

**THE CITY OF SAN DIEGO  
OFFICE OF THE CITY TREASURER  
SHORT-TERM RESIDENTIAL OCCUPANCY REGULATION**

**REGULATION ESTABLISHING GUIDELINES FOR LOTTERY ADMINISTRATION**

**REFERENCE:** San Diego Municipal Code (SDMC) Chapter 5, Article 10, Division 1

**AUTHORITY:** SDMC §510.0110

**PURPOSE**

This regulation establishes administrative rules to implement and administer lottery procedures for Tier Three & Tier Four license issuance, when sufficient demand exists, as required by the Short-Term Residential Occupancy (STRO) Ordinance (SDMC §510.0106(c)).

**BACKGROUND**

The Office of the City Treasurer is responsible for the administration of the STRO Ordinance in accordance with SDMC, Chapter 5, Article 10, Divisions 1 & 2. The STRO Ordinance establishes caps on the total number of Tier Three and Tier Four licenses that can be issued (SDMC §510.0104(d)(4) and §510.0104(e)(4)), and if sufficient demand exists, the licenses shall be issued on a lottery basis. Additionally, a waitlist will be established for any remaining complete applications. The waitlist is utilized when licenses are available before the next lottery is conducted (SDMC §510.0106(c)).

**CITY TREASURER REGULATION**

If there is sufficient demand for Tier three and Tier four licenses, the City Treasurer will implement the processes as outlined below.

***Tier Three Licenses***

1. Once the cap is reached, the application period will subsequently close within 45 days.
2. At the conclusion of the application period, an independent department will perform a stratified lottery by Community Planning Area (CPA) in proportion to the CPA's percentage of the overall Tier Three License applicant pool (SDMC §510.0104(d)(5)) to determine the waitlist position of each application.
3. After the lottery, the waitlist will be published on the [STRO website](#), and applicants will be notified.
4. The application period reopens when the waitlist reaches 75 applications.

***Tier Four Licenses***

1. Once the waitlist reaches 25 applications, the application period will be reopened for 45 days.
2. At the conclusion of the application period, an independent department will perform a random lottery to determine the waitlist position of each application.
3. After the lottery, the waitlist will be published on the [STRO website](#), and applicants will be notified.
4. The application period reopens when the waitlist reaches 25 applications.

**NOTE:** Current STRO license holders can apply to be added to a Tier Three or Tier Four waitlist. The current STRO license must be cancelled to receive the Tier Three or Tier Four license, as each Host may only hold one license at a time (SDMC §510.0104(a)(2)).