

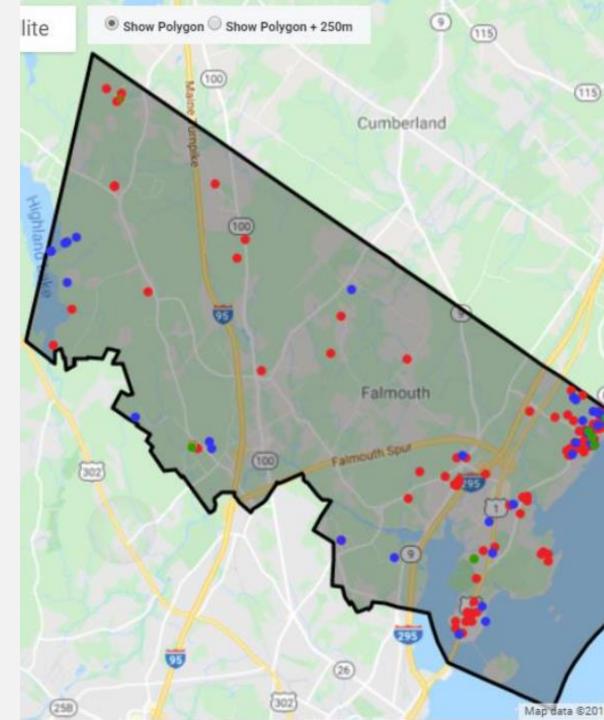
#### Town Council Concept Discussion: Proposed Short-term Rental Ordinance

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



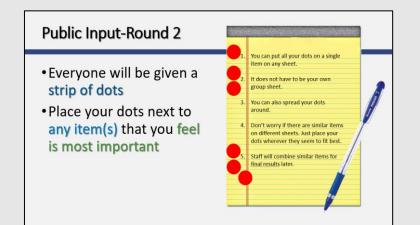
### Background:

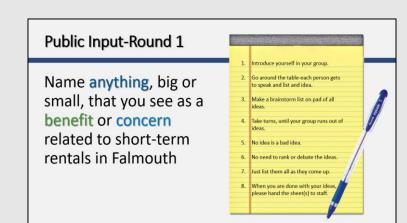
- The Ordinance Committee began discussing short-term rentals in 2018 after residents contacted councilors with concerns.
- In the 2019-2020 Council work plan, the Council directed the Ordinance Committee to explore options surrounding the development of short-term rental regulations.
- Town staff conducted research on the short-term rental landscape in Falmouth as well as Maine municipalities and select national municipalities' shortterm 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.

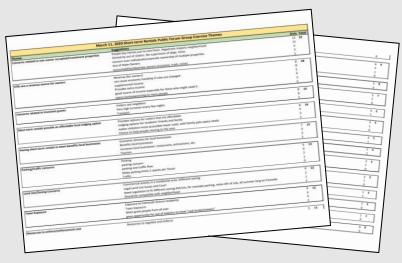


### Public Forum – March 11, 2020

41 people, 4 group discussions, 22 rapid polling questions Detailed findings on Town website







#### Public Input-Round 3

To what extent do you agree with the following statements regarding short-term rentals?

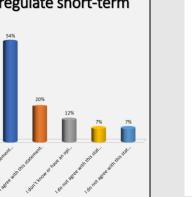
1 = I agree with this statement very much.

- 2 = I agree with this statement.
- 3 = I don't know or have an opinion about it.
- 4 = I do not agree with this statement.
- 5 = I do not agree with this statement at all.



#### The Town of Falmouth should regulate short-term rentals.

- 1. I agree with this statement very much.
- I agree with this statement.
  I don't know or have an opinion about it.
- 4. I do not agree with this statement.
- 5. I do not agree with this statement at all.



	Ma	March 11, 2020 Key Pad Exercise Results (41 Participants)			
		I agree with this statement very much + I agree with		I agree with this	
		this statement	statement very	statement	
			much		
	Statement	1+2	1	2	
2	It is important to understand the administrative and financial burden of enforcing short-term rental regulation.	82.50%	50.00%	32.50%	
_	The Town of Falmouth should regulate short-term rentals.	73.17%	53.66%	19.51%	
1	Short-term rental owners should offset the cost of town enforcement of short-term rental regulation.	68.29%	53.66%	14.63%	
2	Short-term rentals should be allowed in accessory dwelling units.	65.85N	39.02%	26.83%	
	It is important that short-term rentals help round out the limited lodging options in Falmouth and provide family and guests of Falmouth residents a local lodging option.	60.98N	36.59%	24.39%	
	It is important that property owners are allowed to operate short-term rentals as a supplemental income source.	60.98%	31.71%	29.27%	
1	Short-term rentals should be allowed in single family dwellings.	60.98%	46.34%	14.63%	
Ē	Operators should be present on the property during short-term rental stays.	56.10%	29.27%	26.83%	
ī	Most short-term rental operators are responsible and properly screen their guests.	53.66N	29.27%	24.39%	
	Short-term rentals cause traffic, speed, and parking issues.	53.66%	41.46%	12.20%	
	Short-term rentals should be allowed everywhere in Town.	52.50%	22.50%	30.00%	
	It is important that short-term rentals provide a source of revenue for local businesses.	52.50%	35.00%	17.50%	
	The Town should regulate short-term rentals even if it requires hiring additional staff.	51.22%	36.59%	14.63%	
	Short-term rentals should be allowed in two-family buildings and multi-family buildings.	51 22%	29.27%	21.95%	
-	Short-term rentals cause noise issues.	50.00%	40.00%	10.00%	
5	Short-term rentals cause trash disposal issues.	41.46%	31.71%	9.76%	
	The Town should educate short-term rental operators and guests through a good neighbor policy rather than develop regulation.	40.00%	25.00%	15.00%	
5	Short-term rentals negatively impact property values.	39.02%	26.83%	12.20%	
h	Regulation of short-term rentals infringes on private property rights.	37.50%	25.00%	12,50%	
F	Short-term rentals positively impact property values.	31.71%	26.83%	4.88%	
-	Short-term rentals should only be allowed in certain zones in Town.	24.39%	12.20%	12,20%	
	Falmouth taxpayers should bear the entire cost of Town enforcement of short-term rental regulation.	14.63%	4.88%	9.76%	
		Demographic Questions			
1	TEST Question: What is your favorite ice cream flavor?	Chocolate	12.50%		
		Vanila	20.00%	-	
		Chocolate Chip Cookie Dough	12.50%	-	
		Mint Chocolate Chip	12.50%	-	
		I don't have a favorite ice cream flavor.	7.50%	-	
		Strawberry	5.00%	-	
		Buttered Pecan	5.00%	-	
		Other	5.00%	-	
		Cookies N'Cream	0.00%	-	
-	I have stayed in a short-term rental.		80.00%	-	
	I nave sugges in a structure remain	Yes.	00.0078	_	

#### 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 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.