## **Draft MINUTES**

## City of Newport Short-Term Rental Implementation Work Group Meeting

City Hall, Council Chambers Friday, September 30, 2022

**Work Group Members Present:** Spencer Nebel, Dietmar Goebel, Cynthia Jacobi, Bill Branigan, Jamie Michel, and Sandra Roumagoux.

**Work Group Members Absent:** John Rogers (*excused*).

**City Staff Present:** Community Development Director (CDD), Derrick Tokos; Police Chief, Jason Malloy; Community Service Officer, Jim Folmar; Interim Finance Director, Steve Baugher; and Executive Assistant, Sherri Marineau.

- **1.** <u>Call to Order</u>. The meeting was called to order at 1:37 p.m.
- **2. Public Comment**. None were heard.

## 3. Approval of Minutes.

**Motion** was made by Bill Branigan, seconded by Spencer Nebel, to approve the July 14, 2022 Short-Term Rental Implementation Work Group meeting minutes as written. The motion carried unanimously in a voice vote.

## 4. Discussion Items.

A. Review and Discuss Final Recommendation of the Short-Term Rental Implementation Work Group. Tokos reviewed the draft recommendation letter with the Work Group and asked for comments or changes.

Roumagoux thought the letter from John Rogers was in line with what she thought. Branigan thought the letter was fine. He thought Rogers' comments were correct and he supported approving the letter. Goebel and Michel had no comments. Jacobi thought the letter was good. She wanted to see a more effective working relationship with the municipal court for adjudication in a more timely manner. Tokos noted this would mean a recommendation from the Work Group to try to improve this relationship so that when a citation was issued, that needed to be adjudicated by the Municipal Court, it would move in a more timely manner. He listed an example of the Hines/Neff property which still had unresolved issues. Jacobi asked why that process was taking so long to resolve. Tokos reported the Hines/Neff situation was still unresolved in the Municipal Court. At some point a discussion needed to happen between the Council and the judge about how this should work so that someone wasn't slowing down the process. Nebel thought instead of saying "a more effective working relationship" it should say "to review the process to expedite." Tokos noted that the City Attorney thought it wasn't a problem on how the process was structured, it was how it was being implemented. Malloy noted the City needed to tighten up the process they had. When the CSO determined enforcement was warranted and it was done, they had to deal with the verification of the service in the delivery. There were specific laws that protected how someone was served. They needed to outline what the steps that needed to be taken were when someone refused to be served. Nebel thought there needed to be a discussion with the judge on this. Goebel didn't think it should be a finger pointing at the judge, but a need for a more effective

working relationship with the Municipal Court. Nebel thought the working relationship was odd because the judge was separate. It wasn't really a working relationship but an execution of the process. They needed to focus on the expedition of the process. Malloy thought they needed to make sure the judge knew what the expectation was. Michel thought it should read "developing a more effective process in conjunction with the Municipal Court." Tokos noted that it would say "coordinate with the municipal court to identify steps that can be taken to adjudicated citations in a timely manner."

Tokos reviewed the priorities of the desired effect and the area where things could be amended. No comments were heard.

**MOTION** was made by Sandra Roumagoux, seconded by Cynthia Jacobi, to approve the letter to the City Council as amended. The motion carried unanimously in a voice vote.

Branigan noted that NMC Section 4.25.03 required that an owner or authorized agent utilize solid waste collection valet service when circumstances have had verified complaints. He asked how many complaints there had to be before they were violations. Folmar explained that the key word "verified" was the issue. He gave an example of how an owner who said they never got the date change on their trash service from Thompsons and said they would have their local person put the trash out on the correct day. Since this time, the trash had been taken out correctly. Folmar explained that the key was to verify and prove that they were violating. Branigan asked if a photo would work for verifying. Folmar reported it could, but it needed to have a timestamp on it. Tokos noted that if the City Council accepted the Work Group's recommendation and it went to the Planning Commission to initiate the legislative process, then the door would be opened for further processing. There would be a public hearing process and with testimony which could mean they entertained amendments to the chapter in the Municipal Code. Tokos noted he wouldn't be surprised that what was presented to the City Council for adoption looked slightly different from what the Work Group referred to them.

Malloy noted the language said "complaints" which was very general. It made it easier if it was an objective spelled out for them. Malloy asked if the Commission could change this to be after the second complaint. Nebel thought they could modify this. A discussion ensued regarding how the concierge service for trash disposal worked with Thompson's and how it wasn't a service that everyone could be provided. Michel noted that Thompson's required properties to have an area for trash that they could access. She asked if this was something that should be written in the ordinance. Nebel thought this would be a way to say how the concierge would be handled after it was required. He suggested they add a line that required the services to have access to the trash area. Michel recommended adding language that the trash should be in a location accessible to the garbage service. Folmar reported that he hadn't required anyone to have concierge service so far and that trash storage hadn't been an issue. Goebel asked if Folmar noticed garbage cans visible from the street when he made his rounds. Folmar reported that he didn't usually. STRs were really good about keeping them out of sight. He thought the question was what would Thompson's valet service require for access to the trash and how this would meet the ordinance requirements. Michel thought they should get the language for this from Thompson's. Tokos noted the existing language gave the city's code enforcement staff the ability to compel valet service and work with a STR owner to ensure that they could actually utilize valet service. The question was if they wanted to further tighten up the language to say that they were compelling valet service after two or three complaints. And if that was the case, would they want to do it now or wait for it to play itself out in the process, possibly when it was reviewed by the Planning Commission. Michel noted that other municipalities required concierge service as part of their ordinance. She thought this should be a flat requirement. Nebel noted that when they had vague things on enforcement it became a judgmental thing and the city would be criticized for being judgmental. The question was if they wanted to have language

that said a certain number of verified violations were needed before a concierge service was required for STRs.

