

**Rental Permit Committee
Response to Questions Raised
At The Joint Work Session (Oct 7, 2015)**

Information regarding the Quality Housing Initiative was presented to a joint work session of the Town and Village Boards on October 7, 2015. The following document provides responses to the issues raised during that work session.

1) What are the tax cap implications?

Since fees do not increase the tax levy they do not count in the calculation of the tax cap. A self-funding program should not have a tax cap implication. This is based upon correspondence with Wade Beltrano, counsel for the New York Council of Mayors. (attached)

2) Can we rely on insurance liability as a force for compliance?

Our research indicates that some insurance companies in New York State may refuse to pay claims if the use of the residence is "not authorized." This could include renting a residence without a required rental permit. This does not seem to be a universal policy among carriers.

Some insurance companies have a policy where up to 8 - 12 weeks of rental is considered "incidental" and is therefore authorized by the regular residential policy. If they become aware that homeowners are renting for more than 8 weeks they require a commercial policy.

3) Do municipalities have the authority to regulate short-term rentals?

Yes – Wade Beltrano's response to the inquiry is attached

Aspen requires short-term rental units to obtain a business license. This subjects them to a 1% sales tax. Their Finance Office handles enforcement action against scofflaws through civil penalties included in their Tax Law.

South Hampton just raised the fines for violating their permit ordinance to a maximum of \$30,000. They also have a list of "presumptive evidence" to support a finding that a residence is rented. The one they rely on the most is "advertised as available for rent".

4) What are the projected revenues and expenses?

Projected Revenues are based upon an inventory completed by Brit Isham:

174 Rental Units in Town
223 Rental Units in Village
397 units

463 known bedrooms in Town
438 known Bedrooms in Village
901 bedrooms total

Based upon these figures the Committee recommends a fee of \$200 per bedroom per year

ex. 2 bedroom house = \$400 permit
8 bedroom house = \$1600 permit

At 100% compliance projected revenue is \$180,000 per year
At 60% compliance projected revenue is \$108,000 per year

This revenue would cover all administrative costs. (Rental Permit Administrator)
Any additional revenues could be used for programs to improve the quality of existing housing stock This also helps residents remain in the area.

At 60% compliance projected revenue is \$108,000 per year

5) What specific tasks would fall to a Rental Permit Administrator.

- Inspect residences as required (should be certified Code Enforcement Officer to avoid liability issues)
- Administer Transient Rental Permit Application Process
- Administer Permit Records
- Generate Permit Renewal Notifications
- Monitor advertisements for rentals and generate informational letters
- Help out with Code Enforcement inspections and enforcement.

6) How can parking requirements be included?

The committee recommends 1 required on-site parking spot for each bedroom. This could limit the maximum occupancy allowed for the unit.

Some localities have provided incentives for renters to use those on-site areas by creating alternate side of the street parking. If the Town and Village develop more stringent parking requirements a shared traffic control or parking officer can be considered.

7) Can a Rental Permit Officer be a peace officer and write appearance tickets to enforce noise, parking and rental permit ordinances?

Yes- Wade Beltrano's response to the inquiry is attached. He also sent sample resolutions from Croton-on-the-Hudson and Cortland. The ability to enforce ordinances must be specifically authorized by resolution.

8) What would an affidavit look like? (sample draft is attached)

An application would include the following submissions:

- 1) Affidavit – statements that safety features are working, contact information for designated representative, owner responsibility clause, number of bedrooms (occupancy rates will be set by Permit Administrator)
- 2) Letter from an insurance carrier indicating they are aware the owner is applying for a rental permit
- 3) Confirmation the property owner received copies of applicable noise and parking regulations
- 4) Very rough floor plan sketch (this may be waived by Permit Administrator)