

THE GENEVA CITY COUNCIL

JOURNAL OF PROCEEDINGS

SPECIAL COUNCIL MEETING

April 19, 2023 – 5:30 PM

Public Safety Building
255 Exchange Street
Geneva, NY 14456

Presiding – Steve Valentino, Mayor

1. ROLL CALL

Present: Clr. Regan, Clr. Gaglianese, Clr. Camera, Clr. Brimm, Clr. Noone, and Clr. Burrall

Absent: Clr. Pealer and Clr. Salamendra

2. SHORT-TERM RENTALS DISCUSSION

Mayor Valentino told everyone that the outlook of this meeting is to give staff direction to put together an ordinance.

Clr. Regan read notes from Clr. Salamendra. Air B&B's, like long-term rentals, are businesses and with long-term rentals, it is important to know who is doing business here. Her suggestion is to create a registry when council leaves this meeting with the hope of answering some questions: by when would Air B&Bs be required to register to do business (say within 60 days of the approval of this legislation), and if not, should there be a penalty fee, who in the city will handle and who will educate residents and who will inspect rentals, how much should the registry cost, and if there are remaining funds, what will they be used for. She said that council needs to get an idea of how many short-term rentals there are and where the rentals are located, and staff can write the legislation if answers are given.

When Clr. Regan questioned if council wants a registry, Mayor Valentino said that council needs the city manager's input of how it impacts us so we can try to focus and provide staff with direction.

Clr. Gaglianese said that one size fits all will not work, and he feels the city needs to clean our own house before looking at other people's houses. He said he feels we need to enforce the codes on the books before putting more on the code enforcement officers' plates. He said he is not against this legislation, but he feels it should be done down the road and not rushed into. He said he feels the short-term requirements in the new zoning code are pretty fair and a good start, but short-term rental owners are not landlords. He said the housing crisis is not being caused by short term rentals. He said he does not want to be a part of this now, and he feels council needs to create revenue and build our infrastructure.

Mayor Valentino went over the goals of council; preserve housing affordability in the long-term rental and home ownership markets, limit negative effects on neighbors from noise, parking, and other nuisances, protect health and safety of the guests, ensure an even playing field for the formal lodging industry and compliance with city's hotel occupancy taxes, increase lodging supply during peak demand periods, allow residents the ability to generate additional income from their properties, and beautification and continuity of neighborhoods. He told council that if they want to talk about implementing anything, they need to look at our current staff capacity.

Clr. Brimm said he feels council needs to look at what staff can handle, because unless the city charges a ridiculous amount, it will go back on the taxpayers to fund hiring more staff. He said council needs to look at the immediate effects to keep people from moving out of the city. He said he is against this until the city can figure out a way to generate revenue to offset the cost.

Clr. Camera said that staff's document presented at the March meeting was excellent and helpful. He said he wants to preserve neighborhood character and keep neighborhoods quiet, kind, and dog friendly. He said that he feels licensing is important with a charge, and he feels hosted rentals vs. unhosted rentals make a difference. He said he would prefer to see rentals where the owner lives in the house part of the time to eliminate the property being bought just to create a business. He said he feels we definitely need inspections and enforcement, but does not think code enforcement needs to monitor. He said a tax would help pay for monitoring by an outside service. He said we don't want too many people in one house and should limit the number of days to around fourteen. He said he is in favor of a registry and is willing to amend the code as needed, but he does not want to kill the tourist business.

Clr. Regan said she has been interested in this since the beginning with the possibility of collecting occupancy tax. She likes what Clr. Salamendra presented by starting with a registry. She agreed with Clr. Camera that this could be farmed out to a service with the registration fees going to that service. She said that with there being different rentals and costs to rent, she feels the fees should be reflective of the cost to rent, and the legislation should pay for itself. She said that council can't keep shutting their eyes just because there is too much on their plate. She said that people are reporting that houses are being purchased for Air B&Bs. She said council needs to get a registry going, then start charging a fee, and move into occupancy tax which is a tax on the renter.

