

Guide to Warrant Article on Short-Term Rental Licensing Bylaw



ACK•Now

Prepared by ACK•Now

Why do we need a short-term rental bylaw?

The visitor economy is vital to Nantucket. Summer dollars that tourists and seasonal residents bring to the island sustain us year-round. But leaving that economy, which has seen a dramatic increase in commercial short-term rentals over the past few years, unregulated is troubling for a few reasons.

- 1 Off-island investors are driving the cost of rents and ownership out of reach for year-rounders.
- 2 Short-term rentals diminish the quality of life in many neighborhoods.
- 3 Short-term rentals are in fact businesses operating in residentially zoned districts.

Clearly, this is an unsustainable situation.

In 2019, the Commonwealth gave municipalities an option to legalize and regulate short-term rentals in a customizable way. Cities like Boston and Cambridge banned investor-owned short-term rentals while allowing owner-occupied rentals to exist. Suburbs like Dover and Salem also prohibited or severely restricted them. Neither is a viable solution for Nantucket.

ACK•Now worked on researching the issue and crafting a bylaw for a short-term rental licensing program designed to make them legal on Nantucket, fostering traditional weekly vacation rentals while protecting the year-round housing supply and island neighborhoods. Our goal is to bring this bylaw to ATM in the Spring of 2021. It's a step in the direction of a sustainable economy and protecting our communities and quality of life.

We can make traditional weekly vacation rentals legal and protect year-round housing and island neighborhoods.

Fast Facts

Nantucket has 2,000 short-term rentals registered with the State.

80% are owned by off-island businesses and individuals.

Taxpayers subsidized \$34M in Affordable Housing in 3 years.

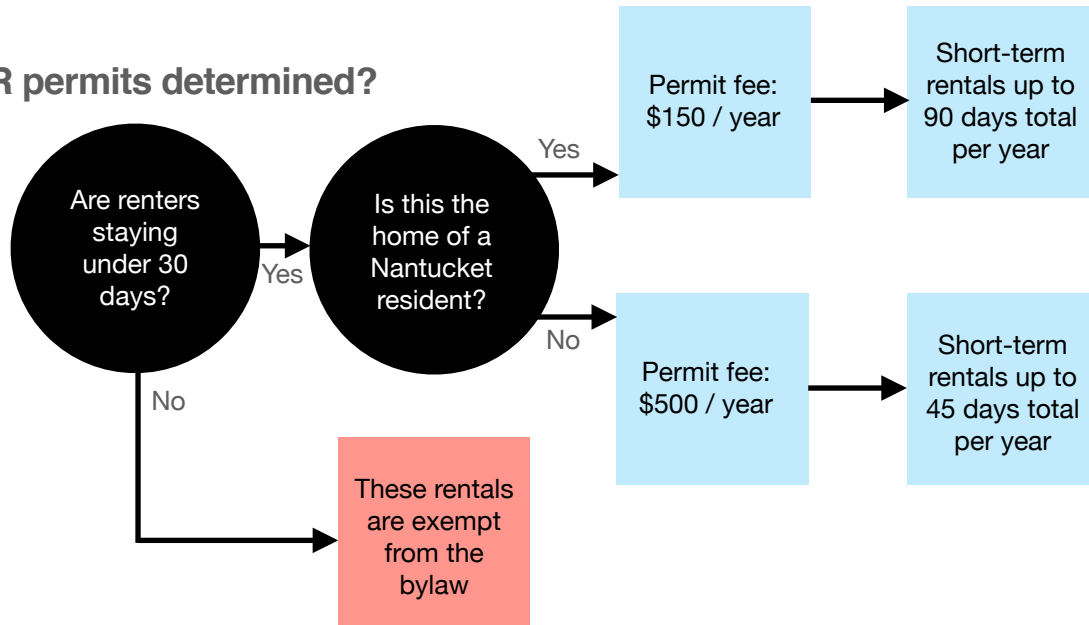
Over \$400M in infrastructure projects planned in the next 10 years.

Learn more [here](#).

How will the program work?

- 1) Two types of short-term rental permits depending upon whether it's a primary residence or not.
- 2) A set of specific rules for both groups so we can all live better together.
- 3) Create a registry with local contact information to quickly address health and safety concerns, and allow the Town to manage resources more efficiently.

How are STR permits determined?



The specifics

- Legalizes short-term rentals (stays under 30 days) as an accessory use to a residence under certain conditions — this bylaw does not apply to monthly or seasonal rentals.
- Two categories of permits: a resident's primary home, and non-resident home.
- Nantucket residents can rent their home up to 90 days or over 12 weeks in a year.
- Others can rent their home short-term up to 45 days or over 6 weeks in a year.
- Introduces a one-week minimum stay to reduce turnover and improve quality of life for neighbors. Helps avoid disruptive parties. Takes pressure off parking, traffic, aging infrastructure and fragile environment, including the aquifer and harbors.
- Maximum occupancy is 2 people per bedroom or Title V septic limit.
- Licensing fees collected will go to pay for the program, including the cost of Health Department staff and short-term rental compliance monitoring software.
- Short-term rental monitoring software makes enforcement efficient and effective.

