

**BUILDING & BUILDING CODES COMMITTEE MINUTES
JANUARY 15, 2019**

The Building & Building Codes Committee meeting was held on January 15, 2019, at North Royalton City Hall, 14600 State Road. The meeting was called to order at 6:11 p.m.

PRESENT: Committee Members: Chair John Nickell, Vice Chair Dan Kasaris, Larry Antoskiewicz; **Council:** Gary Petrusky, Dan Langshaw, Paul Marnecheck, Cheryl Hannan; **Administration:** Mayor Robert Stefanik, Law Director Thomas Kelly, Community Development Director Thomas Jordan, Finance Director Eric Dean; **Other:** Lou Krzepina, Kevin Au, Justin Moose, Sarah Moose, Linda Barath.

Moved by Mr. Kasaris, seconded by Mr. Antoskiewicz to **approve the November 20, 2018 Building and Building Codes Committee minutes**. Roll Call: Yeas: 3. Nays: 0. **Motion carried.**

UNFINISHED BUSINESS

1. City Green Development

Mr. Jordan said that the electronic sign is on order and the electrical upgrade work has been awarded. No start date has yet been agreed upon but they plan to get it done as early as possible. Mr. Nickell asked about the existing lamplights. Mr. Jordan said that they will remain and will be rewired with LED and the sensors will be repaired.

2. Cemetery

Mr. Jordan said that we are still working through some issue with the state regarding the grant for the cold storage building. The contract for the entry way sign and pillars has been awarded and work will begin when the weather permits.

NEW BUSINESS

1. Ordinance No. 18-137 Rezoning PPN 482-01-006 – OMNI Senior Living

Mr. Jordan explained that this property is located on York Road near the Timber Ridge Plaza and is adjacent to properties that are currently zoned General Business. He said that it was always envisioned that there would be an expansion of the plaza and original developer had intended to build his own home and carved out a piece on the southern portion to do this, but he rezoned the remaining portion of the parcel to General Business. He said that we have a proposal from Omni Senior Living to develop the entire set of parcels into a senior living center. It has been the recommendation of the Planning Commission to rezone this parcel from Residential to General Business. This will square out the parcels on York Road and the parcels will be consolidated and developed by Omni.

Mr. Nickell said that this is in his ward. He was at the Planning Commission meeting and has heard from residents in the area. There were some concerns about the basin that he hopes have been addressed and said that the house currently on the property is unsightly and run down. He said that this will square off the property and then it can be rezoned. Mr. Langshaw said that it sounds like a good idea and is probably a better location for this project. He likes that there will be sidewalks added that will better connect the city without burdening the taxpayers. He said that the storm water mitigation is still a big issue in the area and hopes that Omni will work with the residents on this.

Mr. Kasaris asked how many people Omni will employ. **Tom Finley**, Omni Senior Living partner, Beachwood, Ohio, stated that they anticipate 60-70 full time employees. Mr. Kasaris asked what the anticipated payroll will be. Mr. Finley said that conservatively it will be about \$2 million per year. Mr. Kasaris asked what types of positions will be created. Mr. Finley said that there will be nursing and medical care positions, executive level positions, hospitality-oriented staff, janitorial staff, etc. Mr. Kasaris asked how big the site is. Mr. Finley said 12.4 acres. Mr. Petrusky asked how many people the facility will house. Mr. Finley said that there are 166 units, 88 congregate care, 44 assisted living, 20 memory care and 22 villas. Mr. Marnecheck asked if the villas are independent living situations. Mr. Finley said yes but they

will still have access to all of the facilities. Mr. Kasaris asked if there will be provisions for emergency medical. Mr. Finley said that there will be nursing staff on site and there are facilities for doctor visits. There will be emergency equipment and kits available as required by state law. Mr. Kasaris asked how many people will be living at the facility. Mr. Finley said that 200 would be a safe assumption. Mr. Kasaris asked what kind of impact they have had on the emergency services in the communities where they currently operate. Mr. Finley said they have had very little impact. He said that they are proud to be bringing in a product called Foresight which is an infrared system inside the rooms located under the bed and in the mattress that creates algorithms and benchmarks for the person occupying the room. There is a wearable device as well. The system establishes a benchmark and when the person's vitals change, or their gait begins to change, etc., the computer picks that up, analyzes the information and provides alerts that allow the staff to be proactive. This means that we are getting ahead of falls, strokes and heart attacks. Of course, they have medical needs that will require an ambulance, but there is not a significant increase in the need for services. Mr. Antoskiewicz said that he and Mr. Marnecheck visited Omni's Westlake location which is similar to what is being proposed for North Royalton. He suggested that others do the same. He said that the facilities are very impressive and said that because of the preventative systems in place, often times a private ambulance can be utilized vs. a municipal ambulance. Mr. Marnecheck said that the Foresight program may also reduce emergency calls by alerting residents that they might need to see their doctor. He agreed that it was a very impressive facility. Mrs. Hannan asked how long they have been operating in the area. Mr. Finley said that Westlake has been operating for 4 months and is at 50% occupancy, and Strongsville has been operating for just under a year and is at about 80% capacity.

