

MINUTES

City of Guadalupe Regular Meeting of the Guadalupe City Council Meeting of the Successor Agency to the Guadalupe Redevelopment Agency Board

Tuesday, September 14, 2021, at 6:00 pm
City Hall, 918 Obispo Street, Council Chambers

1. ROLL CALL:

Council Member Liliana Cardenas
Council Member Gilbert Robles
Council Member Eugene Costa Jr.
Mayor Pro Tempore Tony Ramirez
Mayor Ariston Julian

CM Member Costa, Jr. was absent. All others present. (Note: The abbreviation "CM" is being used for "Council Member" in these minutes.)

2. MOMENT OF SILENCE

Mayor Julian mentioned that he and CMs Ramirez and Cardenas had attended the September 7th City of Santa Maria Council meeting. A proclamation was read regarding Guadalupe's 75th anniversary. The mayor said, "Before in our council meetings, we would have an invocation. We'd invite one of our local priests, pastors, ministers, etc. and a prayer would be said before each meeting. But that was stopped as we were told it was 'illegal' to do. Santa Maria does it. So, it's easier to ask for forgiveness than permission." With that said, Mayor Julian read the following: "All Voices Heard Prayer" ...Almighty God, may Your grace cover each aspect of this meeting. We pray that all voices will be heard and that we will have a mindset of inclusivity. May this be a safe space for people to express their opinions, and a place where ideas matter more than titles. May everyone be engaged and involved, and may all concerns be addressed. May each member of this team feel valued, and may we each recognize the skill sets and knowledge that each person brings to the table. Amen."

3. PLEDGE OF ALLEGIANCE

4. AGENDA REVIEW

Todd Bodem, City Administrator, pulled from the agenda Item #7.I. "Adopt Resolution No. 2021-73 approving the use of Fund 26 RDA operating funds in the amount of \$32,115.00 to cover the cost of

the water-damaged gym steel column, Part B change order – Leroy Park and Community Center Project.” This item will not be discussed at tonight’s meeting. There were no other requests for agenda changes.

5. CEREMONIAL CALENDAR

- Proclamation – Ovarian Cancer Awareness Month- September 2021

CM Cardenas read the proclamation which stated that the City Council recognizes September 2021 as “National Ovarian Cancer Awareness Month” and encourages the Guadalupe community to become educated about the symptoms of ovarian cancer. The proclamation further stated that ovarian cancer is the fifth most common cause of fatal cancer in the United States and that increased awareness of the symptoms and risk factors of ovarian cancer will enhance chances of early detection and, hopefully, increased survival rates from this serious disease and threat to women’s health.

Ms. Cristina Martins Sinco, Co-Founder and Board Member of the “Teal Journey Ovarian Cancer Foundation”, was present to receive this proclamation. She thanked the Council saying that it was an honor to accept the proclamation on behalf of the Foundation. She further said, “About 22,000 women will be diagnosed this year and more than 14,000 will die this year. There’s no testing and symptoms are difficult to detect. But women must be proactive and be their own ‘best healthcare advocate’.”

6. COMMUNITY PARTICIPATION FORUM

Each person will be limited to a discussion of three (3) minutes or as directed by the Mayor. Pursuant to provisions of the Brown Act, no action may be taken on these matters unless they are listed on the agenda, or unless certain emergency or special circumstances exist. City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

Mr. Deek (Richard) Segovia of the Vietnam Veterans of American, Chapter 982 in Guadalupe, announced a blood drive on Friday, September 24th at the Senior Center. This drive will run from 2:00 p.m. to 6:00 p.m. He said, “Guadalupe hasn’t had a blood drive in quite some time. Vitaland is the name of the blood bank handling this drive and they service Guadalupe and both Santa Barbara and San Luis Obispo Counties. Most businesses downtown have flyers up showing all the necessary information.”

Mr. Segovia also mentioned that Friday, September 17th is “National POW/MIA Day”. He said, “It’s always the third Friday of September. A lot of civilians and even some veterans aren’t aware of this holiday. We go out to different areas and pass out clovers in remembrance. There are a little under 1,600 MIA from Vietnam and 40,000 from WWII and all other conflicts.”

7. CONSENT CALENDAR

The following items are presented for City Council approval without discussion as a single agenda item in order to expedite the meeting. Should a Council Member wish to discuss or disapprove an item, it must be dropped from the blanket motion of approval and considered as a separate item.

- A. Waive the reading in full of all Ordinances and Resolutions. Ordinances on the Consent Calendar will be adopted by the same vote cast as the first meeting, unless City Council indicates otherwise.
- B. Approve payment of warrants for the period ending September 8, 2021.
- C. Approve the Minutes of the City Council regular meeting of August 24, 2021, to be ordered filed.
- D. Adopt Ordinance No. 2021-496 second reading, amending the official zoning map to prezone and approving annexation of a 0.58-acre area located at the southwest side of the intersection of Simas and Eleventh Street.
- E. Adopt Resolution No. 2021-69 authorizing Mayor Julian to execute Amendment No. 1 to the City's agreement with EMC Planning Group Inc. to extend their contract to complete preparation of the 2021 General Plan update.
- F. Adopt Resolution No. 2021-70 accepting the Cal Fire, Rural Fire Capacity (RFC) grant in the amount of \$7,846.21 for wildland equipment and radio communication equipment.
- G. Adopt Resolution No. 2021-71 authorizing Mayor Julian to execute a construction contract with CalPortland Construction for the 2021 Pavement Rehabilitation Project and an agreement with Cannon for contract inspection services.
- H. Adopt Resolution No. 2021-72 authorizing Los Amigos de Guadalupe (LADG) to sell the sculptures previously owned by the Squire Foundation and apply proceeds to the LeRoy Park Renovation Project.
- I. Adopt Resolution No. 2021-73 approving the use of Fund 26 RDA operating funds in the amount of \$32,115.00 to cover the cost of the water-damaged gym steel column, Part B change order – LeRoy Park and Community Center Project.
- J. Accept minor revisions to Cannabis Business Permit Applications Procedures and Guidelines.

As stated in "Agenda Review", Item #7.I. was pulled from the agenda. No items were pulled for discussion. Motion was made by Council Member Ramirez and seconded by Council Member Cardenas to approve the Consent Calendar. 4-0 Absent: Costa, Jr. Passed.

K. MONTHLY REPORTS FROM DEPARTMENT HEADS

- 1. Planning Department report for August 2021
- 2. Building Department report for August 2021
- 3. Public Work/Engineering report for August 2021

8. CITY ADMINISTRATOR REPORT: (Information Only)

Mr. Todd Bodem reported the following:

1. On November 16th at 6:00 p.m. there will be a joint meeting between the City Council and the School District at the Mary Buren Multi-Media Room.
2. At the last meeting, the Parks & Recreation Commission has asked to have a joint meeting with the City Council. Date TBD.
3. The American Rescue Plan (ARP) workshop will be set up some time in October.

Shannon Sweeney, PW Director, gave an update on the trunk main improvement project. She said, "We found out last Wednesday that because of the hurricane, the manufacture of the pipe that's going to be installed has been delayed by 3-4 weeks. We were ready to put in the pipe on September 23rd, but there will now be about a one-month delay waiting for the pipe."

9. **DIRECTOR OF PUBLIC SAFETY REPORT:** (Information Only)

Chief Cash gave the following report:

1. "Fireworks Enforcement Program: I want to thank our city attorney for providing us with our hearing officer. This is the third year of the program. Warnings have been issued and sent out. There's a \$1,000 fine. We have nine (9) cases. Four (4) have come in to pay their fines. We have five (5) cases outstanding. All paid \$100 to have their hearing.
2. Thank you to HR, Finance, Council and City Administrator, who all assisted with the hiring of the airport police officers. For the past two months, we have had two (2) hours of overtime at the airport. All other costs for these two officers are covered by the airport contract with the City.
3. Wildfires in Northern California: the fire team is on its third rotation. They spent 2 to 2.5 weeks out on each rotation. The third team is out now. Working with HR to ensure the fire staff are not overworked and stressed. Trying to do some emotional support, the animal group, "CAUSE for PAWS" brought out an emotional support animal for Fire to take.
4. Code Compliance: at the last Council meeting, Harold Ramirez complained about the state of City. He mentioned the carwash area and the homeless. An officer went to the carwash and cleaned it out. We know who the individuals are. Police did the initial clean up and now Code Compliance will do a follow-up. Also, I want to thank Shannon and her crew at Central Park. The day after the Council meeting, the park was cleaned out. Looks great. There's a homeless resident who sleeps at the jail. We're trying to help him.
5. Public Safety attended the various Bulldogs football games on Saturday. Both Police and Fire were well accepted at this community-type event. We saw how valuable our park resources are and how much they're used.
6. Police Appreciation Dinner: scheduled at the Elks tomorrow, Wednesday, September 16th. Our residents have been patient and supportive. When I've had meetings with the City of Santa

Maria Police Chief and the District Attorney's office and they talk about their issues, I tell them that Guadalupe is doing fine. We're in the Top 10 cities with the lowest crime rate in the State. That's been achieved because of the community, City staff and citizens. We have to stay on top of this.

Mayor Julian said, "At the football games at O'Connell Park last Saturday, Rudy, James and Public Works really worked to put it together. Kids wanted to take pictures with Fire and the engine. Also, at the Santa Maria City Council meeting I recently attended, I mentioned that Mayor Patino called me and asked how the Police Department and community were doing. That was nice to hear that our sister city and its City Council asked how we were doing. We were appreciative of that. Chief has had support from Santa Maria PD and the Sherrif's Department." CM Robles said, "I just want to add that the Guadalupe Bulldogs won all four (4) football games. Home field advantage sometimes does pay off!"

REGUAR BUSINESS

10. Comprehensive Utility Rate Study.

Written Report: Shannon Sweeney, Public Works Director/City Engineer

Recommendation: That the City Council adopt Resolution No. 2021-74 approving the City of Guadalupe Comprehensive Utility Rate Study.

Ms. Sweeney gave some background information on this rate study. Staff worked with Wildan Financial Services to complete a Comprehensive Utility Rate Study. The report establishes recommended rates taking into consideration full cost recovery for operating costs, debt, and other expenditure requirements, consistency with industry guidance, equity amongst customer classes, and administrative efficiency.

