

North Adams City Council
Community Development Committee
DRAFT Meeting Minutes – March 4th, 2020
City Council Chambers

Call to Order – 6:00pm

Committee Members Present: Councilor Lamb, Councilor Sweeney
Committee Members Absent: Councilor LaForest

Presenters: Nat Karns, Zach Feury, Mike Nuwallie

Minutes of the Meeting of February 20, 2020

- Motion to Accept: Councilor Sweeney
- Seconded: Councilor Lamb
- Yay – Councilor Lamb, Councilor Sweeney / Nay - None
- Motion Carries

Presentation of Short-Term Rentals Planning

- Nat Karns from Berkshire Regional Planning gave a thorough overview of the work that has been done already in coordination with the Community Development Office. This overview is included here as slides from the presentation he provided and is considered part of these minutes. (Please see presentation at end of document)
- Councilor Blackmer raised the point that taxes and fees are being collected regardless of if short term rentals are used for 1 or 50 days each year. This continues to be focused on as a financial issue and less along the lines of safety concerns with zoning and code enforcement.
- Councilor Lamb noted that the requirement of filing taxes is based on how often the space is rented and not how many dollars are brought in as revenue. He also noted that when taxation was put into place on short term rentals, a large number of properties came off the platforms as property owners may not have wanted to go through the state registration and tax process.
- Councilor Blackmer asked how insurance works
- Councilor Lamb noted that platforms like AirBnB have an initial coverage that is included with using the service. For those who do not use an established service, their insurance likely does not cover the property being used as a short-term rental and they are subsequently taking on a high level of risk.
- Councilor Bona indicated the reason he brought this back to the agenda because it had yet to be clearly laid out on the city end and still remains confusing at the state level. He

is concerned about enforcement of violating properties. Additionally, he noted that there are individuals seeking affordable rental units that are having trouble finding them due to the amount of property being used for short term rentals now. He asked how the City is planning to counter this issue and to enforce safety rules.

- Councilor Lamb reminded everyone that this is very early in the process in general. The city is collecting information from BRPC and from the public to begin to build their local model of approaching short term rentals. There is no formalized enforcement plan nor specific local restrictions put into place as of yet. The comments collected tonight will help them to fashion those potential policies and regulations going forward.
- Lois Daunis noted that AirBnB has their own checks and balances system through their reviews process. She wants the city to be aware of the built-in aspects and be well informed of how the platforms work before making any action. She also mentioned having serious concerns about absentee landlords, but that she appreciates quality property managers that manage short term rentals. She mentioned concerns about parking as an issue too. If there are properties with no parking spots, so she suggests the city look at ways to provide additional off-street overnight parking at busy times of year for short term rental users.
- Nat Karns and Bill Meranti noted that even though AirBnB has rating systems, that does not create mechanisms for enforcement, even if the owners and guests are being scrutinized by the review process.
- Lois Daunis noted that as a conscientious host, she would be open to inspections, but that there are a number of properties out there that would not be willing. She noted that the drop off of questionable properties was likely a good outcome of the tax changes with the state.
- A local AirBnB owner asked what sort of data mining will be conducted in an ongoing manner.
- Zach Feury mentioned that there are numerous ways that the data could be collected and they range in expense. There is a lot of housing data that they are already looking at comprehensively to inform their practices and how they address needs of the community, but again it is early in the process.
- The local AirBnB owner asked if there has been significant issues raised with short term rentals currently?
- Bill Meranti said they don't believe they've had any specific complaints to date.
- Alice, a new resident indicated that she had significant issues finding a rental unit when she was trying to move to the City. She is now renting an apartment while looking at

potential home purchase. She had a short-term rental unit in Florida which was enforced and managed through code enforcement. There were taxes and fees associated that were then paid to the city.