Moved by Mr. Kasaris, seconded by Mr. Antoskiewicz to **recommend approval of Ordinance 18-137 to Council**. Roll Call: Yeas: 3. Nays: 0. **Motion carried.**

2. **Short term leases**

Mr. Kelly said that the Asst. Law Director Donna Vozar has done a great deal of work on this and in the process, she has come to learn many things that are of concern to us about proceeding with this. In particular we know that there is litigation pending and is being challenged by the Airbnb people. To the extent that we would move forward with this, we make ourselves a target for this litigation and we would prefer that this not happen. He said that we are of the view and recommendation to Council that this ordinance be held in committee pending the outcome of some of this litigation and until we get a clearer picture of where this is heading. Mr. Kasaris said with our moratorium nothing can happen anyway. Mr. Kelly said this is correct. Mr. Kasaris asked what city has the litigation. Mr. Kelly said he is not certain but Mrs. Vozar mentioned that there is litigation in Columbus. Mr. Kasaris asked if it is wise for us to even discuss anything that is currently pending in an Ohio court. Mr. Kelly said that he doesn't recommend putting a gag on speech, but to the extent that this is pending litigation it would behoove us to allow this to play out and let the courts tell us what they will and will not allow. He said that the Law Department's recommendation is that we hold off for now until we see where this is headed. Mr. Langshaw said that it is his understanding that most of the litigation he has seen is in federal courts and for major cities such as Miami, Florida. He would like the Law Department to provide examples of specific cases for Ohio. He said North Royalton is a small city with only 3-4 of these types of rentals and felt that it would be ridiculous to ban it and this is why he wants legislation to regulate it. We have home rule provisions that allow us to regulate things of this nature. He doesn't want to ban it and he thinks we should allow them to make a living. Mr. Kelly said that he would get back to the committee on this.

Kevin Au, 9859 Independence Drive, addressed the committee. He said that he operates Airbnb rentals in North Royalton and would like to address some of the issues being raised by City Council and those he read in the newspaper. He said that the fears of illegal activity are unfounded. He said that they have not had any police calls to his properties. He said that it is in his best interest as an owner to not let anything like this happen. He said that he has put a lot of money into these properties, specifically \$80,000-\$100,000 into the property on Bennett Road. He said that they have turned a blighted house into something that is competitive as a rental. He said that Airbnb renters are vetted through the system and must provide identification, financial information, and before we rent to them they have to make a request and explain

