

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
February 15, 2022**

CALL TO ORDER

President Troy Parlier called the meeting to order at 6:01 p.m.

ROLL CALL

Board Members Physically Present: President Troy Parlier; Trustees Tom Guist, Kit Kuhrt, James Marter II, Terry Olson, Jennifer Jones Sinnott and Brian Thomas.

Staff Physically Present: Dan Di Santo, Village Administrator; Christina Burns, Deputy Administrator/HR Director; Tina Touchette, Village Clerk; Jeff Burgner, Police Chief; Jennifer Hughes, Public Works Director; Rod Zenner, Development Services Director; Joe Renzetti, IG/GIS Director; Corey Incandela, Administrative Intern; Susan Quasney, Engineer; Billie Robinson, Asst. Finance Director; and Karl Ottosen, Village Attorney (attended via phone).

PUBLIC FORUM

Public Forum was opened at 6:02 p.m.

Diane Selmer addressed the Board regarding short-term rentals. She lives in the Heritage subdivision which does not have an HOA; there is currently a short-term rental home in her subdivision; unaware that we allow hotels in residential areas; other communities regulate or do not allow short-term rentals; would like to see regulations on short-term rentals.

There was no one else who requested to speak. The public forum was closed at 6:03 p.m.

OLD BUSINESS

There was no old business.

NEW BUSINESS

G.1 Review and Provide Direction Regarding Short Term Rentals

Administrator Di Santo addressed the Board regarding short-term rentals. Over the past 10-years, the popularity of short-term rentals has greatly increased through websites like Airbnb and VRBO that make it easier and more accessible to rent residential properties. Oswego is no exception, as properties have been advertised on these sites leading to resident opinions on both sides of the issue. Several residents have raised concerns regarding short term rentals within the community. In the past, the Village has received three calls for service for police assistance from short-term rental properties. Some residents have requested that the Village consider some sort of regulations regarding short term rentals within the Village. Residents have also stated they want the ability to short-term rent their homes or to rent from others. The availability of short-term rentals within Oswego is beneficial for family and friends of current residents who wish to rent homes for holidays or family events. It also provides options for visitors to stay in our community for work or a youth sporting event. Some residents have indicated that they do not support the Village restricting property owner's rights or investments.

Chief Burgner provided service call information for the four short-term rentals in Oswego.

- Hometown- no criminal calls
- Lakeview- aggravated battery; there were several departments that responded to the call; it was not Oswego in swat gear
- Heritage- no calls for service
- Old Town (downtown)- no calls for service

Attorney Ottosen provided caselaw regarding short-term rentals. Bans and regulations may constitute unconstitutional regulatory takings. It depends on the standard the court uses and how significant the economic loss is to the property owner. Based on the 7th Federal Circuit, which oversees Illinois, it is ok to have regulations, but have not addressed prohibiting them. The courts have rejected all challenges. He noted caselaw for Chicago. There is no definitive answer on where the courts are going. The Village can regulate versus banning. Naperville has banned short-term rentals for rentals less than 30 days. If the Village chooses to ban, then he needs to research legislative findings to support the ban.

Village Regulations

Oswego currently does not regulate short-term rentals or long-term rentals. It is estimated that there are approximately six short-term rental units listed on Airbnb and VRBO within the Village. Most neighboring communities do not have specific regulations regarding short-term rentals.

Municipality	Specific Regulations	Notes
Aurora	No	
Batavia	No	Consider short term rentals as Bed and Breakfast
Geneva	No	
Kendall County	Yes	Allowed if registered
Montgomery	No	
Naperville	Yes	Requires a minimum 30-day rental period
North Aurora	No	
Plainfield	No	They consider short-term rentals a hotel and require a special use permit
Plano	No	
South Elgin	No	
Sugar Grove	No	Considers short-term rentals a hotels and are not permitted in residential zoning districts
Yorkville	No	

Communities that have looked to ban short-term rentals have faced constitutional challenges for taking of property without due process, interfering with property rights and privacy rights without due process and in violation of equal protection.

Director Zenner provided options regarding short-term rentals:

- 1) Continue without regulation
 - Would still have to comply with the Village’s current regulations for residential homes
 - Would still require adequate parking on-site with no on-street parking
 - Would still have to comply with the Village’s noise ordinance
 - Would still require general maintenance of the property
 - Does not prohibit an HOA from adopting additional regulations for their subdivision to restrict or prohibit such a use
 - HOA’s are non-governmental entities and do not have the same constitutional challenges and implications as the Village
 - Short-term rentals are appearing in non-HOA neighborhoods, which means they cannot be regulated unless the Village intervenes
- 2) Implement some level of moderate regulation
 - Require all short-term rental units be registered
 - Require all short-term rental units be licensed
 - Require an annual inspection of the property
 - Require the property owner provide a certain level of liability insurance to address any concerns about potential property damage
 - Require background checks of the property owners

- Require the property owner or agent be present for the check-in of each guest
 - Require the short-term rental to obtain a special use permit
- 3) Require a minimum number of days for a short-term rental

Board and staff discussion focused on this is a policy decision; Naperville's ban went into effect on 8/19/20 and have had no challenges yet; Oswego is not a vacation destination; losing money; not generating money like hotels; being compared to Naperville when it comes to rentals and development; can't pick and choose; need to do something now; having to pay lawyer fees to write an ordinance only to have it challenged and pay fees to defend it; not here to create laws and hope they don't get challenged; against the 30 day ban; have been talking about this since the Fall; people don't see both sides; many people use short-term rentals, but don't want them here; potential legalities; 30 days is a good place to start and address when litigated; long-term rentals; don't get to choose your neighbors; 30 day and could be litigated; long-term rentals are still your neighbors; every weekend you could have new neighbors; require 2-3 day rentals; HOA's have a lot of power; who are we to tell people what they can do with their property; regulating and getting taxes; upfront money each year; charge fees; set-up an app to register each person renting; deterrents; 90% of Oswego neighborhoods have an HOA with each HOA involvement varying; limitations with banning; what happens to current properties if the Village was to ban; can't interfere with a contract; Airbnb does background checks; excessive to have people registered; large corporations are buying homes and renting them out; HOA covenants, bylaws and fines; wanting to do right by people; difference between neighborhoods and subdivisions; for some, short-term rentals are their business; people staying in short-term rentals due to employment, inability to purchase a home, not wanting to stay in a hotel for 2- 6 months with their family, or in between the sale and purchase of a home; owners are notified of issues; a lot of them have property managers; not everyone has an owner occupied property; regulating days could be detrimental; how is Naperville policing the 30 days. A Board member was denied a request to bring a motion to the Board at tonight's meeting. President Parlier noted Oswego is a vacation destination with sporting events and more events to consider; HOA's are the first line of defense, but not all have HOA's; he asked for consensus for requiring a registration for short-term rentals, a one-time fee in lieu of taxes, and a minimum of 2-3 days stay. Consensus was given with the following comments: consider one week minimum booking; will discuss but will not agree to the terms; will not support for less than 30 days. Administrator Di Santo will draft an agenda item for an upcoming Board meeting. There was no further discussion.

CLOSED SESSION

There was no closed session held.

ADJOURNMENT

The meeting adjourned at 6:55 p.m.

Tina Touchette
Village Clerk