

City of Willoughby Hills

Short Term Rentals Subcommittee Meeting Thursday, November 14, 2024

Immediately following the Regular Meeting of Council

Minutes of November 14, 2024

The Short Term Rentals Subcommittee Meeting was called to order on November 14, 2024 at 7:54 p.m. in Council Chambers. **Councilwoman Belich** presided.

Called to Order immediately following Regular Meeting of Council (0:07)

ROLL CALL (Audio: 0:17)

Roll Call:

Members Present: Councilwoman Julie Belich, Councilman Dan Knecht, Councilwoman Kathleen Sivo

Invited Guests: Mayor Christopher Hallum, Council President Michael Kline, Council Vice President Tanya Taylor Draper, Councilwoman Vicki Miller, Councilman Jarmuszkievicz, and Law Director Michael C. Lucas

- **Councilwoman Belich:** Our current subcommittee is made up of Julie Belich, our chairperson, Councilwoman Kathy Sivo, and Councilman Dan Knecht. We make up the Business Subcommittee, and we were the ones who put together the agenda and organized this meeting. We have invited all members of the Council, and we're grateful that everyone was able to join us and be part of the discussion. This is a dialogue among all members of the Council, not just the subcommittee, so we're thankful for your participation, and we're looking forward to it. Hopefully, we'll have a lively and productive conversation.
- We also have with us Pete DiFranco, our City Engineer, and we're grateful that he could be here to answer any questions as they arise. I'm not sure how many questions we'll have, but we're happy to have you here and appreciate your willingness to assist. Our Law Director, Mike Lucas, has also graciously agreed to be here to help with any questions or answers that may come up during our discussion of short-term rentals. He will also be available to address any questions later during the public portion of the meeting.
- We have a list of discussion items that have been put together to help guide our conversation, and I'll go over that in just a moment. I'm not sure how long the discussion will take, but these bullet points are meant to serve as a starting point, and additional topics can be added as needed. As we go through the bullet points, we can add to them based on what the Council decides. Once we've completed our discussion, the final part of the meeting will be the public portion. At that point, we invite the public to share any comments or questions you may have. We look forward to responding and engaging with your

feedback. If you're unable to speak here today, remember that we can always be reached by email or phone, and we're happy to continue the conversation.

- The purpose of today's meeting is to address the ongoing concerns about short-term rentals that have been raised over time. The Council has unanimously agreed to move forward with legislation to regulate short-term rentals in Willoughby Hills. A while ago, we decided that our Business Subcommittee would take on the task of initiating this conversation. Since then, we've met, asked questions, and had discussions with our Law Director and City Engineer to determine what issues should be addressed as we work toward writing meaningful legislation.
- Council president Mike Kline was gracious and took a lot of time to put together research that he did on his own. He put together packets for us so that we could review some of the ordinances from other communities, as well as the goals set forth by the State regarding short-term rentals and how they might be regulated. This included information about a House Bill that was introduced a couple of years ago, which we were waiting to see the outcome of. That uncertainty essentially put the brakes on our legislative progress. So, here we are today, having received that information in advance of the meeting. This will help guide our discussion points, so thank you, President Kline, for putting that together for us.
- I found the information helpful, and I have a short list of concerns that have been raised in past conversations with the Council, particularly with the prior Business Subcommittee. I will quickly go over a few of these concerns: increased traffic on residential side streets as well as major arteries, and issues with parking that may be a result of short-term rentals, particularly from those who are patronizing them.
- One of the main concerns with these rentals is noise, which is especially significant when you have guests in your neighborhood who do not typically reside there. This issue tends to be more noticeable during the warmer months, particularly in the summer, when people are often outside. There are also safety concerns related to increased parking and traffic. Another major concern is the negative impact on neighbors, particularly with the rise in investor-owned properties. This is a concern because we all want to ensure that property values remain stable and in good condition. There is always the worry that, with short-term rentals in your neighborhood—whether next door or nearby—there could be issues that affect you, especially regarding these major concerns. These are the issues we have heard in previous conversations and in other discussions the Council has had.
- We have put together some bullet points, but I want to emphasize that this agenda doesn't cover everything. We realize there are many concerns, and we could easily spend the entire evening discussing them. This is just a starting point, so please do not think that if your concern is not listed here, we are not addressing it. We are still looking at all concerns. If you would like to speak up, please feel free to do so, during the public portion either of the meeting or afterward. This is not the final word on how we approach regulating or writing meaningful legislation on this issue. With that said, let's move forward and begin our discussion, starting with certificates of registration.

