



CITY OF OCEANSIDE

DEVELOPMENT SERVICES DEPARTMENT / PLANNING DIVISION

Memorandum

Date: October 14, 2016

To: Interested Parties

From: Jeff Hunt, AICP, City Planner

Subject: **DRAFT SHORT TERM RENTAL PERMIT ORDINANCE**

Background: Short term rentals (STR) are becoming more and more popular in many cities, especially in coastal cities. There are pros and cons involved with STR.

Many people rely on the added income to be able to afford to live in coastal communities where the cost of living is high. Some have purchased their dwelling to be used part time by themselves and extended family members, with the rental income from the remainder of the time helping to pay the mortgage. Users of STR appreciate experiencing the local community by staying in a house rather than a hotel. Supporters of STR speak to their overall economic benefits.

At the same time, critics of STR argue that they contribute to the lack of affordable housing by driving up prices and removing long term rentals. Neighbors complain about changes to the character of their community and of having strangers constantly coming and going. Finally, adjacent residents often complain about impacts from noise, parking, traffic and garbage.

Permit Ordinance: Many cities have adopted regulations to address the concerns expressed with STR. These regulations range from prohibitions, capping the number, requiring permits or merely requiring a business license.

Based on the complaints received by the City, an inter-departmental staff team is drafting an STR permit ordinance and Good Neighbor Policy (GNP) based on a review of nearby cities' regulations. The key provisions of the draft permit ordinance and GNP are:

1. An STR is defined as the rental of any portion of any dwelling unit for less than 30 consecutive days.
2. Any existing or new STR located anywhere in the city would require a permit and business license in order to operate.
3. The business license would require compliance with the STR permit and payment of Transient Occupancy Tax (the same as hotels pay).
4. The annual fee is proposed to be approximately \$50-\$60 with the permit being issued by the Business License Division along with a business license.

5. The STR permit ordinance would reside in the City Code, not the Zoning Code, and would not involve any notice to neighbors nor a public hearing prior to the approval of individual permits.
6. An STR permit would be conditioned to assure:
 - a. The STR permit shall be displayed in a conspicuous place and include the owner's or their agent's phone number.
 - b. The owner or their agent must be available 24 hours a day, 7 days a week by phone, and will respond to complaints within 60 minutes.
 - c. Parking of all vehicles must be on-site (i.e. no parking on the street).
 - d. Refuse containers shall be stored out of public view.
 - e. A maximum of two people are allowed per room, plus one additional person per unit.
 - f. Amplified sound shall not be audible off-site from 10:00pm to 10:00am.
 - g. The GNP shall be provided to all renters, who will acknowledge its receipt.
7. The GNP explains the requirements that the renters must abide by – essentially the conditions of the permit.
8. Violations can result in revocation of the permit, failure to issue a permit and/or a fine of \$1,000 or imprisonment of 6 months.

Staff is still seeking additional citizen input. After analysis of the input, staff will consider revisions to the draft STR permit ordinance, and whether or not to take the ordinance to the City Council for their review.