

# Bi-Town Housing Rental Sub-Committee

Short-Term & Long-Term Rentals Report
For the Deerfield Valley
Dover & Wilmington, Vermont

**July 2023** 

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# Summary of Bi-Town Housing Rental Sub-Committee Report

The Bi-Town Housing Rental Committee is a subcommittee of the The Bi-Town Housing Committee which was formed to collect data regarding short-term and long-term rentals in Dover and Wilmington. The data is to provide the Select Board's a good understanding of the effects that short-term rentals may or may not have on the long-term rental housing market in Dover and Wilmington.

Members of the committee were selected by people in many different sectors that are influenced by the short-term and long-term housing market in The Deerfield Valley which include; realtors, short-term rental property owners, long-term rental property owners, lodging owners, and a staff member from each of the towns. We would like to thank Charlie Foster for his many hours of work chairing the committee and to all the committee members that made a commitment to all the meetings over the past eight months. The Committee met seven times via Zoom and in-person at multiple locations in Dover and Wilmington. A thank you to Sue Westa from Windham Regional Commission for serving as a facilitator at two of our meetings.

One of the first meetings we conducted was an exercise of the advantages and disadvantages of both long-term and short-term rentals. Each committee member chose their top three in each category and once added together the pros and cons of short-term rentals had ties in the top three choices. Please note the results on pages 7 & 8.

We invited Tim Dolan, Bi-Town Marketing Director, Wilmington Police Chief, Matthew Murano, and Patrick Banks, Regional State Fire Marshal as guest presenters over the first few meetings. Their presentations are on page 9. Tim presented current and past data on short-term rentals through information from AIRDNA. Chief Murano indicated the main short-term rental issues are: multiple false alarm calls, noise, quality of life, damage to properties, trash, parking, etc. We were most surprised by Patrick Banks' presentation with the already in place State Fire regulations for short-term rentals. Short-term rentals are considered public buildings and must adhere to the regulations; however, we were told the workload in catching up with all the short-term rentals is challenging. The National Fire Protection Association 101 Life Safety Code is the standard used for egress, fire ratings, fire protection systems for the life safety of the occupants. Short-term rentals with more than eight occupants must meet all requirements and rentals with over nine occupants must have a commercial fire alarm system. Housing for over 9-16 occupants from a single family unit to a rental unit requires a change of use occupancy permit.

The committee interviewed three third party registration companies; If the individual towns' chose to implement a registration. The synopsis of these interviews are included in this report on page 14.

We noted on Page 19 why not to require a registration for long-term rentals.

Top recommendations to implement are the following:

Please see the complete list on pages 20 & 21.

Long-term rental recommendations include: Incentivize owner occupied accessory dwelling units, create a local landlord group for education & networking, tenant education, a LTR database, promote the Deerfield Valley Housing website, shared housing, and use of tax bills for inserts to disseminate housing information.

Short-term recommendations are to regulate by a registration and/or by ordinance which would include posted emergency contact numbers, these numbers on file with the town, require fire safety checklist, and bear proofing trash receptacles. The Committee did vote on key recommendations; please see page 22 & 23.

All recommendations and comments were included in this report, but may not necessarily be the opinion of the entire committee and may or may not be feasible suggestions; such as: "water & wastewater reduced fees and allocations fees" as they are separate entities of the towns.

## **Bi-Town Housing Rental Sub-Committee Charge**

Dover & Wilmington

September 2022

Primary goals of the Committee:

The primary goals of the committee are to identify the impacts of Short Term (STR) & Long Term (LTR) rentals on the Dover & Wilmington communities. Then review neighboring communities' strategies to lessen the impact to the Deerfield Valley. This may be through guidelines and regulations regarding these impacts. Following this review; the Committee may propose new ordinances regarding STR & LTR for Dover & Wilmington; in which will be presented to the Bi-Town Housing Committee, to the Bi-Town Economic Development Committee, and then to the Dover & Wilmington Select Boards.

Committee Membership (Max 10-12 participants)

- Dover & Wilmington Economic Development Staff
- Members to be invited from Dover & Wilmington communities
- At least 1-2 members to own STR property in Dover or Wilmington
- At least 1-2 members to own LTR property in Dover or Wilmington
- At least 1-2 members to own Lodging property in Dover or Wilmington
- 1-2 Members to be invited from local emergency services (Police, EMS & Fire)

A Quorum should consist of a majority of members, if there is a vacancy in the membership, a quorum will constitute a majority of the non-vacant seats.