DISCUSSION ITEMS

1. Certificates of Registration

a. Cost

- We did have a piece of legislation in the process before this, and we started looking at it. That was included in the packet that President Kline provided to us, which was very comprehensive and detailed. It contained a lot of valuable information, much of which we saw in ordinances from other communities. Through our own discussions, we also considered certificates of registration. For example, if a short-term rental owner moves into the City or resides here and wants to operate a rental at their property, should we require them to register with the City? We would want to know that they're here, where they are and what the dwelling and the property look like. There are many aspects that could be included in a certificate of registration application.
- I'll throw that out to our dais now to see if anyone has anything they'd like to add or mention, whether it's something they'd like to see included or something they'd prefer to avoid.
- **Councilman Jarmuszkiewicz:** I believe that when we talk about certificates of registration, it's important for the City to know where these homes are located. How many of these properties are being used for short-term rentals within our City? This also helps address other issues, like traffic, as we discussed earlier. The registration should provide details about the size of the property, how many people live there, and who is staying in the home—whether it's for less than a month or more than a month. I know there is an ongoing court case regarding short-term rentals, but regardless of that, it's essential for the City to know who is in the area, especially for long-term stays. Knowing who is in our City, and where they are is important for our Police and Fire Departments in case of emergencies.
- **Council Vice President Taylor Draper:** Something I would be interested in, and I'm not sure if the certificate of registration is the right place for it, but it might be worth considering background checks for the temporary folks living their, including checking for tier 1 sex offenders. I think that's something that needs to be explicitly stated, not just assumed. When people are coming transiently through your neighborhood, it's important to know who they are. I believe it's the responsibility and onus of the property owner—who is renting or providing these locations—for people to ensure that this information is properly vetted. [\[Audio 9:36\]](#)
- **Councilwoman Belich:** So, you're saying if the owner is renting a home, say, for a week to individuals coming from out of town, there should be some way for the owner that is renting to conduct a background check on the individuals who will be staying there.
- **Council Vice President Taylor Draper:** That's correct, because you never really know who's there. If you have a community with children, you want to be sure that none of these individuals are sex offenders. I know that in an association I was part of, that was an amendment we made sure was there. There are people coming in and renting and you want to make sure that potentially harmful individuals are not near children or living in the neighborhood. I think it's important to know who these people are. I'm not sure legally if that is something they could do, but that is definitely something that is an option. When you have children, elderly residents, or just families living there you want

to know who's coming and going in the neighborhood for the safety of everyone. [\[Audio 10:44\]](#)

- **Councilwoman Sivo:** I'm not sure how that would work, but I'll throw it out there. If someone is renting the house next to me, it could be the same situation. I don't know how the owner of a home being rented as an Airbnb would have the time to conduct a background check. In some cases, the rental might only be booked a week in advance. Do they have enough time to run a background check? And if they don't, would they turn those renters away? I'm not sure, and I'm also wondering: Is it legal to do background checks on all people renting an Airbnb? [\[Audio 11:35\]](#)
- **Law Director Lucas:** If there is going to be a registration process, you want the party that is registering the property per se, not who is in it each time, to present verification; it should be administratively easy. Is there a tier 1-sex offender? We want representation and if we are going to do a registration as certain bullet point that's going to be easy to verify. [\[Audio 12:25\]](#)
- **Councilwoman Sivo:** For that person who is renting it?
- **Law Director Lucas:** For each occupant that is going in, and then it would be presented to the City. It's going to be a lot for us to keep track of the registrations too, it's a two-way street. I want them to do the work, because they should be vetting who they are putting in their neighborhood, not us vetting. That would task them with the initial vetting and then present it to the City as part of the registration process. And it is legal.
- **City Engineer DiFranco:** Who would be administering that, our Zoning Department or our Police Department? I don't think we are qualified in zoning to review sex offender information. If you are going to review every tenant, we do not have the staff to review that type of thing for every renter. [\[Audio 13:25\]](#)
- **Council Vice President Taylor Draper:** I don't think the onus is on the City or its employees. I think it is on the owner who is renting the place. They should provide that documentation to ensure. The safety of our residents is our business. We need to put things in place to make sure that everybody else thinks that too. In a neighborhood full of women and children, we need to put things in place to make sure that the safety of the residents is a concern of the owner renting this place. [\[Audio 14:31\]](#)
- **Law Director Lucas:** I agree with what the City Engineer said. This came up once before with reference to having discussions regarding registration of rental homes in general, not just short-term rentals. There was considerable conversation as to who would administer this and whether the City had enough people to do so. Also, what department would administer this? I didn't mean to suggest that the City reviews the sexual BCI of an individual, I want something where the owner indicates through registration that he specifically determines that the renter is not a tier 1 sex offender or other offender. In addition, he must verify that with an affirmative indication on the registration. At the bottom of the registration, if there is an indication where did not accurately represent his status, we would want a penalty for that individual. [\[Audio 15:19\]](#)

- **City Engineer DiFranco:** I agree with having a check box on the application form saying that the property owner will vet renters, but not in a way, that provides any reports to us as part of the application process. [\[Audio 17:30\]](#)
- **Council President Kline:** I am not familiar with the process; does Airbnb do any vetting of people going through them to make reservations of properties? [\[Audio 17:38\]](#)
- **Law Director Lucas:** I know in a couple hearings we had with Willoughby's Board of Zoning Appeals involving short-term rentals, there is a niche area for property managers. This is specifically limited to short-term rentals and serve to do the vetting process to protect those actual homeowners from something that may occur. An example from Cleveland that held 700 Airbnb's, did significant vetting of everyone who was coming in. This was done through his business entity and employees. He does the vetting for the property owner because for a successful Airbnb, there is a significant transient and quick turnover which makes it profitable. This would either be the owner or agent doing the vetting. We want the vetting done by the owner or the manager of the owner, while also locking them in on a short punch-list to quickly run through the BCI. [\[Audio 18:20\]](#)
- **City Engineer DiFranco:** Are you saying each time, they rent the house we would have to review something?
- **Law Director Lucas:** For the annual year.
- **City Engineer DiFranco:** For clarification, every time they are renting, we are not reviewing anything?
- **Law Director Lucas:** We are going to look at their punch list for the annual period of time.
- **City Engineer DiFranco:** For one annual application?
- **Law Director Lucas** confirmed.
- **City Engineer DiFranco:** Not as every new tenant comes in?
- **Law Director Lucas:** No. If you are going to do the registration, you want that renewed each year. It would seem logical to me that this would run from January 1st to December 31st since that was on the expiration punch list that I reviewed at length. [\[Audio 22:10\]](#)
- **Council Vice President Taylor Draper:** Would it be their responsibility to ensure that they check these things?
- **Law Director Lucas:** Under the certificate of registration, one of the things would be the owner/agent hereby for the property hereby represents and warrants that no short-term rentals will be provided to any of the following classifications or individuals; this is where you would have the list of offenders prohibited from renting. [\[Audio 22:24\]](#)
- **Council Vice President Taylor Draper:** I think it is important to make sure that they document that there are working smoke detectors and fire extinguishers. If there is a fire,

that could damage their house, or the house next to them as well as put people in danger. [\[Audio 23:20\]](#)

- **Councilwoman Belich:** Are we advocating for a visit to each location by the Fire Department to each property or are we would we have a check box that displays they have working safety measures (Smoke detectors, carbon monoxide detectors, fire extinguishers). [\[Audio 23:57\]](#)
 - **Council Vice President Taylor Draper:** They are the ones that need to take the onus of everything, not us, as it is their business.
 - **Councilman Jarmuszkiewicz:** The registration does not need to be complex. Just make sure that there are the required number of bedrooms for the amount of people living in that home. They don't have to go into structural details. They could look at how many bathrooms are in the house, the number of CO2 detectors, smoke alarms, and other safety items, as well as the parking spaces. This would just be the initial registration to apply for each year. If there are any changes this could be updated. [\[Audio 24:50\]](#)
 - **Councilwoman Belich:** When we talk about occupancy, we can talk about the limitations and number of guests that will be able to stay there which could describe how many bedrooms and bathrooms are there. [\[Audio 26:20\]](#)
- b. Renewal frequency and Expiration – calendar year, December 31st of the year issued
- **Councilman Knecht:** You list cost here under registrations. This is going to have to be a bigger discussion with the departments that are going to have to look at this and what they think the time is going to be on their staff to go through the initial registration or the renewals, so that we are sure we cover the costs. This could potentially include having to hire an employee to help in some of these instances depending on the volume of these. [\[Audio 26:39\]](#)
 - **Councilwoman Belich:** I agree with that, what makes us believe that the dollar amount covers anything that has to happen administratively in the City? That is a good point that we can come back to. To wrap up this section on renewal frequency, I believe it's been discussed that we would like to see it annually and it would be on a calendar year with the expiration date set so it all happens at the same time. This means that if the property owner applies for the certificate on July 1, the cost will be the full amount, without prorating. The renewal will then take place on January 1. Is that the current understanding? [\[Audio 27:19\]](#)
 - **City Engineer DiFranco:** Yes, that is correct, the registrations also. [\[Audio 28:28\]](#)

2. Occupancy

- a. Limits Short-Term rentals to a maximum number of days per year?

- **Councilwoman Belich:** At some point, to get our conversation moving, if there's anything you want to add to this, no worries. So, as I was reading through the research that President Kline provided to us, I think I saw something that Engineer Pete wrote about having a maximum number of days per year that a short-term rental could be rented out. I'm not sure what the number was, but I think it was 14. That would mean that within one year, if you're registered to rent a short-term rental property, you could rent it for 14 days, and that would be it. So, there would be a limit for each property on the number of days throughout the year that you could actually rent it. I believe I've seen this in some of the other examples out there. Any thoughts about that?
 - Additionally, you mentioned the Frank Lloyd Wright house, which is rented on an ongoing basis, essentially weekly. While we understand that this is already in practice, should we consider this as a model for future short-term rentals? Is it something you'd like to explore further as part of our discussion? I'd appreciate your thoughts on this. [\[Audio 28:40\]](#)
 - **Law Director Lucas:** The Mayor and the Administration talked about delineating what would be a historical/tourist attraction, especially regarding the Frank Lloyd Wright House. I understand that you can stay in this house, which would be like a short-term rental. There should be some niche in how we are going to regulate the residential structure versus the historical significance. [\[Audio 30:04\]](#)
 - **Councilwoman Belich:** Is there any interest in discussing the limit of days a short-term rental should be?
 - **City Engineer DiFranco:** I don't know how we would enforce that.
- b. How are occupancy limits determined?
- **Councilwoman Belich:** I agree. This could be nightmare to try to enforce. So I will move on to maximum number of guests. I thought we could discuss is the maximum number of guests allowed at a property. This relates to occupancy limitations and how they might be determined. For example, if a home has two bedrooms, does it make sense to allow 15 people to stay there? Should the number of guests be based on the size of the house? I'd be interested in hearing your thoughts on this. [\[Audio 31:42\]](#)
 - **Councilwoman Miller:** This should depend on the type of house this is. We should limit the number of people that could be there to the number of beds that are available. A lot of what I see has the guests up to a certain amount and no visitors are allowed without having them registered. There could be more people that come in at a certain time and have some visitors. The owners that are out there do pretty well because this is their investment, this is their property so they have a stake in it. They are going to follow regulations and they are going to put safety rules into place. [\[Audio 32:23\]](#)
 - **Councilman Jarmuszkiewicz:** As far as the number of beds in a house, you have to make sure you go by room. There can be instances where people bring beds and find loopholes to that rule. If it's got 3 bedrooms with 3 beds in it, you are figuring probably 2 people to a bed, which is like 6-8 people. [\[Audio 34:00\]](#)

