



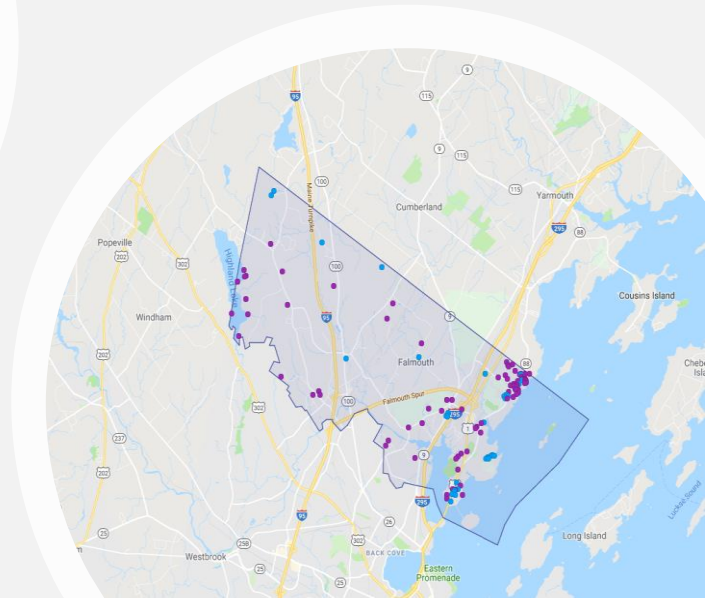
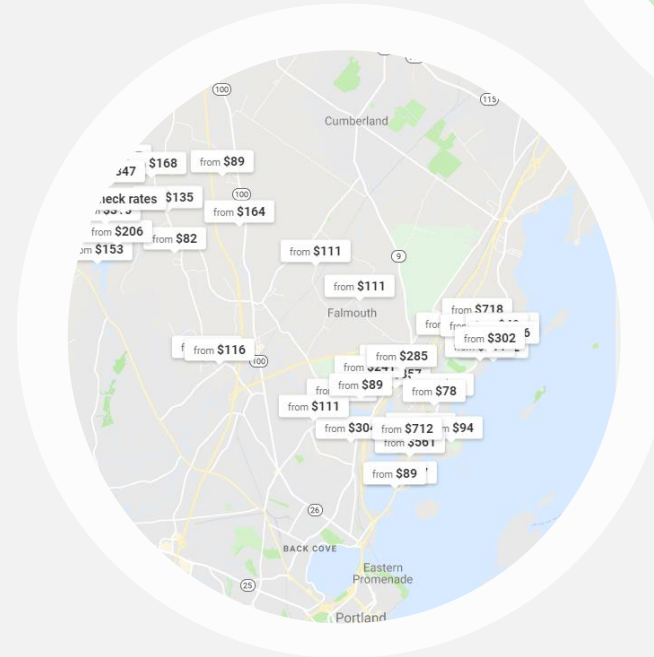
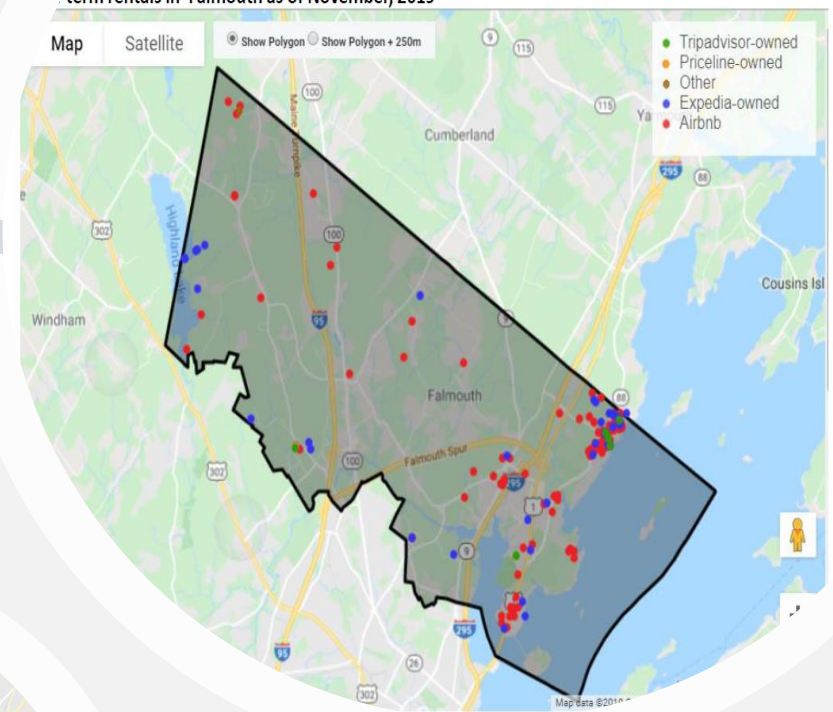
# Short-term Rental Regulation



Town Council Meeting  
January 13, 2020

# Short-term Rentals in Falmouth

- Host Compliance Data as of November 2019
  - 144 listings, representing 122 unique rental units
  - Median Nightly Rate-\$195
  - 80% Single Family Home, 15% Multi-Family Home, 5% Unknown Home Type
  - 78% Entire Home, 21% Partial Home, 1% Unknown Room Type
  - The number of short-term rental listings in Falmouth has increased 27% over the last year (113 to 144)
  - The number of unique rental units has increase 31% since last year (93 to 122)



# Research

- Reviewed short-term regulation landscape in Maine
  - At least 7 Maine municipalities have short-term or vacation rental ordinances
    - Bar Harbor, Cape Elizabeth, Old Orchard Beach, Portland, Rockland, Saco, and South Portland
- Also reviewed Boston, San Antonio, and Seattle's ordinances