A seat is considered vacant if a member has not attended three (3) consecutive meetings.

### **Committee Members**

#### **Committee Chair**

Charlie Foster: Chamber of Commerce & lodging in Wilmington

#### **Committee Vice Chairs**

Gretchen Havreluk: Economic Development for Wilmington Eric Durocher: Economic Development for Dover

#### **Committee Members**

Jill Adams: Owner of STR & LTR rentals in valley

Jennifer Hovey: Realtor in Valley

Todd Gareiss: Owner of STR & LTR rentals in valley Linda Kersten: Owner of STR & LTR rentals in valley

Michael Levesque: Owner of lodging in Dover

John Lebron: Wilmington Planning Commission Shelley Lockyear Owner of lodging in Wilmington

James Walker Director of Chimney Hill

Rich Werner Owner of property management Company & representing Dover Fire

# Advantages & Disadvantages of Long-Term Rentals Defined

#### **Top 3 LTR Pros**

- 1. Provides workforce housing
- 2. Economic Impact
- 3. Supports Local Community

#### Additional LTR Pros:

- Already highly regulated
- High Demand
- Owners renting for seasonal & year round can keep their house (affordability)
- Attracts younger families
- Affordable & senior housing
- Creates sense of community
- Increase home value

#### **Top 3 LTR Cons**

- 1. Tenant Abuse
- 2. Rents are higher than people can afford
- 3. Not enough LTR

#### Additional LTR Cons:

- Regulations limit income for homeowners
- Challenges of getting evictions
- Lack of landlord support
- Quality of LTR's
- Renters have difficulty in Reporting Safety issues due to concerns of being displaced
- Lack of landlord education
- Substance abuse by tenants

## <u>Advantages & Disadvantages of Short- Term</u> Rentals Defined

#### **Top 3 STR Pros**

- 1. Economic Impact
- 2. Real Estate sales & property taxes collection
- 3. Four Pros tied
- A. Tourism Money
- **B. State Rules in Place**
- C. Visitor Capacity
- D. Provides job

#### Additional Pros:

- Use of vacant buildings
- Beautification of properties
- Increase value of Homes
- Owner business makes \$
- Alternative to hotel
- Competition

#### **Top 3 STR Cons**

- 1. Three Cons tied
  - A. Changes character of Residential neighborhood
  - **B.** Safety for Renters
  - C. Difficult to regulate & enforce
- 2. Two Cons tied
  - A. Takes LTR off market
  - B. Complaints of noise, parking party houses
- 3. Three Cons tied
- 4. A. Unregulated
  - B. Removes workforce housing

#### Additional cons:

- Takes revenue from lodging establishments
- Majority of owners do not reside in Vermont
- Over regulation

### **Guest Presentations**

<u>Tim Dolan, Director of Marketing for Bi-Town Marketing Committee</u> presented an overview of AirDNA.

AirDNA is a good tool for:

- Monitoring number of listings in each town
- % Occupancy for different time periods
- Viewing booking trends how far out people are booking & when they are booking for

Data is "scraped" from the internet, meaning AirDNA's computers are constantly analyzing listings from AirBNB and VRBO and collecting data about what is available which allows them to make inferences about occupancy, revenue, etc based on whether a property is available or unavailable

- This means data is NOT directly pulled from AirBNB and VRBO databases
- o AirDNA claims a historical margin of error of 5% based on confirmations with large partners who work with AirDNA to verify data
- o In my analyzing, some data just doesn't "feel" right with what we know about our area and typical bookings ie higher than expected bookings in April & May
- o Ultimately data is still the best we have to go off of, but should be taken with a grain of salt
- Current Statistics:
  - Listings
    - § Dover = 468
    - § Wilmington = 297
  - Average Daily Rate
    - § Dover = \$575
    - § Wilmington = \$502
- Dover tends to have higher occupancy levels in winter, Wilmington higher in the summer.

<u>Patrick Banks</u>, <u>State Fire Marshal from Division of Fire Safety</u> presented on code requirements for short-term and long-term rental units. His presentation in full is in the appendix of this document.

