



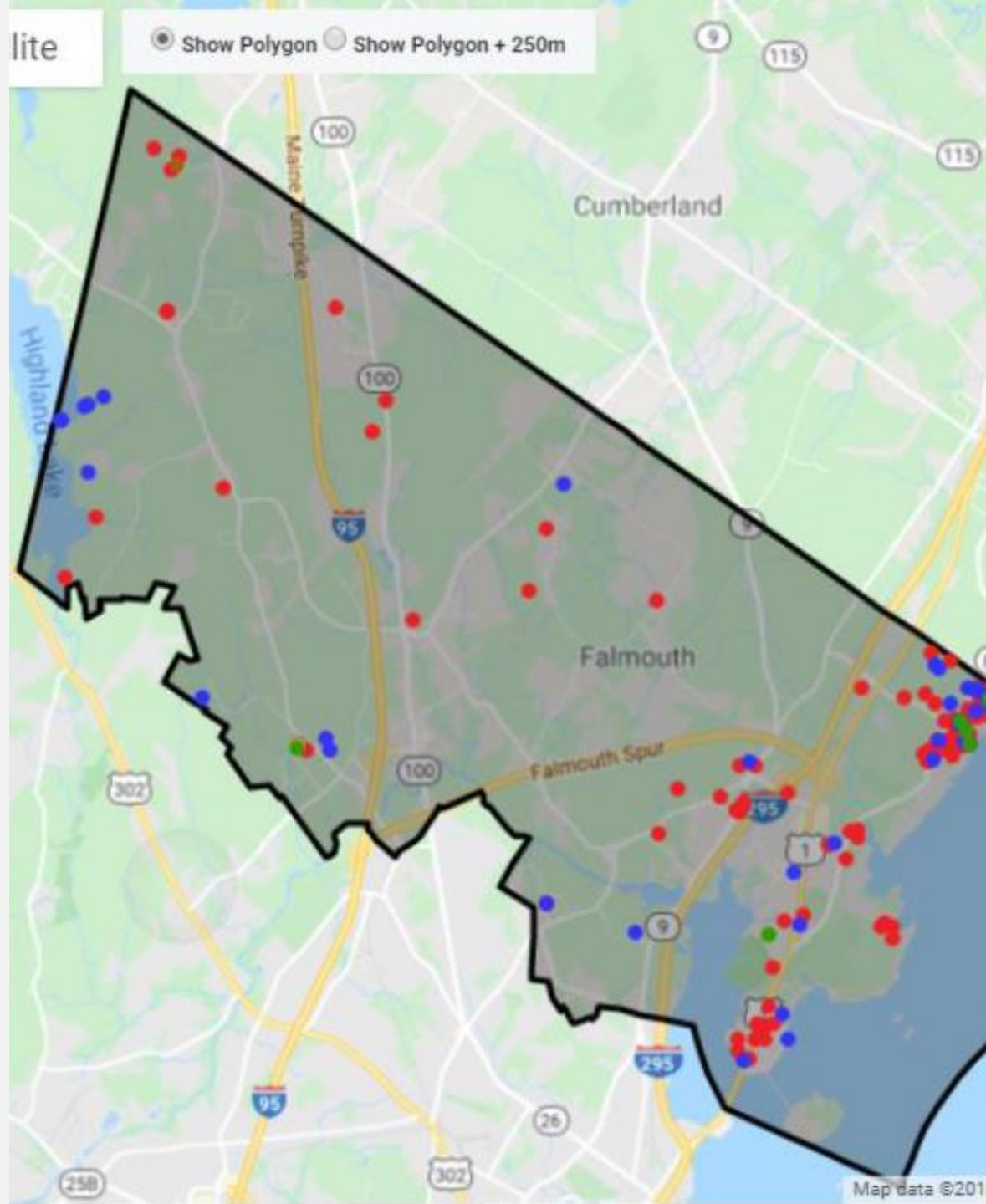
Town Council Concept Discussion: Proposed Short-term Rental Ordinance

March 8, 2021



Short-term Rentals in Falmouth

- In-house Data
 - No real data or history of public safety/code enforcement complaints
- Host Compliance Data
 - November 2019
 - 144 listings, representing 122 unique rental units
 - Median Nightly Rate-\$195
 - 80% Single family home, 78% entire home rental
 - The number of short-term rental listings in Falmouth increased 27% between 2018 and 2019 (113 to 144)
 - The number of unique rental units increased 31% between 2018 and 2019 (93 to 122)
 - October 2020
 - 113 listings, representing 88 unique rental units
 - Median Nightly Rate-\$195
 - 77% Single family home, 88% entire home rental



Background:

- The Ordinance Committee began discussing short-term rentals in 2018 after residents contacted councilors with concerns.
- In the 2019-2020 Council work plan, the Council directed the Ordinance Committee to explore options surrounding the development of short-term rental regulations.
- Town staff conducted research on the short-term rental landscape in Falmouth as well as Maine municipalities and select national municipalities' short-term rental ordinances.
- This research was presented at the January 13, 2020 Council meeting. At the meeting, the Council directed staff to hold a public forum.
- A public forum was held on March 11, 2020.