Ms. Sweeney said, "Year 2016 was the last time a rate study occurred, and rates were established for the following five-year period. The last increase was January 1, 2021. A consultant was hired to do a rate study to look at operations, maintenance and capital projects for the next 5-10 years. This study was done to make sure we have the funding necessary to move forward with infrastructure for water and wastewater services. The request is for the City Council to approve the final draft or make changes so we can move forward."

Ms. Sweeney then gave the presentation on this rate study which included the following:

- 1. "Proposition 218 Process: 45 days prior to the public hearing, public notices, in both English and Spanish, are mailed to all property owners and utility rate payers in Guadalupe. The public hearing and first reading are tentatively scheduled for November 9, 2021. If the Council approves tonight, the public notices will be sent out. Second reading would tentatively be scheduled for November 23, 2021, provided less than half of property owners or rate payers protest the rate increase at the November 9th hearing and Council approves first reading. The rejection must be in writing or those rejecting must be at the City Council meeting.*

2. Proposed Rate Adjustment: Cumulative 12% rate increase for each utility over five years, implemented as follows:

January 1, 2022 = 3.0%

January 2, 2023 = 3.0%

January 1, 2024 = 3.0%

January 1, 2025 = 1.5%

January 1, 2026 = 1.5%

The last time rates were adjusted, the Consumer Price Index (CPI) was in addition to the rates. In this case, the CPI is included. These proposed rates lower the number of units available under the base rate from current 6 units of water included in the base rate to 5 units in 2022, and then 4 units in 2023 (water) and from current 5 units to 4 units in 2023 (wastewater commercial), so the numbers are the same for both water and wastewater.

3. Capital Projects:

What greatly impacts a water or wastewater budget is its capital projects we anticipate over the next five (5) years.

For wastewater we have two (2) very large construction projects currently underway: the trunk line project and the effluent pump station project. The next one is the lift station at Highway 1 and then the lift station at Pioneer Street. Those must be done. There are no questions for capital projects for wastewater.

Some of the capital projects in the last rendition of the Water Master Plan done in 2014 were questionable. I took the remaining funds from an Integrated Regional Water Management Plan grant, a community planning grant. There was \$35,000 left and put that into the Water Master Plan Update. I gave the spreadsheet 2014 Water Master Plan to the consultant and the analysis resulted in a rate increase of 9% per year.

We went through the Water Master Plan Update and were able to remove \$3M worth of capital projects we defined as unnecessary, bringing those rate increases down to the proposed rates of '3/3/3/1.5/1.5' for a five-year period. It was well worth the exercise to make sure we felt positive that the CIPs on our list are ones we really need and that we don't unnecessarily raise rates for projects we were able to define as unnecessary.

4. Current Rates vs Recommended Rates:

What happens if we don't raise rates? The consultant recommends the City have 100 days cash on hand for operations, in case of an unforeseen occurrence/emergency. If we didn't adjust the rates, the existing rates shows that City would have inadequate number of days cash on hand for water and negative days cash on hand for sewer. Proposed rates meet target days cash on hand for water and temporary inadequate days cash on hand for sewer (in years 2023 and 2024

due to lift station capital projects) but it will fix itself after five (5) years. No action on the rate adjustments places the City's water and wastewater infrastructure in potential jeopardy. Again, Consumer Price Index (inflation) has already been considered in the evaluation. It's folded into the rates.

5. Comparison with Our Neighbors:

When comparing Guadalupe's rates (combined water and sewer fees) with other cities in both Santa Barbara and San Luis Obispo Counties, Guadalupe's proposed rates are in the middle of the average monthly bill compared to 13 other cities. Our existing rates are just below Grover Beach. Our proposed rates are a little above Grover Beach but we're still right in the middle."

Mayor Julian asked, "Do we pump effluent across the river to the other side?" Ms. Sweeney said, "Yes, Philip and I are working on an amendment extending that agreement now to continue with the property owner." The mayor then said, "About 10 years ago, a pipe was wiped out. The replacement cost was \$60,000. That would wipe us out if we don't have the necessary cash on hand." Ms. Sweeney said, "The 100 days cash on hand is more than \$1M. Before recommending any project, I like to see \$1.5M in addition to the capital project. We have that for water and wastewater."

CM Cardenas asked, "For five years? Two-year base rate decreases? Does the base rate go down in years 3, 4 & 5? Ms. Sweeney responded, "The base rate doesn't go down after Year 2. The number of units stays at '4' for the base rate. It doesn't go lower than that. The percentage of increase goes down the last two years. Water is included in base rate. The consultant said that other agencies are removing water in their base rate. When people aren't using a lot of water, they're supporting those who use more. We acknowledge there are those people who use less than '6' units, but we don't want to eliminate entirely. By lowering to '4', we're splitting the difference."

CM Ramirez then asked, "What would it look like if we didn't have 'number of units? People using more water would then be 'taxed more'. The people who use more water (spend more) should cover more of the bill because they're consuming more. If we didn't have any base units, people who use less then have less impact on services. Ms. Sweeney said, "That would be too difficult to quantify what that means. Our current software is somewhat poor but we're upgrading with the purchase of the Tyler system. Tyler will make it easier to quantify but it would be hard to see what it will do to our rates. For example: if we said \$30 base rate for '4' units with \$5 each additional unit. If '6' units were used that would equal \$40. If base rate with no units was \$20, plus \$4 per unit, using '6' units would equal \$44. You lower the variable rate, but it comes out about the same."

