

ORDINANCE NO. 2025-05

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AMENDING ESCONDIDO MUNICIPAL CODE CHAPTER 16, ARTICLE 8, TO REGULATE SHORT-TERM RENTALS

WHEREAS, the City of Escondido ("City") has experienced an increase in the number of residential units being used as short-term rentals; and

WHEREAS, on January 29, 2025, the City Council adopted Ordinance No. 2024-07R establishing the Short-Term Rental Pilot Program and adopting Escondido Municipal Code Chapter 16 (Licenses and Business Regulations), Article 8, regulating short-term rentals, and Escondido Municipal Code Chapter 25 (Taxation), for collection of Transient Occupancy Tax; and

WHEREAS, the City has found that amendments to the short-term rental ordinance will cause the ordinance to better align with the intent of the City in enacting the ordinance.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That Escondido Municipal Code Chapter 16, Article 8, regulating short-term rentals, is hereby amended as set forth in Exhibit "A" to this Ordinance, which is attached to this Ordinance and incorporated by this reference as though fully set forth herein.
3. That Ordinance No. 2024-07R, adopted by the City Council on January 29, 2025, will go into effect on July 1, 2025, except for those amendments set forth in Exhibit "A," which will go into effect 30 days after the second reading of this Ordinance.

4. That if any section, subsection, sentence, clause, phrase, or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions.

5. That the adoption of this Resolution is exempt from the California Environmental Quality Act ("CEQA," Public Resources Code Sections 21000 et seq.).

6. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

7. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the County and circulated in the City of Escondido.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof this 25th day of JUNE, 2025 by the following vote to wit:

AYES : Councilmembers: FITZGERALD, C. GARCIA, J. GARCIA, MARTINEZ, WHITE

NOES : Councilmembers: NONE

ABSENT : Councilmembers: NONE

APPROVED:

DocuSigned by:
Dane White
19FEE5DB8C3B409...
DANE WHITE, Mayor of the
City of Escondido, California

ATTEST:

DocuSigned by:
Zack Beck
A58535D0BDC1430...
ZACK BECK, City Clerk of the
City of Escondido, California

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO : ss.
CITY OF ESCONDIDO)

I, Zack Beck, City Clerk of the City of Escondido, hereby certify that the foregoing ORDINANCE NO. 2025-05 passed at a regular meeting of the City Council of the City of Escondido held on the 25th day of June, 2025.

DocuSigned by:
Zack Beck
A58535D0BDC1430...
ZACK BECK, City Clerk of the
City of Escondido, California

ORDINANCE NO. 2025-05

Chapter 16

Article 8 SHORT-TERM RENTALS

Escondido, California Municipal Code

Sec. 16-410 Title.

Sec. 16-411 Purpose.

Sec. 16-412 Definitions.

Sec. 16-413 Permits required for operation.

Sec. 16-414 Eligibility.

Sec. 16-415 Application and processing requirements.

Sec. 16-416 Expiration and renewal.

Sec. 16-417 Operational requirements.

Sec. 16-418 Recordkeeping duties.

Sec. 16-419 Violations.

Sec. 16-420 Revocation.

Sec. 16-421 Severability.

Sec. 16-422 Effective date.

Sec. 16-423 Program Review.

Sec. 16-410 Title.

This article shall be referred to as the "Short-Term Rental Ordinance."

Sec. 16-411 Purpose.

The purpose of this article is to regulate privately-owned residential dwellings within the city used as short-term rental units, ensure that transient occupancy taxes (TOT) are paid and collected, and minimize the potential negative effects of short-term rental units on surrounding residential neighborhoods.

The city reserves the right to change the regulations provided in this article at any time, including discontinuing the issuance of short-term rental unit permits, notwithstanding any impacts to existing or future short-term permit holders. Anyone accepting a short-term rental unit permit pursuant to this article acknowledges and accepts that possibility.

Sec. 16-412 Definitions.