- **City Engineer DiFranco:** Most codes that I have read have 2 person per bedroom plus 3 additional. Bedrooms are defined, and have to be a certain size.
- **Councilwoman Belich:** Are you referring to square footage of the bedroom?
- **City Engineer DiFranco:** Confirmed.
- **Councilwoman Belich:** Is this written in to?
- **City Engineer DiFranco:** In the building code, a bedroom is defined and has to be a minimum size, as well as have a window.
- **Councilwoman Belich:** Could they consider a living room with a couch or pullout sofa?
- **City Engineer DiFranco:** No.
- **Councilwoman Belich:** How are these determined? Does this go back to our certificate of registration? When somebody applies all of this information I assume that is going to be on that registration form and they will have to. The owner will have to provide the information. Is this correct? [\[Audio 35:35\]](#)
- **City Engineer DiFranco:** Confirmed.
- **Councilwoman Belich:** So we are not talking about an inspection, correct?
- **Councilman Jarmuszkiewicz:** The inspection would be a quick walkthrough to make sure that they have smoke detectors, CO2 detectors, as well as verify that there are that number of rooms.
- **City Engineer DiFranco:** I am not envisioning that. Like the Law Director said, we will have a check list. The owner will take responsibility.
- **Councilman Jarmuszkiewicz:** Lake County has maps for room layouts for homes.
- **Law Director Lucas:** I am not envisioning that in terms of someone from the City going to the residents. What I envision is a short punch list that address the number of rooms, beds, and maximum number of occupancy. Then, you can go right into the auditors and check the floor plans on the auditor's website. [\[Audio 36:35\]](#)

c. Home / Accessory Building / Individual Rooms / Yards

- **Councilwoman Belich:** When evaluating a property, we might come across not only the main house but also additional structures, such as sheds or other buildings that could potentially be used. For example, I'm referring to situations where individual rooms in a house are rented out. Could someone rent a bedroom and bathroom suite on the first floor of a home while you occupy the rest of the house? Another consideration is renting out the yard for camping purposes, such as allowing guests to pitch tents or use sleeping bags. My question is, when we discuss registration and certification, are we considering the entire property, just the main dwelling, or any separate buildings as well? How should we approach this? [\[Audio 38:00\]](#)

- **City Engineer DiFranco:** With a few exceptions in Willoughby Hills, cottage buildings and accessory structures are not permitted as dwellings in the city. These types of buildings cannot be used for sleeping accommodations, such as sheds, motor homes, tents, or camping. The property must meet the required number of bathrooms, as defined in our code. A short-term rental would only be considered a legal dwelling if it is a designated residential property. For example, you could rent out a room or an entire house, as is allowed for long-term rentals, but the property must be a legal dwelling. [\[Audio 39:05\]](#)

d. Parking limits?

- **Councilwoman Belich:** Can you weigh in on parking limitations?
- **City Engineer DiFranco:** Most of the codes that I read are limited to the number of cars you can fit in a garage plus 2 in the driveway.
- **Councilwoman Belich:** How would we handle street parking if the renter meets the code but has guests?
- **Council Vice President Taylor Draper:** My experience has been that those areas have to be used first. This means people cannot park in the street when the garage and driveway are open. I do not think it's fair that this one dwelling will be taking up the majority of the parking spaces on the street. It is not fair to the residents who live there. [\[Audio 41:07\]](#)
- **Council President Kline:** In some of the municipal ordinances, some of them have limited parking to in the garage and in the driveway and that is it. If somebody is throwing a party, they may have street parking for only a few hours, whereas if someone is renting a home for a week, they may have street parking for a whole week. [\[Audio 42:30\]](#)
- **Councilman Jarmuszkiewicz:** Most cities have parking bans after 2:00 or 1:30; I am unsure if Willoughby Hills has this, but neighboring communities such as Euclid would tow a car.
- **Councilwoman Belich:** Mr. Law Director, do you know the rule for Willoughby Hills?
- **Law Director Lucas:** I do not know, but I can find that out.
- **Councilman Knecht:** What should we do about homes that don't have garages? Does this limit them to only two additional guests, or would a larger garage, such as a four-car garage, impact the situation? Should this factor change the way we look at it? [\[Audio 43:31\]](#)
- **Law Director Lucas:** I think the spatial area would control that, as opposed to the garage and the remaining portion of the driveway. If you have a driveway without a garage and can fit six cars in the driveway itself, that should dictate what controls in terms of the maximum limit that could be set. I don't think it would be difficult to craft language to that effect. The thought is, as I am defining it, that this would be the maximum occupancy for the short-term rental, which may, in fact, be the maximum occupancy independent of other factors such as bedrooms, etc. [\[Audio 44:01\]](#)
- **City Engineer DiFranco:** Regarding the parking, I think the intent is not to create a used car lot in the driveway. Our code requires new homes to be built with the two-car garage.

