

RECORD OF PROCEEDINGS

Minutes of

Minutes of the Vermilion City Council Work Session

Meeting

GRAPHIC VILLAGE - CINCINNATI, OH

Form 6101

Held

Monday, April 4, 2022

Videos and minutes of council meetings are available to the public to view online at www.cityofvermilion.com under 'meetings' tab (City Meeting Minutes or Videos).

Vermilion City Council: Monica Stark, Council President; Steve Herron, Council At Large; Pat Stein, Ward One; Greg Drew, Ward Two; Teresa Mayle, Ward Three; Barb Brady, Ward Four; Brian Holmes, Ward Five

Administrative Staff: Jim Forthofer, Mayor; Amy Hendricks, Finance Director; Tony Valerius, Service Director; Chris Howard, City Engineer

CALL TO ORDER:

Monica Stark, President of Council called the Monday, April 4, 2022, Vermilion City Council Work Session on Transient Rentals to order.

T. Mayle addressed Chapter 1484 (b)(6) which is relative to revoking a transient rental permit. She said in the case that law enforcement is called for complaints about the property, would the property owner be in risk of losing their permit, or at least pay a fee and get their permit reinstated. M. Stark said this is addressed on page five of the ordinance that imposes penalties and fines, and they could get their permit revoked and they talked about them not getting their permit reinstated until the following year by reapplying.

P. Stein addressed page two (F) where it states that proof of adequate homeowner's and/or liability insurance providing coverage in an amount of no less than \$_____ per claim, and she wondered what amount council was going to determine. B. Brady thought the carrier could suggest a number. G. Drew said it is usually \$100,000 or \$300,000. M. Stark said in the school district they make somebody have a certain dollar amount. S. Herron thought \$300,000 was sufficient. A. Hendricks said if they are registered with Airbnb or VRBO, they have requirements as to how much insurance they're required to carry. M. Stark said they could check with the law director to determine a reasonable amount.

B. Brady asked if council came to a decision on the parking plan because they need to worry about their winter snow parking bans. M. Stark said these are laws the police department enforces. P. Stein said most renters are not winter renters. B. Brady and S. Herron said in their neighborhood they have winter renters.

M. Stark said there was a typo on page two (3) where they need to insert the word 'have' after shall. The clerk noted the addition.

B. Holmes said on VRBO it states: Host liability insurance a part of air coverage provides host with one million in coverage in a rare event a guest gets hurt, their belongings or damage or stolen while they are staying at the rental. S. Herron said he doesn't know if he trusts Airbnb's insurance coverage and he would rather have the homeowner have this insurance. He said Huron has \$300,000 for their required coverage. Therefore, he suggested the \$300,000.

G. Drew said he didn't see the Linwood Park exclusion on page three. M. Stark asked council's input on the language. G. Drew said they need to make sure it is clear that they are not excluding them registering; it's just in the total annual amount. G. Fisher asked if they still need to follow the inspection requirements and rental fees. G. Drew said yes, it's just excluding them from the combined aggregate total of one hundred (100) annual transient rental permits in effect at any one time. G. Fisher said she could ask the law director on the proper verbiage. B. Brady asked about other HOA's – will they just handle themselves. G. Fisher said a lot of the HOA's have their own restrictions. G. Drew asked if they were going to eliminate the language where it states there shall be a maximum of one (1) transient rental permit granted per city block at any one time. M. Stark said she did not like the idea of this. B. Brady said this worries her a little bit because close to her she has four, which is a lot, and they are tight along the lake and the houses are smaller. G. Drew said how would they decide which of the four would get a permit. M. Stark said the first person to apply is going to get the permit. T. Mayle asked if anyone would technically be grandfathered in, but since they don't have a permit as of yet they wouldn't. B. Brady said Margaret Wakefield had asked that council limit the number per block because people downtown are very concerned. They eliminated the number of Bed & Breakfasts to one per block. P. Stein said she has been on her case about this too. G. Drew said they are there now – this isn't new, and they are trying to

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limit something that really isn't that big of a problem. B. Brady said it is a problem and they have had problems. G. Drew said a few. S. Herron said the problem doesn't come from the density – it comes from the house. G. Drew said it comes from the group that rented that house that day – it doesn't come because they're in the same block. S. Herron agreed with him on this, and the issue is ultimately accountability, following the law, and bringing people here. This is a good business for the city if everybody does what they're supposed to do. G. Drew said there will be measures in place that revokes the permit when they don't. M. Stark said there are only 100 allowed in the community and they will be all over the place. She said Linwood has them all over and they do not have more problems because of this. B. Brady said the problem is that they are going to concentrate them in the downtown and lakefront areas and if you want to turn those neighborhoods into that kind of thing, then that is fine, but she thinks they are going to hurt the people around them. You're going to take away the neighborhood feel because you're going to have people coming in for a week. She isn't saying they are bad people. M. Stark said what if they limit the number to five in a one block area or four. B. Brady said they would need to define a block – what is a block on Edgewater? M. Stark preferred they removed this language altogether. G. Drew said he was not a fan of the 100, but he will agree to this, but he definitely won't agree to the one per block. S. Herron and M. Stark agreed they don't want this either. T. Mayle said it will be sad to see all those homes turn into rental properties.