For the purposes of this article, the following words and phrases shall have the meaning ascribed to them by this section:

(a) "Advertisement" shall mean, in addition to the Advertisement definition described in section 16-3, any online or Internet-based offer or solicitation of Short-Term rental activity.

(b) "Apartment" shall mean a rented room or set of rooms that is part of a multi-family building and is used as a place to live.

- (c) "Bedroom" shall mean a part or division of a residential building enclosed by walls, floor, and ceiling intended and designed for sleeping.
- (d) "Condominium" shall mean those residential units consisting of an undivided interest in common in a portion of real property coupled with a separate interest in a space called a unit, including those units governed by Article 49, Air Space Condominium and Community Apartment Projects of Chapter 33, Zoning of the Escondido Municipal Code.
- (e) "Guest" or "Transient" shall mean any person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of 30 consecutive calendar days or less, counting portions of calendar days as full days. Any such person so occupying space in a home shall be deemed to be a transient until the period of 30 days has expired unless there is an agreement in writing between the host and the guest providing for a longer period of occupancy. In determining whether a person is a transient, uninterrupted periods of time extending both prior and subsequent to the effective date of the ordinance codified in this chapter may be considered.
- (f) "Host" shall mean an owner of a dwelling unit who rents such dwelling unit for transient occupancy.
- (g) "Hosting platform" shall mean a business or person that provides a means through which a host may offer a dwelling unit, or portion thereof, for home-sharing. A hosting platform is usually, though not necessarily, provided through an internet-based platform. It generally allows a property owner or tenant to advertise the dwelling unit through a website provided by the hosting platform and provides a means for potential guests to arrange short-term rentals, whether the guests pay rent directly to the host or to the hosting platform.
- (h) "Ineligible Units" shall mean accessory dwelling units (ADUs) or junior accessory dwelling units (JADUs); units created utilizing an SB9 application; in inclusionary housing or other income-restricted housing units; or any other ineligibility based on state law. "Ineligible units" also means units that are sought to be rented as a short-term rental unit by a renter or lessee of that unit. Only an owner of a dwelling unit may rent such dwelling unit as a short-term rental unit.
- (i) "Multi-family housing development" shall mean a building designed for multiple dwelling unit occupancy. Units in multi-family housing developments are not classified as single-unit attached structures.
- (j) "Responsible contact person" shall mean a person, either the short-term rental owner or their designee, who will be available 24 hours per day to accept telephone calls regarding the short-term rental when occupied and who will have the duty to respond within one hour.
- (k) "Short-term rental permit" shall mean a permit for a short-term rental unit.
- (l) "Short-term rental" shall mean all or any portion thereof of a residential dwelling unit which is advertised or held out to the public as a place regularly rented for dwelling, lodging or sleeping purposes to one party with a duration of occupancy of 30 consecutive days or less. Hotels, motels, and other land uses explicitly defined and regulated in the Municipal Code separately from short-term rentals are not considered to be short-term rentals.
- (m) "Transient occupancy tax" shall mean the tax levied by the city in accordance with Chapter 25, Article 4 of the Municipal Code. This tax is levied upon individuals or businesses engaged in the rental of sleeping accommodations to the public.

Sec. 16-413 Permits required for operation.

- (a) A host must obtain the following types of permits prior to advertising or renting any privately-owned residential dwelling to any transient for a period of 30 consecutive days or less:
 - (1) An Escondido business license as required by Chapter 16, sections 16-16 and 16-17;
 - (2) Short-term rental permit as required by this article;
 - (3) Transient occupancy tax registration certificate as required by Chapter 25, section 25-77

Sec. 16-414 Eligibility.