Michel asked Folmar what he thought was the right number of violations allowed before a valet service was required. Folmar reported that if they received two verified complaints on different weeks, he was comfortable telling them to tighten up garbage service or have valet service with stipulations. He noted if they set up the valet service the trash would still need to be out of sight. Malloy thought they needed to designate a timeframe to say upon the second verified complaint within a 12 month period they would be required to have valet service. Folmar noted if a complaint was submitted on the hotline the owner could take care of the problem. If it was an online complaint the registered owner never had the opportunity to remedy the complaint because they were never notified that a complaint was filed. Folmar questioned if they took the number of complaints from the numbers that were called in or from the number of complaints that were not handled within that hour. If they abated the complaint within a timely manner it nullified the violation, but when they ignore the complaint it would become a violation. Michel thought it would be an inequity to the property owner or manager if they didn't get a notification and have the chance to clean things up.

Tokos asked if the Work Group was comfortable with the current language on the valet services. Malloy wanted to have the language say after the second verified complaint within a 12 month period. He thought this matched everything else that STRs were subject to in 12 month increments. Malloy noted that if Thompson's said a property wasn't eligible for valet service, the owner would then be subject to \$500 fine. He wanted two verified complaints within 12 months to be the marker. Folmar suggested that the accessibility to the trash for valet be screened. Tokos reminded that the way the current STR code was drafted, not putting the cans back in a timely manner was not a violation of the short term or short term rental code. It said that they have to have a weekly service and they have to have it screened. Tokos noted this was impactful because a second violation in 12 months meant a suspension of the STR license. This was more than just a little word smithing to clarify suspension of license. Tokos suggested adding language to the recommendation letter to say some clarification on the trash management provisions may be warranted and could be more thoroughly evaluated, if this process is opened up. The Work Group was in general agreement with this.

Branigan asked if this would go to the Planning Commission. Tokos confirmed it would. He noted the Commission wasn't obligated to rubberstamp anything the Work Group presented, neither was the Council. Tokos' advice to the Commission would be if they were going to recommend a direction that was substantially different than one of the items listed, they needed to have very good and clear explanation as to why. He could add language to say some clarification to the trash management provisions might be warranted and could be more thoroughly evaluated as part of legislative process. Malloy was concerned that the people who were being required to have valet service would also get a second strike and a 30 day suspension. Tokos didn't think they wanted them to get suspended. He thought the objective was to get property trash management, not strip the license away. Requiring them to do valet service would be the corrective step.

**MOTION** was made by Jamie Michel, seconded by Sandra Roumagoux, to reconsider the letter as presented. The motion carried unanimously in a voice vote.

**MOTION** was made by Sandra Roumagoux, seconded by Jamie Michel, to further amend the letter to include some language suggesting that clarification and trash management would be warranted. The motion carried unanimously in a voice vote.

Goebel asked if they should consider the parking issues on the ordinance. Tokos noted the issue on

parking was the lack of enforcement on weekends, which was being resolved by hiring a weekend enforcement. Folmar noted most of the parking complaints he received were about the renters not utilizing all the off-street parking and parking on the streets. He didn't think they could enforce and say they could only have a certain number of vehicles parking on the street. There was nothing in the STR ordinance that limited vehicles. Tokos noted parking and occupancy where things that needed to be observed while it was occurring to enforce. Folmar noted most of the complaints were currently for people not utilizing all of their off-street parking before using on-street parking. Tokos reminded that there wasn't a large number of complaints being lodged for STRs. They needed to be sensitive to making sure they were doing code changes for real problems, not just to update language. Malloy asked if the owner or property manager have to let the renters know they had to use the off-street parking. Tokos confirmed they were required to post on the premises where those spaces were. Goebel asked how they dealt with overparking. Folmar explained this was only an issue when a vehicle was blocking a lane of travel or parked in a location where they weren't allowed. If the problem was in the public right-of-way, then the parking ordinance would apply for both STRs and residences.

**MOTION** was made by Dietmar Goebel, seconded by Cynthia Jacobi, to approve the letter as amended. The motion carried unanimously in a voice vote.

Tokos would amend the letter and have it available for the Work Group to come to review and sign at the Planning office.

**5. Adjournment.** The meeting adjourned at 2:37 p.m.

Respectfully submitted, Sherri Marineau **Executive Assistant**