



Posted: Thursday, October 12, 2023

NOTICE AND CALL OF THE SPECIAL MEETING OF THE SHORT-TERM RENTAL ADVISORY COMMITTEE

The Short-Term Rental Advisory Committee will meet on
MONDAY, OCTOBER 16, 2023 at 6:00PM
at the Trinidad Town Hall, 409 Trinity Street, Trinidad, CA.

THIS MEETING WILL BE HELD LIVE AND BY VIDEO-CONFERENCE

For your convenience, this meeting will also be held via videoconference, hosted on the **Zoom platform**. Learn more about Zoom here: <https://zoom.us>

PUBLIC COMMENT: Public comment may be submitted via email in advance of the meeting, or in an orderly process during the meeting. If you do not have access to email and you would like to provide a written statement, please deliver your comments to 409 Trinity Street, Trinidad CA, by 2:00pm on the meeting day, or email to cityclerk@trinidad.ca.gov

HOW TO PARTICIPATE: You are invited to participate in person at the Trinidad Town Hall, or by Zoom. The City will publish a direct link to the Zoom teleconference, along with the participant code, on the City Calendar page online at <http://trinidad.ca.gov/calendar>

To phone in, dial 1-888-278-0296, Conference Code: 685171 Meeting ID: 891 3756 0413 Passcode: 173654

PLEASE NOTE that live meeting logistics will be prioritized. The quality of the Zoom teleconference meeting cannot be guaranteed. Technical challenges experienced by the participant will not interrupt or halt progress of the meeting.

I. CALL TO ORDER/ROLL CALL

(5) Voting Members: Joe Moran, Trinidad Bay Vacation Rentals. Jan Nash-Hunt, STR Owner. Dick Bruce, Trinidad Resident. Diane Stockness, Trinidad Resident. Chris Slay, Planning Commissioner.

II. ITEMS FROM THE FLOOR

III. APPROVAL OF MINUTES – 10/26/2022 Annual Meeting,

IV. REVIEW MINUTES – JOINT MEETING - 01/24/2023 Joint Meeting

V. AGENDA ITEMS

1. Staff Activity Report:

- a. 2024 STR Renewal Process Update
- b. Complaints received by the City and Resolution/Action taken since 12/06/2022 meeting
- c. TOT collected 2023 vs 2022
- d. TOT rate implementation from 8% - 12% Update
- e. Status of STR Survey
- f. Review of 2022 Cost Tracking Sheet

2. Discussion Item – Public Forum – How STR's affected Trinidad residents during the 2023 season.

3. Discussion Item – STR Committee Availability for Joint Meeting in 2024 and STR Committee Year End Report

VI. REQUEST FOR FUTURE ITEMS

1. Future Meeting Dates

VII. ADJOURNMENT

Trinidad STR Advisory Committee – 10-16-2023

MINUTES OF THE QUARTERLY MEETING OF THE STR ADVISORY COMMITTEE
TUESDAY, DECEMBER 6, 2022 VIA ZOOM

I. CALL TO ORDER/ROLL CALL (5:33 pm)

Committee Members Present: Bruce, Moran, Nash-Hunt, Stockness,
City Staff: Naffah, Hakenen

II. APPROVAL OF THE AGENDA

Agenda Approved as presented.

Motion (Stockness/Nash-Hunt) Passed (4-0). Passed unanimously.

III. ITEMS FROM THE FLOOR

None

IV. APPROVAL OF MINUTES

Minutes approved as presented

Motion (Moran/Stockness). Passed (4-0). Passed Unanimously.

V. AGENDA ITEMS

1. Staff report to include:

a. Status of Coastal Commission Review/Approval of revised STR ordinance.

On the agenda for the December 16th, 2022, Coastal Commission Hearing which is great news.

Committee Member Discussion:

Fantastic News!!

Public Comment

None

Committee Member Discussion:

No further discussion.

b. Review of 2022 renewal Process

STR packets went out November 14th via email, 2 paper packets have been requested. We have received 7 packets back. 1 STR packet is completed and ready to have the permit issued. 2 STR inspections are scheduled.

We are soliciting feedback on the new editable forms.

Committee Member Discussion:

Committee Member Stockness clarified the 2 inspections that are scheduled are for renewals, not the 2 new STR applications from the lottery, those have already been completed.

Committee Member Nash-Hunt feels staff has made it easy if there have been no changes, you can just copy your application from the year before. You do need to keep up with your septic inspections. Saving the time of the property owners who must fill out the applications saves time in the end for City Staff as well when they are completed properly.

Committee Member Moran states it has been easier than ever and translates into time savings for everyone, which leads into our next item which is cost tracking.

Chairperson Bruce inquired about the two STR properties that were selected in the lottery and the status of those properties. One property is with Eli and he will be signing and approving today and the permit will be issued this week. The second property is close to being issued. We are ironing out some parking spot issues, doing due diligence with that, but are in the final stages.

Public Comment

None

Committee Member Discussion:

No further discussion.

c. Complaints received by the City and Resolution/Action taken since 10/26/2022 meeting

No complaints received.

