

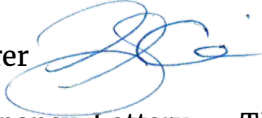


THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: July 13, 2022

TO: Honorable Council President Elo-Rivera and Members of the City Council

FROM: Elizabeth Correia, City Treasurer 

SUBJECT: Short-Term Residential Occupancy Lottery – Tier 3 and Tier 4 *Good Actor* Prioritization Clarification

On January 7, 2022, the Office of the City Treasurer issued a Short-Term Residential Occupancy (STRO) memo for Tier 3 and Tier 4 licenses to City Council that incorporates prioritization of *good actors*. Subsequent to the issuance of the memo, our office has received various inquiries from STRO hosts regarding the assignment of priority points, specifically as it relates to how calendar year and previous periods are defined. This memo clarifies our original intent to assign the highest priority points to Hosts actively participating in the industry and who satisfy the criteria of a *good actor*, as defined by City Council.

The previous memo provides criteria points that are assigned based on a calendar year. A calendar year is typically defined as twelve (12) consecutive months commencing on January 1 through December 31. However, given that full certification from the California Coastal Commission is not anticipated until this coming fall, using only prior calendar years ignores the most recent, relevant activity. To ensure that all activity immediately preceding the application period is considered and the intent of the original memo is fulfilled, the table below replaces “calendar year” with “previous year.” Previous year, as used for purposes of priority point eligibility, is defined as the previous twelve (12) month period. The table is also updated to clarify that the preceding period(s) will be evaluated consecutively.

A maximum of 10 priority points will be granted to eligible applicants who meet the criteria below as follows:

Criteria	Priority Weight Point
Hosts in compliance with Transient Occupancy Tax (TOT) registration requirement as of STRO Ordinance First Reading (February 23, 2021).	1
Hosts with verifiable proof of more than 90 days of booking activity during the previous consecutive (maximum of 3 points): a. One (1) to two (2) year(s); or b. More than two (2) years but less than five (5) years; or c. Five (5) years or more.	1 2 3

Hosts with verifiable proof of payment of Transient Occupancy Tax (TOT) during the previous consecutive (maximum of 3 points):	
a. One (1) to two (2) year(s); or	1
b. More than two (2) years but less than five (5) years; or	2
c. Five (5) years or more.	3
Hosts operating during the previous two (2) years and have no verifiable code violations during the previous two (2) years.	3
Maximum Weight Possible	10

As an example, if the license application period opens in September 2022, the previous year will be September 1, 2021 through August 31, 2022.

The intent of priority points is to improve the probability for *good actors* while still providing newcomers an opportunity to obtain a license. The assignment of priority points will not guarantee a license.

Attachment: [Short-Term Residential Occupancy Lottery – Tier 3 and Tier 4 Good Actor Prioritization, memo dated January 7, 2022](#)

cc: Honorable Mayor Todd Gloria
 Honorable City Attorney Mara Elliott
 Paola Avila, Chief of Staff, Office of the Mayor
 Jay Goldstone, Chief Operating Officer
 Charles Modica, Independent Budget Analyst
 Matthew Vespi, Chief Financial Officer
 Kris McFadden, Interim Deputy Chief Operating Officer
 Jessica Lawrence, Director of Policy, Office of the Mayor
 Adrian Granda, Director of Government Affairs, Office of the Mayor
 Kirby Brady, Director, Performance & Analytics Department
 Elyse Lowe, Director, Development Services Department
 Heidi Vonblum, Director, Planning Department
 Kate Malcolm, Deputy City Attorney
 Darren Bennet, Deputy Director, Information Technology Department
 Nicole LeClair-Miller, Deputy Director, Office of the City Treasurer
 Leslie Sennett, Deputy Director, Development Services Department
 Tricia Mendenhall, Financial Operations Manager, Office of the City Treasurer
 Matt Wood, STRO Program Manager, Office of the City Treasurer
 Chris Haley, Program Manager, Police Department