

Nantucket Short Term Rental Working Group

Meeting Summary

April 11, 2023 | 5:00 PM – 8:00 PM ET

Meeting Objectives

- Updates on Data Gathering
- Review STRWG Input on Policy Goals and Levers
- Explore Promising Policy Levers

Meeting Materials:

- STRWG Meeting Summary from March 28
- Data Updates
- Summary of Woodstock VT Conversation
- Synthesis of WG Input on Policy Goals and Levers

To find meeting materials, please visit the project website [here](#).

Welcome & Overview

Stacie Smith, Consensus Building Institute (CBI), welcomed members of the Short-Term Rental Working Group (STRWG) and the public to the tenth Working Group (WG) meeting. She reviewed the meeting agenda. She then asked the group to approve the meeting summary from the March 28th meeting. The summary was approved.

The group began the meeting with a discussion of the group Operating Protocols, noting a concern about a member signature on a letter supporting a Citizen Article for Town Meeting despite a commitment not to support external approaches. The member responded that, as a non-voting member, they did not commit to those rules or think they applied. Others raised concerns about the tone of member comments posted on social media, and an alternate who also signed the article support letter. While members discussed bringing these concerns to the Select Board, the group ultimately agreed against it, with participants reminding their fellow members that this group has made some good progress, and has limited time to reach agreement on a solution to bring to the Special Town Meeting. Stacie acknowledged that this is a difficult time for the community around the topic of STRs, and reminded members that the ground rules ask people to live the principles of respect, decency, and tolerance. She encouraged members to negotiate in good faith and share accurate information.

Stacie noted that Robin Nydes, Nantucket Together Alternate, would be taking over for Kathy Baird at 7:00 pm, when she has to step away from the meeting.

To see the full list of WG members and alternates in attendance, please see Appendix A.

Updates on Data Analysis - Refining Data Questions

Stacie introduced Matt Haffenreffer and Alex Judge, Process First, to give an update on data gathering and analysis. Matt explained that in an effort to have accurate and answerable questions, the Process First team went through and refined the questions that were provided to him by the group. Throughout the presentation, Matt and Alex made edits to their document to incorporate the following questions and comments made by WG members. *Please see the posted meeting materials for the set of suggested revisions.*

Question 1: How many STRs

General

- Process First changed the question from “average” to “active” because that can be validated through data, and quantified by an interquartile range which goes from 25%-75% and is more accurate than average.

Bedrooms and Occupancy

- Stacie noted that people wanted to get more granular information on occupancy and bedrooms, and the relationship between those and other pieces of data where it is relevant.
- One member noted the importance of how people advertise their STRs, because some people advertise a number of beds rather than the number of bedrooms.
- If there is data that informs the intensity of use, it should be included.
- Zoning is not always the best way to inform the data because there are expectations such as lot size

Question 2: Distribution

General

- How will the map noted in the refined questions be shared? Can you be more specific about what it will look like?
 - Matt Haffenreffer: This will be determined once we have the data and contracts regarding what we can and cannot share, but the map will likely be a summarization rather than every single point.
- One member noted that Nantucket Zoning defines “Owner Occupied” as 3 months out of the year on Nantucket, which they said was different from the federal definition. The definition of a year round resident is based on taxation and voter status, which may be different from these.

Category of ownership

- One member asked to clarify the categories of ownership to address the difference between an LLC owned by business versus an LLC made up only of persons.

- Matt Haffenreffer: Process First has been digging into these definitions and their nuisance. We have left it vague for the time being but understand the group's concern.
- If Process First is going to get more granular, they should change the subcategories to 1. Person, LLC, Trust and 2. LLC's owned by corporations or businesses.
 - Matt Haffenreffer: Will do. In the next step of the process we will investigate how to break down LLC's and to what depth.
 - Alex Judge: This question will become clearer once we get the data, and we expect that these categories will change and need interpretation as the information comes in.

Question 3: Intensity of Use

General

- Will you have the ability to tell us the distributions of the length of stay? Would you be able to break down intensity of use by different home types such as homeshares and whole homes? Seasonality will also be an important factor.
 - Matt Haffenreffer: Yes, we will be able to answer these more specifically and will follow-up to answer the questions you need.
- The intensity of use varies from year to year.
- What is the frequency of rentals that are two weeks or more?