CM Ramirez continued asking, "What's holding things with our doing this in November instead of waiting for the Tyler system?" Ms. Sweeney said, "For one, Tyler is another year out. We don't want to skip a year of rate adjustments because you then have to do higher rates to make up for the incremental increase loss. We can do three-year rate increases if we want. But with no rate increase now, there are so many different impacts. We need to collect to ensure infrastructure is in place." Mr. Bodem asked, "If this is not done now, would you have a consultant do another rate study if there's no data now?" Ms. Sweeney said that she could ask the consultant to re-analyze things. She

then said, "If we don't approve this now, we can't do rate adjustments on January 1, 2022. It would then be February 1, 2022."

CM Ramirez said, "People who use more water will have more motivation to use less water if they see their adjustment rate is going up." Ms. Sweeney responded, "Take four (4) persons per household. The amount of water for health and safety reasons is four (4) units. If consumption is less, that might mean that the house is vacant. Four (4) units is healthy conservation. In a San Juan Capistrano case, the decision was that rates cannot be adjusted to conserve water. You can charge what it takes to make or provide the water, but you can't charge to conserve. The only way we can encourage conservation is to lower the number of units in the base rate and still be legal. But once you get down to four (4) units, you're at the health and safety levels. That's why '4' is used."

Mayor Julian asked, "What is the average water usage? Is it 58 gallons per person per day?" Ms. Sweeney responded, "Removing commercial/industry, it's about 60 gallons per person per day. And I'm very happy with that number. When I worked in Santa Maria, we strove for 90 gallons per person per day. It was at 120 gallons per day." The mayor then said that in Marin County, it's 270 gallons per person per day.

City Attorney Sinco asked, "If the Council approved the study as is, rates, etc., can you tinker once Tyler gives you data and be cost efficient by using same consultant or would that require a whole new study?" Ms. Sweeney said that she could request that now. We can get a five-year rate approved now, and we can come back in maybe two years and change then. When the Tyler system comes in, we can make some recommendations."

CM Ramirez said that he would approve 1-to-2-year rate increase now and revisit later but won't approve all five-year increases. He said, "I don't want to bank on futureness."

The mayor then asked, "Resolution No. 2021-74 approval of the rate study. If we have to come back in the future to look at it, we will. What was the cost?" Ms. Sweeney said, "\$36,000. I budgeted for \$60,000 but it's under \$40,000."

City Attorney Sinco said, "Ask the consultant to provide additional information for the Council. Would that have to be in the rate study or is that separate to be presented at the next meeting?" Ms. Sweeney said, "I can ask the consultant to make some adjustments if it's clear what 'tinkering' you're requesting. A rate study is a rate study. It gives you a line. Gives information. The rate study proposes five years. The Prop 218 notice can say what you want to do. It establishes a means to protest. If you wish, we can say we do three-year increases. At the public hearing we can say if we don't do a rate hike on January 1, 2022, here's what we need to do." City Attorney Sinco then said, "We can approve study but not be bound by it." To which Ms. Sweeney asked, "I need guidance on what the Prop 218 notice is to say."

CM Ramirez asked, "Why not accept the rate study rather than go through an approval through a resolution?" Ms. Sweeney said, "Because I haven't finalized it. I didn't know how you'd feel about six (6) units going to four (4) units. I wanted the Council to review and give input before it was

finalized.” City Attorney Sinco said, “A resolution is a more formal motion. With a resolution number, we can track but doesn’t make it more binding.” Mr. Bodem added, “These rate increases include chemicals. Those costs go up. If CPI goes up, everything goes up. If you average over five (5) years, it’s not outrageous.”

CM Cardenas asked, “The Tyler system. Is that the new water meter system?” Ms. Sweeney responded, “It’s the new financial software. It has a billing module for water. There’s money in the budget to update meters that are now read on foot once a month. With the new system, water meters can be read once per hour and reported to a radio tower four (4) times a day. We’d be able to read more quickly.” CM Cardenas asked when will that system would be in? Ms. Sweeney said that the request for quotes is already written and should go out in next week or two. CM Cardenas then said that this will help residents. Ms. Sweeney said, “Yes, it will help with customer services assisting our residents to better understand their use and conservation methods.”

Ms. Sweeney then asked, “Assuming the rate study is approved, do I need to ask consultant to tinker and what would I need to ask?” CM Ramirez said, “No units included and what price for water.” Ms. Sweeney said, “I’ll ask. Take units away and just base rate for meter and charge per unit. Then for the Prop 218 notice, how would that be worded? What would that notice look like?”

CM Ramirez continued asking, “If the consultant can tinker, how them look at 1-2 years; if not, five years.” Ms. Sweeney then said, “So, we’re not approving the Prop 218 notice then.” CM Ramirez then said, “I’d want to see all options for the increases to make the most educated decision possible versus a one snapshot of what it could be.” Ms. Sweeney then asked if she was to come to the next council meeting with a tinkered report to which CM Ramirez said, “Yes.” Ms. Sweeney then said, “Prop 218 won’t happen on November 9th. That will be the first reading with the second reading at the November 23rd council meeting. The rate adjustment then will be February 1, 2022.”