Committee Member Beaupre had been concerned about a party at Paloma house and contacted the City and owner. It was not noisy, and Beaupre was able to work things out with the owner.

Committee Member Discussion:

Chairperson Bruce asks if year to date if there have been any formal complaints filed with the City. Seems to be a continuing thing that we aren't having a problem.

Public Comment

None

Committee Member Discussion:

No further discussion.

d. TOT collected 2022 vs 2021

2022 was about \$5,000 more than 2021 despite our tax rate being 8% in 2022 versus being 10% in 2021. COVID was also still present in 2021 more heavily.

Chairperson Bruce clarifies that we are looking at the first fiscal quarter of the 2022/2023 year. As of the last election report update, Measure P passed. It will go into effect April 1, 2023. It should be certified shortly, hopefully at the December City Council meeting.

Committee Member Discussion:

Committee Person Moran is wondering what the game plan is and what he should be doing as a property owner/manager. City Manager Naffah clarifies that any stays after April 1, 2023, would be paying 12%. Moran isn't aware of a booking software that will accomplish this task and accommodate different tax rate starting on different dates. 99% of bookings are online. April 1st settings could be changed. He believes there is an issue here.

Committee Member Stockness wonders if a paragraph describing what happened could be written by the City of Trinidad explaining the situation and be given out to owners and operators to have for their guests when booking to explain the change.

Chairperson Bruce asked for clarification from Moran regarding the booking process and how much deposit/payment is required at the time of booking. Moran explains it depends; however, their normal process is to accept half at the time of booking and then collect the remaining amount 30 days prior to arrival.

Committee Member Moran also wonders about the legal ramifications about going back and charging people more who have already paid the tax rate at 8%. Feels like the wording could have been done that as of April 1st everyone's settings go to 12%.

City Clerk Adams joined the call and agreed with Moran and suggests he is happy to talk with him later to dig into the logistics of the reservations. It is challenging to go back to the reservations and collect the additional 4% once the reservation is initiated, but that burden does fall on the managers. When we did this the first time before the error was made it had been worded "reservations after a certain point" would be subject to the tax increase. This time when the attorneys got involved, they added additional items and maybe more aligned the verbiage with an industry standard as to how TOT tax standards are written. This may be something we want to discuss more offline with the City Attorney consulting us now that the Ordinance has been written, we must figure it out.

City Manager Naffah wondered if it could be written into the rental contract somehow if it was stated that when you make the deposit, it would state that when you pay the second portion if the reservation is after April 1, 2023, you would need to pay the 12%.

Committee Person Moran clarifies that if it was his own website, he has much more control. 90% of the bookings come from outside sites such as VRBO, Airbnb and a few other platforms. Moran explained he would have to get through to each agency, this takes a long period of time, to get one thing to happen. It may be possible, but it's not practical. If it was clear and based on when the reservation was initiated then it would be easy, April 1st I could change my settings. It would be easy. I just don't know how practical this is and then changing the tax rate collected on people after the reservation has been made almost seems like a legal issue.

Committee Chair Bruce shares if the City passes an Ordinance that states as of a certain date it will be 12%, then the City needs to work out with the STR Owners/Operators/B&B Hotel Owners. It is just one of those things that is going to happen so infrequently there must be a solution and

resolution to be worked out.

Committee Person Moran is happy to work it out and support the City.

Committee Member Nash – Hunt clarifies if it is too late to change the wording of the ordinance? To which, City Manager Naffah confirms that is correct...the Ordinance has passed. Nash-Hunt states it may be up to the managers to figure it out and go back to those reservations that paid only 8% and tell them if they want to keep the reservation, they will need to pay the 12% TOT and that the voters passed the ordinance.

Committee Member Stockness – states when Gabe, Eli and Attorney get together perhaps they could draft a letter that owners can have to send out that talks about the election, rate change and what's happening, so it is on paper so it will mean more when the Operators must speak to those who made reservations.

City Manager Naffah – wonders if the City could contact Airbnb and VRBO on behalf of all of the operators to facilitate this instead of individuals contacting them?

Committee Person Moran –shares he has spent numerous hours trying to contact both of these sites and they don't make any policy changes on the request of the customer. They are a billion-dollar company and don't take advice from their hosts. Moran has also tried to get results through their legal department and has not been successful either. Moran does not believe this should be on the managers either. Believes this will be a challenge.

Nash – Hunt doesn't believe you can get around the language that has already been written and voted on, Naffah confirmed this and it was the agreement among Naffah, Bruce pointed out that since the ballot measure has passed and the language that is there is what we have to work with going forward.

Chairperson Bruce – is not in favor in any motion to take this issue back to the City Council.

Committee Member Moran is concerned about the legal ramifications on the Owner/Operator perspective of trying to go back and collect the additional 4% from people who have already paid and if he is legally able to do this and what his options are if the booked reservation resists or pushback paying the additional 4%. All rates will be changed April 1, 2023. It is the reservations that are outside this window that he is worried about because the bookings are not made on his own personal website.