If they have a barn, and they can fit 6 cars in the garage, that's okay, as it would not be creating a nuisance for the neighborhood. I wouldn't allow many cars in the driveway because this is what we are trying to avoid. [\[Audio 45:22\]](#)

3. Nuisance Issues

a. Penalties for repeat violations

- **Councilwoman Belich:** Would penalties for repeat violations and citations go to the owner?
- **Law Director Lucas:** It could be a multitude of different entities and individuals. There has been a situation where cars were parked in the front yard. The police were not looking at the nuisance component, but rather questioning why cars were parked on the front yard of a property on a residential street. Some of the cars had to be towed. So, this will be fact-sensitive. Any violations related to the registration are the responsibility of the owner. It would be helpful to outline what the violations would be within the registration certificate itself. If there are people yelling and screaming and violating the disorderly conduct ordinance, those individuals would theoretically receive tickets for disorderly conduct, but the owner should also be looked at first. [\[Audio 46:28\]](#)
- **Council Vice President Taylor Draper:** I'm definitely not generalizing everyone, but if someone is going to disrespect the neighborhood by yelling and screaming and causing disruptions, I don't think they would care if you gave them a \$20 or \$50 fine. They're not likely to come back anyway. It should be the owner's responsibility because they need to understand that they have to ensure the right kind of people are staying there. If they don't, it's going to fall back on them. If someone thinks nothing will happen and they can get away with it, they won't care. So, I think the owner needs to be the person ultimately responsible. It all comes down to the owner and the kind of people they allow in. If there are complaints or fines, it's on the owner. Temporary renters likely wouldn't care, but the owner would. [\[Audio 48:27\]](#)
- **Councilman Jarmuszkiewicz:** I think part of the penalties for repeat violators should be documented or made known that after the first or second time you will lose your right to rent that house out, and you'll lose your occupancy permit, or whatever the certification is. That way, they will know right away. If they were to rent to people who believed they could do whatever they want, they would know they could lose that right. You would have to list what violations you would include in that. [\[Audio 49:36\]](#)
- **Council Vice President Taylor Draper:** I agree with that.
- **Councilwoman Miller:** My only thought is giving some kind of penalties because if there is repeat violations at one properties it's not the same people causing the issues it's the type of people that they are inviting into their home. There should be a growing number of penalties for violations as they continue to occur, as well as the loss of their ability to register for the following year. [\[Audio 50:35\]](#)
- **Councilwoman Belich:** I agree with you on the loss of their certificate of registration, we can talk more on this later [\[Audio 51:01\]](#)

4. Investors and Homeowners

a. Requirement owner must use the property as their primary residence – 51% of the year

- **Councilwoman Belich:** Lastly, regarding investors and homeowners, we are seeing individuals coming from outside the community to invest, primarily in short-term rentals. We know this is happening not just in Willoughby Hills, but in other areas as well, and it's quite different from a homeowner who lives in Willoughby Hills or someone who owns a property here and opts to rent it out on a short-term basis. With that in mind, could there be a mandate that when a property is rented on a short-term basis, the owner, or owners, have some connection to the community? One example might be requiring that the property owner resides in the community for at least 51% of the year. For instance, if someone is a snowbird and leaves town for part of the year, renting out their home would then be considered a long-term rental, as it would be rented out for several months at a time. However, if the owner is renting out the property for short-term stays over multiple months, this might be different. What are your thoughts on this idea, and how might it be implemented? [\[Audio 51:20\]](#)
- **Law Director Lucas:** The first thing that comes to mind is individual property owner versus a property owner that has a limited liability company and has it titled in the limited liability company. But the limited liability company doesn't have it a residence. The LLC (short-term rentals) conducts business in the City of Willoughby. There are some nuances to that, but it would take delicate craftsmanship of legislation. [\[Audio 52:38\]](#)
- **Councilman Jarmuszkiewicz:** What is the residency requirement for ownership for taxes? If you have renters coming in, when do they have to pay City tax? Is there a time limit they have to be here before they are obligated to pay?
- **Law Director Lucas:** There are some issues on that.
- **Councilman Jarmuszkiewicz:** For example, if I own a house and I'm living in Florida renting a house out here, do I pay taxes here and in Florida or are there people renting my house paying the City Tax?
- **Law Director Lucas:** From an accounting standpoint, because the income is generated from residence that you own in Willoughby Hills, Ohio, that that income is subject to the State of Ohio and City of Willoughby Hills local tax, even if they are occasionally down in Florida. [\[Audio 54:27\]](#)
- **Councilman Jarmuszkiewicz:** Are the people they rent the house to liable to this as well or not? Would their residence be considered Willoughby Hills? If they are here for 3 months, do they pay tax for those 3 months?
- **Law Director Lucas:** I would suspect so.
- **Councilman Jarmuszkiewicz:** How would you know who is living there? That is why I suggested getting a registered list of people living in the house just to know who is in the City and running the houses. [\[Audio 55:14\]](#)

