



Town of Nantucket Finance Committee

September 26th, 2023 4:00PM – Minutes

Remote Participation Via Zoom

Staff:	Brian Turbitt, Finance Director, Susan Carmel, Assistant Finance Director, Mariya Basheva, Assistant Town Accountant, Libby Gibson, Town Manager, Leslie Snell, Director of PLUS
Attending Members:	Denice Kronau, Chair, Peter Schaeffer, Jill Vieth, Jeremy Bloomer, Joanna Roche, Rob Giacchetti, Christopher Glowacki
Absent Members:	Stephen Maury, Joseph Wright

Meeting Introduction and Attendance

- Denice Kronau confirms the use of Zoom for public participation and calls for members to respond affirmatively.
- Denice Kronau outlines the meeting rules, including the need for public comments and the use of roll call votes.
- The meeting is conducted remotely, ensuring public access and participation.
- Peter Schaeffer moves to approve the agenda, seconded by Jill Vieth

Roll Call Vote: Giacchetti Aye, Vieth Aye, Schaeffer Aye, Bloomer Aye, Roche Aye, Glowacki Aye, Kronau Aye.

Public Comment and Meeting Agenda

- Denice Kronau opens the floor for public comments, but no one raises their hand.
- The first item on the agenda is a continuation of the public hearing for Articles 1 to 4.
- Denice Kronau explains the process for public comments and questions during the public hearing.
- The public hearing will be conducted article by article, with members allowed to ask questions during the hearing.

Article One: General Bylaw Amendment

- Denice Kronau reads the title of Article One: General Bylaw Amendment, Chapter 123 of the town code regulating the operation of short-term rentals.

- Julia Linder discusses the work group's process and the data collected, highlighting the growth in short-term rentals and the impact on the community.
- Julia Linder suggests changes to the general bylaw, including making the same rules for all property owners, extending the exemption for hosted stays, and lengthening the season for rentals.
- Peter Schaeffer and James Sulzer express concerns about the potential impact of the proposed changes on the local economy and the financial plans of current short-term rental owners.

Discussion on Short-Term Rental Data and Impact

- Matt Haffenreffer provides context on the short-term rental market, emphasizing the impact on the community and the need for regulation.
- John Kitchner asks about the implications of Article One not passing and the potential impact on Article Two.
- John Giorgio clarifies that if Article One fails, Article Two could still be called for a vote, but it would require a two-thirds majority to pass.
- Kathy Baird and Julia Linder discuss the definition of full-time short-term rentals and the potential mischaracterization of certain property owners.

Concerns About Corporate Ownership and Regulation

- James Sulzer explains the work group's goal of steering a middle course to protect home rentals and limit the growth of corporate ownership.
- Peter Schaeffer and Jeremy Bloomer discuss the economic feasibility of short-term rentals and the potential impact of regulations on the local economy.
- Matt Haffenreffer and Denice Kronau discuss the challenges of regulating corporate ownership and the limitations of available data.
- Julia Linder emphasizes the need to prevent the conversion of homes into full-time short-term rentals and the impact on the community.

Public Hearing Closure and Transition to Article Two

- Denice Kronau closes the public hearing for Article One and moves on to Article Two, the zoning article.
- Julia Linder expresses concerns about the potential impact of the zoning article on the community and the need for continued discussion on accessory use.

- The meeting transitions to a discussion on the zoning article, with members expressing their views on the proposed regulations and their potential impact on the community.

Discussion on Amending Articles One and Two

- Julia Linder discusses the possibility of amending Article Two to decouple it from Article One, allowing it to stand alone even if Article One fails.
- John Giorgio suggests consulting the moderator, Sarah, for a definitive answer on the amendment's scope.
- Peter Schaeffer emphasizes the importance of making short-term rentals legal and the ongoing lawsuits against property owners.
- John Giorgio reassures that the building commissioner and ZBA have determined these uses are permitted, and an appeal would be recommended if Article Two fails.
- Motion to adopt Article One with Article Two linked and including the language of the planning board recommendation for Section 123-3h. Moved by Bloomer, Seconded by Schaeffer.