City Attorney Sinco asked, “Can two options for Prop 218 be made? If you put at five years at certain rates or have Prop 218 based on five-year adjustments with percentages at 3/3/3/1.5/1.5, Council can lower at the public hearing, if they wish to do so.” Ms. Sweeney said, “3/3/3/1.5/1.5 is based off the base rate and on variable rates that I have right now. I don’t know how to compare that.”

City Attorney Sinco made some additional comments and Ms. Sweeney said, “I’d rather wait one month.” City Attorney then said, “You have your direction.” Ms. Sweeney then summarized saying, “The request is to go back to consultant and ask what it would look like with “0” units under base rate or the other one. Staff report at the next Council meeting will show both of those options. We’d do Prop 218 notice after based on the option chosen: either adjustments based on “0” units under base rate or rate study. Public hearing will be off by one month because Prop 218 timelines need to be followed.”

Motion made by Council Member Ramirez and seconded by Council Member Cardenas to approve Resolution No. 2021-74 approving the City of Guadalupe Comprehensive Utility Rate Study. Roll Call: Ayes: Ramirez, Cardenas, Robles, Julian Noes: 0 Abstain: 0 Absent: Costa, Jr. 4-0 Passed.

11. Presentation of Proposed Short-Term Rentals Ordinance for Discussion Only.

Written Report: Philip Sinco, City Attorney

Recommendation: That the City Council deliberate and provide direction, if any, concerning a proposed ordinance that would regulate short-term rentals and amend various provisions of the Guadalupe Municipal Code.

At a City Council meeting back on October 13, 2020, the Council was provided with a staff report that dealt with the growth of these types of rentals which was in response to concerns raised about their use. That report showed a variety of options available to municipalities to address negative impacts from them, such a completely banning them and ways to regulate them.

At that October 13th meeting, the Council agreed with staff's recommendation to consider adopting an ordinance that would require property owners who rent all or a portion of their properties to short-term renters to obtain a business license and pay transient occupancy tax on these short-term rentals. The Council then directed staff to prepare an appropriate ordinance and bring back to Council for further consideration at a later date.

A resident of Pasadera spoke at a City Council meeting on August 24, 2021, stating that the property owner does not live at the house next to hers. That resident said that the property is used exclusively as a short-term rental with individuals who rent the property having no respect for the neighbors with ongoing loud parties. Because this property as well as others are being bought for investment purposes only, the buyers can pay more for these properties, potentially locking out persons who want to purchase and reside on a permanent basis. At the present time, there are about ten (10) short-term rentals listed on the AirBnB website for the City of Guadalupe, nine (9) of which are in the Pasadera development.

City Attorney Sinco began the presentation by saying, "I'm bringing this forward now for Council, staff, and the public to give their comments to ensure the City gets the best possible ordinance regulating short-term rentals. We can't introduce the ordinance as the required notice of public hearing was not issued in time for the September 14, 2021 meeting. He also mentioned that this proposed ordinance is mostly based on the one for Redwood City and some other cities, too. City Attorney Sinco then continued by explaining the purpose of the proposed short-term rentals ordinance is to:

- *Allow limited short-term rental uses while preserving residential character.*
- *Establish operating standards to reduce potential noise, parking, traffic, property maintenance, safety, and other impacts on adjacent neighbors.*
- *Provide a process to track and enforce these requirements as needed and ensure appropriate collection of transient occupancy taxes.*

He said "The proposed ordinance requires all owners of properties used for short-term rentals to obtain a business license, to apply to register their short-term rental with the City, to pay transient occupancy tax on all such rentals, and that these properties not violate any City Municipal Code

provisions concerning nuisances. In addition, the proposed ordinance distinguishes between "hosted" and "un-hosted" short-term rentals. Hosted and/or un-hosted short-term rentals would not be allowed on any property if prohibited by conditions, covenants and restrictions (CC&Rs) or by the rules of a homeowners' or community association. These are only some of the details in the proposed ordinance.

City Attorney Sinco then gave a little more information on the two types of short-term rentals: 1) Hosted – property owner is on site from 10:00 p.m. to 6:00 a.m. and 2) Un-hosted – property owner is not onsite; most popular type and most used. He then said, "The person who spoke at the August 24th meeting had a concern on these un-hosted rentals. There should be a limited number of days for un-hosted rentals as well as a local contact person with a 60-minute response time. I talked to Craig Smith, Project Manager/Vice-President for the developer of the Pasadera project regarding imposing CC&Rs to prohibit short-term rentals in the newer development section of Pasadera." He then cited a case in Missions Hills (Brown v. Montage) where short-term rentals had been allowed for 16 years. The Homeowners' Association (HOA) said "No more" and they were sued. The property owner won. The Court said the HOA could say 'No' to the short-term rentals only going forward but not retroactively."

Mayor Julian said, "There is no HOA at Pasadera. Is he proposing not having anymore?" City Attorney Sinco said, "Yes, that's what he's proposing. There will be limitations placed on the deeds so that anyone buying at Pasadera will know of short-term rental limitations. There will be a CC&R document. This will show in the ordinance."