- **Law Director Lucas:** If that registration is going to apply, whether it be to the individual or the LLC, I would be registering as the titled owner of the property in that LLC name and then provide the information on the registration itself. The point being that we are not limiting this to individuals.
- **Councilman President Kline:** Federal income is subject to local tax. It doesn't matter where the owner is, it is subject to tax in Willoughby Hills. If somebody is renting property, coming and doing work here, that portion is subject to tax if you can identify that they were living there. If you reside here and work here, that is subject to City tax. [\[Audio 56:03\]](#)
- **Council Vice President Taylor Draper:** They live out of state, out of town, or are LLCs, and that concerns me. It worries me a little because, in my experience, if you're not here, you don't know what your renters are doing. If you don't have a property manager or someone overseeing the property to ensure things are being done correctly and that the tenants are behaving properly, you don't know what's going on. A lot of these owners just sit back and collect money, while their properties could be causing havoc in the neighborhood. It makes me nervous because people tend not to see it, and I don't know the situation. Based on my experience, it leaves me a bit uneasy. [\[Audio 57:31\]](#)
- **Councilwoman Belich:** Are there other ways that this could be managed or looked at? How can we try to minimize the circumstance of investors coming in from out of the country or state? [\[Audio 58:30\]](#)
- **Councilman President Kline:** In a registration process of the owner registering the business or the house that is a rental property, it doesn't matter if it is a business or a tax identification number. This number can be cross referenced with Regional Tax Income Agency (RITA) with the State of Ohio, and you can find out if they are filing and declaring income for renting purposes.
- **City Engineer DiFranco:** As part of the application process, they should be required to provide a local contact, local property manager, or someone that could be contacted with any issues. I would also recommend that we require liability insurance. [\[Audio 59:36\]](#)
- **Council Vice President Taylor Draper:** Can we require them to have a property manager? Is there an outside group? Can we mandate that? [\[Audio 1:00:06\]](#)
- **Law Director Lucas:** No, you wouldn't be able to do that. What the City Engineer indicated was a good idea. One of the things we talked about originally was the concern that something could happen to the house, and we wouldn't know who lives there or who should be the contact. This becomes more of an issue with the increasing potential for short-term rentals. It would be helpful to have contact information provided on the registration application, including the name, address, and phone number of the owner or agent, in case of an emergency, like a fire or burglary. Secondly, I agree with the City Engineer, and I suspect the homeowners will have insurance on their properties since it's their asset. When you register a contractor for services in the City, one of the requirements is to list the City as an additional insured on the policy, which is something you might want to consider as well. This is standard practice everywhere. [\[Audio 1:00:25\]](#)

- **Councilwoman Belich:** Is there a minimum dollar amount that is required for that?
- **Law Director Lucas:** I generally start off with a general liability of a million.
- **City Engineer DiFranco:** I am looking at a code that says \$300,000, but I like a million.
- **Law Director Lucas:** Per individual, 2 million per event.
- **Councilwoman Belich:** So you can indicate that?
- **City Engineer DiFranco:** Yes, it's in the code.
- **Councilwoman Belich:** Would this be part of the process? Would a COI certificate of insurance need to be provided as part of documentation?
- **Law Director Lucas:** In the registration of contractors they would have to include that certificate of insurance that shows the City of Willoughby Hills is insured, right on the certificate.
- **Councilwoman Miller:** Our highest hope is that the Court will come back and say that our zoning does not allow it. We are discussing these items based on the assumption that the Court will say we are being proactive, and that they are allowable. We can't go back and tell anyone who is already operating that we are going to outlaw it. Is that correct? [\[Audio 1:02:52\]](#)
- **Law Director Lucas:** That is correct; you cannot retroactively go back and ban it.
- **Councilwoman Miller:** So, our best bet is to put something in place to protect our residents in the best way possible, if they say that short-term rentals are allowed. One of the things I found in my spam folder was an email from an Airbnb policy associate for local government. It's from the U.S. Conference of Mayors, which has developed best practice guides for short-term rental regulations. This could be another reference we can use.

PUBLIC PORTION: (Audio 1:05:47)

An opportunity for the public to address Council with any comments, issues, or concerns.