Short-term Rental Benefits Identified at Public Forum

- Short-term rentals are a revenue source for owners
- Short-term rentals provide an affordable local lodging option
- Having short-term rentals in town benefits local businesses
- Town exposure
- Short-term rentals positively impact property values
- Most short-term rental operators are responsible and properly screen their guests.

Top Concerns Identified at Public Forum

- Concerns related to non-owner-occupied rentals/investment properties (owned by out of staters, no supervision/accountability)
- Concerns related to transient guests (high turnover, visitors not neighbors)
- Parking/traffic concerns
- Land use/zoning concerns (commercial activity in residential areas)
- Too many STRs in neighborhood (too dense)
- Safety (occupancy/fire hazards)
- Noise
- Neighborhood Character
- Pets (unattended, not familiar)
- Inconsiderate guests/lack of ability to screen renters

Top Short-term Rental Concerns Identified at March 11 Forum/Email Comments and Possible Ordinance Measures to Address Them

- 1. Concerns related to non-owner-occupied rentals/investment properties (owned by out of staters, no supervision/accountability)**
 - Requiring owner to be present on property during short-term rental stays (partial home rental or owner occupies another unit on property)
 - Primary residence requirements
 - Capping the number of non-owner-occupied rentals allowed to be issued permits
 - Not allowing non-owner-occupied rentals in certain zones (ex. South Portland doesn't allow in residential zones)
 - Requiring local contact person
 - Fines for operators who fail to respond to complaints within a certain time period
 - Capping the number of permits that may be issued to a single operator
- 2. Concerns related to transient guests (high turnover, visitors not neighbors)**
 - Minimum length of stay requirements
- 3. Parking/traffic concerns**
 - Parking limits/requirements (ex. must provide 2 off-street parking spaces)
- 4. Land use/zoning concerns (commercial activity in residential area)**
 - Only allow in certain zones
- 5. Too many STRs in neighborhood (too dense)**
 - only allow in certain zones
 - capping number of permits issued
- 6. Safety (occupancy/fire hazards)**
 - Occupancy limits (ex. no more than 2 people per bedroom, 6 maximum)
 - Inspection as a condition of registration and then after a certain number of years
 - Require as a component of application that owner submits evidence or certificate of current insurance providing coverage for the use of the premises as a short-term rental
 - Portland offers registration fee discounts for having fully sprinkled buildings, centrally monitored fire alarm systems, passing HUD inspections, and prohibiting smoking
- 7. Noise**
 - Make noise ordinance more specific or be specific in STR ordinance about what qualifies as disruptive behavior
 - Owners must provide good neighbor guidelines/rental agreement addendum
 - Local contact person
 - Fines for operators who fail to respond to complaints within a certain time period
 - Prohibit large gatherings
- 8. Neighborhood Character**
 - Owners must provide good neighbor guidelines/rental agreement addendum
- 9. Pets (unattended, not familiar)**
 - Owners must provide good neighbor guidelines/rental agreement addendum
- 10. Inconsiderate guests/lack of ability to screen renters**
 - Owners must provide good neighbor guidelines/rental agreement addendum

- Require owners to leave instructions for solid waste disposal and recycling
- Prohibit large gatherings

Enforcement Considerations

- Staff capacity to monitor and enforce an ordinance
- Budgetary implications of monitoring and enforcement

Proposed Ordinance

Creates registration system and facilitates data collection.
No other substantive regulation.

Purpose: to monitor the impact on residential neighborhoods by the operation of short-term rentals within the Town and to provide a registration program that enables the Town to monitor and track short-term rentals within its borders.

Action:

1. No person shall advertise, operate, or rent a short-term rental without first registering the short-term rental unit with the Town. Registration will include a non-refundable registration fee.
2. At the time of registration, the owner must identify an emergency contact person, who may be the owner. The emergency contact person(s) must be able to respond within sixty minutes to complaints regarding the condition, safety, or operation of the short-term rental, or the conduct of guests.
3. At the time of registration, the owner must provide a certificate of insurance that expressly acknowledge that the property may be used for short-term rental business activity and evidencing (a) property insurance and (b) general liability insurance appropriate to cover the rental use in the aggregate of not less than \$1 million or proof that the owner conducts rental transactions through a hosting platform that provides equal or greater coverage.

Enforcement/Penalties:

- Operating and/or advertising the rental of a short-term rental without a valid registration- per day fine of \$1,000 for first offense, additional per day fine of \$1,500 for each additional offense.
- For any other violation of the ordinance, the violator may be penalized with a fine of \$500 per day for each such violation.
- The Town would hire Host Compliance to assist with data collection and enforcement of the ordinance.