City Clerk Adams clarifies that "beginning April 1, 2023, the occupancy tax is hereby set in the amount of 12% of the rent charged by the operator" is the verbiage. It only says this is the day the rate changes. The details we can probably work out behind the scenes with the City Attorney, Russ Gan's. Chairman Bruce had a good suggestion that we probably can't work out all the details and solve it at this meeting. City Clerk offers to be part of the discussion.

Committee Person Stockness suggests whatever the outcome is that it is put on paper so it can be given to people so they can have the discussion. Work it out, get a legal opinion and get back to the

industry.

City Manager Naffah – will contact the attorney to find out the best way to make it work.

Public Comment

None

Committee Member Discussion:

No further discussion.

2. Discussion Item – Revised 2023 Cost Tracking System

City Staff Hakenen shared that in the packet the original history of the Cost Tracking Sheets was detailed and presented in the packet for the Committee to review. City Staff realized that the change in the Cost Tracking System had been made and agreed upon internally among all staff without circling back to the committee which is where the process originated from. All City Staff agrees this should have been done sooner, which is why Staff wanted this item to put back on the agenda. Included in the staff report are breakdowns of Annual renewals, new permits (see staff report) and live cost tracking sheets that are being used, including current Staff Recommendation based on current practices. City Staff Hakenen can answer any questions.

Committee Member Discussion:

Chairperson Bruce asks that supporting documentation be reviewed in detail and explain the new system.

Staff Hakenen reviews the overall tracking sheet, which is a snapshot of her live cost tracking sheet. Her work is done in batches and bunches versus individual files. Now that the work had been streamlined by previous staff, most files are minutes, less than 5 minutes at a time for some tasks. For example, today information was verified to get the files ready for the building inspector.

Hakenen reviews the Cost Tracking Sheet for 340 View – New STR Application which was selected in the STR Lottery. This is keeping track of all staff time and interaction for onboarding this property into the STR Program.

Committee Person Hunt Nash – inquiries about the coding on the NEW STR Application Cost Tracking Sheet, those are initials of who has been working on each task with the applicant. On the Cost Tracking Sheet that City Staff Hakenen uses it will be used break down into TOT, STR packet, renewals, etc.

Chairperson Bruce – has several questions about the 340 View Cost Tracking Sheet....is this a spreadsheet? The spreadsheet only shows the amount of time and the code, is it extended out? For example, on line 1 for Trever parker does it show her rate? Her extended cost? With the grand total at the bottom? Is that how the spreadsheet works?

Hakenen – if we need to get to all that information, yes. Tracking in a raw data form for now, but yes, we can get you all that information. Staff doesn't know exactly how we plan to use all this data yet at this point or the goal in capturing it is but want to make sure we have it. Then it can be populated any way staff wants or any way it is requested.

Committee Chair Bruce shared the original purpose of the cost tracking forms; the idea was it was a mechanism to track each individual STR on an extended basis including benefits, so you know how much it cost for each STR. Bruce would recommend you have a rate in there, not just an hourly rate, but an extended rate so you can tally that at the bottom so you could I.....When we first started looking at this in 2020 there was a lot of complaints that the program was costing the city money and it is the city's responsibility to show it isn't costing the city too much money and if you don't put extended costs in there for each application for each year then someone is going to come back and say we need an accounting of this. Recommends adding columns so you can show exactly what it costs so you can say at the end of the permit application that this is cost the city. Base rate is \$300, there is always base rate unless it costs you more, if it costs the City more you can go and collect it. Recommend you put the measures in there and the same thing on your sheet, in the event someone comes in and does an audit.

Staff Hakenen states that it has already been established that the STR Program is becoming more efficient year after year, so we aren't going to continue to track the process every year if we know the process is getting faster every year. We aren't going to continue to track each individual application this year.

City Clerk Adams – clarifies that we can add in the column for the loaded cost into the spreadsheet with no problem, which Bruce confirms is what he is asking for. Although, Adams clarified new applications versus current license renewals and doing it for all of them, which Bruce did not clarify at this point what he meant with Adams. Adams went on to state we have learned that onboarding New STR Applications is taking significantly more time than renewals. We know this, we are learning this, we haven't really issued any new applications outside of the Planned Development (PD) and Commercial (C) zones, but now we are really seeing the new applications are costing more and plan on addressing in the revised fee structure when that comes up.

Committee Member Moran asks to clarify that STR Committee Meeting Prep is 15 hours and the rest of the hours add up to less than half of that, is that accurate? Hakenen states that is correct, but also reminds that the STR season is just getting started and applications have just gone out. Maybe now isn't the right time, but in the spirit of saving time and money but why are we spending so much time and city resources on these meetings? Seems like the preparation for these meetings for the City is very expensive. Just wanted to put that in perspective, looking at the cost tracking that is a major line item.

