



# City of Del Mar Agenda Report

TO: Honorable Mayor and Councilmembers

FROM: Marco Camacho, Finance Manager/Treasurer  
Nestor Machado, Associate Management Analyst  
via Ashley Jones, City Manager

DATE: February 17, 2026

SUBJECT: Approval of the Short-Term Rental Permit Fee

**REQUESTED ACTION/RECOMMENDATION:**

Staff recommends that the City Council adopt Resolutions approving the Short-Term Rental (STR) Permit Fee (Attachment A) and amending credit card processing fees (Attachment B).

**BACKGROUND:**

On September 23, 2024, the City Council adopted Ordinance 1010 to establish guidelines for “Existing STRs” and new STRs. The Ordinance accommodates “Existing STRs”, which are defined as STRs operating in the City prior to the adoption of Ordinance 1010 where the owner timely registered the STR with the City as of the date stated in the Ordinance, which was December 31, 2024. City staff reviewed all registry submittals received before the December 31, 2024, deadline, and determined that 150 properties are considered an “Existing STR”.

Since the number of Existing STRs exceeds the City’s established STR cap of 129, permits for new STRs will only become available in the future through permit attrition.

On October 20, 2025, the City approved an agreement with Deckard Technologies for STR Administration software, known as Rentalscape. The software will assist with STR permitting, Transient Occupancy Tax (TOT) remittance, and monitoring of STRs.

On February 3, 2026, the City Council adopted Resolution 2026-04 that established the timing of the City’s STR Permit application period from March 2, 2026 through May 1, 2026. Prior to the STR Permit application window opening on March 2, the City will need to adopt a STR Permit Fee to issue permits upon application review and approval. Therefore, staff is recommending a STR Permit Fee for Council’s consideration as further detailed in this report.

The City’s Ordinance 1010 regulating STRs was approved and certified by the Coastal Commission with no modifications on February 5, 2026, therefore the City’s Permit Application Period can proceed as planned.

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**City Council Action:**

**DISCUSSION/ANALYSIS:**

The proposed STR Permit Fee is based on the reasonable costs of administering the STR Program and processing the associated permits. City required activities and costs related to the new STR Program include STR Permit processing, program administration, Rentalscape software costs, TOT remittance processing, program reporting, and any code enforcement related activities.

The proposed permit fee is a user fee designed to recover the cost of providing a specific service and levied on individuals or entities directly benefiting from or using the service. Under the STR regulations, this entails the voluntary action of those individuals or entities paying the STR Permit Fee for the right to operate a legal STR in the City of Del Mar. Adopting the recommended fee for full-cost recovery will ensure that the General Fund does not subsidize the cost of this new service benefiting only STR operators.

Staff recommends a fee of \$815 (\$408/annually) for an initial STR Permit application, which would be valid for two years per the STR Regulations Ordinance, and a fee of \$598 (\$299/annually) for a bi-annual permit renewal. The initial fee amount is primarily based on the full costs for Planning and Finance staff to review and process the initial STR Permit applications for all 150 Existing STRs, along with related software costs. The bi-annual renewal fee reflects a reduced cost due to the reduction in staff time related to processing permit renewals.

**Other Public Agencies' Short-Term Rental Permit Application Fees**

City staff researched other public agencies' STR Permit application fees to compare the City's proposed fees as shown in Attachment C. For purposes of comparison, the City surveyed the same public agencies, including neighboring jurisdictions, used during the development of the STR Regulations Ordinance.

As indicated in Attachment C, the average annualized permit fees being charged were \$645 for the initial fee and \$341 for the renewal. Based on this information, the City of Del Mar's proposed annualized fees of \$408 for an initial STR permit and \$299 for a permit renewal fall well below the average permit fee being charged by other agencies and just above the median. As such, staff feels the proposed fees are reasonable and in line with the comparable market.

Once approved, the STR permit fee will be added to the City's comprehensive user fee schedule.

