

CITY COUNCIL OVERSIGHT COMMITTEE MINUTES

August 8, 2019

The City Council Oversight Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 4:05 p.m. in the City Council Executive Conference Room on the 8th day of August, 2019, and notice and agenda of the meeting were posted in the Municipal Building at 201 West Gray 48 hours prior to the beginning of the meeting.

PRESENT:	Councilmembers Holman, Scott, Petrone, and Chairman Bierman
TARDY:	Councilmember Carter
ABSENT:	None
OTHER STAFF PRESENT:	Mayor Clark Mr. Darrel Pyle, City Manager Mr. Terry Floyd, Development Coordinator Ms. Beth Muckala, Assistant City Attorney Ms. Jeanne Snider, Assistant City Attorney Ms. Jane Hudson, Interim Director of Planning and Community Development Ms. Mindy Aynes, Municipal Accountant Mr. Kelvin Winter, Code Compliance Inspector Ms. Brenda Hall, City Clerk Ms. Rendy Martin, Administrative Tech III

Item 1, being:

CONTINUED DISCUSSION REGARDING SHORT TERM RENTALS (COMMERCIAL HOME SHARING SUCH AS AIRBNB, HOME AWAY AND VRBO).

Ms. Jeanne Snider, Assistant City Attorney, said the discussion on short term rentals started in February 2018 and has evolved over the past year. She said since that time, Staff has contracted with Host Compliance, a company that started tracking short-term rentals in Norman. She said at this time there are 174 units in Norman's jurisdiction. She said the information will also show the different short term rental website the property is listed on. She said there is a lot of information on just the address identification and Host Compliance could also send letters and help keep up with the licensing. In reviewing the data some properties are having as many as 12 to 17 nights stays per month.

Ms. Snider said prior discussions also included licensing so a sample licensing ordinance is provided for the Committee's review. She recalled from prior discussions there are still some blanks that need to be filled in before moving forward. She asked Council's input on the number

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of units allowed in Norman by one applicant; age limits; and does the applicant need to be a person or can it be a trust, a LLC, or a corporation.

Ms. Snider said the City of Oklahoma City grandfathered in existing short term rentals up to a certain date and those added after that date require a special use permit. She said if it is in a Historic District, the applicant must go through the Historic District Commission. She said the City of Stillwater just passed an ordinance requiring licenses without any zoning restrictions but they do have a notice requirement. If a protest is received, the applicant has to go through Planning Commission as a Special Use and through City Council as part of the appeal process.

Councilmember Scott said she would support special use and inspections and felt inspections need to be done whether it is by Staff or through a private entity reporting back to the City.

Chairman Bierman asked if the City could give applicants the option to do it privately. This would be an annual inspection. Ms. Hudson said that could be discussed further but after talking with Kelvin Winter, Code Compliance Supervisor, most of the items reviewed are more fire related, i.e., fire extinguishers, exit lights, etc. Mr. Winter said there is really not much that Code Compliance inspects. She said the other thing to consider is if the applicant is living in the home and only renting one bedroom, does Staff really need to go in and inspect that because if it is owner occupied, smoke alarms and CO2 are in place.

Chairman Bierman asked for thoughts or feedback on limiting the number of rental homes anyone can have in the City. Councilmember Holman said he did not see a problem with there being multiple locations by the same owner. Chairman Bierman indicated not defining it right now.

Councilmember Scott said she does care about the number of short term rentals, actually, because her constituents have concerns that if you own multiple short term rentals as an entity/corporation, that violates the R-1 zoning for neighborhoods. Chairman Bierman said we do not enforce that for rental properties. Councilmember Scott said you can own as many rental properties as you want, but those are long-term rentals. She asked if Council could place a limitation on the number allowed on one block or vicinity by one owner.

Councilmember Holman said some older rental properties are not being rented and are sitting empty for long periods of time, so that property owner may want to look at using the property for short term rentals and the "For Rent" sign is posted all year long. He was somewhat cautious about limiting the number of short term rentals, but also sees the concern about corporate entities buying multiple houses.

Chairman Bierman suggested setting the limit at four and it can always be re-evaluated if problems arise. Councilmember Scott said she would support at least limiting to it to four.

Councilmember Scott asked if the City is collecting room tax. Ms. Snider said not right now because they are not licensed and are basically operating outside the Code. Once regulations are

Item 1, continued:

established the City will collect room tax, which would be submitted monthly just like hotels, and bed and breakfasts.

The Committee discussed whether or not to include age limits for rentals and settled on 18 as included in the draft ordinance. Chairman Bierman asked staff to add language that states minors must be accompanied by an adult over the age of 25.

Chairman Bierman asked for input regarding ownership of the property, e.g., natural person, corporation, or LLC. There was consensus to leave in natural person and LLC, but remove corporation from the draft ordinance. Committee members also discussed whether licenses could be issued to the owner of the property only or could renters list the property on a short term rental platform and the consensus was to leave it to property owner only.

Chairman Bierman said Staff is still reviewing the type of property insurance that should be required for this type of use.

The Committee discussed license and inspections fees and settled on \$150 for the license and \$50 for the inspection.