- Public Portion opened at 8:59 p.m.
- **Frank Cihula 35060 Dixon Road:** I am assuming that the ultimate goal of what you are working on is going to be an ordinance. Have you considered limiting it to City sewer service properties rather than septic systems? My second question related to this is have you asked the health department to weigh in on this issue? If they don't want to answer you, maybe the Mayor or the Law Director should ask him. [\[Audio 1:06:15\]](#)
- **Alan Bauccho 2930 Millgate Dr:** I appreciate the level of detail that you got into. I'll just comment that I think maybe we should've started with the two most important questions: who can rent—owner-occupied versus non-owner-occupied properties—and in what areas?

(Residential areas or not residential areas)? Specifically, the City Zoning Code states that in our R-1 residential areas, you can't have a business. If we start there, it really impacts the rest of the conversation. So, I think that's question one.

- If you decide that short-term rentals are allowed in certain areas of the City, then you talked about the maximum number of rental days. More importantly, though, we should discuss the minimum number of days required for rentals. A lot of municipalities have adopted 7 days, some have adopted 30 days. Larger cities often require a 30-day stays. We know that if we set a 7-day minimum, it could put places like Millgate out of business.
- In terms of the maximum number of days, I think those other two could override the maximum days. Although if I understood what you were talking with the 51%, you would be establishing whether somebody is an owner or would deem to be an owner which would make sense.
- I found the parking discussion really interesting. What we get at Millgate are weekend parties. You could probably fit 12 or 13 cars in the driveway, but on Saturday night, there were 9 cars. Then, 16 to 18 cars showed up to drop kids off, and came back the next day to pick them up. I can pretty much guarantee there were more than 12 people staying at that house. The challenge, of course, is compliance and enforcement. I'm not sure how you do that. Sure, I could pick up the phone and call the police, but what are they going to do? I wouldn't want the police showing up, either.
- The responsibility really falls on the property owner, and I think what you're proposing—strikes against the license—makes sense. If there's a violation, one strike, two strikes, and you lose your license. This is what the owner would be agreeing to, and that's a good approach. If you have a sex offender or nuisance complaints, that's a strike-three. I think you're headed in the right direction, and I'll just leave it at that. Thanks. [\[Audio 1:02:52\]](#)
- **Joe Opaskar 2965 Millgate Dr:** I'm thinking that everyone is missing the basic point. There are already existing bylaws, which I submitted at a previous council meeting on this subject regarding Millgate Estates, and that was to be looked into. I think at a higher level, existing bylaws should take precedence over any new ordinances or changes being established. If you don't enforce the existing laws that are already on the books, then creating new laws could interfere with the intent of the original laws. So, where do we stand?
- I don't fully understand where this discussion is going. The people who originally bought property on the street had to comply with the bylaws in place at the time, and now we're talking about changing those bylaws. I'm not sure how this will play out, and I'm not sure if it's in the courts or not, as I haven't been following it closely. Alan, however, is probably more versed on the legal proceedings.
- I just want you to seriously consider that, even if the laws were established 50 years ago, they are still on the books. You can't take that lightly and just wipe them out to establish new laws that replace the old ones. I've seen that happen before, and it really bothers me when that occurs in this country.

- That's all I have to say. Thank you. [\[Audio 1:11:45\]](#)
- **Randy Turner 2905 Millgate Dr:** In response to what Alan said, I just wanted to point out that they no longer have an actual garage because they turned it into a game room. So, if it's supposed to be a garage for 2 cars, then there's a problem right there. As for sex offenders, how is anyone going to know unless there's an issue, and by then, it's too late.
- I just want to say that I own quite a lot of rental property, but long-term rental in the City of Painesville and Painesville Township. There are some things that have come up, like for instance, the maximum number of people. We've always gone by the HUD guidelines, which allow two people per bedroom, and the bedrooms must be a certain amount of square footage and I would have to find that out. There are four bedrooms, and they're allowing 12 people in those four bedrooms. If we follow the HUD guidelines, that's way too many people.
- I would like to go with something tighter, as was mentioned earlier, especially since the vote was made to not allow short-term rentals in the City. I think we need to make these regulations very tight so that we don't get more opening up that is grandfathered in this court case. I'd like to see these regulations as tight as possible, and I'll stop here instead of going through all my two pages of notes. Thank you. [\[Audio 1:13:51\]](#)
- Public Portion closed at 9:09 p.m.
- **Law Director Lucas:** The bylaws were already discussed earlier with other residents in that community. The City does not have any right to enforce private developer bylaws or the Declaration of Covenants for a particular Homeowners Association or Condominium Association. This was discussed and is a fact. We cannot enforce private Homeowners Association Declarations or bylaws unless they are specifically mentioned within the bylaws themselves, which they are not in this particular case. Other members of the Homeowners Association checked with the lawyer who drafted the bylaws, if I remember correctly, but it went for naught. I don't recall all the details, but I know they were focused on the restrictions indicated in the bylaws. Whatever the information was, it would not have been helpful in this case. What we are doing here is not replacing anything. We are adding another tool to potentially assist by giving the City the authority to enforce rules parallel to those in the existing bylaws, but with city enforcement. It's not a matter of replacing anything; it's about providing an additional tool to help strictly control Airbnb's and give the city the means to enforce it. [\[Audio 1:16:25\]](#)
- **Council Vice President Taylor Draper:** I agree with that. I was the President of my Homeowner Association several years ago, this is absolutely right: the association can go after the violator of your property, but the City has nothing to do with that whatsoever. And that's the way it was—it wasn't our decision; it was the way the bylaws and declarations were written before any of us ever became a part of that Homeowners Association. So, your group can go after them, but the City has no right to do any of that, unfortunately. [\[Audio 1:18:28\]](#)
- **Councilman Jarmuszkiewicz:** Is there a way of putting a moratorium on any new short-term rentals until this is decided or do we have to wait for the Court decision?
- **Law Director Lucas:** You can put in place a moratorium. It would have to be for a reasonable period of time. I would have to put in justification for that what additional information we need to cause us to put it on hold. [\[Audio 1:19:30\]](#)

