

To: Ordinance Committee Members:
Mr. Governali, Mr. Walsh, and Ms. Swift-Kayatta
From: Patty and Chris Grennon
Date: September 19, 2011
RE: Rental Ordinance in Cape Elizabeth

We are writing to express our support for limiting specific uses of short-term rentals in Cape Elizabeth. In considering possible limitations on rental properties in residential areas, it is our hope that the committee will work to balance the desires of people who choose to rent their property with the rights of the property owners that abut them. The intent of such an ordinance should not be to eliminate renting as a whole but to determine limitations on rentals to prevent an adverse impact on the surrounding neighborhood as far as safety, health, tranquility and appearance, and to be sure uses are consistent with that of residential zoning regulations not commercial or business regulations.

As you know, my neighbor and I unwittingly became the focus of the media's attention on this issue and the effect short-term rentals are having on Sea Barn Rd. Although we feel there is concern with the rental on our road, we would assert that this issue is not just about our two properties and our neighborhood, but rather, an issue that is affecting neighborhoods all over Cape Elizabeth.

Renting trend on the rise:

The trend for homeowners to rent their home as an income property is on the rise. Although Cape Elizabeth is a destination for people to visit to see our beautiful parks and beaches, Cape Elizabeth is not a resort community like OOB or Hampton Beach. People drive here in mass and leave daily. Traditionally, we've been a bedroom community on the coast of Maine with very few operating businesses in town. This is changing as people rent their ocean front homes for income. As for rentals in our neighborhood alone (Sea barn Rd., Point Rd., Lawson Rd. and Tides Edge Rd.,) the following is occurring:

- 8 of the 24 homes (or 30%) are rented.
- 4 of the 24 (or 17%) offer short-term or weekly rentals charging \$2,500 to \$5,500 / week.
- Income for a home rented weekly at \$5,500 /wk from June 1-Sept 1 (12 summer weeks) is \$66,000.
- One home rents weekly, weekends only, or nightly, 52 weeks / year offering high and low season rates.
- 10 years ago, 0% of homes rented weekly and only 2 of the 24 homes (or 8%) rented as long-term, winter rentals only.
- In the past 14 months, 2 properties rented their oceanfront homes as a weekly rental that hosted a wedding and reception of 50+ guests. In addition, another had 20 partying UVM law students, a school bus load of 18 foreign exchange students from Gould Academy, many extended family reunions and a smaller wedding of 30+.

As of Sept. 6, 2011 on Homeaway.com (only one site of many,) there are 24 homes for rent in Cape Elizabeth offering nightly, weekly and monthly rentals. On Homeaway's website, you'll find available a 2 bedroom home that sleeps 8 people, a 6 bedroom home that sleeps 16 people (this is the house adjacent to ours) and an 8 bedroom home that sleeps 22. With 16-22 new people arriving each week, week after week to vacation in a single-family, residential neighborhood, there is a calculable impact and affect that rentals have on neighborhoods.

Why an increase in the #'s of rentals?:

Understandably there are many factors that influence a homeowner's decision to rent their home. The current economic climate and the ease of advertising on the Internet are two factors potentially driving the increase. Today, it is easy to reach a global market and create a revenue stream by simply listing ones home on a renting website like Homeaway.com. A homeowner can virtually say anything about their home to get it viewed and rented successfully. Titles like "Better than a Hotel, Sleeps 20," or "Family Compound Perfect for Extended Family Gatherings," do the trick to differentiate a home and attract a large group and a high rental fee. Currently, there are no mechanisms to monitor what homeowners promise to attract renters to their home.

Impact of Short-Term Rentals on Residential Neighborhoods and Abutters:

When 16-22 new neighbors arrive week after week for a 7-day vacation, with them comes early morning to late night activity. Renters are on vacation while neighbors are not. Homeowners are not present to monitor the rental and therefore are unaware what goes on while they are absent. Following are the issues that renting in a densely zoned, residential neighborhood causes:

