

Selectmen's Office

www.essexct.gov

Norman M. Needleman, First Selectman Email: <u>nneedleman@essexct.gov</u> Board of Selectmen: Stacia R. Libby Bruce M. Glowac Essex Town Hall 29 West Avenue Essex, Connecticut 06426 Telephone: 860-767-4340 Fax: 860-767-8509

BOARD OF SELECTMEN PUBLIC HEARING Draft Short-Term Rental Ordinance July 5, 2023

Mr. Needleman welcomed everyone and stated that we are here this evening to have the first dialogue on the Draft Short-Term Rental Ordinance.

Seated at the table were First Selectman Norman M. Needleman, Selectman Stacia Libby, Selectman Bruce Glowac, Attorney Sylvia Rutkowski, Land Use Official Carey Duques, and the Selectmen's Assistant Maria Lucarelli.

Mr. Needleman thanked everyone for coming and he stated the reason we are all here tonight is to have a dialogue. The consensus of the public is that we should have some sort of short-term rental regulations in place, so the Town requested the attorney draft up an ordinance as a starting point. The plan is to hold three public hearings and another draft ordinance will be presented in the fall of 2023.

Mr. Glowac thanked everyone for coming this evening. The Selectmen stated this if anyone has an opinion that is relevant to the Selectmen's decision making, tonight is the time to voice their opinion, discuss it, to find the right process for Essex. This is the beginning process.

Stacia Libby stated it is important that we hear everyone's opinion and she thanked everyone who is here attending tonight in person and online.

Mr. Needleman stated creating an ordinance is a process. The process for an ordinance is to hold public hearings, then setting a town meeting and/or a referendum. The Town would prefer not going to a referendum due to costs.

Mr. Needleman invited the members of the audience to come up to the podium to voice their concerns:

Elizabeth Nocera of 5 Sunset Terrace had a question on Section 3 Item D regarding permissible Short-Term Rentals being owner occupied. Does the owner need to be living in the residence being rented? Or does the owner have to live on the parcel for a minimum of six months out of the year? What is the definition of "owner occupied"?

Mr. Needleman stated the initial thought is that all short-term rentals must be registered with the town. The overall fear in Town is that a large private company could start buying properties and renting them out without living in the homes. Mr. Needleman was also concerned about how to enforce.

A resident who lives on Deer Lane in Ivoryton spoke next. She reported she travels and she does take advantage of short-term rentals. She is concerned about coming to a middle ground.

Mr. Needleman reported that he has never done an Airbnb, but his kids have. In some communities they love Airbnb's and in some they don't.

Bridget Quinn-Carey of 8 Harbor View S has an accessory apartment that she rents out. She is speaking as person who offers short term rentals. So, for her offering a 20-day short term rental is not tenable. She does not want someone in her apartment for that long. It is not a good option for her, plus it limits the time she has with her friends and family and the time to enjoy her property. She only rents out that apartment a couple days a month and the funds help her maintain the house. There are no parties. Most of the time there are 2 people. There is no stress or strain in the town. They add to the local economy. They go out to dinner locally. Most of the time the renters are friends of residents here visiting. She mentioned that the local hotels cannot handle the capacity. This is a rental right please don't micro-manage her ability to do this. But requiring owners to live on the property is a good idea. If there are parking concerns, limit parking. If there are noise concerns, set a quiet time. If there are concerns for the number of renters, limit the number of total guests that can be on the property at any given time. We are not bad neighbors, we only rent for a day or two, so please don't limit the time a renter can stay.

Patrick and Ann Callahan who live on Grove Street stated they do not want to rent out their Airbnb for 28 days. Also, she knows every person who rents from her by

looking at their profile. She also stated that every person who has rented for the weekends were mostly visiting local family and friends.

Jeffrey Paul reported he is here this evening with his brother Doug who, full disclosure, own the Griswold Inn. They live on Champlin Square. Jeff agrees with Bridget that there would be both good and bad outcome with putting in place this short-term rental ordinance. Jeff mentioned the history of bed and breakfast facilities and it was a non-permitted use in Town. But some of the establishments were grandfathered in.

Jeff said this short-term rental ordinance should help balance the rental business. Airbnb is a commercial enterprise and if you are renting a house by the night, you are running a commercial enterprise in town. So, in essence that makes some homes residential and some homes commercial.

From a business perspective, he agrees with Bridget – there is some good and some bad. The Airbnb has caused the Griswold Inn to have more vacancies now. But the bar and restaurant have helped their business thrive.

The big issue that the Griswold Inn as a business is faced with is fairness. When they renovate rooms, they must go through zoning, building, the fire marshal, health department, and they must purchase their own commercial insurance and the carriers must come in and inspect everything. They have spent a huge amount of money installing sprinklers, making sure they are ADA compliant in all rooms, wheelchair ramps, with proper doors, proper showers, wider doors, signs, fire exits, all the stuff they need to do with commercial enterprise to ensure they are running a safe commercial enterprise. It is frustrating seeing someone across the street getting approvals for rentals without any oversight, no inspections, no paying property taxes, etc. We need fair rules. If the Town is going to allow overnight accommodations under Airbnb rules, then they should abide by the same rules and responsibilities. It is a fairness issue. He believes there should be a limited number of days if you are in the short-term rental business.