Policy Lever Considerations + Impacts

- Can you identify the number of rental contracts per week to inform our policy levers around a minimum of a week and one rental per week.
- Most people stay at least a week in the summer, but in the shoulder seasons people tend to stay for less than a week. There seems to be energy in this group to limit rentals to one per week (at least during summer), so we would be interested in learning the average number of rentals per 7 day period. This is important in order to understand short churn rentals.
- We also want to break this down by type of unit being offered (e.g., room in home vs. full home), because different types of units are rented at different frequencies and durations.

Question 4: Who Owns STRs?

General

- How are you going to be able to further define owner occupied? Residential exemption might be an option.
 - Matt Haffenreffer: This will be determined by what we can define rather than the perfect definition, so we will need to come back to you with an answer rather than trying to find the perfect definition right now.

- One member cautioned on using residential exemption to define owner occupied as it might not be completely accurate.

Year Round Residents and Exceptions

- Will this list identify year round residents who own and rent a second property?
 - Alex Judge: The difficulty with this question is that you will have a lot of false positives if you go by names. It would be easier if we were talking about ADU's, but the challenge is people who own small cottages on the other side of the island.
 - Matt Haffenreffer: This could be an opportunity to protect specific examples. We will follow-up with more information.
- Agree that we can choose to protect these uses even if we don't identify them all using data.
 - Matt Haffenreffer: This group could consider making a pathway to petition STR use if your policies do not protect it.
- If there is a small cottage on the same lot that is easy to address, but when it is on a different lot it will be very difficult to regulate it not as a commercial STR.
- There are a lot of examples of the island that will not be counted in the data and with an "owner occupied" definition, so this WG will have to work that out once we have the data.

Question 5: Distribution of Addresses

- No WG member questions or comments on the refined questions.

Question 6: Changes in STR Over Time

General

- The original questions included information about the shift of year round to season housing. Why was this question omitted?
 - Alex Judge: "Seasonal" is really difficult to define, and there is not one available to us. We are just working on a town list of residents.
 - The purpose of separating year round and seasonal residents was to help us decide if we wanted to create policy levers that would differentiate rules for the two groups, but there does not seem to be consensus around doing that.

Residential Exemption

- This is an example of where residential exemption might be helpful. It tells you whether a property is owner occupied (six months definition).
 - Alex Judge: So, if we knew the usage intensity before and after they converted it, this question could be addressed.
 - Matt Haffenreffer: We will investigate this question more to see if there is an answer we can provide.

- You have to wait a year to apply for residential exemption so it may not be accurate.

Matt noted that by the next meeting, Process First will have more information on the data sources, and they are making a final choice of Data Aggregator this coming week. Matt thanked participants for their insights.

STRWG Policy Aspirations and Preferences

In preparation for this meeting, CBI sent the Working Group a survey to determine their thoughts on the current Policy Levers they are considering and the goals they want to achieve with these regulations. *A synthesis from that summary is posted with the meeting materials.* Stacie gave an overview presentation of the survey results, and then opened the discussion to questions and comments from WG members:

Protecting all Year-Round Rentals

One member found it interesting that only 8 of 12 people who completed the survey wanted to protect the ability of all year round residents to operate STRs. Someone else noted that this was because people may have wanted to protect all existing STR operators (both year round and seasonal residents). They noted that there is a difference between protecting all existing operators vs. all year-round residents who *might* want to rent (but may not currently be). Another member noted that they did not show support for this in the survey given consideration of Caps as a policy lever.

Current Policy Mechanisms Members Support or Oppose

One member noted that now that the group has gone through the process of identifying promising policy levers, there are more than enough options to begin building a balanced Article. They added that not everyone is going to agree with everything, but that this group needs to compromise and collaborate now that the WG is at a critical point. Stacie agreed that the negotiation phase entails finding a package of policy levers that everyone can live with. If people strongly oppose certain levers supported by others, we seek potential tweaks that can get them on board while maintaining group support. One member noted that this group has still not addressed the legality of treating seasonal and year round residents differently, and that needs to be decided on before the WG begins compromising on policy levers. Stacie noted that there are no current levers that differentiate the two groups outside of legalizing STRs for all year-round residents on their primary property. Someone said that the consensus seems to be to not differentiate between the groups.

