STR-related protocols relating to application and inspection process as well as enforcement procedures. A fulltime Code Enforcement Officer has been hired to assist with STR program enforcement and is expected to start on October 21, 2019. Staff is also developing a STR webpage that will provide information on the STR ordinance and the operational requirements for STR operators and guests. Additionally, staff will create a directory of the registered STRs that will be accessible to the public. The directory will include the 24-hour contact information for each registered STR.

A letter prepared by Finance Department and Planning Division staff is expected to be mailed out in mid-October to all active Transient Occupancy Tax (TOT) certificate holders (STR operators). The intent of the letter is to inform STR operators of the ordinance requirements and inform them that the City will start accepting applications on November 1, 2019. Included with this letter is a "STR Fact Sheet" that will explain the STR policies and procedures recently adopted by City Council. STR operators will have 60-days (by January 1, 2020) to submit an application and comply with the requirements of the STR ordinance. If the CCC does not certify the STR ordinance at its October meeting, a second letter will be sent to STR operators in the Coastal Zone, after the ordinance is certified.