

MINUTES OF THE SPECIAL MEETING OF THE TRINIDAD CITY COUNCIL
TUESDAY, JUNE 30, 2015

I. CALL TO ORDER

- Mayor Fulkerson called the meeting to order at 6:00PM. Council members in attendance: West, Fulkerson, Baker, Winnett. Miller – **ABSENT**.
- City Staff in attendance: City Manager Dan Berman, City Clerk Gabriel Adams, City Planner Trever Parker.

II. PLEDGE OF ALLEGIANCE

III. ADJOURNMENT TO CLOSED SESSION

1. Discussion regarding Active Litigation in the case of Tsurai Ancestral Society vs City of Trinidad; Pursuant to Government Code section 54956.9(b) and/or section 54956.95

IV. RECONVENE TO OPEN SESSION – *No decision to report.*

V. APPROVAL OF AGENDA

Motion (Baker/West) to approve the agenda as amended. Passed 4-0.

VI. APPROVAL OF MINUTES – *May 13, 2015 scc, May 20, 2015 scc.*

Motion (Baker/West) to approve the minutes as written. Passed 4-0.

VII. COMMISSIONERS REPORTS

West: HCOAG agenda included discussion about Last Chance Pass grade, expected lifetime of the roadway, and impacts of major slide north on 101.

Fulkerson: RREDC announced hiring of Greg Foster as new Executive Director. Also gave brief comments about local transit and made comparisons with discoveries during her recent trip to Vienna.

Baker: Attended County Emergency Services meeting.

Winnett: Nothing to report.

City Manager Berman: Highlighted and announced various updates, including:

- Attending regular Tsurai Management Plan Team meetings.
- Attended Trinidad Rancheria/CalTrans interchange team meetings.
- Attended BLM Trinidad Head Management input meetings.
- Drought update.

VII: PROCLAMATIONS & ANNOUNCEMENTS – *None*

VIII. ITEMS FROM THE FLOOR

Carrie Payton-Dahlberg – Trinidad Chamber of Commerce
Fish Festival update and introduced the new brochures.

Mike Reinman– Trinidad

Concerned that the new Planning Commissioner has a strong personal bias against him and his business that could become a conflict during discussions regarding his properties.

IX. CONSENT AGENDA

1. Financial Status Reports for May 2015.
2. Correspondance – Accept and File Letter submitted to the Board Of Supervisors Re: General Plan Land Use Map Designations in the Luffenholtz Creek Watershed.
3. Authorize County Recording of 2013 Library Lease between the City and the Trinidad Coastal Land Trust.
Motion (West/Baker) to approve the consent agenda. Passed 4-0.

X. DISCUSSION AGENDA

1. Report on Community Goals Survey Results

City Manager Berman explained that a Community Goals and Projects meeting was held this spring that captured a wide range of project ideas and goals from the community members that attended. A subsequent effort encouraged people to prioritize among the over 100 separate ideas captured at the initial meeting. 60

ballots were received and tallied. As the ballots asked people to list their top 14 items in order, the votes for each were recorded as worth 14 points for a #1 ranking, down to 1 point for a #14 ranking.

The top 20 ranked items are listed below, along with the points they received in the prioritization and Staff's attempt at grouping ideas by category:

Project Ideas from Spring 2015 Community Goals Meeting	Total Rank Score	Category
Increase sheriff department time/presence. Have deputy be more proactive in enforcing rules and regulations. 7 days/week police presence, especially at night (9pm-5am)	186	Public safety
Protect water quality, and develop long-term plan for water, ensuring adequate and safe water supply for future generations.	177	Freshwater Resources
Increase live in : vacation ratio	172	Community Character (VDU)
Preserve forest around strawberry rock. Pressure Green Diamond to cancel two timber harvest plans around strawberry rock.	165	Strawberry Rock/Forestry
Return city to a community of residents—moratorium on vacation rentals and phase out—decide on limit	159	Community Character (VDU)
Keep people from camping on city property, especially museum, library and city park	147	Transients
Photo-Voltaic Solar Panels (PV) on City Buildings	143	Environment/Climate
Protect and enhance the fishing village qualities that remain	138	Community Character
Kids have a skatepark supported by our community	135	Parks
Keep forests intact to increase O2 and decrease CO2, aka lungs of the earth. Maintains water quality. Increases biodiversity, habitat, native flora.	120	Forest-Parks
Have more library hours	116	Library
Build/improve relationships with local tribes Respect indigenous people and land. Honor indigenous cultures and sacred sites	116	Native American Partners
Encourage more basic commercial facilities (laundromat, ...)	114	Community Character
Regularly pick up litter	109	Community Character
Liberate Trinidad's Head open space from the commercial cellular communication facility	103	Views - T Head Cell Tower
Save surrounding forest from clear cutting	101	Forestry
Restored Luffenholtz Creek watershed. Upstream restoration, drought-resistant re-vegetation, develop plan for groundwater recharge. Engage with all landholders. "What if Luffenholtz Creek goes dry?"	96	Freshwater Resources
Forest stewardship should drive decision making	91	Forestry
Be examples of health forests, watersheds and biodiversity	88	Forestry
Reduce transient population	86	Transients

Council members thanked the community for participating, and thanked City Manager Berman for presenting this report. There were no public comments.

No decision. Presentation item only.

2. Appoint Committee for Community Design Awards

Mayor Fulkerson explained that Trinidad has an active citizenry in countless ways. Residents care about their community and work to maintain attractive landscaping, housing, retail and community spaces. We presented these original designations in 2011.

It is easy to look at what is missing, what doesn't work and where the messes are. It is, therefore, important to recognize Good Work of a community. By doing so, we recognize the talents and efforts of our citizenry. This process would recognize work of citizens to enhance the visual appearance of the village and improve first impressions of visitors.

Trinidad's "Shared Community Vision Statement" emphasizes "Trinidad as a rural, coastal community nestled in the forest along the Pacific...is clean and well-maintained...there are small shops in a quaint rural business district. "

Proposal:

A citizen's committee of five members, selected by the Council will meet to determine which residents, households and businesses best achieve high standards of design reflecting the values of the Village of Trinidad.

Categories for awards:

- Outstanding Alley Design and Maintenance
- Outstanding Retail Store and Landscaping Design
- Outstanding Commercial Signage
- Outstanding "Fishing Village" Exterior Remodel
- Outstanding Secondary Unit Design
- Outstanding Coastal and Native Plant Landscaping
- Outstanding Energy Efficiency Remodel
- Outstanding Vacation Dwelling Unit Design

Pool of possible awardees:

Locations within the City limits of Trinidad.

Process for selection:

There will be no official nomination process, although residents are encouraged to suggest candidates/addresses for consideration. Names and addresses of potential awardees may be submitted to the Design Award Committee for consideration.

Committee members will individually tour/walk the City of Trinidad in order to consider all potential award candidates. Members will gather information and bring to the committee for consideration.

Awards will be made at a City Council Meeting within two months of appointment of the Award Committee.

There was no public comment.

By consensus, the Councilmembers agreed to each nominate 1-person to the committee.

3. Consider Adoption of Final Budget for Fiscal Year 2015-2016

City Manager Berman explained that the proposed FY 2015-16 City of Trinidad budget is hereby presented to the Council for adoption. A public meeting that included a presentation of the draft budget was held on May 20, 2015. At that meeting the Council generally supported the proposed presentation. A brief summary of the overall budget and highlighted items follows.

Summary Budget Numbers and Highlights

Expected General Fund Revenue: \$ 581,485
Expected General Fund Expenditures:

Administration	\$ 322,433
Police	\$ 106,181
Fire	\$ 34,370
Public Works	\$ 161,904
Expected Total GF Expenses:	\$ 624,887
Difference (Deficit)	\$ 43,403

The projected deficit for FY 2015-16 will be more than covered by a net General Fund Surplus in the current year just ending. The projected deficit may not be realized, based on the last few years where a projected deficit became an actual surplus by year end.

While the FY2014-15 Budget projected a deficit as well, based on numbers to date we expect a net surplus of ~ \$ 75,000. This surplus arises from a combination of 'real' savings, where expenses were substantially less than anticipated, and unfinished projects which are being carried forward into the current year. The City is maintaining its goal of a General Fund balance of around \$1 million, which has been essential for cash flow purposes, especially given the City's heavy reliance on grants which are retroactively reimbursed.

Personnel:

- Continuation of 6.025 full time equivalent (FTE) positions with Grant Manager allocated 25% to General Fund (\$17,500) and 14% to the Water Fund (\$10,000).
- Funding for 3% across the board salary adjustments plus a six month 2.5% promotional progression for eligible employees in accordance with the procedures set forth in the Employee Policies Manual
- Medical insurance factored at a 12% increase January 2015. (This is a guessing game)

General Fund Revenues

- Status quo most revenue sources with slight increases.
- Sales tax is highest revenue source at \$200,000, and half of that being the voter approved additional 3/4% sales tax add-on.
- Transient Occupancy Taxes estimated at \$120,000.
- Property Taxes estimated at \$97,500.
- Reflects transfer-in of \$30,000 gas taxes and transportation development act funds to offset transportation related expenses and pro-rated salaries of public works employees working on road-related activities.

General Fund Administration (1.6 FTE)

This budget unit funds pro-rated employee salaries, liability, property and casualty insurance, contracted planner, building official, attorney, financial contractor, bookkeeper, auditor, lease of city annex and new library, utility costs, distribution of transient occupancy taxes (TOT), office supplies

The City will continue to distribute 12% of our Transient Occupancy Tax Revenue back to local entities as follows: Chamber of Commerce 60%; Museum 30%; Library 10%. Reports from those entities on use of these funds in the prior year are attached.

- Attorney costs are estimated at \$20,000, which includes \$10,000 toward defense of litigation(s)
- Building Official \$8,000
- Distribution of 12% of prior year TOT receipts (\$13,200)
- Planner activities budgeted as follows*

General Plan	\$ 10,000 (Match to State Grant)
VDU	5,000
Planning Commission	4,000
Permits (offset by revenue)	5,000
Code violations	2,000
Stormwater permit issues	1,500
Miscellaneous, general planning	<u>9,500</u>
TOTAL	38,000

*excludes separately funded OWTS and LCP projects

General Fund Law Enforcement (.10 FTE)

- Contract for law enforcement services \$150,644 + 8hours/week supplemental on site law enforcement availability @ \$90/hour (\$37,440)
- \$100,000 anticipated to be funded by Community Oriented Policing Services (COPS) revenue, same as has been the case over the last several years.
- Animal control services \$1,500

General Fund Fire

- Building extension at fire hall to better accommodate equipment (\$23,000) (Carried forward from prior year)

General Fund Public Works (1.03 FTE)

Budget includes pro-rated staffing costs, town hall, annex and library supplies, street paint, signs, trail and park maintenance.

- Implementation of Tsurai Management Plan (Trails, Signage...) (\$20,000)
- Grant match for Van Wycke Trail (\$7,000 – if grant is awarded)
- Remodel city clerk office (\$10,000) (Carried forward from prior year)
- Pavement Maintenance Treatment on Main and Trinity Streets (\$8K General Fund, \$17K in State Transportation Funds)
- Transfer-in \$30,000 from gas tax/transportation funds

Integrated Waste Management (.28 FTE)

Budget includes pro-rated staffing costs, franchise revenue and AB939 pass through from Humboldt Waste Management Authority.

Revenue:	\$ 12,200
Expenditures:	\$ 19,655
Difference (from fund balance)	\$ 7,455

The difference of \$7,455 can be absorbed from the fund balance (~\$26,000 as of 6/30/2014). The program may be incorporated into the General Fund once the fund balance is depleted.

Cemetery (.35FTE)

Budget includes pro-rated staffing costs and plot sales.

Revenues:	\$ 9,500
Expenditures:	\$ 24,951
Difference (from reserve)	\$ 15,091

As of April 2015 cash assets in this fund were approximately \$138,000. At some point in the future there may be a need to consider increases in plot sale amount or contributions from the General Fund.

Water Fund (2.3 FTE)

- New Flow Monitoring Equipment for Luffenholtz Creek (required by our Water Rights) (\$18K)
- New Leak Detection Equipment (\$10K)
- \$15,000 set aside to Water Reserve Fund
- Implement backup system for recently upgraded SCADA (computer operation) system.
- Prioritize Water Line Replacement Projects

Revenue:	\$ 312,000
Expenditures:	\$ 292,772
Difference (add to fund balance)	\$ 19,228

Water Reserve Fund is at previously set goal of \$800,000. Infrastructure replacement costs for our water lines are substantial. Staff priorities this year include using the new leak detection equipment to prioritize line replacements, and evaluating additional water supply and storage options.

Council comments included:

Winnett: Are the reserves too large? **City Manager Berman** explained that the reserves are not too large, noting that one or two large incidents (infrastructure disaster or lawsuit) could break the bank.

Baker: Would like to discuss the potential for more law enforcement staffing in the future.

Fulkerson: Support including the City Manager in the 3% pay increase for staff.

Public comment included:

Jim Cuthbertson – Trinidad

Please fix the sound system so I can hear you speak. Do we get credit for the times when our deputy leaves town?

Jonna Kitchen – Trinidad

Capping vacation rental permits perplexes me - considering how much the city needs this revenue to operate.

Susan Rotwein – Trinidad

There needs to be more money in the budget for additional law enforcement services.

Motion Baker/West to:

1. *Approve Resolution 2015-04 adopting the FY 2015-2016 Annual Budget.*
2. *Approve the 3% pay increase for staff and City Manager Berman. **Passed 4-0.***

4. Public Hearing and First Reading of Ordinance 2015-01 – Stormwater Control Ordinance

City Manager Berman explained that this Stormwater Control Ordinance will provide the City with the legal authority to control stormwater that is required as part of our existing permit to discharge stormwater into the Trinidad Bay. Staff presented this ordinance in draft form at the prior two Council meetings.

Since our last meeting, staff has removed the Water Efficient Landscape portion of the Stormwater Ordinance because the State Water Resources Control Board is in the process of updating the statewide model ordinance upon which this section was based. Staff felt it would be better for the Council to leave this section out until the revised version of the model ordinance is available.

Several comments and concerns expressed at the May meeting regarding the draft Stormwater Ordinance are addressed below:

- **How will pre-existing French drains and gutter drains be affected by the proposed ordinance?** Roof gutter drains should be directed into the yard for infiltration, and not discharged into the street. According to the proposed ordinance, certain types of non-stormwater discharges (e.g. French and footing drains) may be allowed if they are “essential for emergency response purposes, structural or slope stability or occur naturally.
- **What limitations would there be on washing a vehicle?** Wash water from your car should not be flowing into the street, as it contains both soap and dirt. The underlying principle is that residents and businesses are not allowed to discharge polluted water to the City’s system. The recommended practices for car washing include going to a car wash facility or washing the vehicle somewhere the wash water doesn’t enter the street and stormwater system.
- **The responsibility between the City and homeowners should be delineated.** For the purposes of this ordinance, the homeowner is responsible for preventing polluted water from leaving their property - water leaving a homeowner’s property should be composed only of unpolluted rainwater or naturally occurring groundwater. The City is responsible for preventing polluted stormwater from discharging into the Trinidad Bay from the stormwater system.
- **Will there be some type of guidance available to residents, businesses, etc... about the new stormwater regulations?** The City has a variety of brochures available that describes how to prevent stormwater pollution a variety of circumstances. The City will also develop resources to be available on the City’s website for commercial and industrial facilities, as well as construction sites. Development and building

projects can look to the *Interim Humboldt Low Impact Development Stormwater Manual*, which is available as a guide for all development and building projects.

The second reading of the ordinance will take place at the regular August meeting. There was no public or Council comments.

Motion (West/Baker) to approve the first reading of Stormwater Control Ordinance 2015-01. Passed 4-0.

5. Consider Public Hearing and First Reading of Ordinance 2015-03 - Amending the VDU Ordinance regarding the issue of Multiple Vacation Dwelling Units on a single parcel

City Manager Berman explained that the City's Vacation Dwelling Unit Ordinance was approved by the Coastal Commission at their meeting of March 11th 2015, and is now in effect. That Ordinance specifically allows only one VDU per parcel. On April 8 the Council requested that staff bring back an amendment to the VDU ordinance that would remove this limitation for lots with more than two dwelling units. This request was made in response to concerns that limiting the number of VDUs to only one in an apartment building was not necessarily appropriate, and that it was a late change to the Ordinance that caught some people unaware. (This limitation was in early drafts, was removed at the Planning Commission level, and was re-inserted at one of the last Council meetings reviewing the language).

The proposed amendment would retain the 'one VDU per parcel' language for parcels with two or less dwelling units, but for parcels with three or more units, it would allow up to 75% of units to be Vacation Rentals. This would affect both existing multifamily dwellings and possible future development in the Planned Development (PD) Zones where both multifamily units and multiple separate dwelling units could be constructed on a lot.

The exact language of this amendment has evolved since this discussion started on April 8th. Council members initially suggested language that would allow VDUs in all but one dwelling unit on parcels with more than two units. That was the language presented to the Planning Commission.

The next version, based on the discussion at the Planning Commission meeting and discussions with Coastal Commission staff, used a 75% of dwelling units approach, but was specific to multifamily buildings. The purpose of changing from 'all but one' to 75% is to help preserve housing units as permanent dwellings, which has been expressed by both the City Council and Planning Commission as an important consideration.

In further considering the potential effects on future development of PD zoned land, staff came to the language before you which is based on "three or more dwelling units per parcel" out of concern that we don't want to create an incentive to build large multifamily dwelling units on PD zoned land by limiting the exception to only them.

If the City proceeds with this Ordinance Amendment, after final adoption we have to submit it to the Coastal Commission, and it would not take effect until the Coastal Commission certifies it.

Applicability

As currently written, staff believes the amendment would apply to all vacant PD zoned parcels, and to three developed parcels in town which have multifamily apartments with three or more units. Although these three existing developments are not currently zoned for multi-family use (two are single-family residential and one is commercial), as far as staff knows, they are legal nonconforming uses / structures. The buildings, in the same configuration as they existing today, can be seen on an aerial photo from 1974, prior to the adoption of the City's zoning ordinance. These three parcels are:

- The apartments at 651 Parker Street (3 of 4 of which have been VDUs),
- The 3 Beachcomber apartments (none of which are currently VDUs) at 363 Trinity, and
- The tri-plex at 476 View Ave.

Multi-family developments are allowed in the Planned Development (PD) Zone. There are four large PD zoned parcels in town with significant development potential. These include the two parcels that make up the horse pasture, the lot behind Saunders Shopping Center, and a lot to the southeast of Hidden Creek RV Park on Westhaven Drive. Multifamily units are allowed in the PD zone, as are cottage style units. These parcels together total almost 10 acres with a development potential (based on the allowable density of 1 dwelling unit per 8,000

sq. ft. outside of stream setbacks) of an estimated 37 dwelling units, 75% of which would be 27 potential VDUs. All uses in the PD zone require approval of use permits, so additional limitations on VDUs could be included as conditions of approval of future development.

Process for Revising the Ordinance:

Section 17.68.030 of the City's zoning ordinance requires the Planning Commission to hold a public hearing on proposed amendments to the zoning ordinance. The Planning Commission considered the amendment at their regularly scheduled meeting of May 20, 2015. The Planning Commission approved (4-0) a recommendation to the City Council to not pursue the amendment for a variety of reasons that are listed in a memo to the City Council dated May 26, 2015. That memo is attached to this staff report. The Planning Commission's action is a recommendation to the Council. The Council has authority to:

- a) pursue this amendment by approving a first reading tonight,
- b) continue the hearing to gather additional information, or
- c) elect not to pursue the amendment at this time.

The amendment will need certification by the Coastal Commission prior to going into effect. The same process that occurred for the original certification of the ordinance will be required for any amendments. It should be a much shorter process, without the need for extensive negotiations between City staff and Coastal Commission staff. While Coastal Commission staff originally suggested this would be considered a minor amendment, things have changed somewhat as VDU issues and regulations continue to evolve. At a May 14 hearing on an amendment to the Santa Cruz County VDU ordinance, the Coastal Commission Chair asked staff to address the issue of VDUs in buildings with "shared walls," such as condos and apartments, for future ordinances and amendments. This is more of an issue for individually owned condos. But, if the City submits this amendment in the next few months, it will likely be the first one that has to address this new issue. Coastal Commission staff indicated to me that the process for certification may not be as simple and short as originally anticipated. Commission staff may ask for an analysis of how many units the amendment could potentially affect now and at build out. Some of that information has been included in this memo, but it might or might not be considered a 'minor' amendment. So the exact timeline (and cost) of the certification process is unknown at this point.

However, regardless of that process, a full application for the LCP amendment still has to be prepared and submitted. Much of the information submitted for the original application can be reused. But most of it will have to be updated. Staff estimates that this will take a couple of days of work by Planning Staff to complete and submit, or somewhere in the neighborhood of \$1,000. If the Coastal Commission staff were to request additional information, the cost would go up. The following is list of LCP amendment application submittal requirements and what needs to be done for each:

- Resolution: A new Resolution of Submittal will have to be approved and submitted. This can be done along with the second reading of the ordinance amendment if the Council decides to pursue it.
- Amendment: A signed and sealed copy of the amendment is required.
- LCP Policy Analysis: This is an analysis of the consistency between the 77 certified General Plan policies and the amendment. This will need to be updated, but most of the policies are not applicable or affected.
- Coastal Act Policy Analysis: This is an analysis of the consistency between the 75 policies of Chapters 3 and 6 of the Coastal Act and the amendment. This will need to be updated. Many of the policies are not applicable. However, the previous analysis relied on the fact that VDUs were not currently regulated and therefore the impacts to coastal resources would be reduced. But since this amendment will increase VDU potential, that language will have to be changed.
- Environmental Analysis: While development and certification of LCPs is not necessarily subject to CEQA, the Coastal Commission still requires an environmental analysis. Again, this will have to be updated.
- Public Participation: This is basically a list of public meeting dates, notices and excerpts from the minutes (a record of public input) where the amendment was considered. This section will have to be redone for this amendment.
- Staff Reports: This needs to include a copy of all staff reports and correspondence regarding the amendment. This section will also need to be redone, but just includes copies of existing documents.

Public comment included:

Jim Cuthbertson – Trinidad

I've lived between 2 vacation rentals and never have any problems. Visitors are friendly and the owners take good care of the property.

Mike Pinske – Resident and Planning Commission Chair

The Planning Commission voted to confirm one VDU per parcel to preserve the ratio of residents to visitors, as well as community character.

Kathleen Lake – Trinidad

The Planning Commission felt that this ordinance should not be piecemealed or reactionary. The memo from Planning was too important to be left out of this meeting packet.

Tom Davies – Trinidad

Urged the Council to not pursue the amendment. The Planning Commission does not recommend changes.

Mike Reinman – Trinidad, RCVR Owner

Scare tactics and overstatements are being used to convince you to not support the amendment. The original VDU committee was a challenge and I didn't agree with all the concepts. However, my 4-plex is not the answer to affordable housing in Trinidad. The city did the right thing at the April meeting and I hope you continue with that decision.

Pat Morales – Trinidad

I was on the original VDU committee back in 2009. It was more pro-vacation rentals that against them. Mr. Reinman is incorrect. The Planning Commission does not support the amendment. Why are we even discussing this?

Tom Marquette – Trinidad Resident and Volunteer Fire Chief

My biggest concern with too many vacation rentals is lack of resident volunteers for the Fire Department.

Council comments included:

West: I felt the apartment complex was different from the rest of the housing in Trinidad. I considered an amendment because of that. I didn't perceive it to be this big of a problem, but the Planning Commission presented new info. The next agenda item tonight could resolve issues that have been brought to our attention tonight.

Winnett: I agree with West. The apartments are appropriately located, and vacation rentals are an established use there. There does come a point where the town becomes a hotel. I propose a motion to grandfather in the 4-plex as vacation rentals, and table the discussion until we resolve the next agenda item.

Baker: I think we need better data. I'm uncomfortable making serious changes to a property's use that someone made a significant investment to establish. I believe in fairness and making a level playing field. I support tabling this issue as well.

Fulkerson: I'd like to thank the Planning Commission for their work. A 4-0 vote not to revise the ordinance speaks loudly. When we asked the community for feedback, no one said they wanted to see more vacation rentals. These two points make this an easy vote for me.

City Planner Trevor Parker noted that a small amendment will take a long time before it's approved at the Coastal Commission level, and technically spot zoning is illegal.

No action taken.

6. Consider urgency Ordinance 2015-02 "Interim Urgency Ordinance of the City of Trinidad Making Findings and Establishing a Temporary Moratorium on acceptance of new license applications for operating a Vacation Dwelling Unit."

Councilmember Miller participated in this discussion by teleconference.

City Manager Berman explained that as directed at recent City Council meetings, Staff has developed an interim urgency ordinance for Council consideration that would prevent any new VDU Business License applications from being accepted as long as this Urgency Ordinance is in effect. Complete applications received up to the

date that the Urgency Ordinance goes into effect will be processed normally. Amendments to existing Licenses, including changes in ownership of Licensed Properties, would be allowable during the moratorium.

The process and requirements for local governments to use an Interim Urgency Ordinance are defined in Government Code Section 65858. Relevant requirements and limitations include:

- The City can only utilize this power if it makes findings that there is a current and immediate threat to the public health, safety, or welfare, and that the approval of additional VDU Business Licenses would result in that threat to public health, safety, or welfare.
- The City must actively use the time provided by the Urgency Ordinance to study the issues and develop a 'regular' (non-urgency) solution.
- Approval of an Urgency Ordinance requires a four fifths vote of the City council.
- This initial Urgency Ordinance would be in effect for 45 days, but it can be extended by subsequent Council action for 10 months and 15 days, and then again for another year.
- The Urgency Ordinance goes into effect immediately upon approval.

The number of homes being used as vacation rentals in Trinidad has increased substantially over the last fifteen years. The City issued 10 licenses for vacation rentals in 2000, and 54 as of this last year, although only 39 of those current licenses were considered 'active' (i.e. reported any income). With a City housing stock of approximately 220 units, this is an increase in 'active' VDUs from about 5% of all City dwelling units in 2000, to about 18% today. Figure 1 below presents these numbers graphically, and shows an average trend over this time period of about 10 new conversions to active vacation rentals every five years, or two a year.

This economic trend has resulted in new businesses and jobs in and around Trinidad, both in directly managing Vacation Rentals, and in providing other services for the visitors to Trinidad that use this form of lodging. It has also led to steadily increasing revenues for the city via the Transient Occupancy Tax.

However this trend has also been accompanied by citizen concerns about the effects of vacation rentals on the community character, civic life, public health, and general welfare of Trinidad. In response to these concerns, a City Ordinance (Ordinance 2014-01) regulating some aspects of vacation rentals was developed over many years, and finally went into effect in 2015. This Ordinance attempts to address concerns over parking, septic systems, noise, water use, and guest behavior via increased licensing requirements and limitations on the number of guests that can be housed in a given unit. However the existing VDU Ordinance does nothing to limit the overall number of vacation rentals in Trinidad.

The primary concerns not addressed by the existing Ordinance relate to the impacts to the character and welfare of the community of having such a large proportion of the City's housing stock not available for actual Trinidad residents, and the concern that this trend will continue without regulation limiting it.

Long time citizens find themselves with fewer and fewer neighbors as the homes on their street become vacation rentals. More vacation rentals mean fewer families with children in Trinidad Elementary School, and parents to serve on the School Board. Less residents means less citizens to serve in community organizations like the Lions Club, Civic Club, Museum Society, Trinidad Coastal Land Trust, and Friends of the Library, or to staff our Volunteer Fire Department and respond to emergencies, or participate in local government as Council members, Planning Commissioners, and volunteers for the City. Engaged citizens are the basic fabric that makes up a community, and with so few homes in Trinidad to start with, Staff is sympathetic to the argument that making such a high proportion of homes unavailable for residents will increasingly fray that fabric and damage the community

It is possible that simple market forces of supply and demand alone will cause the steadily increasing trend to level out. However Trinidad is so small and so desirable as a tourist destination that the balance point where raw supply and demand limit additional vacation rentals may not occur until the proportion of the City's homes that are vacation rentals increases dramatically from the present.

Public comments included:

Kathleen Lake – Trinidad

I support the moratorium. We don't have our neighborhood (or neighbors) on Ocean Avenue anymore.

Jonna Kitchen – Trinidad resident, Trinidad Retreats Owner

We manage 11 vacation rentals inside the city limits. Vacation rentals provide great value to the city, but I'm also in favor of an eventual cap...a well thought-out cap. I also think non-active rentals should not be able to hold their permits. Just because there is a cap on vacation rentals may not preclude someone from buying a second or third home here and leave it empty. There are many models out there to use as templates for developing the ordinance.

Mike Reinman – Trinidad resident, RCVR Owner

There is a false assumption that vacation rentals are replacing long-term tenants in the community. If wealthier people buy the property instead and leave it empty most of the year, there could be less business activity or taxes for the town to benefit from. In terms of property value and rights, its likely that effective right now no one will be able to have a vacation rental. In terms of affordable housing, Occupancy Tax could be used to subsidize higher rents. Be careful. This is a huge step in affecting property rights.

Katherine Wayne – Trinidad Area Resident

Occupancy Tax is a significant revenue source for the city. I'm also concerned with taking away someones rights. However, when you move into a residential neighborhood, you expect to be in a home, not a motel.

Susan Rotwein – Trinidad

30 year resident. The city needs to get a handle on this. We need to give the new ordinance a chance to be implemented before re-writing it. Get real. It's summer. There won't be anyone renting their homes that aren't already permitted.

Mike Wood – Trinidad Area resident

Some families move here because they can have vacation rentals and support their lifestyles.

Pat Morales – Trinidad resident

It won't hurt to cap rentals. I don't want to see any new ones popping up. I'd rather see them vacant than experience or continually hear about the problems they cause.

City Clerk Adams read (4) letters submitted from the following individuals objecting to more vacation rentals;

Carol Mone, Ben Morehead, & Sid Dornitz. A letter from local realtor **Sue Forbes** was in support of rentals and objected to the moratorium.

Council comments included:

West: I appreciate hearing both sides of the argument, but a cap should be considered. Community feedback is overwhelming. We should perform a careful analysis if the moratorium is approved.

Winnett: There's no doubt that vacation rentals are making a positive contribution to the city, but balance must be found.

Baker: In full disclosure, I just purchased a home on Ocean Avenue and intend to secure a vacation rental permit for it. I agree with Sue Forbes that there needs to be predictability, but there should be balance.

Fulkerson: I'm sure that if I vote against this and don't get a VDU permit, my property value could be less. A community can't be only about selling property. We need to take a break from issuing licenses and study the issue and find balance.

*Motion (West/Baker) to approve Interim Urgency Ordinance 2015-02 establishing a temporary moratorium on issuing Vacation Rental licenses, as amended (by striking "complete" from Section 5). **Passed unanimously.***

XIII. ADJOURNMENT

- Meeting ended at 9:45 pm.

Submitted by:

Gabriel Adams
City Clerk

Approved by:

Julie Fulkerson
Mayor