Division of Fire Safety ensures all Vermont public buildings comply with the VT Fire & Building Safety Code through permitting and inspections. A public building defined by state statute includes short-term and long-term rentals. State Statute indicates contact telephone number for the person responsible for the unit, VT Dept. of Health, and the VT Dept. of Public Safety Division contact numbers must be posted in each unit. The State also has educational material including a self-certification form pertaining to health and safety precautions that must be taken into consideration.

# <u>Chief Matthew Murano, Wilmington Police Department</u> presented on short-term rental Issues

STR's are a new front for the Police Department

The majority of issues are:

- Multiple False Alarm calls
- Noise
- Quality of life
- Trash, parking, etc
- Damage to properties

Many times when they respond no one answers the door.

Current tools used to contact property owners are grand list, Chimney Hill list, and the current alarm registration program. The program has many repeat offenders that notices are sent to. The large issue is not finding the property owner's contact information as the grand list does not have phone numbers, just addresses.

#### Noise offense

- Identify point of contact, if police go back 2<sup>nd</sup> time then offense issued
- Repeat offenders, home owners get notified

Noise in the night time, sunset to sunrise \$50 fine- not cost effective as they have to go through the entire process

Chief Murano noted that the Highway Department has issues with cars parked on the road for plowing.

A registry would allow the Police Department to resolve issues before they become problematic.

## **Committee Research**

#### **Current Long-Term Rental Inventory**

Dover- 50 Units

This is an estimate as listers cards were not accessible at this time. Estimated by known identified long-term rental housing in Dover.

Wilmington- 113 Units

33 Properties researched through Property Cards. Two of the properties had units omitted on the property card. **105 Bedrooms** were counted with twelve of the property cards not listing the number of bedrooms.

#### **Current Short-Term Rental Inventory**

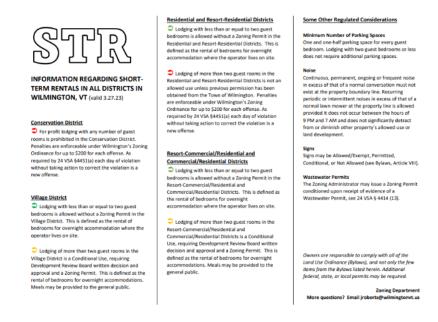
SHORT-TERM RENTAL STATS	DOVER		WILMINGTON	
	June 2023	June 2022	June 2023	June 2022
# OF UNITS	540	526	353	326
Avg Daily Rate	\$426	\$467	\$375	\$363
Occupancy Rate	47%	47%	52%	52%
Median Monthly Revenue	\$4,548	\$4,550	\$4,244	\$4,050

The majority of units in both towns are over 3+ bedrooms. *Above data provided by AIRDNA Marketminder.* 

### **Current Dover Zoning Regulations Related to Short-Term Rentals**

• Currently Dover has no regulations related to Short-Term Rentals

#### **Current Wilmington Zoning Regulations Related to Short-Term Rentals**



The above brochure was created by the Wilmington Zoning Administrator from the committee's request of information regarding zoning regulations in Wilmington in the different districts. The readable version is below.

#### **Conservation District**

For profit lodging with any number of guest rooms is prohibited in the Conservation District. Penalties are enforceable under Wilmington's Zoning Ordinance for up to \$200 for each offense. As required by 24 VSA §4451(a) each day of violation without taking action to correct the violation is a new offense.

#### **Village District**

Lodging with less than or equal to two guest bedrooms is allowed without a Zoning Permit in the Village District. This is defined as the rental of bedrooms for overnight accommodation where the operator lives on site.

Lodging of more than two guest rooms in the Village District is a Conditional Use, requiring Development Review Board written decision and approval and a Zoning Permit. This is defined as the rental of bedrooms for overnight accommodations. Meals may be provided to the general public.

#### Residential and Resort-Residential Districts

Lodging with less than or equal to two guest bedrooms is allowed without a Zoning Permit in the Residential and Resort-Residential Districts. This is defined as the rental of bedrooms for overnight accommodation where the operator lives on site.

Lodging of more than two guest rooms in the Residential and Resort-Residential Districts is not an allowed use unless previous permission has been obtained from the Town of Wilmington. Penalties are enforceable under Wilmington's Zoning Ordinance for up to \$200 for each offense. As required by 24 VSA §4451(a) each day of violation without taking action to correct the violation is a new offense.