why they are renting the house and state how many people, how long of a stay, etc. He said that they choose whether or not to allow someone to rent their house. We do not just let anybody come in. He said that he has turned down people who want to rent it for a day and have a party. As owners, we don't want to do anything that would be off putting to the neighbors. He said that his typical renters are people that have family in town that they are visiting or they are here for work. He said that he has had Brown's players rent their house for a few weeks or longer while they are at training camp. He said that we have also had people who rent because of the proximity to the Metro Parks. He said that he also saw in the newspaper the concern over property values. He said that the house he bought had been vacant for 3 years and was run down and blighted. He said that they have invested in this property and made it into a really nice place. He said that allowing people to come in and invest in properties in North Royalton will do nothing but raise property values. He said that there is a house on the street near his that actually has boarded up windows and Tyvek wrapped around the outside. He felt that if these people had this kind of motivation, they wouldn't let their property look like that. He asked that Council put the same kind of urgency into preparing regulations for this as they did with enacting the moratorium. He said that he does not believe they have done anything wrong by renting their houses out, and they have paid all their rental registrations so they ask Council to reconsider the moratorium. He said that it is a real hardship for him because he has property taxes due this month and he won't have the money to pay them without digging into his savings. He asked Council to reconsider the banning of Airbnb. Mr. Kasaris asked where Mr. Au's house is located. Mr. Au said that it is on the corner of Bennett and Valley Parkway. Mayor Stefanik said that it is two houses north of the parkway on the west side. Mr. Au said that he also has a rental in Royal Court Condominiums on State Road and Rt. 82. Mr. Nickell said that there was a 4/3 split on Council regarding the moratorium for a variety of reasons. One of the reasons was the fear of something happening similar to what happened in Seven Hills. Mr. Nickell asked Mr. Au if he knew if the Seven Hills property was with Airbnb. Mr. Au said yes it was an Airbnb rental. Mr. Au said that most owners would not let this happen. Mr. Nickell asked if Mr. Au ever checks on the property while it's being rented. Mr. Au said they check on them at least once a week when they go there to take out the garbage. Mr. Marnecheck said that property owners are permitted to have cameras. Mr. Au said this is correct. Mr. Nickell said that he doesn't see the moratorium being overturned at this time but the legislation proposed by Mr. Langshaw is 30 days and asked if this is too long. In other words we are saying a short term rental is 30 days, but if you rent 31 its ok. Mr. Au said that if you want to do something to cut out the riff raff from renting a home, make the minimum 3-4 days. This will cut out the people that might just want to come in and have a party vs. someone who is here for work or visiting family. Mr. Nickell asked Mr. Au what the length of the average stay is for his properties. Mr. Au said 4-5 days. He said that they have a minimum of a 2 day stay. Mrs. Hannan said that she knows people who travel for work and they only need a place for one night but don't want to go to a hotel. Mr. Au said that what he has found with business renters is that it is a company that has several employees in town at the same time and they rent a house for them. He has not seen any business renters that want it for one night. Mr. Langshaw asked Mr. Au if he is also registered with the city for a long-term rental for his properties. Mr. Au said yes. Mr. Langshaw said that one of his concerns is that we don't want these homes to turn into hotels and there are concerns for safety. He felt that we need some basic regulations. He doesn't think it's a scary thing to have an Airbnb or a short-term rental in the city but as Mr. Nickell indicated, it was a 4/3 vote so he doesn't know what the rest of Council wants to do but if you do still have a long-term rental you may want to pursue that as an option. Mr. Langshaw said that the draft legislation he has before Council is similar to what the City of North Olmsted has and is fairly basic. It states that you actually have to live in the home and rent it out when you are on vacation and want to rent your home for a week. We don't want to see a property that is just being used as a hotel. If you are going to use it for long term rentals then we already have something on the books to regulate this. Mr. Marnecheck asked Mr. Au if he has a lot of repeat customers. Mr. Au said not very many, maybe 2 or 3. Mr. Marnecheck asked how much the rent is for one of his homes. Mr. Au said that it depends on the time of year, but right now it would be \$60-\$80 per night. In the summer season when demand is higher, he can get as much as \$150-\$180 per night. These prices would be for a house; his condominium costs would be lower. Mr. Au said that Airbnb collects occupancy taxes. Mr. Langshaw said that he is not proposing a tax. He just wants to know who owns the property so if there is an issue, we can address it. He just wants to do the same thing for short term rentals that we do for long term rentals. Mr. Antoskiewicz

asked Mr. Au if he has already registered his properties for long term rentals, when isn't he looking to rent them long term. He said that it seems to be so much simpler. Mr. Au said that they have done long term but they have recently changed to short term rentals because it has the potential for higher income. A two-bedroom long term rental would be about \$800 per month. Renting it out on Airbnb for \$150 per night for two weeks generates a higher income. Mr. Antoskiewicz said that Mr. Au seems like a very responsible home owner and seems to be doing everything right, but you have to understand that when we look at something like this we have to look at it city wide. If we have a lot of renters they may not be as responsible as Mr. Au and they may be looking to rent their property for one day parties. Mr. Au said that as Airbnb owners, they can stipulate the rules into their agreements that the city has put in place, such as no one day rentals. Mayor Stefanik said that not all renters are going to be upfront with their intentions and may say that only two people are going to be there but end up with a major party and the homeowner would have no idea until they hear from the Police Department. He said that these are the issues he is looking at. He said that he has not spoken to one resident yet who has said that they want to live next door to an Airbnb rental. He said that he does not believe that they belong in residential areas. He said that there might be areas that are better suited for this such as the Town Center District. He said that is why we currently have a moratorium so that we can gather information, see how the lawsuits settle and then perhaps take some action at that point.

Sarah Moose, 14641 W. 130th Street, addressed the committee. She said that she and her husband have been living in North Royalton for over three years. They had a very successful experience with an Airbnb studio apartment in New York City and loved the experience so much that they started an Airbnb room rental in their own home in February 2018. She said that all of their rental experiences have been positive and they review the prior Airbnb history of the people and their reviews. Additionally, she said that the renters must provide a government issue ID, have a verified email address, credit card information, phone number and birthdate. Airbnb also offers a certain amount of property insurance. She said that you can also make your own house rules about where renters can go and what they can use. Regarding the comment in the paper about neighbors not wanting to have people coming and going on a weekly basis without knowing who it is, Ms. Moose said that nobody really gets a choice of who their neighbors are and you don't get to choose who your neighbors' family and friends are and when they can visit. She also doesn't understand the concern about illegal activity and transient renters flying under the radar. She doesn't see how this is any different than someone staying at a Holiday Inn with strangers sleeping in the rooms right next to you. She feels that they are a little stricter about who stays with them. She said it sounds like a nosey neighbor problem to her. She said that neighbors need to understand that taking away Airbnb is violating their homeowners' rights. She felt that the incident that occurred in Seven Hills is an extreme and rare incident and asked Council to look at all of the homes being offered before shutting this down. She said that not just Airbnb houses have house parties; many homes have house parties. Ms. Moose said that they have had many different types of renters from Cleveland Clinic patients, weddings, graduations, etc. and they have also had many returning guests. She said that this is an important source of income for them and asked that the city allow this to be legal again. She said that this has been an adventure for them, has helped support the family and is a right they feel they are owed as a homeowner.