- **Councilman Jarmuszkiewicz:** Like waiting for the outcome of the case?
- **Law Director Lucas:** That would not have any effect on the ongoing Airbnb's. The moratorium takes effect more in terms of anyone who comes in for an additional application.
- **Councilman Jarmuszkiewicz:** Would that be looking at people from then until now that thinks that they should go ahead and hurry and get started?
- **Law Director Lucas** confirmed.
- **Councilman Jarmuszkiewicz:** Is there a way we can look at drafting something for that?
- **Law Director Lucas** confirmed. Would you like me to draft you something on that?
- **Councilman Jarmuszkiewicz:** It would be a good idea until we find out something happens with the court case.
- **City Engineer DiFranco:** We currently don't allow them.
- **Law Director Lucas:** We would be undercutting our own argument.
- **Councilman Jarmuszkiewicz:** If they rule against us and say that we got to have these things in place, anybody that has rentals before don't have to follow our rules do they?
- **Law Director Lucas:** If the Airbnb is in operation up until the time the court rules against us, they can continue to operate. Anything we do legislatively to impose an absolute ban on them or tighten regulations will have no effect on those that are already in operation. The point the City Engineer is making is that we are working at cross-purposes with our primary argument in court, which is based on the public record notice of citation—that we do not permit short-term rentals in the City of Willoughby Hills. As the City Engineer indicated, that is our argument. If this is our argument and the basis for why we are in court, then why would we put a moratorium on something that we are not allowed to have in the city to begin with?
[Audio 1:21:04]
- **Councilman Jarmuszkiewicz:** To prevent any new ones.
- **Law Director Lucas:** You could limit them under the same argument that they are not allowed to begin with.
- **Councilman Jarmuszkiewicz:** But the other ones have already began, and they can still start them and then we are stuck with them. That doesn't seem right, it seems like this should be stopped. Other cities put bans on them or moratoriums on it. I read something about Richmond Heights that they don't allow them at all.
- **Law Director Lucas:** That's different. There are communities that have absolutely banned them. That's not a moratorium. That is an absolute ban under their ordinance.
- **Councilman Jarmuszkiewicz:** But if we have a ban on it and they have a ban on it, if one were to open up would they be in court like us?

- **Law Director Lucas:** The bans are there because of the potential of short-term rentals. They are actually banning short-term rentals, and defining what short-term rentals are and saying they are not permitted. This is expressly within other areas or communities. Our argument in court is that under the codified ordinances if something is not expressly permitted, then it's prohibited. And we don't have anything in our residential ordinances that says that it's prohibited. [\[Audio 1:22:57\]](#)
- **Councilman Jarmuszkiewicz:** And if we were to pass anything like that now, it wouldn't be any good.
- **Law Director Lucas:** It would be good, but it would be applying prospectively.
- **Councilwoman Belich:** The business subcommittee, months ago at this point, did ask for that. We spoke with the Law Director and requested that a moratorium be drafted for us to review through Council. To the point that's been made, our argument as a city was that it doesn't exist, so we can't have a moratorium on something we don't recognize as existing. Just to mention that, we backed off on that due to the zoning issue, as we were using that as our argument. At this point, it may make sense to have a moratorium so that no additional Airbnb's move in before we have legislation in place. I don't have an answer for that right now, but if council would like to weigh in, or anyone else has thoughts on it, feel free to share. [\[Audio 1:23:55\]](#)
- **Council Vice President Taylor Draper:** Sex offenders have to register with the County, and that County would notify a Homeowner Association is there was a perspective buyer. I don't know if that is still the same, but that is my experience with it. There was notification that someone like that wanted to rent or wanted to own a home. [\[Audio 1:25:04\]](#)
- **Councilwoman Belich:** This was not an all-inclusive list of topics for discussion this evening, and we wanted to ensure that we had a good start in making sure the legislation is written, as the Council as a whole made the determination that we would move forward with this. So, this is our beginning, and we appreciate your comments. We realize it may not have covered everything that's important to you or that you recognize as top priorities, but we will move forward and continue to take your comments into consideration. We will use the feedback you provided to ensure that the legislation we create is the most fitting for the community.

ADJOURNMENT: (Audio 1:26:40)

The meeting was adjourned the meeting at 9:20 p.m.

APPROVED: _____
Date

Michael Kline
President of Council

ATTEST: _____
Nicholas Aiello
Clerk of Council