City Attorney Sinco continued explaining more about the proposed ordinance. He said, "All properties have to be registered. There is an application fee as well as a business license fee. If they meet all the conditions of the registration process, it will be granted. That's a ministerial act. There's one other provision for "un-hosted" short-term rentals: an administrative use permit (AUP) is required with a fee in the form of a deposit. Also, for the un-hosted rental, you have to have the AUP before they can get the registration." He further explained that an application for registration can be denied for reasons such as fraud and/or false statements in the application and any violation of any provision of the Municipal Code or federal or state laws. He then said, "If any property whose registration has been denied or revoked won't be eligible to apply for a new registration for a twelve (12) month period. And for a short-term un-hosted rental, the AUP would also be revoked and wouldn't be eligible to apply again for twelve months. A revocation hearing would be informal with the Planning Director and appeal by the City Administrator. So, due process would be provided."

He also gave some other general information saying, "TOT (Transient Occupancy Tax), which is currently 6%, would have to be paid. Staff will want to recommend increasing it at the next election. There will be need to maintain records of compliance. No special events will be permitted, like weddings, corporate retreats, commercial functions and similar events that cause excessive traffic, noise, etc. - only residential-type use. And for those properties that are un-hosted, a local contact person must be identified, available 24/7 and respond within 60 minutes of call or complaint. This local contact will need to be identified to the guests and surrounding neighbors."

Mayor Julian asked, "What's the tie-in with noise? Call the local contact person? What are the consequences of no action?" City Attorney Sinco said, "The Police can document. There are multiple levels of enforcement. Right now, there's just code enforcement. If violations warrant, you can prosecute (bring criminal charges). They could be assessed up to \$1,000 per day. They'd lose their right to operate if they don't comply. The purpose of this proposed ordinance is to put additional controls to manage the properties."

The mayor then said, "The lady that was here at the August meeting, she brought up the fact that there were a lot of vehicles parked, a lot of noise. Next door to me is a four-bedroom home which can be inundated with vehicles. Are we looking at putting restrictions on the number of vehicles permitted?" City Attorney Sinco said, "We don't have those policies and procedures in place. With an AUP, we'd be concerned if number of people and cars exceed the AUP and the permissible number of people. That type of violation could result in revoking the permit. Additional controls could be tailored to each property."

He then added, "We also want to avoid larger homes for un-hosted rentals, like going to the dunes." Mayor Julian said, "Vacation rentals are astronomical in Pismo Beach. Can't buy a home for less than \$1M. People are buying homes there just for these short-term rentals." City Attorney Sinco said, "Some may want to buy a house for short-term rentals here to supplement income but the proposed ordinance limits to 120 days."

There were two other points City Attorney Sinco made: 1) Amnesty Period – he recommended a couple of months so people can be aware of the ordinance, limitations, restrictions, etc. He said, "Sometimes the rentals are booked way in advance. I don't want to interfere with contracts. However, a deadline to file an application should be stated, and 2) AUP Process – he explained some legislative action in 2018 relating to accessory dwelling units (ADUs) and establishment of administrative permit (AUP) process for ADUs. Further legislation resulted in the AUP process for ADUs being stopped but it was not deleted from the Municipal Code. He said, "I'd recommend keeping the language on the books even if the Council didn't want to use for short-term rentals."

City Attorney Sinco then talked about some alternatives listed as follows:

- 1. Register only one dwelling unit as a short-term or one un-hosted rental.*
- 2. Multiple dwellings – limitation could be applied to one lot or parcel, or on a parcel with an ADU or a duplex, to allow only one of the units to be rented as an un-hosted short-term rental during the same time period.*
- 3. Maximum of 120 days for un-hosted short-term rentals – can increase or decrease.*
- 4. Prohibit un-hosted short-term rentals; limit to hosted only.*
- 5. AUP fee – change, making it a deposit.*

Mayor Julian said, "The property next door to me was purchased for \$300,000. About \$100,000 was put into it; built a patio in the back. One time there was a lot of loud noise. I talked to the out-of-town owner who said, 'Just call the cops.' An important element here is having the local contact and requiring them to respond within sixty minutes. Document if no answer on these things. Also, large

companies are buying and renting out hampering local rentals. Money can be made here.” City Attorney Sinco added that that is a concern for people wanting to move into Guadalupe who might lose out on someone wanting to buy property for short-term rentals.”

The mayor then asked, “What if someone has an AirBnB and doesn’t tell anyone?” CM Robles said, “Flying under the radar? Maybe we’re not catching them. They take a pro-active stance. They’re good and responsible. But I agree with Craig Smith to put language into the deeds. You can’t come in and do whatever you want with the home you purchased. Put a limit on the number of violations someone can get. Constant nuisance and non-compliance. If there are so many violations, revoke the permit. This would help the neighbors out. Who is actually renting out?”

City Attorney Sinco said, “We won’t get cooperation from AirBnB. We’d have to do our own investigation. We could rely on neighbors. If they’re going under the radar but we find out they’ve operating a short-term rental, they won’t be able to operate and there could be serious penalties.”

CM Robles added, “We know that in Pismo Beach, SanLuis Obispo and Cal Poly at graduation time, everything’s booked up. Never thought it would be here in Guadalupe.”