These rules allow us all to live better and enjoy the island. Together.

How does this protect year-round housing?

Nantucket's traditional vacation rental market has been severely disrupted in the last few years by a new breed of investors: short-term rental investors. These businesses, along with steady demand and powerful listing platforms (i.e. Airbnb, HomeAway), have placed immense pressure on year-round housing. It has resulted in the loss of year-round rentals (600+ rentals lost in the eight years) and pushed home prices higher because investors are competing for entry- and mid-level properties they can turn into rentals.

A new breed of investor is putting intense pressure on year-round housing.

Many aspiring homeowners don't qualify for affordable housing. This bylaw helps them compete in the housing market. It incentivizes year-round rentals when possible. It helps to enforce and clarify our zoning laws which residents relied on when purchasing their homes.

Most buyers on Nantucket make too much to qualify for affordable housing, yet cannot afford market-rate homes.

What's in it for the typical Nantucket voter?

Many local people benefit from short-term rentals. If you don't, you likely know someone who does. Renting to short-term tenants makes affording a home easier. Renting out a cottage or even one's main house is a traditional way for islanders to make ends meet. This program protects those uses by:

- Legalizing Nantucket's traditional weekly vacation rental market.
- Giving year-round residents a competitive edge when home buying.
- Offering year-rounders the ability to offset the high cost of living.
- Offering seasonal homeowners a way to offset the cost of maintaining their home.
- Incentivizing homeowners to offer stable year-round rentals.
- Promoting "family vacationing" on the island and discouraging large party groups from overpacking a house and disrupting neighborhoods.

How does this protect island neighborhoods?

With the number of short-term rentals growing, so is the number of neighborhoods experiencing problems. Residents and renters are forced to call the health department or the police to report issues. This bylaw offers protections for both neighbors and renters:

- Limit on the capacity of a rental (2 per bedroom)
- Minimum one-week stay
- Property management contact on file with the Town
- Rentals that receive too many complaints put their permit at risk
- Short-term rental monitoring software offer a customer service line

Join the conversation

We welcome the opportunity to discuss this effort. Please email us at info@acknow.org and join our mailing list.

Read the research: acknow.org/str

GENERAL BYLAW ON LICENSING SHORT-TERM RENTALS

A program to permit the traditional vacation rentals while protecting year-round housing supply and island neighborhoods

ATM WARRANT ARTICLE:

ARTICLE __ - To see if the Town will vote to amend the Town Code by adding a new Chapter 142 as follows, and further to authorize the Town Clerk to make non-substantive, ministerial revisions to the numbering of this bylaw in order that it be in compliance with the numbering format of the Code of the Town of Nantucket; or to take any other action relative thereto.

CHAPTER 142: SHORT-TERM RENTALS

§ 142-1 PURPOSE.

The purposes of this Bylaw is to:

- Provide a process through which Nantucket can continue the historic tradition of a vibrant vacation rental market by owner-occupied homes such that they may be permitted and registered with the Town of Nantucket for lawful use as Short-Term Rentals (as defined below);
- Help ensure equity and sufficiency of housing stock for year-round residents
- Protect the health and safety of renters and residents for those lawful Short-Term Rentals;
- Ensure that Short-Term Rentals will not be detrimental to the character and livability of the Island and the residential neighborhoods surrounding such Short-Term Rentals; and
- Ensure proper regulation of exclusively commercial uses of homes in Nantucket's residential areas.

§ 142-2 DEFINITIONS.

Short-Term Rental: Any rental of a residential dwelling unit, or of a bedroom within a dwelling unit, in exchange for payment, as residential accommodations for a duration of less than thirty (30) consecutive days, but not a Transient Residential Facility.

Short-Term Renter: Any person or persons occupying a dwelling unit, or a bedroom within a dwelling unit, as a Short-Term Rental.

Short-Term Rental Operator: The person or persons offering a dwelling unit or bedroom for short-term rental with (if not the owner) the written permission of the owner, and the condominium association or homeowners association, where applicable.

Resident Short-Term Rental: The short-term rental of a dwelling unit, or of individual bedrooms within a dwelling unit, that is a residence of, or accessory to the residence of, a Nantucket resident, which residency shall be determined by the Town using one or more of the following methods – voter registration, driver's license, school enrollment, or state and federal tax filing address.

§ 142-3 REQUIREMENTS AND LIMITATIONS ON FREQUENCY AND USE.

(a) Short-Term Rentals are permitted as an accessory use to a permitted principal residential use, subject to the following requirements:

1. No residential premises may be used as a Short-Term Rental except in compliance with this bylaw.

2. The following residential housing units may not be used as short-term rentals: (i) Any residential property in violation of the State Sanitary Code, 105 CMR 410; and (ii) residential units designated as affordable or otherwise income-restricted, which are subject to affordability covenants or are otherwise subject to housing or rental assistance under local, state, or federal programs or law.
3. Resident Short-Term Rentals shall not exceed, in the aggregate, ninety (90) consecutive or nonconsecutive days per calendar year.
4. Other than Resident Short-Term Rentals, Short-Term Rentals shall not exceed, in the aggregate, forty-five (45) consecutive or nonconsecutive days per calendar year.
5. Short-Term Rental Operators shall offer all Short-Term Rentals, other than Resident Short-Term Rentals, to only one party of Short-Term Renters at a time, not rented as separate bedrooms, beds, or spaces to separate parties.
6. Occupancy within a Short-Term Rental shall be limited to 2 people per bedroom for the maximum number of bedrooms lawfully available at the Short-Term Rental pursuant to its current Title V certification.
7. A Short-Term Renter shall be limited to parking one (1) vehicle per Short-Term Rental.
8. No Short-Term Rentals shall be for a period of less than seven (7) consecutive days.
9. Short-Term Rental Operators shall provide all Renters with contact information for the Short-Term Rental Operator, or when the operator is not present, the contact information for a locally available contact designated to respond to all emergencies and problems that may arise during the rental period, whether from renters, neighbors or municipal authorities. Short-Term Rental Operators shall also provide all Short-Term Renters with all applicable trash, noise, parking and other local regulations.

§ 142-4 REGULATIONS. The Board of Health shall have the authority to promulgate regulations to carry out and enforce the provisions of this Chapter 142 “Short-Term Rentals.”

§ 142-5 REGISTRATION, PERMITTING, INSPECTION AND FEES.

(a) All Short-Term Rental Operators shall apply for a “Short-Term Rental Operator Permit” (the “Permit”) with the Town’s Planning Office prior to offering the Short-Term Rental use and occupancy.

(b) The fees for such Permit shall be as follows:

- a. Operator-Occupied Short-Term Rentals - \$150 per year, exclusive of any other applicable local fees or costs; and
- b. All other Short-Term Rentals - \$500 per year, exclusive of any other applicable local fees or costs.

(c) Permit applicants must be current with all town taxes, water, and sewage charges, and shall not have any outstanding building, sanitary, zoning, or fire code violations, orders of abatement, or stop work orders. If a violation or other order is issued to the Short-Term Rental Operator after a Permit is granted, the Town may suspend or revoke said Permit until the violation has been cured or otherwise resolved. Multiple violations by any one Short-Term Rental Operator may, at the Town’s discretion, disqualify that Short-Term Rental Operator from obtaining a permit in the future. Short-Term Rental Operators shall comply with all applicable federal, state, and local laws and codes, including but not limited to the Fair

Housing Act, G.L. c. 151B and local equivalents and regulations related thereto, and all other regulations applicable to residential dwellings.

(d) If a Permit is granted, the Short-Term Rental Operator shall register with the Town all such Short-Term Rentals, and secure a Certificate of Registration according to standards set forth by the Building Commissioner. Such registration shall include an attestation that the Permit-holder is in compliance with all applicable federal, state and local laws. The Building Commissioner shall not grant any Certificate of Registration unless the Permit-holder has (1) paid all associated fees; (2) provided contact information for person to address issues at the Short-Term Rental within two (2) hours' notice; and (3) provided the Town with a Certificate of Insurance evidencing appropriate liability insurance coverage for the Short-Term Rental.

(e) At all times, the Short-Term Rental Operator shall maintain an up-to-date log of all occupants that occupy the Short-Term Rental. This log shall contain the name of at least one Short-Term Renter, the total number of guests for the stay, and dates of each rental period. The log shall be available for inspection by the Town's Board of Health upon request, and kept accessible for a period of three (3) years.

(f) Permit-holders are subject to inspection of the Short-Term Rental by the Town upon reasonable notice, or without such notice in the event of imminent concern or threat to public health or safety.

(g) Permits are valid for one (1) year, and may be renewed at the Board of Health's discretion, provided that the Short-Term Rental Operator has complied with the provisions of this Chapter and any associated regulations during the preceding year and the Building Department issues a new Certificate of Registration.

(h) Permits are granted to named Short-Term Rental Operators and do not run with the land. If the Short-Term Rental is sold or transferred out of ownership, a new Permit application needs to be filed before Short-Term Rentals can continue or resume.

(i) The Town, through its Town Manager, may procure services to assist in any aspect of administering this Bylaw.

§ 142-6 ENFORCEMENT

All violations of this section may be penalized by a noncriminal disposition as provided for in G.L. c. 40, § 21D. Each day of violation shall be deemed a separate and distinct offense. The provisions of this section may also be enforced, if applicable, by the Town seeking an injunction from a court of competent jurisdiction prohibiting the offering of the Short-Term Rental. Nothing herein shall be construed to preclude the Town from seeking any additional penalties or taking any additional enforcement action as allowed for by law.

§ 142-9 SEVERABILITY.

If any provision in this section shall be held to be invalid by a court of competent jurisdiction, then such provision shall be considered separately and apart from the remaining provisions, which shall remain in full force and effect.

§ 142-8 EFFECTIVE DATE.

The provisions of this Chapter 142 "Short-Term Rentals" shall take effect on October 1, 2021.

About Us

ACK•Now is a nonprofit 501(c)(4) organization of year-round and seasonal Nantucket residents who have come together to find and implement solutions to the island's eroding quality of life.

Our mission: Inspire the change needed to protect what the community loves about Nantucket.

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