

**MINUTES OF THE REGULARLY SCHEDULED MONTHLY MEETING OF THE**  
**TRINIDAD PLANNING COMMISSION**  
**WEDNESDAY, February 17, 2016**

**I. CALL TO ORDER/ROLL CALL (6:00pm)**

Commissioners Present: Espejo, Johnson, Poulton, Stockness  
Commissioners Absent: Pinske  
Staff: Parker

**II. APPROVAL OF MINUTES**

*January 20, 2015*

Page 4: Commissioner Espejo clarifies that she thinks a waiting list should be first come, first served, not giving priority to residents.

Page 4: Commissioner Stockness corrects that there are 6, not 7 VDUs in her viewshed.

***Motion (Espejo/Stockness) to approve the minutes as corrected.***

***Passed unanimously (4-0).***

**III. APPROVAL OF AGENDA**

***Motion (Poulton/Johnson) to approve the agenda.***

***Passed unanimously (4-0).***

Commissioner Johnson clarifies that a subcommittee was formed and there will be a report from the subcommittees as part of the VDU agenda item.

**IV. ITEMS FROM THE FLOOR**

K. Lake (435 Ocean) requests minutes from the last meetings to be made available sooner, and states that the Municipal Code Consistency analysis requested by Commissioner Espejo is not on the agenda.

T. Davies (435 Ocean) spoke about the VDU closed session City Council meeting regarding potential litigation over the indemnity form, determination of significant violations, and the moratorium. He is concerned about threats of litigation and hopes that these threats do not guide decision making. He opines that what their group is suggesting regarding VDUs is not illegal.

S. Rotwein (53 N. Westhaven) talks about the issue of abandoned vehicles on Ocean Avenue and lack of enforcing the parking regulations. She also states that staff time should be used to address septic issues and focus on law enforcement rather than VDUs. She also states that progress on this amendment has been too slow, suggesting that the Commission focus on an immediate cap on non-hosted rentals and table the rest of the issues until later.

S. Ruth (777 Edwards) wants an enforcement officer in the City that would address multiple issues, including leash laws, no fireworks on beaches, etc.

**V. AGENDA ITEMS**

- VDU Ordinance Amendment:** Continued consideration of an amendment to the existing VDU ordinance (§17.56.190 of the Trinidad Zoning Ordinance) and development of additional regulations to cap the number and / or density of VDUs in Trinidad. Specific topics may include, but are not limited to: definition of a VDU, City-wide cap, neighborhood cap or distance restriction,

license activity requirement, license term, transferability, grandfathering of existing VDUs, waiting list, enforcement and any subsections of the existing VDU ordinance.

Planner Parker reviews the Staff Report and her notes of suggestions given at last week's City Council meeting.

The subcommittees reports on their research and suggestions.

- Commissioner Espejo reviewed the "hosted" and "homestay" definitions from different coastal ordinances and provided a couple of suggested examples.
- Commissioner Poulton did not write up specific suggested amendment language, but thinks that the Commission needs to address the basic issue of "homestays" and add a cap based on the number of dwelling units which would require making a few minor changes to the Ordinance, but the basics would stay the same. In response to Planner Parker's comment that homestays can be of 3 different types, he decides that more time, staff and public input is needed to make a decision.
- Commissioner Johnson provides copies of his and Commissioner Pinske's notes on enforcement and reviews them. He states that enforcement starts with the licensing process, rental agreements, tenant notifications, etc. Therefore, the suggestions include beefing up that front end part of the process as much as for violations.
- Commissioner Stockness notes that many Trinidad streets are small and difficult to traverse. She mentions that hotels pay a resort fee to offset impacts.
- Commissioner Johnson requests an estimate of staff time/cost for licensing.
- In response to Commissioner Johnson's suggestion that renters must sign acknowledgements about the City's rules during an orientation, Commissioner Espejo notes that managers don't necessarily greet renters at the VDU, but Trinidad Retreats does require renters to sign and return an agreement prior to their stay.

#### *Public Comment*

D. Henry (80 Scenic; VDU owner) will move to Trinidad after retiring and sympathizes with the issues. He thinks that the subcommittee suggestions so far are very reasonable, because he wants to ensure good tenants. He is in favor of a cap on rentals with a waiting list and states that fees should not be exorbitant; if the City loses its VDUs, it loses the TOT tax.

D. Allen (Westhaven) sees progress in the issues and wants reasonable fees for VDUs. Fines should be incurred for confirmed violations, with license revocation for repeat offenders, and violations should be posted online. He reads a letter from his wife, a long-time resident, who has seen an increase in VDUs and home prices. She would rather have residents that are involved in the community rather than the TOT tax generated from VDUs.

J. Nash-Hunt (30 Scenic; VDU owner) has a family home that also serves as a VDU. She appreciates the good ideas discussed so far, but points out that her family does contribute to the community and points out that they could lose the house if requirements dictate an owner-occupied situation.

T. Davies (435 Ocean) likes the consideration being given to "hosted" VDUs. He also likes the consideration of different locations for VDUs. He also likes the enforcement ideas, but thinks there would be less of a problem if VDUs are owner-occupied. He notes that even hotels have managers on site. He requests a fee analysis to ensure residents / taxpayers aren't paying for VDUs.

K. Lake (435 Ocean) describes her preferred terminology and definitions: a short-term rental (STR) is all-encompassing (including B&B's for example). And then there are different Types (1, 2) of

STRs under that umbrella. She provides suggested language for owner-occupied STRs, citing ordinances from Morro Bay and City of San Luis Obispo.

S. Ruth (777 Edwards) discusses the VDU definition and is in favor of an owner-occupied restriction and a \$500 license fee.

D. Bruce (780 Underwood) provides a CalTrans fee example, where the charges are based on the actual permit processing costs for each permit. He suggests that a base fee be charged to all VDUs with other property-specific costs added as the permit is processed.

A. Hunt (30 Scenic; VDU owner) likes the idea of being able to meet guests face-to-face when they arrive, but states that it can be more difficult than it sounds, such as when people arrive late.

L. Farrar (433 Ewing) wants to see the various suggested definitions in writing. She feels that licenses should only be granted after all requirements met, and that renewals need to be reviewed for continued compliance with applicable standards, so renewal fees should also be increased. She also suggests that it be the complainer who follows-up with the report on how their complaint was resolved. VDU users should be limited to onsite parking only. "Significant violation" needs clarification.

A. Grau (433 Ewing) suggests including neighbor feedback during the license renewal process and thinks that VDU users should be required to use available off-street parking.

#### *Commissioner Comments*

Commissioner Johnson mentions the California Coastal Commission letter that was just received; there has not been much time to review it, but it will be discussed in more detail later. He also asked how hosted v. non-hosted vacation rentals are treated differently in regulations. Planner Parker explains that there are many options and gives some examples; she suggests that Commissioners Espejo and Poulton explore this issues further since they are reviewing definitions to address the issue.

Commissioner Johnson wants to address the issues of transferability, grandfathering, waiting list and licensing term as part of his subcommittee assignment. Planner Parker agrees that all those issues are related and mentions Cannon Beach as an interesting example. Commissioner Johnson has some specific questions that he will send to Planner Parker.

Commissioner Stockness wants to work on the license application requirements and process. It is suggested that Commissioner Johnson or Pinske also work on this with her. She also has questions about neighbor notices, the ESHA brochure, and believes that vegetation management should be part of the VDU license review; she requests a copy of the Views and Vegetation Ordinance. She suggests posting the Good Neighbor brochure at the Chamber kiosk and Planner Parker suggests that it be more general rather than VDU specific.

In response to Commissioner questions, Planner Parker notes that complaints currently can be directed to Dan or Gabe and that there is a written process. Commissioner Johnson states that refining the complaint process is still a high priority. In response to another inquiry, Planner Parker states that there was only one parking exception granted for the VDU licenses, which was handled by her in conjunction with the City Manager.

Commissioner Espejo asks about how TOT taxes are tracked and collected. She also asked about hosting platforms and mentions a proposed State law that would put certain responsibilities on

VDU hosting platforms (e.g. VRBO and AirBnB). She suggests having the City Attorney or Manager at meetings. Parker responds that it may not be feasible due to the expense, and that the attorney would generally need questions in advance to provide complete answers anyway.

*Public Comment*

A letter from Dan and Dorothy Cox (436 Ocean) is read into the record regarding support for only owner-occupied STRs in residential zones, the impact of VDU density and clustering on the City infrastructure and community character. They acknowledge the Coastal Commission letter that does not appear to support such a proposal, but thinks that the City should do what is necessary to protect neighborhoods and submit it anyway.

A letter from Craig Smith (401 Ewing, VDU owner) is read into the record regarding the high level of maintenance and upkeep required for VDUs that benefits neighborhoods. VDUs are a way to help make homes affordable in Trinidad, because one can buy a house while living elsewhere with a higher paying job and live in Trinidad later when they are no longer working. He hopes to some day live in Trinidad himself and discourages overregulation of VDUs.

K. Lake (435 Ocean) insists that a two-column code consistency analysis for the VDU ordinance needs to be completed by Planner Parker. She states that licenses should not be transferable and there should be two levels of license requirements – for owner occupied vs not. She states that there are only limited options for Trinidad, and we should review the Town of Mendocino's ban of vacation rentals. Community character impacts need to be considered and she again requests a municipal code analysis and an owner-occupied requirement in residential zones.

J. Nash (30 Scenic, VDU owner) thinks that owner-occupied requirements should be only limited to impacted areas. If VDUs are all required to be owner-occupied, this would eliminate most of them. There must be some compromise, especially in the Coastal Zone.

A. Grau (433 Ewing) states that the CA Coastal Commission letter gives Trinidad options. The narrow streets and small lots make Trinidad unique, and its resources must be protected. He thinks that only hosted VDUs should be allowed in the UR Zone, which could be justified with an analysis of alternative local accommodations.

L. Farrar (433 Ewing) wants an analysis to show how the City is providing housing for young people and families. She wants proof that VDUs aren't harmful or taking away from community character. She states that the Mendocino amendment is a good example because the towns are similar; she compares the population, area, units, density, etc. She favors a cap, distance restrictions and other requirements to encourage the protection of low cost accommodations.

T. Davies (435 Ocean) approves of the current direction of the Planning Commission process, including the subcommittees and communication with the Council. VDUs are a City-wide and community issue, not just limited to Ocean Ave.

A. King (396 Wagner, VDU owner) notes that VDUs significantly impact Wagner Street as well as Ocean Avenue and that Wagner should be addressed similar to Ocean. She thinks that raising fees will not solve VDU issues. She suggests raising the TOT tax so the fees fall on the tourists rather than owners or residents.

S. Rotwein (54 Westhaven, VDU owner) states that Trinidad is a desirable place to live, and therefore property values have always been high with a lack of affordable housing. That fact will

not change with or without VDUs; they don't significantly affect property values. And since non-hosted rentals are the majority of what exists, they should be allowed to remain.

L. Scott (98 Berry) thinks that law enforcement and septic are important issues, along with VDUs. She feels that the City residents have proposed a reasonable solution and an owner-occupied requirement will solve many of the existing issues, including enforcement. The Commission shouldn't be swayed by threats of lawsuits, but should listen to the residents. Focusing on only one neighborhood is a misdirection.

S. Ruth (777 Edwards) feels that the City has lost many long-term renters who contributed to the community. The Commission should consider straw votes as the process moves along. He is in favor of a cap at 25 VDUs through attrition, non-transferability, wait lists and only owner-occupied rentals in residential areas.

Planner Parker points out that the Planning Commission needs to base its decision on factual data and analysis rather than unsupported statements and opinions. It will be important for both the Coastal Commission certification process and potential litigation. As an example she provides a comparison of Trinidad census data for 1980, 1990, 2000 and 2010 which shows a downward trend in the population, families and affordability from 1980 to 2000, but many of those trends reversed between 2000 and 2010 at the same time that the number of VDUs increased.

Commissioner Espejo emphasizes that she is looking for balance for the community, and the idea of an owner-occupied requirement is worth consideration. She also suggests that second units may be good options for owner occupied rentals, providing both an entire house as a VDU, and an onsite owner. She personally likes VDUs if they are managed well, and her family has used them. She reads a piece from San Clemente that states decisions should not be based on tourism, but rather on welcoming visitors and taking costs and benefits and job to housing ratios into account.

## **VI. CITY COUNCIL REPORT**

Discussed under Agenda Item 1.

## **VII. STAFF REPORT**

None.

## **VIII. ADJOURNMENT**

Meeting adjourned at 8:35 p.m.

### **Submitted by:**

**Sarah Caldwell**

Secretary to Planning Commission

### **Approved by:**

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**Mike Pinske**

Planning Commission Chair