B. Holmes said he received concerns about too many on one block, but it goes back to the majority of people that are renting these houses out, and they should follow all the rules and regulations set forth by Airbnb and the owner of the home. He said they have had some small incidents, and if they do, it may just be noise complaints. He said they can set a number, but they could have a 100 on one block. B. Brady said it is not just the noise or the problems – it's the idea that you're destroying the neighborhood because you do not have neighbors anymore. B. Holmes said this is the right of the homeowner to sell or rent their house out to become an Airbnb. B. Brady said they're talking about a residential area, and it is really the city's right to say that in a residential area there can be no Airbnb's. These are businesses and in a residential area a business is prohibited unless they go to the Board of Zoning Appeals and get it changed. They are allowing a business in a residential neighborhood and in her mind if they cluster them on the small lakefront places like VOL and Elberta Beach, then they're taking away the residential atmosphere of those neighborhoods and they are destroying the neighborhood in her personal opinion. B. Holmes said he gets this, but at the same time the way this is laying out for all lakefront communities is that a lot of these smaller areas are becoming rentals, and he would say the folks who used to own the houses have decided to sell or give them to their children who then have decided to sell or rent them out. For instance, council received one letter from a lady that lives in Westlake but goes back in forth from Vermilion to Westlake as she rents her house out in the summer and every once in awhile stays there. He said the total amount of 100 is fine and they can go from there and see what happens. M. Stark asked what council thought about the one per block. P. Stein thought this was difficult to decide – what is a block? G. Drew said your basically writing something to say they do not want them in the city. He asked how many blocks are in Vermilion – is there even 100 blocks? You're putting language in here to basically eliminate Airbnb's.

M. Stark said they can leave the language in (8) that states: There shall be a maximum combined aggregate total of one hundred (100) annual transient rental permits in effect at any one time, excluding Linwood Park from this total. She said they can remove the next sentence stating that there shall be a maximum of one (1) transient rental permit granted per city block at any one time. B. Holmes said in Huron's ordinance on page four they limit their rentals to 165 at one time. M. Stark said applications for a transient rental permit shall be granted on a first come first served basis. S. Herron said they can put it in as this. M. Stark said they can always amend this legislation in the future if it becomes a problem. G. Drew thought 100 was a decent number for first come first served – it's fair.

S. Herron asked where they were on subsection (6) on page three where it states: No person shall receive a transient rental permit if they had any transient rental permit revoked within the prior three (3) year period. M. Stark said this had already been changed to a one (1) year period. S. Herron asked if this in Vermilion or anywhere else because the way it is written if you have a piece of property in Huron, they are still honoring Vermilion law. M. Stark said it is just for Vermilion. B. Holmes said Huron also has in their revoke clause, that the building official or designee shall have the power to revoke transient occupant registration certificates if any false statement is made by the applicant in connection with insurance or issuance of certification. So, basically if they offer any false information regarding their permit process, then it can be revoked. G. Drew said Vermilion's ordinance outlines it in page one –

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subsection (6). He said to address some of B. Brady's concerns, they could add a couple extra revoking violations. M. Stark didn't think there was more than 100 that would be registering.

M. Stark asked council if they had any concerns on Page 4 of the ordinance. G. Drew said he is not going to beat this matter up, but he still didn't prefer the 60 minutes, but if everyone else is okay, then they do not need to spend any more time on it.

T. Mayle said on page three there might be a typo, because it says they must have the rental agreement for 24 months, but on page four – subsection (4) says three years. S. Herron said one says the registry of guests and the other is the rental application, so it is two separate issues. However, upon discussion, council wished to change subsection (4) to 24 months as well. The clerk noted the change.

B. Brady asked what they did with occupancy – she didn't think they were setting occupancy. G. Drew said they were going to let the city decide. G. Fisher said the building department noted this revision on their permit application pursuant to the last work session minutes.

P. Stein asked what happens if the owner sells the property. M. Stark said it is covered in the ordinance and they can apply for a new permit. It is addressed on page four – subsection (5) as follows: (5) If a dwelling used for transient rental purposes changes owners, both the prior and new owner are responsible for notifying the Building Department of said change within fourteen (14) calendar days of the effective date of the transfer. Such notice shall be in writing and shall include: the name, address and telephone number of the new owner and the name, address, and telephone number of the previous owner. The transit rental permit shall not be transferred or assigned to the new property owner. New owners must apply for a new transient rental permit. If such application is made, the application will take precedence over any individuals on the waitlist.