Mr. Antoskiewicz said that the renting of a room in the house you live in is permitted under a different code. Mr. Kelly said that we have an ordinance on the books that allows residential property owners have the right to rent a room out to a boarder. Mr. Nickell said then that they would be allowed to rent this room even with the moratorium in place. Mr. Antoskiewicz said yes and suggested that Ms. Moose discuss this with the Law Department regarding doing this through Airbnb.

Mr. Nickell said that the reason he voted against the moratorium is because he did not think it was a crisis and doesn't want to micro legislate for small problems. He said that he also wants to honor private property rights. He said that Mr. Langshaw is suggesting a law of 30 days. He asked what if it was 3 days or 5 days. Would this help us protect residents and still allow property owners the right to do what they want with their home. Ms. Moose said that they generally have 1-2 days and the most they have had is probably 8 days.

Mr. Langshaw said that there were three council reps that thought this was nonsense but we have a legislative process and this is the way it is supposed to work. He feels that it is more politics and is meant to send a message and he thinks it is unnecessary and creates confusion because now you are being told that maybe you are allowed to do it. He said that in the legislation he is proposing he wants someone who actually owns the home and lives there. We don't want a vacant home to be turned into a rental. Long term rentals are already covered under our codes. Mr. Langshaw felt that we might need to clarify the language in the moratorium to exclude those who are renting single rooms. Mr. Kelly said that there are ordinances throughout our code that need to be interpreted in a manner to give them the intent and purpose intended by Council. The opportunity to rent out a room in your own home while you live there is intended to create an opportunity for people to have what was traditionally called a boarder. We don't see that as frequently now in today's society as was once the case. Nonetheless, this ordinance would cover what Mr. and Mrs. Moose are doing and the actual facts of your circumstance fit you into a separate ordinance where it is permissible.

Mr. Nickell said that he agreed to take Mr. Langshaw's ordinance into committee and said that he would like it to remain in committee. Mr. Langshaw said that he would like some clarification from the Law Department because there is some confusion regarding the moratorium. Mr. Kasaris said that the moratorium does not cover the Mr. and Mrs. Moose. They can simply speak with Mr. Kelly and continue doing what they are with their home. The legislation that Mr. Langshaw is proposing would also not cover the Moose's either because what they are doing is covered under a different section. Mr. Langshaw agreed with keeping this in committee but would maybe like to revisit amending the moratorium so it is more specific to avoid confusion.

3. **City Land Bank procedures**

Mr. Jordan said that the city has had a land bank for a number of years and we have about 18 properties that are deeded specifically to the land bank. The distinction is that the city holds this property in its own name, not in a land bank name and is meant for municipal purposes on a long-term basis and is held in tax exempt status. The land bank properties typically come to the city as a result of a tax foreclosure and are not meant to remain there indefinitely. They are held for possible future development. He said that we do not have any set procedures on how to administratively transfer them. All transfers will ultimately come before Council. He said that they are setting up procedures and applications and an administrative review process. He said that we are going to put the 18 parcels that are part of the land bank on line and put up some procedures and an application process for interested parties to follow. Ultimately, we will bring the decision to transfer any real estate to Council with a recommendation. Mr. Antoskiewicz asked if the 18 parcels will keep their original zoning classification. Mr. Jordan said yes. Mr. Kasaris asked how long do we expect it will take to sell these properties. Mr. Jordan said they could be there indefinitely. Mr. Kasaris asked if they are currently free of tax liens. Mr. Jordan said yes. Mr. Kasaris asked if there would be an issue with letting Council know where these properties are located. Mr. Jordan said he would email that information to Council. Mr. Jordan said that these parcels all vary in size and some are quite small. Mr. Marnecheck said that he has one in his ward on Stoney Creek. Mr. Jordan said that the city does own a parcel on Stoney Creek but it is a remnant from the original development. He said that he may have misinformed Mr. Marnecheck that the city owns the title to the troubled property that we demolished a home on recently. This has not transferred to the city nor is it pending with the city. It is still titled to the now deceased owner with a series of liens against it and is working its way through the process. He said that we have a property on Stoney Creek which is a very narrow piece near the entrance.

ADJOURNMENT

Moved by Mr. Kasaris, seconded by Mr. Antoskiewicz **to adjourn the January 15, 2019 meeting.** Yeas: 3. Nays: 0. **Motion carried. Meeting adjourned at 7:15 p.m.**