**Amendment to Credit Card Processing Fees**

The City Council adopted Resolution 2022-73 on November 14, 2022, establishing fees for certain/specific credit and debit card and electronic fund transfer transactions and authorizing the City to pass associated processing fees on to customers. To facilitate collection of STR Permit Fees and Transient Occupancy Tax (TOT) remittances, staff recommends the City Council adopt the Resolution (Attachment B) that would repeal and replace Resolution 2022-73 and allow the City to accept and pass all credit card convenience fees on to customers for any transaction, provided that such fees do not exceed the actual costs incurred by the agency or its agent. This approach provides the City with maximum flexibility to accept payments through

modern methods while avoiding undue costs to the City and its taxpayers and supporting convenient and efficient payment options for the public.

FISCAL IMPACT:

City Council approval of this item will allow the City to commence with the STR Permit application process and imposition of the new STR Permit Fee with fees anticipated to total \$122,250 in the first two years (\$61,125/annually). These anticipated revenues will be sufficient to cover the costs of staff time and software related to administering the new STR program.

ENVIRONMENTAL IMPACT:

The proposed City Council action does not constitute a “project” under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because it will not have a potential to result in a direct or indirect physical change in the environment and is, therefore, not subject to CEQA. No further action under CEQA is required.

NEXUS TO CITY COUNCIL GOALS AND PRIORITIES:

Implementation of Short-Term Rentals including establishing a STR Permit Fee is an identified Tier 1 Council priority for Fiscal Year 2025-2026.

ATTACHMENTS:

Attachment A – Resolution 2026-XX Establishing STR Permit Fee

Attachment B – Resolution 2026-XX Approving credit card processing fees be passed on to customers

Attachment C – Fee Comparison Table

## RESOLUTION NO. 2026-XX

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR, CALIFORNIA, ADOPTING THE CITY OF DEL MAR SHORT-TERM RENTAL PERMIT FEE

WHEREAS, City of Del Mar staff recommend the addition of a new Short-Term Rental (STR) Permit application fee to support the administrative costs related to approving the rental to comply with the City's Short-Term Rental (STR) Regulations Ordinance; and

WHEREAS, the City desires to recover 100% of the costs it incurs to provide STR Permit application services to reduce the amount that general funds are diverted from general services; and

WHEREAS, the proposed STR Permit fee does not exceed the City's reasonable administrative costs of providing such services; and

WHEREAS, the City Council reserves the right to modify the STR Permit fee in the future including but not limited to offering subsidies to achieve City Council goals; and

WHEREAS, the City has, pursuant to California Government Code section 66016, provided notice of, conducted a public hearing, and has received written and oral communications regarding the adoption of the City's STR Permit fee to recover the actual costs associated with the services provided.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Del Mar as follows:

SECTION 1: That the above recitals are true and correct and incorporated herein by reference; and

SECTION 2: The City Council hereby authorizes the acceptance of a STR Permit application fee for services rendered by the City and for fees, charges, or taxes due to the City; and

SECTION 3: The City Council hereby authorizes the imposition of an \$815 initial STR Permit application fee valid for two (2) years and a \$598 bi-annual renewal fee; and

SECTION 4: The City Council hereby establishes a thirty (30) day period to pay initial STR Permit Fees with an additional ten (10) day grace period. Applicants who fail to pay their STR Permit Fee within the designated timeframe will not be issued an STR Permit as an Existing STR and are subject to New STR Requirements; and

SECTION 5: The City Council hereby establishes that STR Permit Renewal applications and fees must be submitted prior to the STR Permit expiration date. Failure to renew the STR Permit prior to expiration will result in the STR Permit being revoked in accordance with Del Mar Municipal Code Section 30.96.080; and

SECTION 6: The City Council finds that the above noted permit fees do not exceed the costs incurred by the City when persons apply and/or renew the STR Permit.

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BE IT FURTHER RESOLVED, that the fee adopted as part of this Resolution become effective on the sixtieth (60<sup>th</sup>) day following its adoption (the "Effective Date"). Upon the Effective Date, the fee identified and approved by this Resolution shall be levied, collected and disposed of in accordance with Chapter 1.16 of the Del Mar Municipal Code in effect as of the Effective Date, as applicable.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Del Mar, California, at a Regular Meeting held this 17th day of February 2026.