G. Drew asked if the penalties and fines on page five – subsection (g)(1) are civil or criminal. S. Herron said they are essentially civil in nature, and it links up to subsection (5) which institutes a civil action toward the person who is responsible. G. Drew asked how they collect these fines. S. Herron said through a civil finding. B. Brady asked if they would take away their permit. G. Drew said he would hope so. He asked if there were jail times with these fines. S. Herron said not with the fines. It's up to the court if you do not pay. B. Brady asked how Chapter 1484.00 PENALTY integrated with the penalties and fines in subsection (g)(1). S. Herron said council would need to ask the law director on the difference of the two. G. Drew wondered if they could make these criminal – a M4 or M3, or a M1. S. Herron said this is his thought. G. Drew thought they should be escalating misdemeanors. S. Herron didn't think they could impose a penalty that would exceed what the State of Ohio does, which is a \$1,000 for a M1 as the maximum. G. Drew said then you would have six months of jail hanging over your head. S. Herron said they would have to address this with the law director to ask about the implementation of civil claims. G. Fisher said council could ask her during the council meeting during her report.

M. Stark asked Melanie Wood how the building department handles fines. M. Wood said the building department would turn it over to the court and then through their hearings they would assess the fines, and the judge would ultimately determine what fines they would have to pay, unless they assess it to the property itself. B. Brady said anything the renter did would just go through the police department as a regular violation.

T. Valerius said once the ordinance is rewritten, he will go through it in order to make changes to the inspection report, etc. B. Brady said if they do have 100 permits, then they're talking about \$40,000 in applicant fees – is the administration looking at hiring a person to do just this, or a part-time person? How will one person handle the township, the city, and this? This doesn't seem like a reasonable expectation. T. Valerius said they are looking to hiring a part-time property maintenance inspector. G. Drew said Linwood may have 200 permits, so they may be at \$80,000. B. Brady said they will also have money coming in from Vermilion Township.

G. Fisher believed this ordinance didn't have to go before Planning Commission this time, because it deals with Chapter 1484, which is not part of the Planning and Zoning Code, so it is basically Council's legislation at this point which can go for three readings. S. Herron agreed. B. Brady asked if they could pass this by emergency. G. Fisher said yes if that is what council wants to do. B. Brady said they may want to because they are getting into summer.

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G. Drew asked if they would pro-rate. Mayor Forthofer said in the case of food trucks, council had decided there was no pro-ration and they had to pay the whole thing, so if they wanted to be consistent, then this may be the way to go.

T. Mayle asked what happens if they have more than 100 permits. M. Stark said it is a first come first served basis. T. Mayle asked what happens after that. M. Stark said they can always revise the ordinance to open the number to more in the future. She said currently as the ordinance is written there will be a waiting list after the 100. B. Holmes asked what happens to the people who rent their house out if the number is to 100. B. Brady said they will get fined.

B. Brady asked if Erie County is helping. A. Hendricks said they do the collection of the taxes; they do not have anything to do with the registration. B. Brady asked if the county was picking them up off Airbnb. A. Hendricks said the cities and the counties have contracted with Granicus for this. She said there is about 19 different sites. Mayor Forthofer thought the building department has difficulty with property violations that don't go through the courts fast enough or at all. He would hate to see this follow the same fate, so they need to make sure they are staffed correctly in the prosecutor's office to be able to handle these issues. He is aware the law director may have found an assistant today, so they will see if this helps with the property violations. If it does, then he thinks it will help with transient rentals as well. B. Brady said you can close them down if they violate – you're not just looking at collecting a penalty, but you're looking at closing down the rental. S. Herron said you have to prosecute it before they can close it down.

B. Holmes asked where this issue stands with the ordinance on the books as far as residential Knox boxes, or the fact that it is a business. R. Johnston said he got in contact with the state Fire Marshall's office and they're not doing anything with this – it's residential, so it is a building code thing. He would like to offer the building department a Knox box form that offers the property owner the opportunity to get one. It will be signed by him before he can order it. He said the Fire Marshall's office said they can write an ordinance if they want to, but right now they feel they can just offer this opportunity to them.

P. Stein MOVED; S. Herron seconded to have the clerk prepare final legislation to put on the April 11 Special City Council meeting for a first reading. Roll Call Vote 7 YEAS. **MOTION CARRIED.**

Adjournment:

M. Stark adjourned the Vermilion City Council Work Session upon no further discussion.

Transcribed by: Gwen Fisher, Certified Municipal Clerk