Committee Person Stockness – it takes city workers a lot of time to prep, to gather what will be talked about, to do the minutes, I think it’s all valid. The new applications take more time and renewals take less time. All for raising the cost, will need to go up along with everything else. Stockness had a question about a line item...Who is Eric Fishman? (Explained detailed line item on cost tracking sheet). Like Bruce said, the other line on the spreadsheet should be put in. Stockness believes it’s going well.

City Staff Hakenen – The STR program in its current state does not take a lot of time to manage. The work my predecessors have done before me has set it up to successful, it does not take a lot of time individually. A lot of the 15 hours of prep, has been to prepare to talk about Cost Tracking. Hakenen would be happy to sit down with anyone on the committee to show them how the STR Program is managed and how cost tracking is done and how streamlined the STR Program had been set up for me before we spend more time putting additional cost tracking measures in place. The City Manager and City Council have entrusted the three city staff employees with the program is very streamlined and running in a cost-efficient manner benefitting the city.

City Clerk Adams – the program has gotten better with age. Want to say to Bruce the cost tracking was invaluable in the beginning phases Angela Zetter did a great job of keeping meticulous records. We had no idea what it was costing. Goes on to say Moran and Hunt said it felt it had been easier this year than ever. The program is doing what it set out to do and is doing well.

City Staff Hakenen – reiterates that she is still using the Cost Tracking, she likes the Cost tracking and hopes that message is taken away from the meeting.

Committee Person Nash Hunt – when the committee began it was under contentious circumstances and it has come a long way. The cost tracking was a way to quantify and be able to answer the public’s questions about exactly how much the program was costing.

Public Comment

None

Committee Member Discussion:

No further discussion.

3. Discussion/Decision Item – STR Survey

In 2020 it was on the Committee list as something they wanted to do. In the packet is the document City Staff Hakenen had put together at the previous meeting and Beaupre submitted a brief survey as well.

Committee Member Beaupre’s survey is a questionnaire with key concerns, which would be simple to put together and maybe take out a couple items that do not apply to Trinidad. Nash-Hunt mentioned in our last meeting and Bruce agrees we don’t want to make this survey negative toward

the industry. We want it to be as neutral as possible, with a cover letter, possibly explaining the history of STR Rentals in Trinidad, what the cities responsibilities are to provide coastal access, what the benefits of TOT are. Put the committee member names and contact numbers on the survey.

Committee Member Discussion:

Committee Person Moran – also agrees he'd like to keep it balanced, neutral....do you realize that TOT collected is xx % of the city budget? Moran feels like people might not be aware of this and may not be aware that the Coastal Commission has mandated to allow coastal access for visitors, because we don't really have lodging options. The committee is here because of complaints, that's why we are here from trying to manage the negative impacts, but it would be nice to ask some positive impact questions.

Committee Person Nash – Hunt – also agrees and thinks it's a good idea. Likes the idea of Additional Comments section for people to be able to fill out.

Committee Person Stockness – Can we legally do a survey? She would prefer not to have her name on the survey. Would like the City Council, City Planner to weigh in on this. Likes all the questions. Wants a definition of what a STR is, on colored paper. Perhaps talk about this at the joint meetings?

City Manager Naffah – Yes, it is a good idea to discuss at the joint meeting. Concerned people might reach too far into the past while answering some of these questions. It was discussed to put a sentence at the beginning clarifying the committee is asking about 2022 experiences. All agreed this was a good idea.

Chairperson Bruce – suggested tone of all questions be neutral, change “do you feel like the overall tone....” Question to positive or negative and remove comparative question to 2016.

Committee Person Stockness – one page, two sided would be good.

City Staff Hakenen will combine both sets of questions into a single document for the committee.

Chairperson Bruce – will bring forward at the joint meeting and share background to see if they want to proceed. Don't think we need to have a sample ready, but perhaps then have another meeting to finalize

City Manager Naffah – thinks the joint committee doesn't have to the survey before the meeting. It's more discussing the concept of a survey

Committee Chairperson Bruce – Summarizes that Hakenen will put all the information into one document and send out to the committee and respond to that. Then there will be discussion at the joint meeting.

4. Discussion/Decision - Should the committee send the Coastal Commission a letter of support for approval of the City of Trinidad LCP Amendment No. LCP-1-TRN-22-0034-1

(STR Update), Public Hearing on December 16, 2022 (agenda item F11a)?

Committee Chairperson Bruce is planning to personally send one supporting the revised Ordinance. Does the Committee feel like a letter of support should come from the Committee? What is the consensus?

Committee Member Moran – The Coastal Commission recommends approval. I think the wheels are in motion. It could be moved to the consent agenda and just approved. I personally don't think a letter is necessary

Committee Member Discussion:

Committee Member Stockness – isn't in favor of sending a letter. Feels like we should have direction to send a letter.

City Manager Naffah states it isn't necessary. Online you can submit a comment individually.

City Staff Hakenen – spoke with Parker and would support sending a letter but does not feel it is necessary.

Hakenen, Naffah & Parker will be there from City Staff
No motion made

Public Comment
None

Committee Member Discussion:
No further discussion.

5. Discussion Item – STR Committee Availability for Joint Meeting January 24th, 2023 @ 6:00p and STR Committee Year End Report

All Committee Members are available. Stockness plans to attend, even if a new planning commissioner is named. Jacques Beaupre schedule will need to be confirmed.

Committee Member Discussion:

Moran – Year End Report - Bruce will work on year-end report and send out committee members to review

Bruce – Will again ask for direction and get some moving forward

Nash Hunt – perhaps a survey would clarify the direction

Moran – Future of the Committee, 2-year mandate, 3rd report. What are the expectations for the future, direction, maybe focus on things Jennifer has eluded too

We aren't getting complaints, people aren't attending meetings, maybe we don't need to exist, using staff time.

Naffah – Perhaps just an annual meeting for the STR advisory meeting around this time of the year only.

Chairperson Bruse – also suggests the meeting timed at the end of the tourist season
Stockness suggests if Jennifer should have a list of her ideas at the joint meeting

Hakenen – would rather present to the STR Committee first

Public Comment

None

Committee Member Discussion:

No further discussion.

Public Comment

None

Committee Member Discussion:

No further discussion.

VI. Request for Future Items

VII. Adjournment

Motion (Nash-Hunt/Beaupre) to adjourn at 7:18 pm. Passed (5-0). Passed unanimously.

Submitted by:

Approved by:

**Jennifer Hakenen
Project Manager**

**Dick Bruce
STR Committee Chair**

**MINUTES OF THE JOINT MEETING OF THE TRINIDAD CITY COUNCIL, PLANNING
COMMISSION, AND SHORT-TERM RENTAL ADVISORY COMMITTEE
TUESDAY, JANUARY 24, 2023 (LIVE/HYBRID)**

I. CALL TO ORDER

Mayor Kelly called the live-hybrid meeting to order at 6:00pm. Council members in attendance: Kelly, Ladwig, West, Tuttle, and Breckenridge.

Planning Commissioners in attendance; Richard Johnson, Aaron Hakenen, Tom Hopkins, Tristan Cole, and Christopher Slay.

STR Committee members in attendance; Dick Bruce, Diane Stockness.

STR Committee members via video-conference; Joe Moran, Jan Nash-Hunt. Jacques Beaupre, Absent.

City Staff in attendance: City Manager Eli Naffah, City Clerk Gabriel Adams, Deputy Clerk Anton Souza, Project Manager Jennifer Hakenen, and City Planner Trever Parker.

Approximately (3) public participants were present by video-conference at the beginning of the meeting.

II. PLEDGE OF ALLEGIANCE

III. CLOSED SESSION – City Council only

1. Conference with Legal Counsel – Existing Litigation (Calif. Gov. Code Section 54956.9(d)(1)) (1 Case: City of Trinidad vs. Tsurai Ancestral Society, et. al, Humb. Co. Sup. Court Case No. 180684
2. Employee Performance Evaluation – Water Plant Operator

IV. RECONVENE TO OPEN SESSION – no reportable action taken during closed session.

V. APPROVAL OF THE AGENDA

*Motion (West/Ladwig) to approve the agenda as submitted. **Passed unanimously.***

VI. ITEMS FROM THE FLOOR - None

(Three (3) minute limit per Speaker unless Council approves request for extended time.)

VII. CONSENT AGENDA - None

VIII. DISCUSSION/ACTION AGENDA ITEMS

1. Discussion/Presentation of the Annual Report from the STR Advisory Committee.

STR Committee Chair Dick Bruce explained that Trinidad licenses and regulates STRs. In 2016 the City approved an ordinance which attempted to address citizen concerns over the proliferation of unregulated STRs while fulfilling State mandates to provide visitor services and accommodations in the Coastal Zone. The Coastal Commission recently approved the City's revised and updated STR Ordinance which further addressed citizen concerns.

The City's municipal code defines a Short-Term Rental as ***“a rental of any dwelling, in whole or part, within the City of Trinidad, to any person(s) for transient use, other than (1) a permitted bed and breakfast, (2) ongoing month to month tenancy granted to the same renter for the same dwelling, (3) one less-than-30-day rental per year, or (4) a house exchange for which there is no payment”.***

In our annual report to the Council dated January 25, 2022 under “Final Comments item #4” the Committee stated:

“The Planning Commission has completed their revision of the ordinance and we are all waiting for first the Coastal Commission staff comments and then the City Council's decision moving forward. At our recently completed January 4th meeting the consensus was to ask the City Council for direction. Unanimously we feel that there is currently no need to meet 4 times a year. We are not receiving public input at our meetings. There is presently not a lot more we can look at. Our recommendation is for us to meet twice a year (in June at the start of the tourist season and again in October or November at the end of the tourist season) to review any complaints or just act as a sounding board for the community. An annual joint meeting with the Council and Planning Commission would still be held if requested by

the Council and any number of special committee meetings could be scheduled on an “as needed” basis as determined by either the Council or Staff. We request direction from the Council moving forward.”

