



# Nantucket Short Term Rentals Work Group

Final Report to the Select Board: July  
12, 2023

# STRWG Task

- To provide 100% transparency in all discussions, deliberations, and decisions in respect to STRs on Nantucket.
- To reach 100% agreement to the contributing data points, how they are defined, and the necessary analyses for decision-making by the STRWG
- To develop sensible guidelines for STRs that consider (but not be limited to):
  - Nantucket's unique situation
  - the history of seasonal rentals
  - how STRs are developing in similar communities & the impact on Nantucket, and
  - the economic impact of the suggested guidelines
- To identify either new Bylaws and/or Zoning that would be voted upon at the 2023 Annual Town Meeting and beyond [Shifted to 2023 Special Town Meeting]
- To identify any guidelines that may arise that would support Article 39

# STRWG Process

Since October 2022, STRWG members have invested over 60 hours each – as well as innumerable hours reading background materials, contacting other towns and municipalities, defining and refining positions, etc. – in civil, thoughtful, and detailed deliberation, convened two high-attendance public input sessions, and accomplished the following:

- Held 18 3-6 hour STRWG meetings with time for public comment, 7 subgroup meetings, and STR discussions with both the Planning Board and Select Board
- Developed and refined a set of policy goals that STR regulations would seek to achieve
- Developed and refined a set of data questions to inform STR policy, and worked closely with an independent data consultant to iteratively compile and analyze Nantucket STR data
- Led two interactive and highly attended public input sessions - an initial session in December (attended by 183 people) to hear and explore community concerns about STRs, and a follow up session in June (attended by 169 people) to elicit input on a draft policy package
- Examined STR regulations from comparable communities, and spoken to representatives of those communities (including Scottsdale, AZ; Palm Springs, CA; Honolulu, HI; and Woodstock, VT) to identify key lessons
- Investigated detailed legal, planning, and zoning questions with Town Counsel and consultants
- Brainstormed, explored in depth, and deliberated on a range of potential STR policies, including analysis of what each might achieve and what the intended and unintended consequences would be, and drafted and refined a package of policies designed to meet a core set of objectives
- Engaged in negotiations seeking to overcome remaining concerns and objections to find a mutually acceptable package agreement and reach consensus.

# STR Data Overview

- Total number of STR listings from State Registry and change over time
- Number of active STR listings on platforms (AirBNB & VRBO) and through NAREB partners
- Bed and occupancy analysis of STRs listed on platforms
- Rough mapping of STR locations based on platforms
- Estimated weekly STR revenue from platforms over time
- Nights booked per week, contract lengths, and changes on platforms over time
- STR registration and ownership changes after sales at different price points
- Estimates of % of STRs owned by person owning more than 1, # owner occupied
- Review of NAREB dataset
- Overview of STR Peak Summer Capacity and STR status changes
- Advise on future data collection

# STRWG Consensus

- Consensus is defined by the STRWG Framework as 7 votes out of 9.
- On June 27, the following package received a consensus of 7 votes from the STRWG. Participants supporting:
  - John Kitchener, at large member
  - Jim Sulzer, at large member
  - Karen Zagayko, at large member
  - David Iverson, Planning Board Representative
  - Peter N. Schaeffer, Finance Committee Representative
  - Kathy Baird, Nantucket Together Representative
  - Thomas Dixon, Affordable Housing Advocate Representative
- Two participants opposed the agreement:
  - Peter Kahn, ACNVT Representative
  - Julia Lindner, ACKNow Representative

# STRWG Consensus Agreement

# Bylaw Purposes

- (1) Protect the time-honored tradition of home rentals on Nantucket and preserve economic opportunities for persons to keep their homes, now and into the future, through short-term rentals, to allow such persons to afford to live either full-time or part-time on Nantucket;
- (2) avoid adverse impacts on the local economy stemming from a loss of existing short term rental revenue, STR taxes, and visitor spending, and adverse impacts to property owners who purchased their homes based on previous assumptions;
- (3) prohibit additional corporate ownership and discourage investor-only ownership of residential properties for the exclusive purpose of operating them as short-term rentals rather than housing for either full-time or part-time residences;
- (4) reduce the neighborhood churn caused by numerous turnovers of occupancy of STRs in residential neighborhoods;
- (5) limit the conversion of residential units to short-term rentals which has had the deleterious effect of removing residential units from the available year-round rental housing stock; and
- (6) provide a regulatory structure that reduces the threat of litigation challenging short-term rental use by full-time and part-time residents.