Clr. Burrall asked what council is trying to solve here and if the complaints being received could be taken care of in other ways, such as parking and noise complaints. He said that if council is trying to preserve housing affordability and home ownership, how will a registry and tax on short-term rentals fix this. He questioned what will be done with the tax and/or registry fee, and can council develop an incentive for long term rental and home ownership. He said he is in favor of incentivizing long term rental and owner-occupied housing. He said he feels they do not need to be inspected, but they should be taxed as more and more are being converted to short term rentals. He suggested offering lower taxes to long-term rentals with a diminishing scale. He said he is in favor of a registry that includes commercial buildings. He concluded by saying that he is in favor of legislation to make it beneficial to what the problem is.

Clr. Noone said that the city needs to do something. He said we need regulations, inspections, permits, notices to neighbors, and occupancy restrictions. He questioned how the city was doing with the rental registry and asked what is being done if landlords do not register. He asked if staff feels the numbers measure up to what we actually have for rentals in the city and if it is effective, noting that accountability is huge. He said we need to find a way to make the codes on the books work for staff. He questioned what the revenue impact could be, who we would farm it out to, and how we would limit the number of units. He added that we need to know how many rentals exist and what we will do to enforce the new requirements council wants to implement. He suggested looking at what other municipalities do and said we need to move toward occupancy tax.

Clr. Regan read a comment from Clr. Salamendra. She said that Air B&Bs should have 60 days to register or shut down. She said that the fire or code departments can handle the inspections, and the cost of two nights rental being the fee to cover the inspections with the rest going to a designated fund to help alleviate the Air B&B effect.

Mayor Valentino said that council continually asks more from staff and said he feels we cannot overburden them when council is asking for changes. He said that there is a continual disruption in certain neighborhoods based on a lack of ability to enforce in real time when neighbors are affected. He said that as far as short-term rentals, there is little he would support for prohibiting in neighborhoods, creating zones, density restrictions, use of limitations, minimum nights or grandfathering. He said he feels occupancy should be enforced, but he does not see licensing as an option as there are challenges with capturing the number out there. He said taxation is important because hotels pay tax based on occupancy. He said he wants to make sure short-term rentals are not treated differently than hotels. He said he feels if there are violations that continue in short-term rentals, then it should affect their ability to operate.

City Manager Hendrix said that there are three primary vendors that staff can look at to see how often homes are offered for short-term rentals in the city. She said that in peak season, rentals are going for more than \$1,000 per night. She said that they can compile what rentals look like and some can create a registry if you have a subscription. She said that accountability is a piece of this and staff needs to decide what to do whether we monitor or hire a service. She said for a registry fee, we will need to figure out what will be done with that money, and staff would need to send out bills and follow up. She said that public comment will be needed and collecting occupancy tax will be a bigger haul. She asked council what first steps they had in mind.

City Manager Hendrix said that it looks like council is in favor of a registry with accountability so something can be added to the ordinance for that. She said that staff will prepare something for council, but she is not saying that they need to do that. She will present the information to allow council to debate more.

Clr. Gaglianese said council needs more information to avoid unnecessary burdens on renters or lawsuits.

Clr. Brimm said he feels it should be a flat fee and questioned how the city will collect the occupancy tax and close all of the loopholes.

Clr. Burrall said he does not see a purpose of collecting a registration fee, just to hit a break-even point, just to find out how many short-term rentals we have. He asked if council agrees what the problem is and asked what the purpose would be for having a fee to register so we could get to a break-even point. He noted that the city does not charge a fee for the long-term rental registry and has no consequences for those who do not register. He said the permit should be based on the number of rental exposures you have. He said council should figure out what will be done with the fee, and he is not in favor of farming this out.

Mayor Valentino said it makes no difference if we have a registry or a permit. He said this will give us a database to work with to make changes to the code.

City Manager Hendrix told council that there will either be a special meeting in May or it will be on the June agenda, and the zoning update will be in their inboxes shortly.

3. ADJOURNMENT

**ACTION TAKEN by Clr. Noone; seconded by Clr. Gaglianese
MOVED THAT the meeting be adjourned at 7:01pm
MOTION CARRIED UNANIMOUSLY**

Lori Guinan

City Clerk