#### Resort-Commercial/Residential and Commercial/Residential Districts

Lodging with less than or equal to two guest bedrooms is allowed without a Zoning Permit in the Resort-Commercial/Residential and Commercial/Residential Districts. This is defined as the rental of bedrooms for overnight accommodation where the operator lives on site. Lodging of more than two guest rooms in the Resort-Commercial/Residential and Commercial/Residential Districts is a Conditional Use, requiring Development Review Board written decision and approval and a Zoning Permit. This is defined as the rental of bedrooms for overnight accommodations. Meals may be provided to the general public.

# Some Other Regulated Considerations Minimum Number of Parking Spaces

One and one-half parking space for every guest bedroom. Lodging with two guest bedrooms or less does not require additional parking spaces.

#### Noise

Continuous, permanent, ongoing or frequent noise in excess of that of a normal conversation must not exist at the property boundary line. Recurring periodic or intermittent noises in excess of that of a normal lawn mower at the property line is allowed provided it does not occur between the hours of 9 PM and 7 AM and does not significantly detract from or diminish other property's allowed use or land development.

#### <u>Signs</u>

Signs may be Allowed/Exempt, Permitted, Conditional, or Not Allowed (see Bylaws, Article VIII).

#### **Wastewater Permits**

The Zoning Administrator may issue a Zoning Permit conditioned upon receipt of evidence of a Wastewater Permit, see 24 VSA § 4414 (13).

Owners are responsible to comply with all of the Land Use Ordinance (Bylaws), and not only the few items from the Bylaws listed herein. Additional federal, state, or local permits may be required.

Created by Wilmington Zoning Administrator April 2023

### **Short-Term Rental Registration Examples**

Research was also completed on additional towns through The United States; please see the attached spreadsheet.

## Registration Software Company Research

Throughout the conversations on options of how to best manage or register short term rentals within our towns, the topic of using a third-party organization is something that has been discussed and researched many times over the past couple of years. During our meetings with the Bi-Town Housing Rental sub-committee, it was a topic that was often referenced as a "first step" towards regulations regarding short term rentals through the Valley. Because of this, it was decided that we would research opportunities for registration, possible regulation, and management of rental property information.

To thoroughly understand our best available options for short-term and long-term registration options, we invited three of the foremost companies dealing with this issue in the US today to speak with the sub-committee. The choice of companies was based on thorough review of their offerings, their previous experience, reputations, and actual reviews from municipalities like ours who have taken used their companies..

The main points of consideration when speaking with these organizations were:

- Process
- · Cost
- · Ease of use
- Town employee time/management
- Options of solutions

The companies were each invited to join us via Zoom and were given a half an hour to give us an overview of their product and its options. We chose to keep these presentations brief to best utilize everyone's time and still provide information on the offerings as these presentations typically are closer to two hours. Members of the rental sub-committee were invited to attend, and the video was recorded and shared with the members who were unable to make it.

The three companies chosen for review:

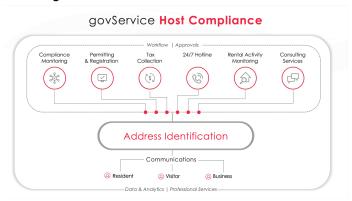
- Granicus
- Accela
- Avenu



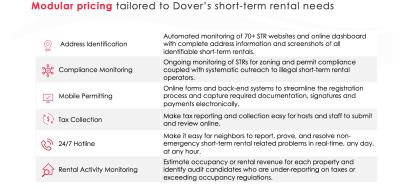
https://granicus.com/solution/govservice/host-compliance/

#### From the Granicus website:

"With the increase of short-term vacation rentals, such as those advertised on Airbnb, VRBO, and FlipKey, many communities are struggling to define and enforce regulations that preserve community character, keep communities safe while ensuring revenue collection. Find properties offered for rent, educate hosts on how to become compliant, and gain revenue with Short-Term Rental Compliance Monitoring from Granicus."



Granicus is a full service company providing all aspects of registration, property identification, activity monitoring, complaints, and ordinance drafting. They have presented to the Bi-Town Housing Committee on two occasions prior to their presentation to the rental sub-committee. They are the only company we spoke to who handles all aspects of the process remotely for the Towns. This has been a key component to our conversations because the hope was to find an organization to handle the process for us to avoid burdening current employees or requiring the hiring of additional employees to take on the workload. They have also been involved with this process with other towns in the State and other resort towns around the country.