- (a) Short-term rentals may be permitted in single-family detached, duplex, two-family, and three-family dwelling units, and townhomes.
- (b) Short-term rentals may be permitted on properties with multiple dwelling units, apartments, and condominiums with the following limitations:
 - (1) For multi-family housing developments of 2 to 50 units: 1 short-term rental permit;
 - (2) For multi-family housing developments of 51 to 99 units: 2 short-term rental permits;
 - (3) For multi-family housing developments of 100 units or more: 2% of total units or 5 short-term rental permits, whichever is fewer;
 - (4) A maximum of 25 short-term rental permits shall be issued citywide for units in multi-family housing developments. The City shall maintain a waiting list on a first-come, first-served basis if the number of short-term rental permit applications for units in multi-family housing developments exceeds 25;
 - (5) A short-term rental shall be included in calculating the total number of units for the purpose of determining allowable short-term rentals in a multi-family development. ADUs, inclusionary housing or any other unit that is precluded from being used as a short-term rental may not be counted toward the total allowable number of units.
- (c) The total number of short-term rental permits shall be limited to a maximum of two percent of the total housing units within the City of Escondido. The city or its designee shall maintain a waiting list if the number of short-term rental applications exceeds this percentage.
- (d) No short-term rental permit shall be issued for any housing unit if the unit's parcel is:
 - (1) Within 500 feet of a parcel containing a school. Distances shall be measured from the closest property line of the school to the closest property line of the proposed short-term rental unit measured using the Escondido Geographic Information System.
- (e) Short-term rentals shall not be permitted in ineligible units.
- (f) This article is not intended to allow any residential property owner to violate any private conditions, covenants, and restrictions applicable to the owner's property that may prohibit the owner from using their property as a short-term rental unit, as defined in this article.

Sec. 16-415 Application and processing requirements.

- (a) Business licenses. To apply for a business license, a property owner shall file an application with the city as provided for in Chapter 16 (Licenses) and obtain a transient occupancy registration certificate as required in Chapter 25, Article 4 (Transient Occupancy Tax).
- (b) Short-term rental permit. To apply for a short-term rental permit, a property owner shall file an application on a form provided by the city including the following information:
 - (1) The name, address, valid email address, and telephone number of all owners of the subject short-term rental unit, and documentation showing proof of ownership;
 - (2) The address of the proposed short-term rental unit;
 - (3) The number of bedrooms and the applicable occupancy limit of the proposed short-term rental unit;
 - (A) The permitted occupancy for a short-term rental shall be two guests per bedroom plus two additional guests;
 - (4) The name, address, valid email address, and telephone number of the designated responsible contact person who will be available 24 hours per day to accept telephone calls regarding the short-term rental when occupied with the ability to respond within one hour, if different than the owner;
 - (5) A signed acknowledgement by the applicant that:
 - (A) The short-term rental unit is legally permitted and meets the Fire and Building Code standards for a habitable unit;
 - (B) The space used for short-term rental meets or exceeds fire and life safety requirements, including installation of smoke and carbon monoxide detectors, and adequate means of egress;
 - (C) The city can examine all places of business in the city to ascertain whether the provisions of this chapter have been complied with, as described in Chapter 16, section 16-232;
 - (D) The host has valid insurance that explicitly covers short-term rental activity;
 - (E) The host shall adhere to the short-term rental regulations listed in this article;
 - (F) The unit being rented is not an Ineligible Unit
 - (G) Applicant will comply with all applicable state and local laws for sex offender required distances from sensitive sites;
 - (6) Signatures of all property owners.
- (c) A short-term rental permit application shall be accompanied by payment of an application processing fee established by resolution of the City Council.
- (d) Host shall provide written notice to the city within 30 days of any:
 - (1) Change of contact information for property owner/host,
 - (2) Change in responsible contact person,
 - (3) Change in property layout or use, including, but not limited to, modifications to the number of bedrooms or common areas used for lodging, or
 - (4) Any other change in material fact pertaining to the information contained in the short-term rental permit or as outlined in Chapter 16, sections 16-16 and 16-17.