# Commonalities Across Ordinances

- Short-term rental defined as a dwelling unit for rent for less than 30 days
  - Some municipalities require minimum rental periods of 5-7 days regardless of the actual number of days the property is occupied
- Rental owners are required to register and/or obtain permits
- Life safety inspection upon registration
- Notification to abutters that rentals have been registered
- Insurance requirements
- Occupancy and parking limits
- Owners are required to provide a local contact
- Owners are required to keep records of rental transactions for presentation to the municipalities upon request





# Owner-occupied vs. Non-owner-occupied

- 5 of the 10 municipalities require **proof of residency** as a registration requirement for owner-occupied units
- Most of the municipalities **allow short-term rentals in accessory dwelling units and multi-unit buildings** if the owner resides in another unit on the property
- Portland-No more than 400 non-owner-occupied mainland short-term rental units shall be registered in any one calendar year
- South Portland
  - Non-hosted home stays are prohibited in all residential zoning districts
  - Single family homeowners may rent their primary residence for up to 14 days without the owner present and without regard to the zoning district in which the property is located.
- Boston- All short-term rental units must be owner-occupied.
- San Antonio Density Limitations
- Seattle-operators may only operate two units: the operator's primary residence and a secondary unit



# Listing Platform Requirements

- Boston and Seattle's ordinances include requirements for listing platforms:
  - Platforms must help enforce inclusion of registration numbers in short-term rental listings
  - Platforms must remove any listings upon notification by the cities
  - Platforms must share listing data with the cities
  - Seattle requires listing services to apply for platform licenses
  - Seattle requires platforms to provide a summary of its ordinance to all operators as well as written notification of changes to local regulations



# Registration Fees

- Bar Harbor-**\$250** annual application fee
- Boston-limited share-**\$25** annual fee, home share-**\$200** annual fee, owner-adjacent-**\$200** annual fee
- Cape Elizabeth-**\$50** annual fee
- Old Orchard Beach-**\$100** new application fee plus \$25 per unit for the first 10 units, plus \$7.50 per unit thereafter
- Portland-fees are cumulative, and increase based on number of units registered, non-owner-occupied fees are double
- Rockland-**\$100** Planning Board Review/Permit fee
- Saco- first license fee shall be established by the City Council after a public hearing, \$10 renewal fee, additional fee if reinspection is needed
- South Portland-**\$200** for hosted rentals and **\$400** for non-hosted rentals, plus \$100 fire safety inspection fee and \$20 processing fee.
- San Antonio-**\$100** application fee, \$100 renewal fee
- Seattle- operator license-**\$75** per dwelling unit, platform license-quarterly fee based on the total number of nights booked for short-term rental use through the platform





# Enforcement Authority

- In 6 of the 7 Maine municipalities, the Code Enforcement Officer is the enforcement authority
  - Cape Elizabeth relies on Police Department for assistance in investigating complaints
  - Portland-Housing Safety Department
  - South Portland-Clerk's Office administers registration, Code Enforcement Office handles complaints
- Boston-Inspectional Services Department
- San Antonio-Development Services Department
- Seattle-Department of Finance and Administrative Services





# Enforcement Action

- Code Enforcement Officer provides notice of violation, opportunity for owner to take corrective action
- Suspension/revocation of permit
- Denial of application/renewal
- Denial of certificate of occupancy
- Fines
  - Operating unregistered units and/or failing to display license in unit or in ads-\$100-\$1500, most municipalities charge per day until compliance is achieved
  - Fines for violating platform requirements-Boston-\$300 per day, Seattle-\$500 per day for the first ten days, \$1,000 per day beyond ten days
  - Portland-\$10 per unit registration late fee (annual deadline to register)



# Enforceability

- Enforceability is an important consideration in developing short-term rental ordinances and if the Town decides to enact an ordinance it should not include unenforceable elements or elements that are difficult to enforce
- Feedback regarding enforcement from surrounding communities
  - Achieving registration compliance is a significant staff burden, especially if not using an enforcement company
    - Difficult to track down owners of unregistered rentals
    - Assisting owners with registration process, application review, and inspections is time consuming
  - Complaints often are reported after hours or on weekends
  - Some ordinance elements are easier to enforce than others
- It will be important to consider the Town's organizational capacity to monitor and enforce this type of ordinance. It might be necessary to hire an additional staff member.
- It will also be important to consider the budgetary implications of monitoring and enforcement

# Host Compliance

- Short-term rental regulation enforcement company used by more than 310 cities and counties
  - Maine clients-Portland and South Portland
- Can assist with registration, compliance monitoring, and enforcement
- À la carte menu of services
  - Each service has annual rate which is based on the total number of rentals that need to be monitored
    - Mobile Registration Form-\$ 5,000 /year.
    - Address Identification - \$7,245 /year.
    - Compliance Monitoring - \$1,830 /year.
    - Rental Activity Monitoring - \$3,660 /year.
    - 24/7 Dedicated Hotline - \$1,464 /year.



# Policy Guidance for Ordinance Committee

- What are your key objectives?
- How should short-term rental be defined?
- What are your thoughts on the following policy directions?
  - Banning all short-term rentals?
  - Registration/Permitting?
    - Registration Fee?
  - Regulating non-owner-occupied short-term rentals?
    - How should owner-occupied vs. non-owner-occupied be defined?
    - Capping or banning non-owner-occupied short-term rentals or restricting them to certain zones?
  - Enforcement
    - Violation Fines?
    - Additional Staff?
    - Enforcement Assistance?