From a cost standpoint, Granicus' list of services can be selected ala carte to determine the cost per property of registration and monitoring. Typically, they recommend charging the cost of a two night stay in the market.



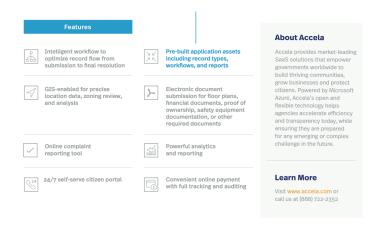
#### https://www.accela.com/solutions/short-term-rental/

#### From the Accela website:

"Advances in technology have enabled citizens to participate in the sharing economy by opening their homes to travelers. Many communities, however, are struggling with protecting neighborhoods while encouraging this entrepreneurial spirit.

Accela's Short-Term Rental Registration software helps all parties collaborate, and offers:

- A streamlined licensing and enforcement system for governments and hosts
- An online portal to provide a quick and efficient route to web-based registration, while simplifying and encouraging host compliance
- The ability for neighbors to submit complaints online, helping to reinforce host compliance, preserve community character, and improve city oversight efforts"



Accela offers a more user-guided system with a software purchase that is managed and controlled by an employee of the Town. They DO NOT offer property identification and their platform would require a Town employee to manage the registrations, data, and compliance.



They also did not have a firm answer on the expense per property for registration. The platform is hosted online and seemed to be more of a data management tool than a full solution to the issue.



#### https://www.avenuinsights.com/solutions/revenue-enhancement/short-term-rental/

#### From the Avenu Website:

"Through a Full-Service approach, Avenu provides identification, monitoring, compliance, and a revenue administration suite of solutions that maximizes compliance and enhances the constituent experience. Our 24/7 hotline and community portal allow trained professionals to respond in real-time to help address complaints and further educate the community on local ordinances and procedures."



Much like Granicus, Avenu (Harmari) offers a more full service line-up of services. They have staff of over 800 people nationwide to handle aspects of compliance, property identification, and complaints. Avenu does not offer as much in the way of ordinance drafting and implementation. Throughout their presentation, it did seem that their platform was best suited for the collection of taxes on the properties. Some of the numbers presented during the conversation did not seem to match the data we had been seeing on AirDNA or from the other presentations.



Like Accela, Avenu did not have a definitive answer on the estimated cost per property to register and monitor the STR's. It did seem that the cost would be based on the size of the market.

#### Final thoughts on the registration presentations:

Ultimately, with some discussion after hearing the presentations, it seemed to be apparent that most in the committee who had attended saw the benefits of using Granicus and their full service approach because of their offerings, their price points, and for ease of burden on existing town staff. Anecdotally, it was brought to our attention through our research on other towns in the state who had gone the registration route that they had either already moved away from a self managed service or were considering doing so to minimize the amount of time and energy required by the municipalities. This would lead to a deeper dive being warranted with both Granicus and Accela in terms of our final needs and the costs associated with either platform if the boards decide to implement a registrations system in our towns.

### **Long-Term Rental Regulation**

#### Long-Term Rental regulations not needed & Why

Don't need more barriers (cost competition with STR's too much)

Doesn't Agree with rent control

Existing regulations too strict

State fire codes & other zoning regulations- too hard to have LTR

Wilmington Design District & other districts limit redevelopment of apartments/buildings

#### **State Regulations and Local Zoning Ordinances**

**Local Zoning Ordinances** 

Local Health Ordinances

**Local Water Ordinances** 

**Local Wastewater Ordinances** 

State Division of Fire Safety

State Water and Wastewater Rules

- o Need to be enforced
- o They are confusing and need to be clear
- o Fire and code inspections are being conducted by the State Fire Marshal
- o Zoning density changes need to be made to allow for more long-term rentals

Currently Dover has a density bonus allowance for affordable housing and Wilmington for Senior Housing in their prospective zoning ordinances.