- (e) A short-term rental permit shall not be issued or renewed if there are unresolved city code compliance cases, outstanding city fines or fees, or city liens on the property.
- (f) Short-term rental permit renewals are subject to any intervening changes in this article and renewal shall be denied if the short-term rental no longer qualifies under the requirements of this article, unless specifically exempted therefrom.
- (g) The city will conduct an inspection of the short-term rental unit prior to issuing a new permit and prior to issuing any renewal permit, as described in Chapter 16, section 16-232.
- (h) A short-term rental permit application may be denied if the applicant has had a prior short-term rental permit suspended or revoked, or if, under a prior short-term rental permit, the host violated any of the short-term rental regulations listed in this article.
- (i) Appeals of permitting decisions shall be done in accordance with Chapter 16, Article 5.

Sec. 16-416 Expiration and renewal.

- (a) A short-term rental permit is valid for the same duration as the associated business license. It may not be transferred, does not run with the land, and is valid only at the original short-term rental site. The short-term rental permit shall automatically expire upon sale or transfer of the property. No transient occupancy registration may be assigned, transferred, or loaned to any other person or entity.
- (b) A short-term rental permit may be renewed if the host meets the following renewal requirements:
 - (1) The host shall file an application for renewal of the short-term rental permit before the permit's expiration. This application must include all information required by section 16-415(b) of this article.
 - (2) Payment of permit renewal fees and all required transient occupancy tax remittance associated with the short-term rental. The host shall submit such information concerning the short-term rental activity as may be required to enable the Finance Department to verify the amount of tax paid;
 - (3) Does not have any outstanding violations pertaining to this article;
 - (4) Documents and provides any changes that have occurred to the information on the current short-term rental permit.
- (c) If a host fails to file a renewal application at least 30 days prior to the expiration of their permit, the host may be placed on a wait list for available permits. Only current permits may be renewed. The city will not provide reminders to hosts of an upcoming expiration and it is the host's sole responsibility to maintain a current permit at all times during the operation of the short-term rental unit.

Sec. 16-417 Operational requirements.

- (a) While a short-term rental unit is rented, the host or the responsible contact person shall be available 24 hours a day, seven days a week for the purpose of responding within one hour to complaints regarding the condition, operation, or conduct of occupants or guests of the short-term rental unit.
 - (1) Upon notification that any occupant and/or guest of the short-term rental unit has created a loud and unruly noise or disturbances, engaged in disorderly conduct, or committed violations of any applicable

- law, rule or regulation pertaining to the use and occupancy of the subject short-term rental unit, the host or designated responsible contact person shall promptly respond within one hour in an appropriate manner to immediately halt or prevent a recurrence of such conduct by any occupants and/or guests.
- (2) Failure of the host or responsible contact person to respond to calls or complaints regarding the condition, operation, or conduct of occupants and/or guests of the short-term rental unit within one hour and in an appropriate manner shall render the host subject to all administrative, legal and equitable remedies available to the city, up to and including short-term rental permit revocation or suspension per the provisions of Chapter 16, Article 6.
- (3) No person shall advertise, undertake, maintain, authorize, book, or facilitate any renting to guests in a manner that does not comply with this article.
- (b) No person shall advertise, undertake, maintain, or authorize any short-term rental without a city-issued short-term rental permit number depicted in a visible location on the advertisement, including any listing on a hosting platform.
- (c) A short-term rental unit shall not be advertised for or used by more than two guests per bedroom plus two additional guests at one time. If the short-term rental permit limits occupancy to a number less than that calculated pursuant to this section, the limit in the permit shall govern.
- (d) Short-term rentals shall be limited to one booking per property per day. A booking may consist of the short-term rental of one or more bedrooms in the home or the short-term rental of the entire home. A short-term rental may operate in conjunction with the rental of the remaining area of an entire dwelling unit for periods of more than thirty (30) consecutive days, provided all other conditions required by this article are met.
- (e) Short-term rental guests shall use only the on-site parking spaces associated with the unit approved for short-term rentals.
- (f) A short-term rental shall not adversely affect the residential character of the surrounding neighborhood nor shall the use generate noise in excess of the city's noise ordinance, vibration, glare, odors, traffic, parking congestion, or loud or unruly gatherings that interfere with any person's enjoyment of their residence. The short-term rental activity shall comply with all provisions of the Escondido Municipal Code, including, but not limited to Chapter 17, Article 12 (Noise) and Chapter 6, Article 20 (Property Maintenance.)
- (g) A short-term rental shall not change the residential character of the outside appearance of the residence, either by the use of colors, materials, lighting, signage except as defined in section 16-412, or any advertising mechanism.
- (h) A short-term rental shall provide for adequate waste, recycling, and organics containers as defined in Chapter 14, section 14-2.2 (Solid Waste and Recycling: Containers) along with proper storage of said containers per the performance standards provided in Chapter 33, section 33-113 (Performance Standards).
- (i) A short-term rental shall only be used for overnight lodging. Events and large gatherings of people who cannot occupy the short-term rental pursuant to the limitations in section 16-415(b)(3) including, but not limited to, weddings, banquets, and personal or corporate events, are prohibited as part of the short-term rental use. The dwelling shall not be advertised or rented for the sole purpose of accommodating such uses.