# General By-Law Provisions (to take effect ONLY if Zoning Bylaw also passes)

- New relevant definitions (to be finalized by Barrett and Giorgio)
- An owner may register to operate only one property as a short-term rental. The property can contain up to two dwelling units in a single registration, as long as all dwelling units covered by the registration are located on the same lot and are rented to the same person or legal entity.
- Dwelling units owned by a corporation shall not be eligible to receive a certificate of registration - every shareholder, partner, and members of Trust, LLCs, S-Corporations or other legal entities must be a “natural person”.
- Short-term rentals are not allowed in deed restricted units for affordable or attainable housing or any other unit in an apartment building or townhouse owned, operated, and managed as rental housing.
- Short-term rentals in apartment buildings, multi-family dwelling units, and townhouses will be limited to 4 weeks per year.
- No short-term rental unit may change occupancy more than 9 times during July and August .
- If a property is sold after this bylaw, or with new construction completed after this bylaw, the unit cannot change occupancy more than 4 times during July and August. This limitation will be in place for 5 years, after which time the unit’s change of occupancy limit reverts to 9 times.
- Certificates of registration received prior to this Bylaw (or within 60 days of the Town’s establishment of the rental registration program, whichever is later), may continue in accordance with previous guidelines, except for limit of 9 changes of occupancy in July and August, until the dwelling unit is transferred or conveyed, or the certificate of registration is not renewed. This does not apply to inheritance.
- Hosted Stays and cottage colonies are exempted, and an official or agency designated by the Select Board can provide waivers for special circumstances.



# Zoning Bylaw Provision (to take effect ONLY if General Bylaw also passes):

- Appropriate Definitions (to be finalized by Barrett and Giorgio)
- Amend the use chart to allow Short-term rentals as a permissible use in all districts except CI.

# STRWG Optional Policy (voted separately)

- A waiver from the provision limiting newly purchased properties will be available if the owner or at least one member of a Trust, S-Corporation, or LLC can give proof of residing in the property at least 6 months and a day in the year after purchase, or a subsequent year, in which case the change in occupancy during the months of July and August shall be limited to 9 times.
- \*LANGUAGE TO BE ADJUSTED TO BEST CONFORM WITH CONCERNS ABOUT DORMANT COMMERCE CLAUSE

# STRWG Additional Policies (a la carte)

Additional Provisions (stand alone and each voted separately)

- **Majority Vote:** Pass the 3% Community Impact Fee - a 3% fee on rent for properties that are not the owner's primary residence if the owner has 2 or more short term rentals. At least thirty-five percent (35%) of the impact fee must be dedicated to affordable housing or local infrastructure projects. The remaining 65%, will be general fund revenue of the city/town and may be appropriated for any municipal purpose.
- **2/3s Vote:** 100% of any Community Impact Fees will be dedicated to affordable housing or local infrastructure projects.

# Additional Steps Needed

- Request Select Board advice on STRWG and Process First role in:
  - Answering remaining questions about bylaws (e.g., when stays count as “July and August”)
  - Determining data collection needs within Town Registry to monitor effectiveness and impacts of bylaws as well as status of STRs on Nantucket
    - Monitoring/evaluating on an annual basis post implementation
  - Advising the BOH on documentation needs required to establish eligibility in provision H
  - Advocacy and Education for the Bylaws for Town Meeting
  - Define enforcement for each of the provisions
  - Determine status of the STRWG going forward