Roll call vote: Rob - aye, Joanna - aye, Jeremy - aye, Peter - aye, Jill - aye, Denise - aye. Motion passed unanimously.

Concerns Over Legal and Financial Risks

- Kathy Baird highlights the financial and legal risks faced by property owners sued for short-term rentals, noting the high costs of defending lawsuits.
- Kathy questions whether short-term rentals are explicitly permitted in the town's zoning, and John Giorgio clarifies that short-term rentals are considered residential uses.
- James Sulzer asks if passing Article One with reasonable regulations would help the town's case in court, and John Giorgio confirms it would be relevant but not dispositive.
- John Kitchner questions the process for discussing amendments with the moderator, and John Giorgio explains the custom of bringing substantive amendments to Sarah before town meeting.

Public Comments and Two-Way Linkage

- Ron Kokot expresses disappointment in the loss of the two-way linkage between the general bylaw and zoning bylaw, which he believes was a solution to the "act now" issue.
- Rob Giacchetti inquires if the re-linking of articles can be done at town meeting, and John Giorgio confirms it could be crafted as an amendment.

- Denice Kronau clarifies that the articles are currently linked in one direction, and John Giorgio reiterates the possibility of crafting an amendment to re-establish the two-way linkage.
- The committee discusses the importance of maintaining the integrity of the two-way linkage and the potential impact on the town's regulations.

Article Three: Community Impact Fee

- Denice Kronau introduces Article Three, which proposes a community impact fee on professionally managed short-term rentals, defined as multiple units operated by the same operator.
- Julia Linder supports the community impact fee, noting it should have been implemented earlier.
- Matt Haffenreffer explains the two different categories of short-term rentals that would be subject to the fee, totaling approximately 20% of the 2,500 units.
- Jeremy Bloomer asks about the number of units affected, and Denice Kronau estimates around 500 units would be subject to the fee.
- Motion to adopt Article Three (Community Impact Fund), made by Bloomer, Seconded by Schaeffer.

Roll call vote: Rob - aye, Joanna - aye, Jeremy - aye, Peter - aye, Jill - no, Denice - aye. Motion passed 5-1.

Article Four: Stabilization Fund for Affordable Housing

- Denice Kronau introduces Article Four, which proposes establishing a special purpose stabilization fund for affordable housing, funded entirely by the short-term rental community impact fees.
- Jill Vieth expresses discomfort with the additional tax and questions the specific use of the revenue.
- Brian Turbitt estimates the potential revenue from the community impact fee to be around \$1 million, based on current occupancy rates.
- John Giorgio explains that the stabilization fund would require an appropriation at town meeting, with 35% dedicated to housing and sewer or water infrastructure projects.
- Motion to adopt Article Four (Special Purpose Stabilization Fund). Motion made by Schaeffer, Seconded by Bloomer.

Roll call vote: Joanna - aye, Jeremy - aye, Peter - aye, Jill - no, Rob - aye, Denice - aye. Motion passed 5-1.

Finalizing Recommendations and Next Steps

- The committee finalizes its recommendations for Articles One and Two, including supporting the planning board's motion and linking the articles.
- Denice Kronau emphasizes the importance of maintaining the integrity of the articles and ensuring clear communication with voters.
- The committee discusses the potential impact of the recommendations on the town's regulations and the importance of clear communication with voters.
- The meeting concludes with a motion to adopt the recommendations and a plan to address the remaining articles in the next meeting.
- Motion to adjourn. Made by Schaeffer, Seconded by Bloomer.

Roll call vote: Giachetti – aye, Roche – Aye, Bloomer - aye, Schaeffer - aye, Vieth – aye, Kronau - Aye.