- Glenn Maloney indicated that as an owner and manager of short-term rentals, regulation is important, knowing where they are is important, they need to be run successful, and there needs to be a clear process. These are all run as businesses. What is missing is what the positive impacts are of these properties being improved and occupied more readily. These properties do help to drive investment into our built infrastructure.
- Kurt Christian asked that if he purchases a home now that needs improvement to get up to code, is there a list he could get on now to be grandfathered in to current code and be registered prior to having a certificate of occupancy.
- Nat Karns noted that there is not a process right now so that is not really an option, nor would it likely be acceptable to pre-register without a certificate of occupancy in that manner.
- Councilor Lamb noted that this was an early component to the process and that there would still be a number of conversations and public opportunities for engagement as this goes forward. He called on individuals who are interested to stay engaged and make sure that the process and eventual policy includes their input as individuals directly impacted.
- Councilor Lamb called for a motion to adjourn
- Motion: Councilor Sweeney / Second: Councilor Lamb
- Motion Carries: Meeting Adjourned 7:43pm

APPROPRIATE REGULATION OF SHORT-TERM RENTALS

City of North Adams

WHAT ARE WE TRYING TO ACCOMPLISH?

- As of February 26 – 62 short-term rental listings on AirBnB in North Adams
- Massachusetts law approved in 2019 (MGL C.64G)
- Existing State Public Health/Safety Codes – Building, Fire, Health
- Current North Adams Zoning

How do we best regulate?

TONIGHT'S AGENDA

- State law – what it covers – what it doesn't
- Regulations established by existing State Building, Fire and Health Codes
- Relationship with existing North Adams Zoning Ordinance
- Types of regulations adopted in some other Massachusetts municipalities

- Input from YOU – what is important as residents, property owners, officials, investors?

MGL C.64G

- State taxes short-term rentals statewide - lodging tax rate - 5%
- City already receives a local lodging tax - 6% – collected automatically by State
- City may impose a separate community impact fee (up to 3%)
- Operator must register with Mass DOR
- City may regulate short-term rentals
- State requires – operator must post location of specific fire safety items

STATE LAW – LOCAL REGULATION

Section 14 of MGL C.64G – City may:

- Define & regulate different types of “operators”
- Limit locations of short-term rentals
- Limit number of local permits
- Limit number of days or seasonality that STR’s are allowed
- Require local licensing or registration
- Require correction of any outstanding state or local code violations
- Require health and safety inspections – paid for by the operator
- Establish a fee to cover costs of local administration and enforcement

STATEWIDE BUILDING, FIRE AND HEALTH CODES

- State Building Code:
 - Primarily transient residential uses are treated as R1
 - Primary use of the structure is for temporary residential purposes, such as:
 - Hotels and motels.
 - A non-owner-occupied STR would be treated as an R1
 - Primarily permanent residential uses of structures with more than two dwelling units are treated as R2
 - Primary use of the structure is for permanent occupancy, such as:
 - Multifamily homes/apartment houses
 - An owner-occupied STR would be treated as an R2
- State Fire Code:
 - R1 properties are held to a stricter standard regarding fire prevention.
- State Health Code:
 - Serving of meals, providing pools and spas all regulated

EXISTING NORTH ADAMS ZONING

- Not written to address STR's – does "transient" nature make them different?
- Existing definitions - Bed and Breakfast; Dwelling Unit; Hotel; Motel; Single & Multi-family Dwellings; Family
- Zoning districts – primarily Residential versus primarily Commercial
 - Residential – Single Family and Multi-Family; long-term Room Rental, Bed & Breakfasts
 - Commercial – long-term Room Rental; Hotels, Motels & Inns; multi-family by Special Permit
- Parking - 2 spaces per multi-family dwelling unit; no requirement in CBD

KNOWN ISSUES

- Short-term rentals are here and will continue to be – generally are operating "outside the law"
- Transient stays in homes and apartments are different from both permanent residence and stays in hotels/motels
- State requires specific fire safety information posting – no state mechanism to monitor
- Use for parties and events – impacts on neighbors
- Parking, garbage collection, signage, outdoor lighting

KNOWN ISSUES (CONTINUED)

- Monitoring and enforcement of regulations – listings constantly change
- Most housing in city well over 50 years old – building, fire, health code issues
- Who do renters or city officials contact when there is a complaint?
- Responsiveness of owner and knowledge of what is going on?
- Is there liability and property damage insurance?

