



CITY OF ORANGE

OFFICE OF THE MAYOR

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November 25, 2025

Honorable Maria Hernandez, Presiding Judge
Orange County Superior Court
700 Civic Drive West
Santa Ana, CA 92701

Re: City of Orange Response to Grand Jury Report: "Long-Term Solutions to Short-term Rentals"

Dear Honorable Judge Hernandez:

Please accept this response to the recommendations of the Grand Jury Report entitled Long-Term Solutions to Short-Term Rentals in accordance with Penal Code 933.05 (a) and (b). The City of Orange was asked to respond to Recommendations R1, R2, R3, R4, R5, R6, R7, R8 and R9.

Recommendations:

Recommendation 1: Cities should review and begin to update ordinances to keep up with the rapidly changing nature of court findings and legislation related to STRs, by December 31, 2025, and no less frequently than every three years thereafter. (F4, F12)

Response: The City of Orange concurs with Recommendation 1.

Recommendation 2: Cities should consider developing a plan for upcoming major events that are expected to create a surge in demand for STRs and its associated Transient Occupancy Tax, by December 31, 2025, and no less frequently than every two years thereafter. (F11)

Response: The recommendation will not be implemented as the City of Orange has a cap on the number and location of permitted STRs. The City of Orange maintains a strict cap on short-term rental permits, limits their location under the Orange Municipal Code Chapter 5.89, and currently has a small and stable STR inventory. As a city with limited STR activity and comparatively low TOT impacts from STRs, the City of Orange does not anticipate a material increase in STR demand during major events.

Recommendation 3: Cities that allow STRs should evaluate the benefit of ordinances facilitating Voluntary Collection Agreements requiring OBAs to submit TOT directly, by June 30, 2026. (F4, F12)

Response: The City of Orange concurs with Recommendation 3 and acknowledges that it warrants further evaluation. At present, the City only permits hosts to remit Transient Occupancy Tax (TOT) directly. However, the City will assess the potential benefits of entering into Voluntary Collection Agreements with Online Booking Agencies (OBAs) that facilitate direct TOT remittance, with the goal of improving efficiency and compliance.

Recommendation 4: Cities that allow STRs should evaluate the benefit of collecting TOT on a monthly basis by individual property, by June 30, 2026. (F7, F8)

Response: The recommendation has been implemented. The City of Orange currently requires Transient Occupancy Tax (TOT) to be reported and remitted on a monthly basis, ensuring consistent compliance and recordkeeping.

Recommendation 5: Cities should require STRs to include the number of days rented per month per permit to facilitate short-term rental TOT desk audits by November 30, 2025. (F7, F8)

Response: The recommendation has been implemented. The City of Orange currently requires short-term rental (STR) operators to report the number of days their properties are rented each month as part of their monthly Transient Occupancy Tax (TOT) remittance.

Recommendation 6: Cities with a permit waiting list should implement strategies to remove non-revenue-generating licenses to allow for fair access by December 31, 2025, and annually thereafter. (F7, F10)

Response: The City of Orange concurs with Recommendation 6.

Recommendation 7: Cities that allow STRs should consider allocating resources to update their short-term rental TOT tracking systems by September 30, 2026. (F7, F8, F10)

Response: The City of Orange concurs with this recommendation and acknowledges that it requires further evaluation by June 30, 2026. Currently, the City's tracking system does not support detailed Transient Occupancy Tax (TOT) reporting, which limits the ability to conduct effective audits. Enhancing this capability will be considered as part of the evaluation process.

Recommendation 8: Cities that allow STRs should consider random multi-year audits to confirm TOT by June 30, 2026, and annually thereafter. (F6, F7, F8)

Response: The City of Orange concurs with Recommendation 8.

Recommendation 9: City leaders should have regular discussions with each other to share STR management strategies on a biannual basis commencing no later than January 1, 2026. (F12)

Response: The City of Orange concurs with Recommendation 9 and remains committed to regional collaboration. Staff will continue participating in the monthly Orange County Code Enforcement Supervisors' meetings, as well as training offered by the California Association of Code Enforcement Officers and the ICC Code Enforcement Chapter of Orange County.

Thank you for providing the City of Orange with the opportunity to respond to this report.

Sincerely,

A handwritten signature in dark ink, reading "Daniel R. Slater". The signature is fluid and cursive, with the first name "Daniel" being more prominent than the last name "Slater".

Daniel R. Slater
Mayor

cc: The Orange County Grand Jury
700 Civic Center Drive West,
Santa Ana, CA 92701

BCC: Nathalie Adourian, City Attorney