Mr. Needleman did want to address there is a public safety concern here. We have a Town that has no sewer system. We have concerns on small lots that septic systems could start failing and we do not want that to happen. The short-term rental is a new industry that is blossoming in our Town. It doesn't mean the industry is good or bad, and we think the Town needs to make some decision and proposals so the Town ensures that people are safe in any rental.

Stephen Eberele of Old Dobbin Lane in Ivoryton stated he owns an Airbnb in Old Lyme along the shore community. He is looking over the draft STRO and he stated the 28 days would be untenable. A lot of the rentals in Old Lyme are weekly, and typically a two-night minimum. He reported having guidelines is good to have. He wants to hear both sides because he may build an accessory apartment on his property and having guidelines would allow him to be a good neighbor to the community.

Mr. Needleman reported the regulations on accessory dwelling units have changed over the last few years and accessory dwellings are allowed with restrictions with a focus on creating affordable housing. Airbnb's have not improved housing affordability. The short-term rentals and Airbnb business has gotten away from the Town and that is why we are here tonight.

Blaine Heck of Pratt Street stated they do feel the town needs a short-term rental ordinance that would require regulatory standards. A lack of oversight has negatively impacted others. However, the proposed ordinance as submitted is going way too far. A 28-day minimum is too long and would exclude 95% of travelers. We all love the Griswold Inn and the Copper Beech but the nightly rate is \$380 for this Saturday night, which for many families to too much. Both properties have stairs. There are narrow stairways at the Griswold. Staying with children is challenging. It is imperative that we discuss regulations that will benefit both business and property owners.

Kirsten Wendell of Navy Lane is here to tell about a personal anecdote. They were organizing a big family event and they had 8 family members joining them for a week from Denmark and California. They rented a couple of rooms from the Griswold Inn and they rented a house for many other family members and it was an amazing thing and the family was very happy. She requested that the Town not make it any stricter because it was a benefit to her family.

Renato Mangano of Deer Lane moved to Essex and they love it here. Mr. Mangano reported that back in February during a cold weekend a water line broke in his home on the second floor and they could not live at home. They lost everything. He reported he appreciated the Airbnbs; they enhanced the quality of life in town and he could not possibly think of staying in a hotel for the length of time it took to repair his home. Fairness is very important, but if that 28-day policy was in place he would not have had the opportunity he had. He appreciated those who make these Airbnbs available and everything they do to keep them up.

Steven and Stephanie Hall of Bank Lane reported they moved here for the smalltown feel. They purchased their home in June last year and during construction they moved from hotel to hotel. They did not investigate staying at an Airbnb. They are mostly concerned about what happened in their previous home in Arizona living next door to an Airbnb. They experienced loud music in a quiet community. If you are going to run an Airbnb, have someone living in the Airbnb or on the property. You don't always know who you are going to get as a renter and you should always have someone on site when you are renting. Jane Feirer lives on Charles Street and her concerns are how can we stop people from buying property not as their primary residence and then they quickly create an Airbnb. It is like a commercial enterprise.

Mr. Needleman stated we are here tonight to try and figure this all out, to listen to everyone's concerns and to come up with a plan.

Ms. Feirer asked if the Town could regulate a non-commercial enterprise on a residential street.

Mr. Needleman stated that the Ordinance is a starting point and we are here tonight to listen to what everyone wants in Town. The Selectmen feel this is a new industry and a new business with significant changes in Town and the Town should have a broader say. This will eventually go to a Town meeting or a referendum to decide. Other towns have had the same issues. They have created restrictions on owner occupancy and Essex is not sure that is something that we will end up with. Mr. Needleman reported the plan is to have an ordinance followed by zoning regulations where certain things may be looked at, like renting a room or guest apartment in their house, or is that a commercial enterprise? What is length of time you can rent. What we are talking about is how long you can rent it for.

Aprylle Roberts lives on Deep River Road and they use Airbnbs. She has never stayed in one for 28 days; she has probably stayed in for about a week. She does have concerns and echoed what everyone has already stated. Her main concern is absentee investors. Her other concern is if absentee investors come in and change the character of the town.

John Brubaker lives on River Road and formerly lived in California and he reported on his experience with Airbnb in Los Angeles as a horror story. He stated he has never had the pleasure staying in an Airbnb and probably never will. Used big houses became party houses. He agreed with the 28-day restriction is problematic. But it is the absentee owner that is also a problem. He reported the Airbnbs that were run in his town in California turned the neighborhood into garbage. He did agree that it does need to be fair.

Terry McDonald is a resident who believes we as residents should have some opportunity to make choices and decisions. Some people are fearful the Town is going to change but there does need to be balance. She is a real estate broker. The market changed during Covid because people didn't want to live in the cities anymore. The reason our houses are expensive is because we did get an influx of people from the cities. The reasons there are no rentals is because people sold their houses and they now have nowhere to live. So short term or long-term rental should be an option for everyone. Yes, they should be safe, but not the same regulations as a hotel. If an Airbnb is done through your home, then septic systems should be pumped out more frequently. If you have 2 bedrooms, you are allowed to have 2 people per bedroom in a home. As a real estate agent, she stated the Town should not mandate who can buy a house, or not. She is looking for flexibility. She also stated that you may have loud neighbors who own their home, and not all Airbnb people are loud. She suggested controlling and minimizing it. Some people are using this to supplement their income. The 28 day minimizes people's flexibility.