CM Ramirez said, “I understand the concerns. I like Alternative #1. We shouldn’t abandon short-term rentals altogether. Someone can buy one and have it and that’s it – hosted or un-hosted.” CM Cardenas questioned, “Are we limited on how many AirBnBs they could have?” CM Ramirez said, “if I buy another home, that’s it. Un-hosted for 120 days or whatever number of days we agree on.”

Mayor Julian said, “Where’s the teeth to the landlord of an un-hosted for not complying.?” City Attorney Sinco said, “Multiple. Violation of code. Issue compliance order and daily penalties, up to \$1,000 per day, \$200,000 maximum per year.” The mayor said that the landlord needs to know what non-compliance is. City Attorney Sinco said, “Not everything can be spelled out, but it takes time. There are a lot of different options. As city attorney, I can file a code enforcement civil injunction and I’d get a court order for the property owner not to operate, etc.”

The mayor mentioned that in Tiburon, the limit is 45 days per year. He also said that TOT is not a lot of money. City Attorney Sinco said that it could cover the cost of administering the program. The mayor then said that it would help the neighbors impacted. City Attorney Sinco said, “That’s the goal. You don’t want to prohibit the short-term rentals entirely.”

City Attorney Sinco said, “We want to work with those that own these short-term rentals.” CM Robles asked, “I don’t know how obtrusive this can be but maybe not video surveillance but some sort of surveillance?” City Attorney Sinco then talked a bit about the need to disclose for interior surveillance, monitoring, and external surveillance. He said, “Once ordinance is passed, procedures would be drafted. That’s one way to verify accuracy. Also, are there any other alternatives that the Council wants?”

CM Cardenas asked, “What about weddings? You said there couldn’t be weddings in the rentals.” City Attorney Sinco clarified, “Wedding receptions are okay but not the actual wedding event.”

Mayor Julian then said, "I personally want more time to look at this. You've heard our comments." City Attorney Sinco said, "We'll have another hearing on it. I won't bring it forward yet. I told the woman who lives in Pasadera about this ordinance and the meeting tonight. I'll have Larry work on some conditions that you'll want to see. Not part of the ordinance. When can this come back?" The mayor said, "Next meeting."

City Attorney Sinco said he misunderstood what the mayor had said. He said he would add several things: 1) the language regarding people purchasing property after the rule takes effect; 2) an application is required; 3) one short-term rental per property owner, and 4) keep the 120 days limit." CM Cardenas said, "I'm open to 180 days. But 120 is okay." City Attorney Sinco said, "I'm leaving it at 120 days and can change later unless the Council wants to change it now." Mayor Julian said, "Ok at 120 days so long as there's teeth in the ordinance." Mr. Bodem added, "In addition to Larry Appel working on some conditions, also work with law enforcement."

The mayor said that at a relative's home in Hemet, if there are complaints and noise, they are asked to leave that night. It's in their ordinance. City Attorney Sinco said, "Leave at 120 days limit...I didn't hear a third vote. CM Cardenas said, "If un-hosted six months, it could be empty that long." City Attorney Sinco added, "No, not empty. Property owners may use as vacation home and rent out otherwise. But, I see your concern. Doesn't have to be decided tonight. It's up to the Council. Maybe you can think about it."

Chief Cash asked, "Can it be written up having all three options, number of days, depending on what they're going to be used for? If law enforcement is in the process with the permits, we can do regular checks. We only respond months later when there's a complaint. Six months is a long time before we can do anything. City Attorney Sinco said, "It's difficult to track with multiple number of days given. We'd be collecting TOT and they could be fraudulent. I support 120 days."

CM Robles asked, "What is TOT on average? What are other cities using?" Mr. Bodem said, "12% with some up to 14%." City Attorney Sinco answered, "If we sign a Voluntary Collection Agreement (VCA) with AirBnB or hosting platform, they collect TOT and give to the City twice a year. In this ordinance, City must collect the TOT. If they don't pay, we can issue penalties. Mr. Bodem added that if we look at TOT increase, it should be before a hotel comes in here."

CM Cardenas said, "We did look at TOT before. We set a percentage on it." CM Ramirez added that that had to go before the voters. City Attorney Sinco said, "The recommendation then was to focus on sales tax increase at election time which was more important. We didn't want two tax increases. The TOT increase will happen in the next election in 2022. That's part of the economic development plan for TOT to increase."

CM Robles suggested as an incentive to waive the TOT for 60 days just to get them on board. City Attorney Sinco said, "We could say if they sign up in first three months, we'll waive TOT, etc. I'll draft some language for that. Amnesty provision in the proposed ordinance says that TOT has to be collected when the ordinance takes effect." He then said, "No motion needed. I have consensus on

one change. I'll bring back a fresh version of the ordinance that won't say 'Draft' on it. At the next meeting, we'll pick it up."