In the months following the annual meeting the Committee did not receive any direction from the Council and (due in part to the fact that the revised STR Ordinance had not been formally submitted to the Coastal Commission) entered an extended period of inactivity. In May the Council appointed Jacques Beaupre to fill the vacant “City/General Public Representative” position on the Committee which had been open for 2 years. The revised STR Ordinance finally went to the Coastal Commission in September 2022 and at its meeting on December 16, 2022 the Coastal Commission approved the revised ordinance.

The following information is a report of the activities of the STR Committee during 2022.

The Committee held 3 meetings in 2022. (The results of the January 4, 2022 meeting were discussed in the 2021 annual report.)

October 26, 2022- A staff report was presented that reported:

1. The revised STR ordinance had been submitted to the Coastal Commission in September and should be on their agenda in December.
2. The 2022 license renewal process went well and for 2023 it is expected that the renewal process will be handled electronically unless a paper packet is requested.
3. Staff is no longer using the cost tracking timesheets developed by the Committee (which were approved by the Council and implemented by staff during the 2021 license renewals). Instead, staff is tracking costs to the program as a whole rather than for each individual STR.
4. A lottery for the 2 available STR licenses was held on October 23rd and the applicants had turned in their paperwork and were awaiting a review by the City Planner.
5. The City has not received any formal complaints in 2022 related to the STR program.
6. TOT year to date is down but numbers are still preliminary. TOT rate is 8% this year versus 12% in 2021.

Following the staff report one of the agenda items was posted as a:

“Public Forum- How STRs affected Trinidad residents during the 2022 season”

Unfortunately, no one from the public either attended the meeting or submitted written public comment on this item. As noted in the staff report, no formal complaints regarding STRs had been received year to date in 2022. Committee members generally agreed that the lack of complaints seemed to indicate that the ordinance appeared to be working better than in years past, and this might also be an indication that property managers were being more responsive to public concerns.

Other items discussed at the meeting were the fairness of the lottery system for filling available STR licenses and the possibility of a survey of city residents to gather information on their thoughts about the operation of the STR program.

1. Regarding the lottery system, no formal vote was taken, but it was generally agreed that the current lottery system should be left in place and perhaps addressed prior to the next review/revision of the ordinance.
2. After looking at a few sample formats and questions, all Committee members agreed that a survey of Trinidad residents about the STR program should be done and addresses for survey participants would be generated using the water billing system to ensure we are reaching as many City residents as possible. It was agreed to carry this item forward to the next Committee meeting to be held in December, when more information could be presented by both staff and Committee members.

December 6, 2022- The Committee reviewed the staff report documenting that:

1. The Coastal Commission will meet on December 16th and the City’s STR ordinance update is on their agenda.
2. 2023 STR license renewal applications went out via email on November 14th.
3. TOT for July-September 2023 was \$60,371 vs \$55,748 in 2022.

A discussion was held regarding the recent voter approved TOT increase to 12%, which according to staff will go into effect on April 1st. One of the STR industry Committee members expressed concerns over the difficulty of collecting the 4% increase (from 8% to 12%) on prepaid reservations. The reservation platforms being used by the industry apparently are unable to charge more than one rate until the TOT change is actually

implemented on April 1st. City staff should plan to work with STR owners/managers to help in the transition and the City Attorney may need to advise on this as well.

Staff provided a presentation describing their revised 2023 Cost Tracking system which staff feels will streamline cost tracking and provide a broader understanding of the costs associated with the STR program in general. We defer to staff to explain the new process.

The Committee returned to the discussion of a survey of city residents regarding the operation of the STR program. Design ideas that were generally agreed upon include:

1. A cover letter that includes: a little background on the history of the STR program in Trinidad, the ordinance's definition of an STR, and information related to the financial impact of the STR program on the City's budget as well as benefits to city merchants.
2. A statement clarifying that respondents should base their answers on their current (2022/23) not past experience with STRs in Trinidad.
3. Keep the number of questions to a minimum. The survey, including cover letter should be no more than 2 pages.
4. The questions should be worded in a neutral fashion and not lead respondents to answer in either a positive or negative way.
5. Have a final section that allows respondents to elaborate on their answers or bring up additional questions or concerns.

Staff currently has samples of several surveys from other cities, suggestions from Committee members as well as staff generated options. Both staff and the Committee agreed that the survey could be a discussion item at tonight's joint meeting and that, if agreed upon, the Council should move forward and authorize staff to initiate a survey.

Final Comments-

Operation of the STR program seems to have improved since the Committee was formed in 2019. There have been no formal complaints filed with the City in the last 2 years. The Committee is receiving virtually no input from the public regarding STRs and the "Public Forum" at our October 26, 2022 meeting received neither written nor in person comments or suggestions. The Committee recommends a confidential survey of city residents to try to generate data on which to further evaluate the program.

Staff has indicated that it feels the administrative part of the program has matured. The annual renewal process has been streamlined and according to STR representatives seems to be working well.

The revised STR ordinance has been certified by the Coastal Commission. The City should allow the revised ordinance time to see how it operates and (if approved by the Council) conduct a survey of city residents to generate feedback on the STR program.