Glenn Bassett lives in Ivoryton and he believes they should be able to rent out their homes as an Airbnb or VRBO. It is the responsibility of the owner to do it properly and to deal with any issues with the guests or the hosting site. Having Airbnb's is beneficial for Essex and a necessity. We are in the shoreline area and a vacation destination. Some come for a week or to visit family. Very few people want to rent long term. Some want to come for a weekend or a few days. The Town should be focusing on helping the struggling businesses in Town, not taking business away from them. Any issues with the renters should be dealt with by the property owners and the authorities. If people are taking advantage or renting their homes then limits need to be set. A limit should not be the length of the stay, it should be how many months they are allowed to rent total. But to eliminate short term rentals is taking away the livelihood and the options they have for the home they love. Without short term rentals, many may not be able to afford their homes and will be forced to sell them. We need the short-term option so people can come visit and enjoy our beautiful town.

One resident reported they live on a dead-end street. She lives right next to an Airbnb and it is very uncomfortable for her. It feels unsafe and people are constantly coming and going and people are peeking into her yard. She has children and she has people she doesn't know in and out of the home next door. There is more speeding on the street. She feels that there is a place for Airbnb but they don't belong in family neighborhoods. It is not appropriate or fair for people who bought houses.

Jody Miracle spoke via Zoom. She lives in New York City and she and her husband purchased a home in Essex in 2020 because they googled Best Town and found Essex online. They purchased a home and they rent it as an Airbnb part time. They have spoken to neighbors about it and the neighbors seem to be ok with it. The reviews are very positive. They don't live in Essex full time, but they might eventually. She does agree that regulations are important. She has a 2 bedroom and a bath and a half and they only rent maximum of 4 people at one time. The guests are usually local family members.

Frank Hall reported this has been a concern of his for 2.5 years. He is interested in hearing other people's opinion of short-term rentals. He is not against it, but it does need to be regulated. There are parking issues. He lives on a road where two cars cannot pass at the same time. When cars park along his road, it makes it very difficult for emergency vehicles to get through. If short-term rentals are regulated and enforced, i.e., parking, health, zoning, he would be happy about it. Not only should it be well regulated, but it must also be enforced.

Mike Walsh of Benson Lane supports Airbnbs. But in looking at the implementation of an ordinance, what you need to look at is the intent of an Airbnb owner. Are they a business or are they looking to supplement their income? Is it a business rental or a casual rental. In Boston they separated it that casual rentals could only be rented a maximum of 26 days a year. If you rented beyond the 26 days they would need to file additional paperwork with the city. You had to file your Airbnb with the city and give all their credentials and the property owner information was also included in case anyone needed to reach out to the management company or the property owner. His concern is when there are issues with the property and you cannot contact the actual owner, who do you contact? We don't need to involve police, but make sure properties that are being rented are not being rented out for parties. He suggested the Town of Essex pay close attention to what the intent of the Airbnb is and whether it is a business or a homeowner. When you cannot contact the owner, who should you contact?

Scott Barger of River Road reported he did a search on Airbnb's and he only saw 5 or 6 listed. He inquired as to how many Airbnb's are there. What is the increase of Airbnbs in Essex over the last 10 years?

Mr. Needleman stated the Town is aware of 25 Airbnbs. The Town is trying to find ways to avoid problems. We have a building code, a fire code, a public health code, we have zoning regulations, and we try to look at things in a reasonable way. We are trying to find regulatory framework for this new short-term rental industry.

Reninca LaBella of Main Street in Essex purchased a property and it is a legal 2 family home. The house is used for family and to generate income by renting it out as supplemental property. They live on the property. 90% of those who have stayed are typically visiting family in town. She fills an unmet need in Town. They accept pets at the property. She believes the problem is investors coming in and purchasing the property and having no investment in the community. She is in support of proper regulations.

Karen Kilby lives in Centerbrook and believes some good points have been made here tonight. There is a big distinction from a person renting a room every so often vs. a person renting their home just to get rental income. You are making some dwellings very commercialized in a residential neighborhood. The sporadic rental is one thing, but to do something as an investment is another.

Libby St. Johnson lives in Ivoryton and she owns a house on West Avenue that she runs as an Airbnb. Renters are predominately folks that stay in Town visiting with

family. Some renters have pets. They have only had one issue in two years. Stonington is grandfathering existing Airbnb's in Town already, which she believes is a great idea. She mentioned the septic concerns but she stated the home is occupied less days that if you had a full-time family, so that is not an issue.

Mr. Needleman thanked everyone for coming and mentioned this Public Hearing is the first of possibly two or three more in the coming months.

2nd Congressional District

33rd Senatorial District

 \bigstar

 \bigstar