

May 16, 2023

A Regular Work Session of the Danville City Council convened on May 16, 2023 at 8:24 p.m. in Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Mayor Alonzo L. Jones, Barry Mayo, Vice Mayor Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., and Madison J.R. Whittle (9).

Staff Members present were: City Manager Ken F. Larking, Deputy City Manager Earl B. Reynolds Jr., City Attorney W. Clarke Whitfield, Jr., and City Clerk Susan M. DeMasi.

Mayor Jones presided.

MEETING MINUTES

Upon **Motion** by Council Member Buckner and **second** by Council Member Whittle, Minutes of the Regular Work Session held on April 4, 2023, were presented for approval. Draft copies were distributed to Council Members prior to the Meeting.

Council Member Vogler noted in the section of the minutes from April 4, where Council Member Whittle had asked about the four cent tax cut, he would like it noted on the record that he was one of the Council Members of who was in favor of the tax cut. The City Clerk noted she would make that addition. The Minutes were approved as presented.

WORK SESSION ITEMS

CONSIDERATION OF THE RELEASE OF CITY HELD LIENS AGAINST REAL PROPERTY IDENTIFIED AS PARCEL #03282, #22050, #25889, AND #21151

Council had no questions on this item and agreed to put this matter on an upcoming business agenda.

CONSIDERATION OF A TRANSIENT OCCUPANCY TAX UPDATE

Council Member Vogler asked for a brief explanation and Assistant City Attorney Ryan Dodson explained that all localities have been struggling with Airbnb type organizations not collecting the full amount of transient occupancy tax. They will submit one check for the entire City and the City does not have the means to audit that to see if they were collecting the correct percentages from different people. The main changes were adding definitions specific to these organizations that do this on behalf of other people. It puts the responsibility for collection and reporting directly on them so the City was not going after the actual homeowners. Airbnb represents to the homeowners that they were paying the taxes for them correctly, a lot of times they were not. This clarifies that the responsibility lies solely on the types of groups that run the businesses.

City Attorney Clarke Whitfield noted this was modeled on an ordinance that many cities and towns across the Commonwealth used, and Mr. Dodson noted it started in Staunton, and they borrowed a lot of language from them. Mr. Gillie had told them a lot of Commissioners of Revenue had been sharing this model language.

Mr. Vogler stated this was one of the issues that came up today in the Short Term Rentals group, and noted at some point he would like to have a work session discussion about Airbnbs and short term rentals. Charlottesville had some really good things he would like Danville to look at as well.

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City staff has brought up where people were buying up properties solely for the purpose of making them Airbnbs and that was contributing to the housing shortage.

Mr. Whittle questioned if he had an Airbnb in his house, it would be the Airbnb company that was responsible and Mr. Dodson noted it would. Most of these companies, if someone was leasing their house through them, it was a contract between the two parties. One of the things they agree to do was to collect the taxes and money that was being remitted from the people renting the house; they were supposed to keep track of it and give the correct amounts to the localities. They were not doing a very good job of it, and it was hard to catch.

Council had no further questions and agreed to put this matter on an upcoming business agenda.

CONSIDERATION OF A RADIO TOWER CONTRACT RENEWAL

Council had no questions on this item and agreed to put this matter on an upcoming business agenda.

CONSIDERATION OF CORRECTING A SURVEY ERROR ON CITY PARCEL #24581 ON LEE STREET

Council had no questions on this item and agreed to put this matter on an upcoming business agenda.

CONSIDERATION OF THE RELEASE OF CITY LIENS AGAINST PARCEL #01570 RHODENIZER STREET

Council had no questions on this item and agreed to put this matter on an upcoming business agenda.

CONSIDERATION OF THE PRECINCT THREE (3) VOTING RELOCATION

Mayor Jones noted Langston was being renovated and they were temporarily moving the precinct to George Washington High School. Council had no questions on this item and agreed to put this matter on an upcoming business agenda.

COMMUNICATIONS

Council Member Campbell noted talking about housing, the housing conference in the City last year, what were the results of that. Mr. Larking noted Susan McCulloch, who was in charge of the market rate housing program under Community Development, has pulled together several incentive programs that will help facilitate people doing single family and multi family housing throughout the City. That was heard by the Council at a work session and also at the IDA last week; Chairman Morris got a briefing on it as well. Each body has looked at those incentives favorably and staff will go back to the IDA with specific resolutions and ordinances that authorize these programs to occur. That will help facilitate the housing the City needs to have. Staff was also working with developers all the time; there was an RFP out for the Monument Berryman area. The City has a proposal they were looking at to potentially implement. There were multifamily housing, not only in downtown, but also new construction in the City that was in some stage of development. Multifamily was going pretty well, single family could use a little more boost. The City has identified properties that could be good subdivisions and were also working with developers for infill development as well.

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Rev. Campbell noted with blight, was there a possibility that some areas can be taken over, change the whole area to an upscale development and have investors come. Mr. Larking noted because the City had more of a normal housing market where there was a demand for housing, this will help certain blighted properties to be rehabbed. Because there was demand, there was motivation by the owners and developers to take on those properties, make renovations and put them back on the market. They were seeing a little of that and would like to see more. There was still the blight program for those that were too far gone to be saved. Rev. Campbell noted the City has a shortage of land, was there a possibility in the future where there were certain areas the City could annex and Mr. Larking noted he was not sure about that.

MEETING ADJOURNED AT 7:53 P.M.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK