

ADVISORY COMMITTEE OF NONVOTING TAXPAYERS
Notes of meeting 10 A.M., SATURDAY, January 23, 2021 via Zoom

1. Attending members: Kathy Baird, Lou Bassano, Bill Gardner, Gary Beller, Don Green, Peter Halle, Peter Kahn, Mary Russell and Bill Sherman; Guest speakers from ACK Now - Julia Lindner (Executive Director) and Tobias Glidden (Executive Chairman). Member absent: Sue Matloff. Other Guests in attendance included Jon and Jane Delano, Anne FM Dewez, Howard Dickler, Denice Kroneau (FinCom Chair), Robin Nydes, Doug and Lisa Rose.
2. Chair Gary Beller opened the meeting at 10:03 a.m., welcoming all attendees. Gary read the script for Zoom meetings provided by the town and declared a quorum present. The agenda for today's meeting and minutes for the January 16, 2021 meeting were approved by roll call vote.
3. Gary introduced our guests, who were present to deliver a 15 minute slide presentation on their ACK Now Short Term Rental Warrant Article. Tobias Glidden provided some personal background along with the impetus behind this article including its goal to support Affordable Housing and introduced Julia Lindner who delivered the presentation. The presentation is included in these minutes as an attachment.
4. Gary opened the discussion with remarks on the overwhelming percentage of the town property tax revenue that comes from non-voting taxpayers and his concern about the discriminatory nature of this proposed warrant between year-round and part-time residents
5. Peter Halle requested an electronic copy of the slide presentation (which was provided after the meeting and is attached) and the overly inclusive definition of short term rentals. He noted that it also did not seem accurate that every troubling issue on the island is attributable to short term rentals. Peter stated that lumping seasonal and short term rentals together is inappropriate.
6. Kathy Baird told a personal story about her own history on the island beginning with building a modest vacation home nearly 30 years ago, spending school vacations, summers and weekends on island and now retired on a fixed income. Starting 6 years ago, she began using short term rentals to pay for the many expensive repairs needed in a home of that age (new roof, appliances, septic system). She noted her home has never had any upgrades, and family and personal belongings remain everywhere in the house. She stated that her home is rented on an average of 2-4 days per

rental, usually on weekends and renters are typically families looking for an affordable getaway, or to visit family on the island, attending a family event, along with young couples attending a wedding. She also rents to off-island specialty workers on contract to the town or, in one instance, were installing the solar farm at Bartlett's. These families never bring their car to the island since it is too expensive for a few days so they use NRTA/WAVE, taxis, Uber/Lyft and the bicycles she leaves for her guests. She averages 30-50 rentals days per year, spends time on island every month of the year since retirement in 2015 but was concerned that all of her rental income would be lost due to this bylaw. Of all the rentals in those 6 years, only 2 would be permitted by this bylaw's 7 day minimum requirement. Those 2 would also have been illegal because both were off-island work crews (during the off-season) who brought work trucks (4 crew needed 2 trucks) to park in her driveway. Most worker rentals were Monday-Friday which would no longer be permitted and many of these are repeat guests over the years. In addition, with COVID precautions, leaving the home empty for several days between guests was highly recommended and complying with that, along with a minimum weekly rental means that every other week would not be rentable. In her model, the house turnover takes place mid-week, allowing her son (who is a year round resident in the hospitality industry, working 6-7 days/week during the summer) to find a few hours midweek to clean the house. If he cannot do it, cleaning services do have openings mid-week while they are fully booked on weekends when most rental homes turnover. Kathy is concerned that there is no way to discern between her type of off-island ownership, providing needed supplementary income to maintain her ownership (like year rounders) and those of investor owners in the data being cited. Her rentals add no additional vehicles to the island except in the off season for workers and her home is not suitable for affordable housing since it is not available for rental on any long term basis.

7. Tobias indicated that points made so far were all good and valid and currently under consideration.
8. Robin Nydes noted that everyone is supportive of affordable housing and even volunteered to assist in that work but that the 'beast' of short term rentals should not be asked to carry the burden of all the issues on the island, impacting the value of \$3-4.5B worth of property. He noted that the last recession hit the tourist industry

hard and potentially recreating that situation through this bylaw was an impact to be considered. Robin asked how encumbering a \$6M house on Eel Point supported affordable housing? Robin noted the impact on the baseline tourism economy by removing a large number of homes where visitors now stay. Robin also asked why the one car limitation was included in the bylaw and mentioned that he could not find any location in the US that did that as a solution to affordable housing. He suggested that perhaps it was an attempt to deal with summer traffic issues instead. Robin concluded that he believed this bylaw was well intended but wholly misguided.

