

Vacation Rental
Land Use Amendment Project

STATUS REPORT

February 11, 2020

Goal

Builds on the Council Vision, Goals and Strategies and Strategy #1 of the 2019 Housing Policy Framework

To develop vacation rental regulations that balance the needs of the Town of Bar Harbor and protect public interests including housing affordability, health and safety, and neighborhood quality, while still allowing for residents to earn supplemental income from vacation rentals.

Policy Objectives

Based on housing and vacation rental data and the listening sessions

1. To establish clear definitions, appropriate locations, and minimum length of stay.
2. To classify the types of use (residential or commercial).
3. To maximize the supply and affordability of year-round housing options.
4. To address speculation and conversion from year-round housing to short-term lodging.
5. To prioritize residential use and neighborhood quality.
6. To balance the playing field with transient accommodations, B&Bs, etc.
7. To establish a pathway to successful and consistent enforcement.
8. To ensure guest safety.
9. To identify possible incentives to assist in retaining and creating year-round housing.
10. To develop regulations that are politically acceptable, legally and practically enforceable, and financially affordable.

Listening Sessions

Three public listening sessions were held at the end of January 2020. In order to focus on year-round Bar Harbor residents, including renters, we did a 3,716-piece direct mailing to postal customers only. About 220 people attended over the course of three nights. Each session started with a 30-minute PowerPoint presentation on the status of housing and vacation rentals in Bar Harbor, followed by public comments.

Of the people that registered, 90% were from Bar Harbor and the majority were from the downtown. Thirty-six (36%) of the registrants were under age 50. According to Engagement Coordinator Nina St. Germain, this is a great turnout of younger people. Close to half of the registrants owned at least one vacation rental. Of the 220 participants, 33% (73 people) provided comments. Only 11% of the participants who commented were not from Bar Harbor and just about of all of them were from elsewhere on the island or from the greater Ellsworth area. Of those who spoke, 53% do not own vacation rentals while 47% were vacation rental owners. The combined number of vacation rentals for all commentators was about 51.

Summary of Comments

This is a summary of opinions expressed by speakers during the listening sessions. As a result, some of them conflict with or contradict one another.

Source of Income

Most owners have only one vacation rental. It provides income, allows people to afford to live in Bar Harbor, and/or serves as a retirement plan. Many saw a difference between residents owning vacation rentals to supplement their income and non-residents owning vacation rentals as investments. Several people mentioned that year-round rentals are not as lucrative as vacation rentals and come with their own set of challenges. Some people see a vacation rental as a business, and therefore a commercial use, and believe that it should be treated as such.

Length of Stay

Most vacation rental owners said that they would like the minimum number of days to be reduced, as visitors are looking for shorter stays than the 5-day (4-night) minimum. It was also said that the small vacation rental places and private rooms are not suited to a 4-night stay. On the other side it was argued that going to one or two nights will effectively turn vacation rentals into transient accommodations and put them in direct competition with TAs, B&Bs, cabins, etc.

Year-round Housing and Community

There was an acknowledgement that living in Bar Harbor is expensive. Many people, born and raised in Bar Harbor, have moved off-island because they cannot afford to live here and/or because it is more affordable to live off-island.

Some believe that the town will never be affordable - it is about supply and demand. It was said that vacation rental regulations would not solve the workforce housing/year-round housing problem. Property rights and free market is the way to go. The short-term rental market is more lucrative than the long-term market and there is less wear and tear. Some remarked that vacation rentals ensure that properties are well-maintained and help keep property values high. There would need to be some type of tax break/financial incentive for people to consider year-round rentals.

Some people see vacation rentals as growing the town as a *commodity*, to the detriment of the town as a *community*. There is a feeling that the aging and affluent population is not welcoming to young people. It was said that although it is great that vacation rental is a vehicle for people to be able to retire in Bar Harbor, we should not forget that many people that work here would also like to be able to

afford to live here. They feel overlooked. They feel like they are not part of the community.

Many feel that there are enough vacation rentals but not enough year-round housing, and that a balance with year-round housing needs to be achieved. There was concern that decreasing the minimum length of stay for vacation rentals (both year-round and in the shoulder season) would keep more vacation rentals on the market. In turn, this would make vacation rentals more valuable and therefore continue to exacerbate the year-round housing problem. Some feel that residential neighborhoods have turned into business districts. Lots of traffic and strangers (does not feel safe) in the peak season and dark homes in the off-season.

There needs to be a year-round population living in Bar Harbor in order to have a community. If we want to have kids in school, we need families; and if we want families, we need workforce housing. Workforce housing availability is the primary hurdle for people wanting to work here and live here. The lack of quality, year-round workforce rentals create stress and anxiety for many people trying to live here. Many renters move every six months. A long-time Bar Harbor business owner said that in her first 10 years in Bar Harbor she moved 21 times. A young woman with a start-up business and school-age children moved six times in three years. An oyster worker moved 12 times in six years. The constant moving requires about a significant amount of cash flow for each move. The lack of housing creates insecurity and constant fear of being homeless. People live in substandard rentals and couch surf. People live in cars, in the woods, in closets, and in Acadia National Park. People deserve stability. They do not deserve to be up-rooted every six months; they deserve a place to live year-round.

2020 Schedule for Vacation Rental Land Use Amendment

Meeting	Date and Time	Activities
The ZAG will meet during the week of January 20 to review VR history, data, issues/benefits, and existing regulations		
Public Listening Sessions	Tues Jan. 28 6:30 PM @ MDI Bio Lab Wed Jan. 29 6:30 PM @ Munic. Bldg. Thu Jan. 30 6:30 PM @ Town Hill VIS	Staff presents same as above to public and hears comments
The ZAG will meet during the weeks of February 3 and 10 to work on goals, purposes, policy objectives		
TC	Tues Feb 18, 7 PM @ TC meeting	Present goals, purposes, and policy objectives
The ZAG will meet during the week of February 24 and March 2 to work on regulatory approaches		
PB	Wed March 4, 4 PM @ reg. meeting	Update PB
PB/TC	Wed March 11, 6 PM (tentative)	Update at joint workshop of PB/Council
Public Info. Session	Wed March 18, 6:30 PM (tentative)	Present goals, purposes, policy objectives, regulatory approaches with Q&A
PB	Wed April 1, 7 PM @ regular meeting	Update PB
Public Info. Session	Wed April 15, 6:30 PM (tentative)	Present revised regulatory approaches w/ Q&A
PB	Wed April 22, 7 PM special meeting	Finalize LUO language
PB	Wed April 29, 7 PM special meeting	Finalize LUO language
PB	Wed May 6, 7 PM @ regular meeting	PB calls for public hearing @ June 3* PB meeting

Guide to Acronyms: ZAG = Zoning Advisory Group, TC = Town Council, PB = Planning Board, VR = Vacation Rental

Project updates will be shared with the Town Council, the Planning Board, and the Town Manager.

Members of the VR ZAG: Earl Brechlin, John Fitzpatrick, Mike Gurtler, Rob Jordan, Kristi Losquadro and Nichole Treston.

*June 3 is the start of the 5-month period of formal public hearings for LUO amendments to be possibly voted on in November 2020 ballot.

January 2, 2020 revised February 11, 2020