



# COUNTY OF HUMBOLDT

For the meeting of: 1/14/2020

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File #: 20-14

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**To:** Board of Supervisors

**From:** County Administrative Office

**Agenda Section:** Departmental

**SUBJECT:**

Humboldt Lodging Alliance (HLA) 3-Month Proposal on Options for Short-Term Rental Operators (STR's)

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Receive the staff report;
2. Receive the proposal as presented by the HLA; and
1. Take other action as necessary.

**SOURCE OF FUNDING:**

Humboldt County Transient Occupancy Tax (TOT); Humboldt County Tourism Business Improvement District (HCTBID)

**DISCUSSION:**

The HCTBID is a benefit assessment district which was created to help fund marketing and sales promotion efforts for Humboldt County lodging businesses. Currently, the district includes all lodging businesses within the boundaries of Humboldt County, including the cities of Arcata, Eureka, Ferndale, Fortuna, Rio Dell and Trinidad. The HCTBID activities and its operations are governed by the Humboldt County Tourism Business Improvement District Management District Plan.

In September 2019, and again in October 2019, the Humboldt Lodging Alliance, serving as the HCTBID Owner's Association, requested that your Board allow the HLA to modify the HCTBID Management District Plan (MDP) to eliminate lodging businesses with less than five rentable units at a single location from the MDP.

On Oct. 15, 2019 your Board adopted a Resolution approving said modification (Resolution 19-104) and directed the Economic Development Director to work with the HLA to come back in 3 months with a proposal to address a potential organization of a TBID for lodging entities with less than five units or another solution.

Since approval of Resolution 19-104, and in advance of making a report to your Board within 3 months' time, the HLA has been engaged in discussion with its own board and its membership concerning solutions for short-term rental operators (STR's). HLA staff have also been leading discussions with local STR owners in this regard.

Now comes before your Board the Humboldt Lodging Alliance (HLA) proposal for STR's.

**Proposal**

The Humboldt Lodging Alliance (HLA) Executive Committee at its Nov. 6, 2019 meeting voted unanimously to offer to the STR's of Humboldt County, i.e. those lodging business that fall within the boundaries of Humboldt County, including the cities of Arcata, Eureka, Ferndale, Fortuna, Rio Dell and Trinidad, staff support from the HLA and also financial assistance from the HLA not to exceed \$15,000 for the formation of their own TBID or STR lodging alliance. On Dec. 11, 2019 the HLA Board unanimously ratified this decision.

On Dec. 12, 2019 Chris Ambrosini, the Humboldt Lodging Alliance Board Chairman, communicated to county staff that the HLA's vote in this regard was memorialized in HLA meeting minutes as, *"To help Short Term Rental (STR) properties that have less than 5 rentable units per parcel with developing a new TBID. HLA will offer assistance, but STRs will need to take the lead and we will assist them with the process. HLA will also provide funding up to \$15,000 to organize and form their TBID."*

In addition to the above, a town hall meeting sponsored by the County Administrative Office - Economic Development Team, aimed at discussions on best practices and industry trends for STR's, will be held prior to the end of the fiscal year 2019-20. The Economic Development Team will lead the effort for outreach for this meeting, and STR operators and lodging businesses within the boundaries of Humboldt County, including the cities of Arcata, Eureka, Ferndale, Fortuna, Rio Dell and Trinidad, will be invited to attend.

FINANCIAL IMPACT:

The proposed action by the HLA will have no direct negative impact on Humboldt County Transient Occupancy Tax (TOT). Formation of a new TBID for STRs may improve TOT collections from these operators.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by supporting business, workforce development and creation of private-sector jobs .

OTHER AGENCY INVOLVEMENT:

Humboldt Lodging Alliance; Humboldt County Tourism Business Improvement District

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion

ATTACHMENTS:

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None

PREVIOUS ACTION/REFERRAL:

Board Order No.: I-1

Meeting of: Oct. 15, 2019

File No.: 19-1481