Chairman Bierman felt notice to a number of homes on the same side of the street, across the street and the houses backing up to the property would be sufficient. She asked if notification should be done before the licensing as a part of the licensing application or simply as a notification that the license has been issued with the contact information for the complaint hotline?

Mayor Clark said she thought the notice would be appreciated along with if there is some kind of issue; it should be reported. Chairman Bierman said all telephone numbers could be included for parking, trash, noise and the monitoring service.

Councilmember Scott said she would normally lean the other way prior to licensing; however, there is a neighborhood in her Ward where there are a lot of complaints from the neighbors about one property and the City did nothing, things happened and then it became the property became an Oxford House and now there are bigger issues.

Chairman Bierman said as a part of the license renewal there is the ability to suspend or revoke the license. The Code says any violation of a provision of the City Code is grounds to deny, suspend, or revoke a license. She said the ordinance also provides an avenue afterwards if there is a violation or if an AIRBNB is improperly managed, it can be quickly shut down.

Councilmember Petrone said the application should ask if this home is located in a Homeowners' Association (HOA), yes or no, and has the HOA cleared the use of the property as a short-term rental to make sure it is not violating any covenants. Chairman Bierman asked if that information could be added to the application in bold type, highlighted and underlined. Ms. Hall said there could be a notation on the application.

Item 1, continued:

Chairman Bierman said all of the Committee's previous discussions have been based on no zoning restrictions, now the question is should they be allowed in all types of zoning. She believes 75% are single-family homes, which are in R-1, A-1 or A-2 zoning. Ms. Hudson said she has heard from citizens that want short term rentals as a special use regardless of the zoning type.

Chairman Bierman said she thinks some of the other requirements and restrictions that have been do bring us closer to maintaining the character of neighborhoods and providing for the ability to deny or revoke a license.

Chairman Bierman said this should be moved to a Study Session or Conference.

Items submitted for the record

1. Memorandum dated August 8, 2019, from Jane Hudson, Interim Planning and Development Director, and Jeanne Snider, Assistant City Attorney, to City Council Oversight Committee.
2. Draft Ordinance

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Item 2, being

CONTINUED DISCUSSION REGARDING E-SCOOTERS.

Mr. Terry Floyd, Development Coordinator, said the Oversight Committee discussed this in October and again in March 2019. The committee wanted staff to research what it would take to establish a pilot e-scooter operational license program. Over the course of the discussions there have been some technological changes and developments. He said there are new variations and versions of the scooters with more capability; geo fencing and other things. The University (OU) just received their first request for proposals for a provider for e-scooter and e-bike services to expand what they are currently doing through a new provider. OU's proposal states the provider will coordinate with all City regulations.

Councilmember Holman asked if an electric bike is considered a motorcycle. Ms. Beth Muckala, Assistant City Attorney, said electric bikes would fall within the definition of a motor vehicle. She said there was a House Bill to exempt electric bikes from the definition of a motorized vehicle, but e-scooters were not included in the Bill which was referred to committee.

Chairman Bierman said does the lack of a definition mean no enforcement or does it mean that we get to create our own definition until the State tells us otherwise. Ms. Muckala said the City's definitions are not identical to the State although they are very comparable. Mr. Darrel Pyle, City Manager, said the definition is weight based or top speed based since it is not a bicycle.

Mr. Floyd said since January there have been over 200,000 scooter rides in the community with at least 34,000 unique riders and one-fourth of our population or visitors have ridden a scooter. Staff

Item 2, continued:

has received requests from the scooter companies to increase their fleet sizes. He said under the revocable license agreement, companies are capped at 150 scooters per day. Companies have requested as high as doubling their fleet to 300, which would result in over 1,200 scooters placed within the city. He said the dashboard has heat maps that show what routes are taken.

The companies currently pay a \$1.00 per day per scooter and payments are made on a quarterly basis. To date the City has collected over \$29,000 in revenue. Fees charged should obviously cover the cost of enforcement processing.

Chairman Bierman said Council needs to be addressing minimum age to ride and safety precautions like helmets.

Councilmember Carter said he has read that these companies are not profitable. He said staff should do an analysis of what the market is before we get too crazy. It sounds about like \$25,000, 5% of your overhead is going to the city and you are talking about raising it to 10%. He said it is an environmental friendly way of transportation, it is electric and decreasing traffic, and he is all about gaining revenue.

Chairman Bierman asked if the Committee wants Staff to pursue a pilot program to bring back for the September meeting or wait an extra month or two to see if OU finalizes something in the meantime. She said there is nothing that says we have to do this in September.

Chairman Bierman said it seems that we need to move forward with a pilot program to discuss next month and get it rolling.

Items submitted for the record

1. Memorandum dated August 2, 2019, from Terry Floyd, Development Coordinator, to City Council Oversight Committee, with Attachment A, Fees and Pricing; Attachment B, Small Vehicle Parking; and Attachment C, E-Scooter Pilot Operational License Program: Regulatory Areas for Consideration

ADJOURNMENT:

The meeting adjourned at 5:56 p.m.

ATTEST

City Clerk

Mayor