\_\_\_\_\_  
Tracy Martinez, Mayor  
City of Del Mar

APPROVED AS TO FORM:

\_\_\_\_\_  
Christina Cameron, City Attorney  
City of Del Mar

ATTEST AND CERTIFICATION:  
STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO  
CITY OF DEL MAR

I, Sarah Krietor, Administrative Services Manager/City Clerk of the City of Del Mar, California, DO HEREBY CERTIFY, that the foregoing is a true and correct copy of Resolution No. 2026-XX, adopted by the City Council of the City of Del Mar, California, at a Regular Meeting held the 17th day of February 2026, by the following vote:

AYES:

NOES:

RECUSE:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Sarah Krietor, Administrative Services  
Manager/City Clerk  
City of Del Mar

## RESOLUTION NO. 2026-XX

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR, CALIFORNIA, RESCINDING AND REPLACING RESOLUTION 2022-73 AND APPROVING CREDIT CARD, DEBIT CARD, AND ELECTRONIC FUND TRANSFER PROCESSING FEES TO BE PASSED ON THE CUSTOMER

WHEREAS, increased customer use of credit cards, debit cards, and electronic fund transfers can result in significant processing costs to the City if fees are not passed on to customers; and

WHEREAS, Government Code Section 6159 permits the City, subject to approval of the City Council, to authorize the acceptance of a credit card, debit card, or electronic funds transfer for the payment for services rendered by the City and for fees, services and other debts owed to the City; and

WHEREAS, Government Code Section 6159 also expressly authorizes the City to impose a fee for the use of a credit card, debit card or electronic fund transfer, so long as the fee does not exceed the costs incurred by the City in providing for the payment; and

WHEREAS, on November 14, 2022, the City Council adopted Resolution 2022-73 establishing convenience fees for use of credit cards, debt cards, electronic fund transfers, and other services fees associated with the use of credit card processing services, including current fees of approximately 3% of all transactions in processing and otherwise administrating transactions in which credit cards are used; and

WHEREAS, to ensure cost recovery, credit card convenience fees may be periodically adjusted as necessary and shall not exceed the City's actual costs for processing customer credit card, debit card, electronic funds transfer, or other related service fees.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Del Mar as follows:

SECTION 1: That the above recitations are true and correct and incorporated herein by reference; and

SECTION 2: The City Council hereby authorizes the acceptance of a credit card, debit card, or electronic funds transfer for the payment for services rendered by the City and for fees, charges, or taxes due to the City; and

SECTION 3: Pursuant to California Government Code section 6159(h), the City of Del Mar is hereby authorized to impose a fee for the use of a credit card or debit cards, electronic funds transfers, or related service fees, not to exceed the actual costs incurred by the agency or agent providing payment by credit or debit card or electronic funds transfer. These costs may include, but shall not be limited to, the payment to the card issuer, funds processor, or draft purchaser of a reasonable fee or discount; and

SECTION 4: The City Manager, or their designee, is hereby authorized to do all things necessary to implement this resolution.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Del Mar, California, at a Regular Meeting held this 17th day of February 2026.

\_\_\_\_\_  
Tracy Martinez, Mayor  
City of Del Mar

APPROVED AS TO FORM:

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\_\_\_\_\_  
Sarah Krietor, Administrative Services  
Manager/City Clerk  
City of Del Mar

## STR Permit Fee Comparison

Agency	Initial Fee (Annually)	Renewal Fee (Annually)
San Clemente	\$140	\$105
Carlsbad	\$225	\$225
Oceanside	\$250	\$250
Solana Beach	\$259	\$146
Trinidad	\$300	\$300
Newport Beach	\$300	\$336
Half Moon Bay	\$304	\$304
Carpinteria	\$339	\$36
Santa Cruz	\$341	N/A
Carmel-by-the-Sea	\$360	Renewal fee varies based on business license gross receipts
<b>Del Mar*</b>	<b>\$408</b>	<b>\$299</b>
Encinitas	\$425	\$425
San Diego	\$640	\$620
Pismo Beach	\$796	\$920
Dana Point	\$803	\$639
Palm Springs	\$1,046	\$1,046
Avalon	\$4,029	\$303
Laguna Beach**	N/A	N/A

**Average Initial Permit Fee** **\$645**  
**Median Initial Permit Fee** **\$341**

\*Del Mar fees are annualized for comparison only.

\*\*Information was not available