

STRATEGIC PLANNING

Tuesday, February 4, 2020 – 5:30 p.m.

Police Training Room – Olean Municipal Building

Present: Members: Chairman Crawford, Vice Chairman Dougherty, Alderman Gonzalez, and Alderman Smith. Others: Alderman Panus; Alderman Anastasia; Mayor William Aiello; Nicholas DiCerbo, Jr., City Attorney; Bob Ring, Director of Public Works; Tim Richardson, Fire Chief; Tiffany Taylor, Managerial Confidential Administrative Secretary, and Rick Smith, Cattaraugus County Legislator.

1. Roll Call

Alderman Crawford called the meeting to order at 5:30 p.m. and asked that the record show that all committee members were present except Alderman Witte, who was absent.

2. Approval of Minutes of the Previous Committee Meetings (Tuesday, November 19, 2019)

A motion to approve the minutes of the November 19, 2019 meeting was made by Alderman Crawford, seconded by Alderman Smith. Voice vote, ayes all. Motion carried.

3. Unfinished Business

None

4. New Referrals for Consideration

a. Discussion – Airbnb's in Our Community (Crawford)

Alderman Crawford explained that he has had two or three residents on West Henley Street reach out to him regarding an Airbnb that has popped up down the street from them, and they are wondering how the City is regulating these. He explained that this is obviously a new concept to Olean, and that on searching the Airbnb website, there are four to six in the City. He explained that with the article in the Olean Times Herald regarding Airbnbs, as well as their increase in popularity, he feels that the Council should have another discussion regarding these types of rentals.

Alderman Crawford explained that he reached out to Mr. DiCerbo earlier in the day, and it was determined that the Council needs to decide how the Code should be updated to accommodate for these types of rentals. He explained that new forms of business are important to support, but that at the same time, everyone needs to play by the same rules and the Council needs to determine what those rules are.

Alderman DiCerbo explained that last year, City Officials were notified at the February NYCOM meeting that the state will be dealing with Airbnb's from a State level, and that they would provide guidance similar to the Real Property Law that is provided to governments at a local level. He explained that this never happened, and NYCOM has provided updated handouts for consideration. He explained that there were several takeaways at the most recent meeting.

Mr. DiCerbo explained that the City should have regulations, and probably should from a couple of different standpoints. He explained that the City needs to clearly express what is allowed, as well as stating what is not. He explained that the City should enumerate standards for granting or denying special use permits, and include what is allowed and not allowed in the Code. He explained that the Council should look at bed and breakfasts when determining a zoning classification and where Airbnb's can operate, and be completely clear on rules.

Mr. DiCerbo explained that some municipalities have enacted licenses similar to hotels or bed and breakfasts which include annual inspection requirements with Code Enforcement. He explained that Airbnb's need to be established in the zoning law so that the Planning Board can grant special use permits for particular premises. The Council needs to be clear on what is and isn't allowed, and where it is and isn't allowed, for guidance for the Planning Board. He explained that a local ordinance, preferably through the zoning law, would allow for zoning and planning to have jurisdiction over granting of special use permits.

Mr. DiCerbo explained that after this is done, it is possible that the City's rules will be preempted by the State's. However, it is important that for now the Council be clear on regulations and decide how a premises qualifies as this type of rentals, perhaps based on the number of rentals that are done per year. He explained that if a not-for-profit rental occurs, such as if a family is going out of town on vacation and rents their home out for the time they are away, the Council needs to determine if licensing and inspection is required. He explained that there are a lot of different ways to regulate or license these entities.

Alderman Panus asked if there is anyone who can summarize what an Airbnb is, and Alderman Gonzalez responded that it is almost the hotel version of an Uber. Alderman Crawford explained that typically, the owner of a property is able to rent out the space, and it kind of flies under the radar in terms of required inspections. He explained that he has stayed at Airbnb's while traveling, and that they are often much more affordable for people that are traveling.

Alderman Gonzalez asked if it is common to rent a room rather than an entire apartment or house, and Mr. DiCerbo responded that it is a distinction that the Council will need to make. He explained that in this area, it is mainly entire apartments or units that are renting, and people really aren't renting out rooms in their homes (based on current searches with Airbnb). He explained that the Council will want to make a distinction between a boarding house and a

short term rental, and determine whether wholly separate facilities are required and if the Council will allow for one room to be rented at a time. He explained that there are a lot of ways to craft this.

Alderman Gonzalez explained that it seems that Ellicottville is a lot more attractive for something like this, and he asked if they have any regulations. Mr. DiCerbo explained that as of last year there were none; however, it is a unique situation because there are a lot of properties in the village, but most rentals are outside of the village. He explained that the village has very stringent zoning codes, but the town has not put as much time into their zoning. He explained that with the new sharing of engineering services, it is possible that the stringent zoning will file into the town as well.

Alderman Crawford explained that he is not in favor of over regulation but at the same time, there is a pretty thorough process to join Airbnb. He explained that it's important to consider this as a business and determine if they are carrying insurance. He explained that the City is already struggling with houses that burn down with no insurance, that the City ends up stuck with. He explained that he thinks that less is more but that something should be considered from a zoning perspective. Mr. DiCerbo responded that a special use permit would be obtained through the zoning board.

Alderman Anastasia explained that in the West Fall Road area, there may be an Airbnb that has begun on previously vacant property. He explained that he checked with Codes and found that there is nothing currently in place to allow them to monitor this situation, and that he feels that something should be in the Code to give Code Enforcement teeth in this. He noted that a public hearing should be held for the neighbors to be made aware. Mr. DiCerbo mentioned that a public hearing is a part of the special use permit process, and neighbors within a certain radius of the property are notified.

Alderman Panus asked if anyone has heard of any issues with these, and Alderman Crawford explained that he had received a couple of calls concerned about an Airbnb on West Henley Street. He explained that the concerns came based on low income rentals in the area owned by slumlords where there are issues of tenants in and out all the time, but he feels that the concerns are over the top and that his concerns are more from a safety standpoint. He feels that there should be regulations that are complied with and that at least Code Enforcement will know who is in operation in the City. Alderman Gonzalez asked if Airbnb would have that information, and Alderman Crawford responded that it doesn't do the City any good in the case of an emergency, and that Codes or the Fire Department should have quick access to the information. In addition, there are other companies for rentals such as this besides Airbnb.

Mr. DiCerbo explained that Airbnb requires rentals to have liability insurance, but he does not know if they are required to have insurance on the properties themselves. Alderman Gonzalez asked if that isn't the primary concern, and Mr. DiCerbo responded that as a matter of law, the City cannot require all properties to carry fire and hazard insurance. Mayor Aiello explained that a property on South Seventh Street was owned by an LLC and the City ended up footing the demolition bill after it caught fire because the LLC just walked away.

Alderman Dougherty noted that he will be bringing up insurance for rental properties in a later discussion today. He explained that his thought is that Airbnb's are good for the community. He explained that there may be traffic, but there is traffic with homes that are occupied by families coming and going every day. He explained that at least the building is not vacant and is being up kept. He explained that in talking with Mr. Jennings, he has found that when a use is changing to an Airbnb, it technically requires that the owner go before the Planning Board because of the change in use. He noted that these needed to be added to the zoning law so that they can be regulated like other rentals.

Alderman Gonzalez asked if the concern is that a slumlord or any other person in the rental business is using Airbnb to bypass the City inspection laws, and Alderman Crawford responded that he feels that that is part of the concern. He explained that what he is proposing is getting the conversation out there. He explained that several of the Aldermen have had concerns in their wards, and he feels that this warrants further discussion and further research. He explained that he would like to go back and see the process through Airbnb. He has a suspicion that some of the City's slumlords could not rent their properties through this site. Mr. DiCerbo noted that the market would not allow that, either.

Alderman Crawford explained that he would like to work with other municipalities to see if this warrants a Code change. Alderman Gonzalez noted that it would be interesting to see what Corning does. Alderman Panus noted that not only Airbnb should be considered, but others like it. Mr. DiCerbo noted VRBO. Alderman Gonzalez explained that he does not want to create a law for what might exist.

Alderman Crawford explained that Ubers and Lyfts are popping up, skirting the traditional manner used for taxis. He explained that he feels that a lot of these rentals will be popping up as well.

Alderman Dougherty asked if these "landlords" will be treated with certain specifications, and noted that a lot of the framework is already there, and this would be more of a slight modification to the Code. He explained that according to New York State, in order to be a bed and breakfast, you need to be an owner occupied establishment. This will help differentiate between a bed and breakfast and an Airbnb.

Mayor Aiello explained that he, as well as Alderman Gonzalez and Mr. DiCerbo, will be leaving for NYCOM on Sunday, and will see if they can obtain any additional information.

Alderman Crawford explained that based on some of the research he has done, he has seen both sides of the issue. HE explained that some municipalities have overdone it by targeting Airbnb's with unnecessary rules and regulations, while on the other hand, in some areas Airbnb's are bringing in a transient population with no rules. He explained that he will take some research and will follow up further with the rest of the Council. He explained that he feels that this is a good problem to have, that properties that have sat empty now have a use. He explained that this is more tourist dollars in the community. He explained that he received a concerned phone call that someone heard that the Council wanted to kill Airbnb's in the community, and that is absolutely not the case.

b. Discussion – Bed Tax

Alderman Crawford explained that he had a quick conversation with Mayor Aiello, and that he saw an article yesterday about the Cattaraugus County Bed Tax. HE explained that this has been discussed numerous times in the City, whether or not the City wants to consider doing something similar to what the County does in terms of charging a bed tax for hotels. He explained that the County currently charges 5%, which is a million dollars earned in bed tax.

Mr. DiCerbo explained that the Council would need to go to the State Legislature if they would like to enact a bed tax, and Mayor Aiello explained that he has spoken with the City representatives, and they would support the City's decision. He explained that if Olean were to put in a bed tax of 5%, which would not charge the City's residents unless they stayed in a hotel, that the City would see around \$111,000 of additional fee income. He noted that a 3% bed tax would create an additional \$60,000 of fee income. He explained that he has never said that he was not staying at a hotel because of a bed tax. The City is always looking for new sources of revenue, and this is one that will not affect taxpayers. He explained that it will be a process, though, as the City would need to go through the State for approval.

Mayor Aiello noted that he will email exact figures to the Council tomorrow.

5. Approval of Committee Reports

None

6. Adjournment

A motion to adjourn was made by Alderman Crawford, seconded by Alderman Gonzalez. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 6:05 p.m.