- **Loss of Tranquility** – a new group of 16-20 excited people arriving on vacation every Saturday, week after week changes the character of a neighborhood. It is standard for single-family homes in residential zoned neighborhoods to have as regular occupants 6-8 people maximum. Renting ones home to 16-20 people is to maximize income and rental potential and not a standard use for a single family home.
- **Noise** – Noise levels from day and night fun and partying carries and reverberates from the rentals. The noise from 16-20 people on vacation is constant; they are enjoying themselves as anyone would on vacation. Abutters and neighbors are not on vacation so hearing renters outside having fun every night (Sunday, Mon, Tues., Wed nights not just weekend nights) at 11:00 is a disturbance. Noise is rarely at a level to break current noise ordinances. It's just annoying with open windows in the summer. As a neighbor, I do not want to call the police to deal with the noise as renters paid money to vacation here. It's unfair to them. They are innocent bystanders and not to

blame. However, it is undisputable that it is irritating to have a neighbor who is on vacation 24/7 in the summer months. Plus having police come out to tell 2 people safely imbibing and laughing to go inside is not a good use of our public safety personnel. Therefore, as an abutter we are left to police the situation. Our kids will yell from their windows, "Please be quiet and go to bed."

- **Public safety** – 16 people bring 6-10 cars with them. If parked on narrow roads, they make it difficult for public safety vehicles to get through
- **Unsightly Appearance**- 6-10 cars parked on a residential driveway / lot (vs. narrow road) is unsightly. Looks like a used car dealer lives next door
- **Adversely Affects Property Values:** Property value and resale for abutters is affected. No one will want to live next to a home that rents week to week or for weekends all year long. Effectively, they would be buying a single-family home next to a home that is operating as an income property / business.
- **Potential Health Hazard:** Overuse of septic can cause septic failure and leaks. A home rented to 16-20 people week after week potentially can cause the septic system to fail causing a hazard for abutters.

Impact of short-term rental on the homeowner that rents their property:

The homeowner who rents their home gets all the upside of renting while the neighbors / abutters receive all the downside. Homeowners are not present on the property during the weekly rentals week after week to experience any of the adverse affects imposed on the neighborhood and abutters. Renting homeowners reap all the benefit of steady income (a business?) while the neighbors see a potential and real loss of property value.

Possible solutions:

As there are currently no mechanisms or ordinances on the books in Cape Elizabeth that govern long or short-term rentals, and therefore no recourse for abutters when a neighbor is not responsive or understanding of the adverse affects their rental property causes, we suggest that an ordinance is created to give abutters leverage when dealing with unresponsive neighbors.

The question is when does a rental turn in to a business? Perhaps it is as simple as defining the difference between long-term and short-term rentals and creating rental restrictions that require town permitting for specific uses:

1. **Long-term rentals** – Long-term rentals would be those that are 30 days or more. They would not require town permitting or scrutiny / regulation.

2. **Short-term rentals** – Short-term rentals would be those that are 30 days or less. Allow any homeowner to rent their home for 2 short-term rentals without town permit or scrutiny. Three or more short-term rentals per year would require a town permit. Town permitting / ordinance would then restrict the homeowner based on the answers to the following questions:

- **Lot size** - Is house in a densely zoned neighborhood with lots sizes of .3, .5 acres or is it on 5 private acres? If on 5 private acres, perhaps renting to 20 people is reasonable. However, if in a densely zoned, single family, residential neighborhood housing 16-20 people may be too large because of the disturbance to neighbors.
- **Number of state approved bedrooms per septic design** - How many bedrooms are allowed under the state approved septic design for the home and how many rooms are actually being advertised for rent? Is there a potential health hazard with septic overuse?
- **Maximum Occupancy** - Is it reasonable to limit rental to 2 people per state approved bedroom as overnight guests (2 bedrooms = 4 people, 6 bedrooms =12 people)?
- **Events** - Weddings, large family reunions, large catered parties, etc. Should homeowners be allowed to rent their home to people so they can hold an event of 20,30, 50+ people in a residential neighborhood? Does this event push the limits of septic, parking, noise, tranquility for neighbors, fire codes?
- **Available Parking** – What is a reasonable amount of cars allowed to park at this rental on an ongoing basis? Is it 2-4 maximum in a residential neighborhood?
- **Is the house up to current fire codes for rental?** Bed and Breakfasts have strict fire codes. Should all short-term rentals of 3 or more (That is equaling 30 days or less 3 times or more per year) be subjected to the same rules as B&B's and current fire codes? Certainly, if a homeowner did not want to be required to update their home to current fire codes, they could still rent long-term of for 2 or fewer short-term rentals of 30 days or less per year.

I hope you've found this information and our suggestions helpful. Thank you for your thoughtful consideration in this matter and for working to balance the desires of homeowners who choose to rent their property with the rights of the property owners that abut them.

Sincerely yours,

Patty and Chris Grennon
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