- (j) No person shall offer as a separate short-term rental any property or portion of property not approved for residential use, including, but not limited to, a vehicle parked on the property, a storage shed, trailer, garage, or any temporary structure such as a tent.
- (k) Upon issuance of a Short-Term rental permit, the city will mail a copy of the information described in section 16-417(l) to all properties adjoining the parcel of the short-term rental unit as determined by the Escondido Geographic Information System.
- (l) The following information shall be posted in a conspicuous location within the short-term rental unit:
 - (1) The short-term rental permit number;
 - (2) The name and contact information for the host and/or designated responsible contact person;
 - (3) The maximum number of overnight occupants;
 - (4) Applicable rules and schedules for trash storage and pickup, noise, and parking;
 - (5) Local emergency information;
 - (6) Contact information for the city's Code Compliance Division and Police Department.
- (m) All short-term rental owners shall comply with the provisions of any city, county, state, or federal disaster or emergency orders.
- (n) Unless otherwise provided in this chapter, the host shall comply with all provisions of Chapter 25, Article 4 of the Escondido Municipal Code concerning TOT, including, but not limited to, collecting, remitting, and recording relevant taxes.

Sec. 16-418 Recordkeeping duties.

The host shall maintain for a period of four years records in such form as the tax administrator (as defined in, and required by, Chapter 25, Article 4) may require to determine the amount of TOT owed to the City. The tax administrator shall have the right to inspect such records at all reasonable times. (Chapter 25, section 25-87). Such records shall be maintained at the host's premises or shall be available for delivery to the tax administrator within one business day after request. (Chapter 25, section 25-87(b)).

Sec. 16-419 Violations.

- (a) It shall be a public nuisance for any person to commit, cause or maintain a violation of this article, which shall be subject to the provisions of Chapter 17, Article 12 (Noise) and Chapter 6, Article 20 (Property Maintenance).
- (b) As described in Chapter 16, Article 6, the City may issue a notice of violation to any occupant, owner(s) or operator, pursuant to this article, if there is any violation of this article committed, caused or maintained by any of the above parties. The City may:
 - (1) Suspend or revoke any license issued under the provisions of this article upon information that any of the provisions of this article, or any other ordinance or statute, is being violated by the license holder.