12. FUTURE AGENDA ITEMS

Short-Time Rentals Ordinance: bring back at 9/28 meeting

Recreation & Parks meeting with City Council: TBD

American Rescue Plan (ARP) Workshop: date TBD for October

Proposed Utility Rate Increases: First Reading @ 11/23 meeting

Proposed Utility Rate Increases: Second Reading @ 12/14 meeting

13. ANNOUNCEMENTS - COUNCIL ACTIVITY/COMMITTEE REPORTS

CM Cardenas

- 1. Attended the City of Santa Maria City Council meeting on September 7th with Mayor Julian and CM Ramirez. Proclamation was read about Santa Maria's relationship with Guadalupe.*
- 2. CJPIA included Guadalupe's 75th anniversary in their newsletter.*
- 3. With Mayor Julian and CM Robles, we presented Mr. Joseph Saucedo his proclamation at his home. (Chief was also there.) "He sang to us. Very vibrant for age 101."*

CM Ramirez

"I want to steal their 'Hometown Hero' idea acknowledging people from different walks of life. Those who help boost morale, help with COVID response, farmworkers, military, etc. The people are nominated by the community. There are pictured banners that are posted in the city. City Attorney Sinco added, "It started as a fundraiser for the City of Santa Maria. There is a cost associated with the program. It was initially limited to the military."

CM Robles

"KCOY and KSBY have been here to City Hall for meetings, interviews, etc. Can we look into having our City seal for our podium and have wheels on the podium if the City stages an event? Maybe add a couple planters. If we meet with the media, it makes for good optics."

Mayor Julian

- 1. SBCAG-Measure A Citizens Advisory Committee-North County: Two individuals were selected by a selection committee. There's an SBCAG meeting this Thursday to appoint them.*
- 2. Pasadera Veterans Streets: Craig Smith will give us the number of streets at Pasadera on the southside of Santa Maria Valley Railroad to be named. There are about 20, possibly more streets to be named. There's a group of veterans who will make the selection to the Council. Priority will be given to those killed in action, POWs, MIAs, etc.*
- 3. Clean Air Room Purifiers: I've mentioned this before. These purifiers are free. A flyer will be distributed soon. About 650 will be handed out on 9/26 and 9/30 at the Dunes Center. We're trying to get Fire PD and the school to participate in the distribution.*

4. *Mayors' Luau will be held on 10/9. City Attorney Sinco is sponsoring a table. It's an outdoor event held now at the Santa Maria Country Club. It's a Hawaiian themed event.*
5. *Appreciation Dinner: 8-10 different agencies will be recognized at the Elks on 9/15.*

14. ADJOURNMENT TO THE SUCCESSOR AGENCY BOARD MEETING

Motion made by Council Member Cardenas and seconded by Council Member to adjourn to the Successor Agency meeting. 4-0 Absent: Costa, Jr. Passed. Meeting adjourned to Successor Agency meeting at 8:15 p.m.

- 15. Successor Agency to the Redevelopment Agency of the City of Guadalupe approving the amended Recognized Obligation Payment Schedule (ROPS) 21-22 for the January 1, 2022 through June 30, 2022 period.**

Written Report: Cheryl Murase, Consultant to the Successor Agency

Recommendation: That the City Council adopt Successor Agency Resolution No. 2021-02 approving the amended Recognized Obligation Payment Schedule for the January 1, 2022, through June 30, 2022 period.

Once per Recognized Obligation Payment Schedule (ROPS) period, and no later than October 1st of each year, a successor agency may submit one amendment to the ROPS, if the Santa Barbara Countywide Oversight Board makes a finding that a revision is necessary. The Successor Agency to the Redevelopment Agency of the City of Guadalupe (Successor Agency) desires to amend ROPS 2021-22B in order to fund property maintenance anticipated to be higher than amount originally approved.

Mr. Todd Bodem, Successor Agency Executive, explained that the Successor Agency owns property as a Leaking Underground Fuel Tank (LUFT) site (Al's Union). He said, "In 2008, the Agency was accepted into the State Water Resources Cleanup of Underground Storage Tanks Fund, approving a total Letter of Commitment in the amount of \$1.5M. Cleanup costs are reimbursed by the State within six months once the claim has been submitted. Some things aren't reimbursed. Utility costs are not reimbursed by the State. The Successor Agency is asking to amend ROPS for \$25,000 for these non-reimbursable costs and \$150,000 for remediation and remaining costs for the well abandonment and final closure activities to be incurred during the ROPS 21-22 Period."

Mr. Bodem recommended that the Successor Agency Board approve the recommendation to adopt Resolution No. 2021-02, which approves the amended recognized obligation payment schedule for the January 1, 2022, through June 30, 2022, period. He then said, "Once the Oversight Board approves adopting Resolution No. 2021-02, with attachment, the Successor Agency staff will then transmit the Amended ROPS 21-22B to the Department of Finance, with copies to the County Administrative Office, County Auditor Controller, and State Controller's Office."

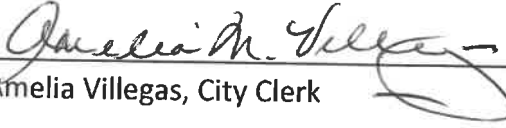
Motion made by Council Member Cardenas and seconded by Council Member Robles to adopt Successor Agency Resolution No. 2021-02, adopting the amended recognized obligation

payment schedule for the January 1, 2022 through June 30, 2022 period. 4-0 Absent: Costa, Jr. Passed.

16. ADJOURNMENT

Motion made by Council Member Cardenas and seconded by Council Member Robles to adjourn. 4-0 Absent: Costa, Jr. Passed. Meeting adjourned at 8:24 p.m.

Prepared by:



Amelia Villegas, City Clerk

Approved by:



Ariston Julian, Mayor