# **Long-Term Rental Recommendations**

Incentivize:
☐ Tax deferment for Landlords
☐ Reduced water & wastewater regulations for Landlords
☐ Reduce barriers- sewer allocation fee and reduce requirements
<ul> <li>Develop Program for owner occupied homeowners to develop accessory dwelling units</li> </ul>
☐ Develop an incentive program to change current STR's to LTR's.
Create:
<ul> <li>Dover &amp; Wilmington landlord group or association for education and training for landlords to include:</li> </ul>
<ul> <li>Education about existing Long-Term Rental regulations for landlords &amp; tenants</li> </ul>
<ul> <li>Local book similar to "renting Vermont"</li> </ul>
Education about vetting tenants
safety certification checklist/ inspection
☐ Database of LTR in region with No fee to register
☐ Tenant Education
Dover needs to work on zoning regulations for LTR's
Education about future of community development
☐ Creative rental solutions to address affordability
Promote:
☐ Use of Tax Bill & other utility bills for inserts to disseminate housing information
☐ Promote Deerfield Valley Housing website <a href="https://www.deerfieldvalleyhousing.com/">https://www.deerfieldvalleyhousing.com/</a>
☐ Businesses have created employee housing in past- offer again
☐ Renting rooms & common space (Shared Housing)

#### LTR other Comments:

Act 250 keeps larger developments in place a good check & balance

### **Short-Term Rental Recommendations**

The following is a list of the recommendations approved to be put forward to the Selectboards by the rental sub-committee. This represents pieces of any potential regulations or ordinances to be considered by the towns regarding short term rentals as proposed by the committee.

**Recommendation 1:** To make recommendations on rules and regulations to the towns regarding short term rentals

**Recommendation 2:** The towns should consider exploring options of implementing a registration system for short term rentals

**Recommendation 3:** All short term rentals shall complete the required fire compliance checklist from the State of Vermont Fire Safety Department and file with the town in which the rental resides

**Recommendation 4:** An emergency contact list shall be posted in the entrance or in a prominent location inside each rental unit with emergency contacts for the property and local emergency services

**Recommendation 5:** A point of contact for all short term rentals must be on file with the towns for each property being used as a short term rental

**Recommendation 6:** A point of contact or authorized representative must be able to respond to issues on the rental property within one (1) hour, 24/7 while the rental is in use

**Recommendation 7:** Bear proof trash and recycling storage is required by any property being used as a short term rental

### **Committee Voting Results**

The following is a list of ALL the items of recommendation voted on by the committee, the vote counts for each item. The items failing to pass the vote are NOT being recommended to the boards. There were 11 committee members present to vote.

#### 1st Vote - Motion made to suggest recommendations on STR

For: Seven (7) Members Against: Three (3) Members Abstain: One (1) Member

Recommendation: Yes

#### 2nd Vote - Fire compliance checklist from State of VT Fire to be on file with town offices

For: Eight (8) Members Against: Three (3) Members

Recommendation: Yes

#### 3rd Vote - Certificate of occupancy filed with required for all rentals by State Fire Marshall

For: Three (3) Members Against: Eight (8) Members

Recommendation: No

# 4th Vote - Permission for Zoning Administrators to enter buildings if complaint or application received

For: Two (2) Members

Against: Three (3) Members

Recommendation: No

#### 5th Vote - Emergency contact list be posted inside the entry of all short term rentals

For: Seven (7) Members Against: Four (4) Members

Recommendation: Yes

#### 6th Vote - Point of contact required for all short term rentals & must be on file with towns

For: Seven (7) Members Against: Four (4) Members

Recommendation: Yes

# 7th Vote - Point of contact or authorized representative must be able to respond to issues within One (1) Hour, 24/7

For: Nine (9) Members Against: Two (2) Members

Recommendation: Yes

#### 8th Vote - Insurance coverage requirements for short term rentals

For: Four (4) Members

Against: Seven (7) Members

Recommendation: No

#### 9th Vote - Bear proof trash and recycling required

For: Eight (8) Members Against: Three (3) Members

Recommendation: Yes

#### 10th Vote - No parking on street

For: One (1) Members Against: Ten (10) Members

Recommendation: No

#### Final Vote on registry recommendations

1st Vote - Registry service to track long term rentals

For: Three (3) Members Against: Eight (8) Members

Recommendation: No

2nd Vote - Registry service to track short term rentals

For: Six (6) Members

Against: Four (4) Members Abstain: One (1) Member

Recommendation: Yes