

ORDINANCE NO. 19-0R0408-1

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

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

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

- 1. New non-hosted short-term rentals be prohibited in the following residential zoning districts (R1, R3, RE, RS, RM and RH); and
- 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 Oceanside City Code regarding short-term rental regulations.

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

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

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

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

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refuse. The regulations contained herein are intended to minimize the adverse impacts shortterm 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

- 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.
- 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.
- Owner. "Owner" is the person(s) or entity(ies) that hold(s) legal and/or equitable title to E. the subject short-term rental.
- Short-term rental. A "short-term rental" is a dwelling unit, or any portion thereof, bffered for rent or rented for dwelling, lodging or sleeping for no more than thirty consecutive plays in the city, including single family or multiple family units. This excludes bed and breakfasts, hotels, motels, and timeshares.

Section 24.3 **Permit Required**

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:

rental unit, including local emergency contact information.

The name address and telephone number of the owner's authorized

1. The name, address, and telephone number of the owner of the short-term

- 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 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:

- 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. Short-term rentals are prohibited in a manufactured home park, as defined in Chapter 16.B.2(c) of the Oceanside City Code.
- B. Short-term rentals served by a panhandle access that does not meet city standards set forth in Oceanside Zoning Ordinance 1050(Y) or other applicable city ordinances are prohibited.

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 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 of 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

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

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.
- Rental properties shall be kept clean with no visible trash. All trash containers shall be J. 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 shortterm 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.
- Prior to the occupancy of the short-term rental unit, the owner or the owner's authorized representative shall:

- Provide a copy of city-prepared "Short-Term Rental Good Neighbor Policy" handout summarizing the requirements of this ordinance to the renter.
- 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.

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

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

SECTION 4. Severability.

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

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

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Oceanside California, held on the 19 day of June, 2019, by the following vote:

AYES: FELLER, KEIM, SANCHEZ

NAYS: WEISS

ABSENT: RODRIGUEZ (Recused)

ABSTAIN: NONE

YOR OF THE CITY OF OCEANSIDE

ATTEST:

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APPROVED AS TO FORM:

CITY ATTORNE

I, Vaida Pavolas, Assistant City Clerk of the City of Oceanside, do hereby certify that the foregoing is a true and correct copy of *City Ordinance No. 19-OR0408-1 adding Chapter 24 of the Oceanside City Code to create permit requirements for and to regulate short-term rentals* as duly introduced on June 12, 2019 and adopted on June 19, 2019, a regular meeting, by the City Council of Oceanside. This Ordinance has been published as required pursuant to law and the original is filed in the City Clerk's Office (GC 40806).

Vaida Pavolas, Assistant City Clerk City of Oceanside, California

Date: