



FINAL MINUTES

CITY OF SEASIDE
CITY COUNCIL/ SUCCESSOR
AGENCY TO THE
REDEVELOPMENT AGENCY

JOINT SPECIAL MEETING
COUNCIL CHAMBER
Thursday, September 21, 2017
5:00 PM

1. **CALL TO ORDER**

Mayor Rubio called the meeting to order at 5:00 PM.

**CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE
CITY OF SEASIDE**

PRESENT: Alexander, Campbell, Jones, Pacheco, Rubio

ABSENT: None

2. **PLEDGE OF ALLEGIANCE**

Council Member Pacheco led the Pledge of Allegiance.

3. **PUBLIC COMMENT**

Mayor Rubio invited comments from the public and had no requests to speak.

4. **CLOSED SESSION**

Mayor Rubio invited comments from the public regarding Closed Session items and had no requests to speak.

The City Council adjourned to Closed Session at 5:04 PM.

A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (2) (d) -
ANTICIPATED LITIGATION**

B. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO
GOVERNMENT CODE SECTION 54956.8:**

C. **CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
PURSUANT TO GOVERNMENT CODE SECTION 54956.9**

D. **PURSUANT TO GOVERNMENT CODE 54957.7 -PUBLIC EMPLOYEE PERFORMANCE
EVALUATION**

The meeting was reconvened at 6:40 PM, and City Attorney Freeman reported that the City Council authorized staff to file an appeal regarding a determination made on existing litigation. He also noted that the City Attorney performance evaluation was continued to the next meeting.

5. **CONSENT AGENDA**

Mayor Rubio invited comments from the public and had no requests to speak.

On motion by Mayor Pro Tem Dennis Alexander and seconded by Council Member Dave Pacheco and passed by the following vote the City Council approved the Consent Agenda as presented.

RESULT:	Approved
MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Council Member Dave Pacheco
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

A. **APPROVE THE MINUTES OF SEPTEMBER 7, 2017**

Action: Approved

B. **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

Action: Approved

6. **BUSINESS ITEMS**

A. **APPROVE A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN EXCLUSIVE NEGOTIATING AGREEMENT BETWEEN THE CITY OF SEASIDE AND GLOVER ENTERPRISES, A LOCAL DEVELOPMENT COMPANY FOR THE PURPOSE OF CONSIDERING THE REDEVELOPMENT OF THE NURSES BARRACKS STRUCTURES.**

Economic Development Manager Mr. Overmeyer explained the project as to adaptively reuse the buildings referred to as the Nurses Barracks into 38, two and three bedroom apartments to create workforce housing. The ENA under consideration provides enough time to accomplish CEQA, and pre-development tasks as well as to execute a purchase and sale agreement on the property.

Mayor Rubio invited comments from the public.

- Bill Weigle supports the idea of adaptive reuse and requested clarifying the approximate acreage to be clear that there is nothing proposed in the other 66 acres, and if so, he spoke in support of the approval.
- Mr. Brondas spoke in support of the project and encouraged other adaptive reuse projects in the area.
- Kay Cline spoke to the environmental elements built into the project, questioned how the City can enforce workforce housing, but spoke in support of the project.

Council Member Campbell requested clarification of the acreage to which staff responded that the remaining 70.4 acre parcel is not being considered at this time. Council Member Pacheco requested staff to expedite work for this project. Mayor Rubio thanked Mr. Glover for his patience and effort and is glad to move forward on a project with this aggressive schedule.

On motion by Council Member Dave Pacheco and seconded by Council Member Jason Campbell and passed by the following vote the Successor Agency to the Redevelopment Agency of the City of Seaside Approved a Resolution authorizing the City Manager to execute and exclusive negotiating agreement with Glover Enterprises for the purpose of redevelopment of the Nurses Barracks structures.

RESULT:	Approved
MOVER:	Council Member Dave Pacheco
SECONDER:	Council Member Jason Campbell
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

7. STUDY SESSION

A. CONDUCT A STUDY SESSION TO CONSIDER SHORT-TERM RENTAL ISSUES

Deputy City Manager Administrative Services Hodgson presented the item. She spoke to the definition of short term rentals, which is anything less than 30 days and explained that the industry is growing throughout the world, as a sharing economy trend, growing 85% in Seaside alone. She outlined the positives and challenges with the industry including personal income, the potential revenue of occupancy taxes, sales taxes and support of the regional tourism economy. She then outlined several concerns including a possible change of neighborhood character, local housing loss, impacts for parking, trash and other factors to neighborhoods. She explained that these can all be built into an ordinance to control through permitting of short term rentals. She outlined projected possible revenues based on an extremely conservative assumption, which may not be relevant with some policy issues decided by the Council. Ms. Hodgson expanded on the problems that may occur if the Council wishes to allow and regulate and explained elements they may want to address with legislation. Possible policy objectives presented include; protecting character of neighborhoods, eliminate party houses, ensuring building safety, reducing negative impact on affordability of housing available, permitting and tax compliance,. She reported that the City has gotten feedback that the property owners want to comply but encouraged to keep legislation simplistic as legislation that is too complex it will limit compliance. Ms. Hodgson outlined examples of possible regulations as well as possible regulatory approaches then she answered questions from the Council.

Council Member Pacheco expressed his position in support of regulation speaking to the impacts on tourism, hospitality industry and revenue possibilities. He spoke to examples of short term rental costs he found online at significant nightly cost, and he spoke in support of the regulations generating revenue for improved city services. Council Member Jones questions the potential for hotel job losses, and the impacts to community character and that she thinks Short Term Rentals decrease the availability of housing stock which is negatively impacting the housing market. Council Member Campbell question the enforcement mechanisms and what the potential cost of regulations would be if they were banned versus if they were just regulated. Mayor Pro Tem Alexander spoke to the significant increase in the trend nationally, and clarified the definition of short term rentals. He agreed that the parking issue is a city wide concern, but believes with the right regulation; the program could be less impacting. Mayor Rubio expressed concern regarding density and parking in the neighborhoods and that the City needs to ensure that the neighborhoods are also accountable to these standards and there is equal enforcement. He also stated that even in cities that do not allow STRs, these problems still exist because enforcement is challenging. If we regulate it, we can control it better and if done right, we can try to get some benefit for the

neighborhoods that are impacted.

Mayor Rubio invited comments from the public

- A resident spoke to operating an STR since 2014 because she has no other income and spoke to the incredible experiences she has had in meeting people, to her revenue received and the opportunities it has helped to change her neighborhood dynamic.
- A resident said it is a serious problem and that the City should consider an ordinance, but also requested to help ensure that the affordable housing is not lost. Many long term rentals are not owner occupied and as long as it is not non-owner occupied, then it will not be a problem.
- Dennis V. spoke to the family home that was offered as an STR after their parents died as an alternative to selling the family home. He spoke to the way they direct his visitors to shop and dine in Seaside and is creating an image for Seaside that is different from what we have had before. It's not the property owner's expectation to provide affordable housing in the City.
- Justine Villalane thinks the new changes on Broadway will add character to the City. He agreed that banning STRs will not be added back into the housing stock. He believes that if we don't offer enough options locally, visitors will just go to different coastal communities.
- Nuguen strongly supports vacation rentals as beneficial to the local economy only when a city is receptive to new ideas can they be prosperous. If our residents can bring more people into the city, the city leaders should cheer and encourage this activity.
- Resident spoke that as a community citizens should come first, the shabby houses may be appreciated by those that live there as they may not be able to fix up the house. We are a community and should not be based just on business.
- A resident spoke to the said 135 homes offered as STRs, and if they were not allowed, there would be more availability of long term rentals for locals.
- Maricela one difference that she has seen in the community is that Seaside is community based and she is Seaside Proud of that. They are diverse and we are a family.
- Linda N. spoke in support of allowing STRs because Seaside needs more revenue coming into the City. Air BNB companies gets their percent so the City could take their revenue portion and apply it to street and infrastructure in the city. There is a lot of good that comes from allowing it and if hotels are mad then they should step up to the competition.
- Sue Hawthorne is keeping an open mind about the issue. What is attractive is that we can increase visitation without building more hotels. She agreed it should be owner occupied and questioned if it could include an offset toward affordable housing or homeless services or a way that makes it a more equitable arrangement. There are nuisances, but there are possible ways it can work for the city.
- Felix Bachofner agreed with sort of regulation. He then indicated that Seaside has become one of the most expensive cities to do business. One of the reasons the community does not develop is because the fee structure is not friendly. He encouraged legislation but cautioned there could be unintended consequences.

Council Member Jones strongly expressed her disdain for the idea and affirmed the fact that she is not in support of the regulation but only banning. She thinks property owners could also receive equal income from long term, versus short term rentals, and that she stated she does not believe it is true that other cities have STRs where they are banned. She believes that allowing STRs to operate only helps the STR operators and not the whole city. She spoke in support of a ban as she believes that the reduction in housing stock increases housing rates, and impacts seniors or people of color being pushed out of Seaside.

Council Member Pacheco agreed that there is an affordable housing crisis, but that this is not the

cause or the solution and the negative potential impacts can be resolved through regulation and the revenue will have positive impacts to the entire city. Banning is a bad idea as it is going backwards and will be difficult and costly to enforce. Council Member Campbell also sees an affordable housing issue, but could be controlled by limiting the number of STRS. He requested staff to find a linkage between STRS and affordable housing.

Mayor Pro Tem Alexander spoke in support of the regulation but acknowledged possible impacts to the essential character of the neighborhood and requested this item come back with information about trends of how many STRs are allowed, and what % are taken off the market for housing. Mayor Rubio indicated that we cannot ignore this industry, and if it's going to happen the city then the neighborhoods should benefit. Mayor Rubio spoke to the fact that there have been zero affordable housing developments of any size built in twenty years and the last one was before there was recognition of the different definitions of low to moderate, low income, affordable were established as essential to a complete community. It will be impossible to determine how many affordable housing units are in the city because they were all built prior to the classification regulations. He reiterated that the city has regulated that 20% of all housing built be affordable housing.

Going forward the Council requested the item be brought back with draft regulations and information about how many affordable housing units we currently have in the City, to review information from the departments of Police, Fire and Building about their perspectives for enforcement, as well as have information about other jurisdictions regulations policies.

8. ADJOURNMENT

On motion, the meeting was adjourned at 8:35 PM.

Respectfully submitted,


Lesley Milton-Rerig, City Clerk


Ralph Rubio, Mayor/Chair