STR Legality in Zoning

Stacie reiterated the group's support for a Zoning article that clearly legalized STR that were not otherwise restricted. One member felt that STR's current legality on Nantucket needed to be addressed so the group can understand the implications of their policies and pre-existing non-conforming uses. Someone else noted that the Town authorities have declared STRs to be a customary and acceptable use within Nantucket's Zoning, and that only a Judicial ruling

would change that. Another member felt this point was mute since the group intends to support a zoning article that legalizes STRs.

Other Mechanisms

One member commented on Article 60, asking about the feasibility of the six-month rule and the likely devastating impacts on businesses of even a 10% reduction in tourism.

A member felt that making STR licenses tradable assets would make the price of those homes skyrocket, and noted they were strongly opposed to tradeable licenses.

One member spoke in favor of the 3% Community Impact Fee. They noted that limiting the number of STR permits allowed per person, limiting the number of rentals per week, and caps seemed to be the policy levers with the most consensus.

One member felt strongly that the group needs to address stopping corporate ownership since so many members of the community are concerned and opposed to it, and suggested asking Town Counsel for other suggested mechanisms to do so. Another member noted that the group has the language from both Palm Springs and Great Barrington that it can pull from.

Implementation

Someone noted that implementation will likely happen through zoning and general bylaws, and that the WG needs to understand the implication of both options. They also said that grandfathering could limit the communities ability to change regulations further down the road.

Woodstock Update

As discussed at the previous STRWG Meeting, two members of the Working Group, John Kitchener and Jim Sulzer, contacted Woodstock town staff to discuss their 2018 STR policies. WG members asked the following questions about what they heard:

- What was one thing you were surprised by?
 - John: When they were coming up with their policies, they did not have a lot of data but they learned through the process that there has to be collaboration and compromise.
 - Jim: One thing they were surprised by was the sneaking in of corporations in operating STRs that did not have a connection to the community. They are now looking into regulating them as it is a point of serious concern. They noted that limiting the number of contracts was very difficult to regulate, but they did adopt a regulation that requires operators to re-register each year, and they do not approve problem renters.
- What year did they begin regulating STRs?
 - John: They started regulating in 2018 for the village of Woodstock, but their regulations now apply to the Town as well.

- Corporate ownership might be something people are concerned about, but it is a small percent of the population.
 - Jim: The numbers are probably not big, but it's something we have seen other communities regret not protecting themselves against and something we can avoid in the future.
- One member did not agree that the group should meet in the middle if a majority of people agree with certain policies and only a couple of people prefer another path.
- John noted that Woodstock enforced their regulations through talking to community members to influence behavior, rather than pursuing lawsuits.

Next Steps and Considerations

Stacie reminded people that the WG has a Subgroup meeting Thursday to discuss legal questions with Town Council and Judi Barrett. Regarding the group's desire for better communications to the public about their work, she suggested that CBI draft a message to go to the public updating them on the WG's progress, and would send it to members for approval. Members agreed with that course of action.

Public Comment

- Alvin Fargo: I feel concerned when I hear people talk about corporate ownership. My father and mother bought a home on Nantucket 60 years ago and set up a cooperation here. Over the years they have passed the stock on to their kids. We have held this property for over 60 years, but if the fact that it is a corporation would change the legality of being able to rent, my family would not be able to keep the home.

Next Steps

Stacie Smith went over the next steps and action items:

- CBI will create a meeting summary
- CBI to write up a statement to be sent to the public and send to the group for approval
- Process First to integrate today's discussion into their Refined Questions document

Stacie thanked everyone for their participation and closed the meeting.

Appendix A: Subgroup Members and Attendance

Working Group Members

John Kitchener, At Large
Karen Zagayko, At Large
Dave Iverson, Planning Board Member
Peter Schaeffer, Finance Committee Member
Julie Lindner, ACK Now
Thomas Dixon, Affordable Housing Advocate
Jim Sulzer, At Large
Kathy Baird, Nantucket Together
Peter Kahn, Advisory Committee of Non-Voting Tax Payers
Meri Lepore, Board of Health Designee (Non-voting)

Working Group Alternates:

Robin Nydes, Nantucket Together
Jon Delano, At Large
Joe Grause, Finance Committee Member

Working Group Staff

Stacie Smith, Consensus Building Institute
Simenesh Semine, Consensus Building Institute
Megan Trudel, Planning Department Liaison
Adrian Rodriguez, Administrative Team
Matt Haffenreffer, Process First
Alex Judge, Process First