The Committee again requests direction from the Council moving forward.

2. Discussion/Presentation – Open Public Forum to Solicit Input from the Community on Issues or Successes Related to the Implementation of the Short-Term Rental Ordinance Regulations.

West: Great report. Survey sounds like a good idea.

Stockness: Thanked managers and everyone for working together and creating a great model for other local cities and the County to reference in their process to develop regulations. **Commissioner Johnson** agreed.

Ladwig: Thanked the advisory committee and recommended they continue to meet twice per year. **Tuttle** agreed.

Kelly: We're overdue for a city-wide survey that covers broader topics with STR questions included. Agree that the Lottery system needs further review.

Bruce: Survey should be stand-alone for STR's.

3. Discussion/Decision regarding Committee Recommendations and Direction Moving Forward.

Stockness: Maintain enforcement effort to keep everything in compliance.

Johnson: When is the next Ordinance review? City Manager Naffah explained that the first ordinance approval was conditioned with a one-time review after two years, but it wasn't expected to be every two years thereafter. The Council may choose to have it reviewed periodically as needed.

Stockness: Reminded the Planning Commission needs to appoint her replacement to the STR Committee since she's retiring from service.

Nash-Hunt: The STR Committee is a great sounding board for complaints and a group to help resolve them.

Ladwig: Recommend holding STR Committee meetings twice per year.

Public comment included:

Sherry Provolt – Trinidad STR Owner

Reconsider the lottery system, and provide new STR operators an orientation process.

No formal motion made.

4. Discussion/Decision regarding February Council Meeting Schedule.

*Motion (Ladwig/West) to cancel the February 14 meeting and reschedule it to February 28. **Passed unanimously.***

5. Discussion/Presentation of Planning Commission Project and Priorities for 2023

City Planner Trevor Parker explained that in strategizing to meet grant obligations and other City priorities, she put together a task list with the various projects planning staff is working on along with some information on progress to date and next steps as applicable. The SB2 and LEAP grants have the tightest timeline and are therefore considered by staff at this point to be the highest priorities. These grants include tasks that, for the most part, the City would have to complete anyway. So, it would be best to complete them using grant funding to the extent possible. Legally mandated tasks (e.g. processing development applications) and other near-term grants are in the Tier 1 priorities.

Some of the delay on completing tasks that the Planning Commission has worked on over the last couple of years, such as the ADU ordinance, has been getting comments back from Coastal Commission staff in a timely manner. They have had a lot of staff turnover and have been short staffed at the local office. Hopefully that situation has changed. We have arranged a regular meeting to be held between Coastal Commission and City staff on a monthly basis during the LCP update that should hopefully help keep things moving.

First Tier Priorities include:

SB2 Tasks

- Parking Study
- ADU Ordinance
- Residential Design Standards

LEAP Grant Tasks

- Zoning Ordinance Update
- Reasonable Accommodation
- Housing Outreach
- Water Conservation

Hazards Planning

REAP Grant

Development Applications

Other Grants

Miscellaneous Planning

Second Tier Priorities:

General Plan Update
OWTS Program Implementation
LCP Update
New Design Guidelines

Council/Commission comments included:

Cole: The Planning Commission is not that exciting, but increased participation is important – especially for community design.

Kelly: Tier 1 priority should be to complete the General Plan. Looking for ways to inspire participation. **West** agreed. I'd like to see the Community Design element on the March or April agenda.

Ladwig: Can we send the (6) elements currently proposed on to the Coastal Commission for review? Will April be a good month to pass the Community Design element to the Council?

Public comments included:

Patti Fleschner – Trinidad Area Resident

Will the city ever be able to operate independently from the Coastal Commission? Support a workshop to have an in-depth discussion of the current General Plan update.

City Planner Trevor Parker explained that because Trinidad is entirely in the Coastal Zone, it will always need approval. Once the plans are certified, it can issue their own permits for any project outside the area of deferred certification – specifically the harbor area.

Stockness: Vegetation beautification was a future agenda item frequently on the Planning Commission agenda. It is necessary. East Street tree should be removed. The cherry trees are nice, but they need maintenance. Trinidad should be made more beautiful with vegetation maintenance. Possibly a grant, or a committee to help oversee this. Maybe Anton on his lunch hour could participate ☺

Discussion item only. No decisions were made.

FUTURE AGENDA ITEMS

- Regular General Plan Updates.
- Mid-Year Budget review
- Underground Utilities
- Water Plant Operation update

ADJOURNMENT: 7:30pm.

Submitted by:

Approved by:

Gabriel Adams
Trinidad City Clerk

Cheryl Kelly
Mayor



DISCUSSION AGENDA ITEM 1

SUPPORTING DOCUMENTATION ATTACHED

1. Staff Activity Report

a. 2024 STR Renewal Process Update

- i. Renewal Packets will go out week of November 13th, 2023. No longer need to submit copies of OWTS Permit, since City has them on file and is currently tracking them to streamline process.

b. Complaints received by the City and Resolution/Action taken since 12/06/2022 meeting

No complaints have been received by City Staff since last meeting.

c. TOT Collected 2023 vs 2022

- i. T.O.T. for FY 2022 – 2023 closed at \$164,770.52 compared to \$150,685.23 for FY 2021-2022
- ii. April – Jun 2023 was our first quarter at 12% TOT which was \$57,989.44 compared to April – Jun 2022 which was \$39,422.69.
- iii. T.O.T. for July – September 2023 quarter ending is still currently coming in through October 31st. The current number as of the meeting date will be provided by staff.

d. TOT rate implementation from 8% - 12% Update

- i. **Background:** City of Trinidad voters approved the November 2022 ballot measure to increase the Tourist Occupancy Tax from 8 to 12%, beginning April 01, 2023. There were questions involving how the increase would be implemented, so the City turned to STR operators and managers to understand how this would work. The effective date of the ordinance was April 01, but operators pointed out that most early summer 2023 reservations were paid for up to a year in advance at the existing tax rate.
- ii. Capturing the additional tax after-the-fact for those reservations was not feasible, so most operators updated the tax rate settings for their properties January 01, well in advance of the April 01 effective date. Staff believe operators have acted in good faith with the ordinance, and taxes collected have been accurately reported.

- iii. It is difficult to use the past 3-years of revenue data to clearly identify the 8-12% tax rate jump in the sequence. There were too many variations in the trends, starting with Covid shut-downs, followed by the supply and demand spike that drove prices higher, and then the tax rate increase that followed.
 - iv. What appears to be consistent is that there is a healthy base-flow of visitors that will continue to demand STR housing in the City of Trinidad. Several unissued permits were activated this past season, and if the current nightly rate averages remain sustainable, the City should see a stable occupancy tax trend based on the numbers reported over the past 6 months.
- e. Status of STR Survey
- f. Review of 2022 Cost Tracking Sheet
- i. Administrative Staff spent approximately 80 hours running the STR Program (excluding new applications). This equates to \$2,675.97 in loaded administrative staff time hours and \$2,587.74 in City Manager & Building Inspector time. This totals \$5,263.71. The program brings in \$8,700 in revenue for the City.
 - ii. Staff Cost for a single new STR Application was \$808.58 while the STR License fee for new applicants is \$300.

Staff Recommendation: Continue recommendation of Committee and perform individualized cost tracking for any new STR Permits. Recommend considering reviewing rate for new STR application.

2023 STR COST TRACKING SYSTEM

Name: _____

Jennifer Hakenen

Date	Type of Activity	Time	Code
Oct. 2022	STR Committee Meeting Prep - 10/26/2022 Meeting	15	COMM
Nov. 2022	Digitizie/PDF Fillable Format STR Application 2023	3	STR
Nov. 2022	Revisiing Remaining 2023 Forms/Packet Prep	2	STR
	July - Sept 2022 TOT Processing	3.5	TOT
	FY 2021-2022 Binder Closeout Processing/Create New 2022-2023 Binder Layout for TOT	1.25	TOT
	401 Ewing - STR Application Assistance	0.5	STR
	Staff Time to prepare for discussion of new cost tracking sheets	1	JH/GA
	VACASA Scheduling	0.25	STR
	Trinidad Retreats	0.25	STR
	Trinidad Bay Vacation Rentals	0.25	STR
	STR File Prep for inspections	1.5	STR
	Emails, File Reviews & Set Up	0.5	STR
	STR Packet Reviews/Processing/Organizing	1.5	STR
	Printing out paper packet requests	0.5	STR
	Scan requests for Trinidad Retreats	0.5	STR
	STR Committee Meeting Minutes - 12-06-2022	6	COMM
12/14/22	Organizing/File Prep for Inspections/Checking Applications/Issuing 5 Permits	2.25	STR
12/28/22	Packet Reviews after inspections, F/U Emails, Ready to issue permits	2	STR
	CASAGO Application Straightening Out	0.5	STR
	401 Ewing - STR Application Assistance	0.75	STR
01/22/23	Packet Reviews after inspections, F/U Emails, Ready to issue permits	2	STR
	Survey Research, Prep, Ready for Council Meeting	2.5	STR/COMM
	Updating Cost Tracking	0.5	COMM
01/24/23	Packet Reviews after inspections, F/U Emails, Ready to issue permits	4.25	STR
01/24/23	TOT	0.25	TOT
	JH	52.5	\$1,836.45



DISCUSSION AGENDA ITEM 2

NO SUPPORTING DOCUMENTATION ATTACHED

2. Public Forum – How STR’s affected Trinidad residents during the 2023 season?
 - a. *There have been no complaints received by City Manager or City Staff.*



DISCUSSION AGENDA ITEM 3

NO SUPPORTING DOCUMENTATION ATTACHED

3. STR Committee Availability for Joint Meeting in 2024 and STR Committee Year End Report
 - a. Tuesday, January 23, 2024 – 2nd monthly meeting of the City Council