

**Visit Los Osos/Baywood**  
(Los Osos, Baywood Park, uninc. Morro Bay  
Local Fund Advisory Board)

**Draft Meeting Minutes**

May 28, 2019 – Sea Pines Golf Resort, Los Osos

**Board Members Present:**

Alex Benson, Baywood Inn  
Denise Robson, Vacation Rental Owner  
Steve Vinson, LOBP Chamber of Commerce  
Jamie Wallace, Cal Poly (Chair)

**Others Present:**

Judith Cohen, SOLVE  
Alissa Madden, CCSPA  
Derek Kirk, Visit SLOCAL  
Katie Sturtevant, CBID STP

**Absent:** Katie Lee, Back Bay Inn (excused) and Pandora Nash-Karner, Vacation Rental Owner (excused)

**CBID:** Cheryl Cuming, CAO

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1. **Call to Order:** By Chair Jamie Wallace at 9:06 a.m.

2. **Public Comment:**

- a. Jamie talked about the Destination Summit, saying that it was an excellent meeting, with tremendous energy and advocates from the state. Tourism is happening, lodging is up, inventory growth has increased by 11% over the last year and a half and 20% over the past four years. More people are traveling and looking for beautiful places to enjoy. There are predictions of a downturn in 2020, with occupancy down 3.5%, revenues down 1.7% and inventory continuing to increase.
- b. Derek Kirk, formerly of the Atascadero Chamber, currently Director of Community Engagement and Advocacy of Visit SLOCAL addressed the issue of vacation rentals. He said the Destination Summit showcased what SLOCAL is doing and said that SLOCAL is cautiously optimistic about the growth of availability, noting that 1100 hotel rooms coming online in the next 18 months could conceivably take a lot longer to enter the inventory, since some projects have not started yet.
- c. Vacation Rental Presentation: At the city and county level there is constant conversation about this issue. Paso has set up a city task force to talk to the community, as tourism is a major economic driver and visitors want options. Stronger ordinances against Vacation Rentals are detrimental to the economy of Paso. If people are not allowed to rent out their second homes when they are not there, then the differential economic impact of a house that is only used two weeks a year vs a house that is occupied more continuously with short term renters is significant.

On the county level, the issues of affordable housing and host compliance are under discussion. The county needs \$2-4 million to build affordable housing, there's no dispute that we need workforce housing, but who is going to pay for it. Recommendations include \$.25 sales tax increase, an assessment on property taxes or an assessment for every night a Vacation Rental is occupied. San Diego adopted a \$2.73 assessment on VR nights and the community rallied and got enough signatures so that it didn't go into effect. There was discussion on how it is not equitable to have one industry pay for affordable housing. SLOCAL is working to truly understand the impact of Vacation Rentals on the supply side of affordable housing. As for host compliance, complaints against permitted VR are very low, most are against ones that are not permitted. There was discussion of Bill AB1731 in San Diego that attempts to limit Vacation Rentals in San Diego County Coastal Areas. SLOCAL believes it is wrong and an arbitrary rule on coastal areas. The Coastal Commission is having a Vacation Rental conversation at their next meeting, but an agenda has not yet been posted.

Discussion: Steve brought up the cost of homes in the area and lack of diversity in housing. How do

we reduce impact fees to reduce the cost of homes? We need more condos and townhomes. Alex mentioned that Pismo wanted to convert a building to 35 low-cost units, but impact fees killed the project. Derek said that impact fees were raised because communities didn't want low-cost units. City managers are meeting with the state to see if they can share numbers with local communities. Cheryl said that the impact of vacation rentals on the housing market differs by community. Jamie brought up that host compliance is a big user and that the community perception that Vacation Rentals have a negative impact is what drives voters to tell the Board of Supervisors that they don't want VR in their community. We need answers to these arguments in each community to address this perception. There is hope that our supervisor can be swayed. Paso has a grass roots effort called "Save Paso" that is in favor of Vacation Rentals. Communities can launch their own initiatives and stand up for themselves: we want to follow the rules but don't want arbitrary rules. Denise suggested getting the facts and sharing them, showing the positive economic impact of Vacation Rentals.

### **3. Consent Items**

- a. Approval of 4/30/19 Minutes: Denise Robson made a motion to approve the Minutes of the April 20, 2019 meeting as written with no additions or corrections. Steve Vinson seconded the motion; motion carried.

### **4. CBID Update**

- a. CBID Marketing Update: Strategic Marketing Plan and Budget was approved. An all agency meeting was called for June 11 and the annual report can be found on the member site. Cheryl mentioned that SLO county is isolated from general trends, so we may be less affected by any downturn. Californians tend to travel within the state, so the CBID marketing focus is to get more Californians to our region.

5. **Financials:** Total contribution was 2.75%. Hotels make up 75% of that total, with Vacation Rentals at 23% and B&B's at 2.6%

### **6. Committee Reports**

- a. CCSPA: The MDO sign is back up. Need to increase volunteers at the Ranch House, but it's a big commitment and docents are mainly older people who go through a lot of training by the State Park System. Alissa will send us the requirements and details on the docent program so we can spread the word. She also stated that the Wild and Scenic Film Festival this fall is looking for sponsors. She will provide sponsorship information as well to be sent to the board.
- b. Stewardship Travel: Katie Sturtevant reported that 700 people came to see Disney *Oceans* during the Coastal Discovery Celebration, which also included a bird day in Avila and a CalPoly talk on marine life that drew 50 people. Katie can help create and market packages for Coastal Discovery next year, as the Shoreline Inn had success in increasing off season overnights by offering small incentives. There was discussion about the word "Stewardship" and the marketing strategy to change it to "caring travel" to bring caring people to our community. They will be playing with the messaging to make it more understandable. Katie also distributed the History and Heritage map and mentioned that Hilary has gotten 3 articles written on the map and on the Whale Trail. She asked for submissions on anything new going on in our area.
- c. Beautification and Outreach: Email from Pandora that she requested \$1000 from the Board of Supervisors for a Baywood sign with a bulletin board
- d. Events: Ongoing from last month – Junefest, Beer on the Pier, Life Oaks, Lovin Spoonfuls
- e. Marketing/SOLVE Update: Incremental social media growth continues. Discussion of negative tourism comments on social post on Sunset magazine's article that included Montana de Oro as a camping destination. Advice was to take no action at this time. Judith thanked the marketing committee for jumping in with their own positive comments on the post. New video commences soon, want good weather for the best results.
- f. Chamber Liaison: This Thursday is the Festival of Flavor which will showcase local restaurants. No entry fee for Chamber members, open to the public for \$15 (\$20 at the door).