- (c) The city may issue an administrative citation to any host, occupant, owner(s), or operator of a short-term rental unit if there are any violations of this article committed, caused, or maintained by any of the above parties. For each separate violation of this article, a violator shall be subject to the following civil penalties:
- a. A fine in an amount not to exceed one thousand dollars (\$1,000) for a first violation;
 - b. A fine in an amount not to exceed three thousand dollars (\$3,000) for a second violation of the same provision within one year of the first violation; and
 - c. A fine in an amount not to exceed five thousand dollars (\$5,000) for the third and each subsequent violation of the same provision within one year of the first violation. Except as otherwise provided by this chapter, the imposition of any and all civil and/or criminal penalties, including administrative citations, shall be pursuant to the provisions set forth in Chapter 1 (General Provisions) and Chapter 1A (Administrative Remedies).
- (d) The city may pursue any remedy, citation, fee, or fine for any violation related to the collection, documentation, and remittance of all relevant taxes as outlined in Chapter 25, Article 4 (Transient Occupancy Tax).
- (e) Each and every day on which a violation occurs shall be deemed to be a separate violation. Multiple incidents in one day may be pursued by the city as separate violations.
- (f) The following violations may result in either the immediate revocation of a short-term rental permit and any affiliated licenses and/or denial of future short-term rental permits:
- a. Operation without required licenses, permits, or certificates;
 - b. Failure to include a valid short-term rental permit number in advertisements;
 - c. Advertising an occupancy greater than the permitted number of guests;
 - d. Intentionally misrepresenting any material fact in procuring the license or permit;
 - e. Use of any ineligible unit for short-term rental activity;
 - f. Failure to remit TOT or other taxes;
 - g. Three or more violations of the operational requirements of this article other than those listed above, but including those relating to Chapter 17, Article 12 (Noise) and Chapter 6, Article 20 (Property Maintenance) in a license year.
- (g) The remedies provided in this section are not exclusive, and nothing in this chapter shall preclude the use or application of any other remedies, penalties, or procedures established by law. The City may pursue any other administrative or judicial legal remedies available, including, but not limited to, civil injunctions, license revocations, and civil penalties for violations of this chapter.

Sec. 16-420 Suspension and revocation.

- (a) Grounds for suspension and revocation.
- (1) Major violations.
 - (A) Immediate and major violations that jeopardize public safety, violate licensing requirements, or involve criminal activities, such as felonies on site, non-payment of taxes, or significant license issues, may result in the immediate revocation of the short-term rental

- permit at the discretion of the city's Director of Development Services for the period of one-year from the date of revocation.
- (2) Three strikes for lower-level violations.
 - (A) The city will adopt a three-strikes policy for lower-level quality-of-life violations, including, but not limited to, noise disturbances, disorderly conduct, and repeated violations of operational requirements.
 - (B) Each documented violation will be considered a strike.
 - (C) Upon the third strike within a one-year timeframe, the short-term rental permit will be subject to immediate revocation.
 - (b) Reapplication period.
 - (1) Reapplication after revocation.
 - (A) After the revocation period expires, an applicant seeking to resume short-term rental activity must reapply for a new short-term rental permit.
 - (B) The reapplication process will include a thorough review of the property's compliance history and may require additional measures to address past violations.
 - (C) The Director of Development Services may determine if a host is eligible for a new permit at its discretion.
 - (c) Appeals.
 - (1) Hosts may appeal a suspension or revocation decision through the appeals process outlined in Chapter 16, Article 5.
 - (2) Appeals should be submitted within a specified timeframe provided in Chapter 16, section 16-222 after the suspension or revocation decision.

Sec. 16-421 Severability.

If any provision of this ordinance shall be deemed or held to be invalid or unenforceable for any reason whatsoever, then such invalidity or unenforceability shall not affect any other provision of this chapter which may be given effect without such invalid or unenforceable provision, and to this end, the provisions of this ordinance are hereby declared to be severable.

Sec. 16-422 Effective Date

The effective date of the ordinance codified in this chapter shall be July 1, 2025.

Sec. 16-423 Program Review

- (a) If the total number of valid Short-Term permits in the city equals or exceeds 200, and for every 100 permits thereafter, the City Manager or their designee shall present to the City Council a report on the impacts of short-term rentals and the efficacy of compliance efforts in Escondido.
- (b) Unless otherwise extended or modified by action of the City Council, the ordinance codified in this chapter shall expire, and its terms shall no longer remain in effect as of three years from the effective date.