REGULATIONS IN OTHER MASSACHUSETTS CITIES & TOWNS

Cambridge – Chelsea – Salem - Lenox

- Stipulating different types of rentals (e.g., owner-occupied, owner-adjacent, non-owner occupied) is common
- Adverse to non-operator occupied STRs
- Require registration with City/Town
- Cities all require local inspection & certificate of occupancy – initially or annually
- No City/Town allows rentals if have outstanding code violations or unpaid taxes
- Cities all can revoke registrations if have repeated instances of complaints
- Note – all of these examples are places with strong housing demand & prices

BALANCING VARIOUS INTERESTS

- Define different types of STRs
 - Owner/manager present
 - Primarily owner-occupied
 - Owner/manager adjacent (typically small multi-family building)
 - Absentee investor owned – must require local contact for issues
- Differing levels of inspections for different types of STRs
 - Less stringent – occasional rental by resident owner
 - More stringent- frequent rental with owner/manager adjacent
 - Very stringent – full-time STR with absentee owner

BALANCING VARIOUS INTERESTS

- Inspections
 - Inspection checklist & compliance – vary frequency depending on number or severity of issues
 - Owner self-certified checklist – receipt of complaints triggers City inspection
 - Immediate code compliance for significant issues; gradual improvement for lesser issues
 - Use inspections as mechanism to improve quality of housing stock
- Neighborhood Issues
 - Parking – require 2 spaces per unit/1 additional space for bedroom rental
 - Parties, noise, events – prohibit? Require special permit?
 - Garbage – specific requirements for storage and pick-up

BALANCING VARIOUS INTERESTS

- Loss of housing supply for residents versus encourage community investment
 - Prohibit conversion of existing long-term rental units to STR's
 - Require ownership of proposed STR unit for some previous amount of time
 - Limit absentee owner STR's to longer-term vacant housing units
 - Require some level of investment in improvements for STR's
- Encouraging more visitors to City while protecting residents
 - Allow more STRs for "big event" periods – Willco, Fresh Grass, MCLA graduation
 - Limit locations STRs are allowed (such as CBD, R-5 & RA zoning districts)
 - Limit number of STR permits allowed – overall or by zoning district

YOUR TURN!

QUESTION 1?

Based on your experience, either as a North Adams resident or property owner or an occasional short-term renter elsewhere, what critical things should a North Adams short-term rental ordinance address?

QUESTION 2?

Should short-term rentals meet all safety, and health codes required of inns, hotels and motels?

- or -

Should short-term rentals meet all safety and health codes required of single or multi-family dwellings?

QUESTION 3?

Should short-term rentals be required to have a resident owner/manager present on or adjacent to the unit being rented?

- or -

Is a manager being available locally sufficient?

QUESTION 4?

Should all short-term rentals be registered with the City with emergency contact information?

QUESTION 5?

Should all short-term rentals be inspected:

Initially?

Periodically?

Annually?

RANKING OF YOUR CONCERNS

Rank – High, Medium or Low

- Concern for availability of affordable housing for residents
- Concern for health and safety of visitors to City
- Desire for homeowners and investors to get financial benefits
- Desire for investments to be made to improve quality of housing stock
- Concern for real impacts on neighbors
- Concern for impact on traditional hotels, motels, inns, bed & breakfasts
- Desire for more options for lodging for visitors to City

LEVELS OF ENFORCEMENT

- **Low level** – leave as is; murky regulations; lack of information regarding location, quality; issues come up only on complaint basis from renters or neighbors
- **Medium level** – require registration, some level of initial inspection, short list of requirements for parking, garbage, posting of information, no limits on frequency or location, allow varied forms of owner/operator occupancy
- **High level** – require registration with initial inspection for code compliance, requirements for parking, etc., limits on frequency of rentals and on locations, limit to owner occupied or owner adjacency

OTHER COMMENTS OR QUESTIONS?

NEXT STEPS

- 1) City team - digest what we have heard – develop a draft proposal – March
- 2) Planning Board discussion – April meeting
- 3) Either prepare revised proposal or hold Planning Board public hearing – May
- 4) Planning Board provides recommendation to City Council – May/June
- 5) City Council consideration – 1st vote June/July; 2nd vote July/August