9. Julia requested a chance to respond before other questions were asked and Gary granted that request. Julia noted that relationships to prior recessions was not as pressing as businesses operating in our neighborhoods. In response to Peter's concerns, Julia noted that the 29 day definition of short term rentals was the state's definition so that is why it was used. Julia noted that it is illegal to operate a business in residential areas and some municipalities tried to restrict short term rentals via zoning. Julia responded to the one-vehicle restriction noting issues reported by summer downtown residents where short term renters tried to squeeze large vehicles into small driveways, blocking the sidewalks, as one of the reasons it was included in the bylaw.
10. Tobias noted that there is work on a new Land Trust to increase affordable housing but that is only a partial solution that needs others like this bylaw to effectively address the issue. Tobias also noted that winter rentals to workers that Kathy spoke of earlier would not be impacted by this bylaw [Note: Kathy specifically mentioned that these workers typically rented Monday through Friday so this bylaw would negate the ability to host these rentals]. Tobias indicated since this bylaw does not outlaw short term rentals, there would be many ways to comply with it without major impact to visitors or renters.
11. Gary noted that although he was aware of short term rental limitations in other locations, he had never seen one that was so openly discriminatory between year round and seasonal/part-time property owners and suggested a solution where the investor owned properties be treated differently than the owner occupied properties as nobody wants the Marriott and other off-island concerns or investors taking homes off the year round, affordable market. Gary questioned the legality of such a bylaw based on that type of

discrimination and would be asking members of our committee to review this. Gary suggested that we (ACNVT) and ACK Now should be working together on this issue for the benefit of the island, citing our advocacy of a Noise Ordinance. Tobias noted that they are also working on the elimination of gas-powered leaf blowers and other annoying noise sources through a citizen's warrant article.

12. Julia noted other communities that had halted short term rentals completely and others that took a more reasoned approach, limiting the number of rental days and/or limiting it to owner-occupied homes, meaning a primary residence. Julia also noted that the town has few citations that would permit restricting land use in any other way than that being proposed by ACK Now.
13. Jon and Jane Delano cited their 40 year vacation home ownership history, stating that passage of this bylaw could cause them to sell their home. Jon confirmed the statements made by previous non-voting taxpayers and his concern that there should be a way to distinguish between commercial enterprises and the non-voting island homeowners who love Nantucket, have supported island businesses, and paid taxes for decades. The basic problem with the ACK Now approach is that it treats non-voting island homeowners, who care about this island as much as year-round residents, exactly the same way as it treats off-island commercial businesses like the Marriott. That is absurd and preposterous.
14. Robin made the point that perhaps the real beauty of Nantucket and its economic history moving from whaling to tourism is that it never permitted any large scale hotels so lodging is small scale and limited, with 75% of the available lodging in neighborhood, home environments. Robin noted that for each of the communities cited by Julia who limit short term rentals, 20-25 or more others do not. He stated that the diversity or conversely, the dependence of a community on tourism, to its baseline economy, is a significant consideration that is being missed in this bylaw.
15. Tobias noted the impact of Walter Beinecke on keeping Nantucket from turning into the type of tourist scene that exists on the Cape and that was due to community leadership recognizing and stopping that threat through regulation. Julia added that the residential 'feel' of short term rentals was no longer feeling residential.
16. Robin countered that nobody in the meeting was proposing support for commercial entities disguised as residential short term rentals

and everyone supported affordable housing but encumbering all of the residential real estate on this island and eliminating tourist access to a substantial amount of existing rental property was not the way to meet affordable housing goals. Robin also suggested that it was not appropriate to use a short term rental bylaw to also deal with the issue of too much summer vehicle traffic, which everyone agreed needed a solution.

17. Gary asked if there was any possibility to limit rentals to one property. Julia replied that this had been considered but noted there were a number of one-off investor rentals that would still be allowed to rent under the proposed bylaw and other 'businesses' that may own a single property on the island and multiple properties elsewhere. Julia indicated it was too hard to discern the difference.
18. Kathy asked why the bylaw could not treat year round and part-time homeowners the same rather than part-time homeowners being treated as investor-owned properties?
19. Gary asked that ACK Now find out how many properties fall into the investor vs. non-resident taxpayer categories that would be affected by this bylaw. He encouraged that this would be a big step forward to protecting those who love and contribute to the island from those who purely invest, as this would result in a compromise to preserve the 'good' instead of seeking the perfect.
20. Howard Dickler introduced himself as a year round owner who started out as a seasonal visitor, then a seasonal homeowner was and been visiting the island for over 25 years. He stated he also had needed to rent his (former vacation, now year round) home in order to be able to afford it. He noted he is also a strong supporter of affordable housing, citing concern over negative bumper stickers that encouraged people to move off-island if they could not afford it. He also voiced concern that the part-time residential rental property could not be distinguished from the investor owned property further citing that many LLCs have been set up for tax purposes but that is not necessarily an indicator of an investor owned property. He noted the two ends of the affordable housing issue resolution were the ability to build enough (new) affordable housing while also keeping year round property in the affordable market. He stated that could only be done by putting the brakes on the seemingly insatiable appetite for vacation home ownership. He stated there is no simple answer that is fair to all involved. Howard suggested that ACNVT form a subcommittee to hear ideas on this

topic and work with the existing affordable housing authorities on a more equitable solution. Gary reiterated his one-home rental suggestion and Howard noted several ways investors could get around that solution.

21. Don Greene stated his opinion that the bylaw being proposed was too restrictive and that perhaps incentives would be a better approach. He indicated affordable housing is a national issue and that should be the thrust to ensure that everyone had an affordable place to live, otherwise investors will still find a way around the new rules.
22. Gary suggested that the Affordable Housing Trust use positive incentives to encourage the building of more affordable housing.
23. Peter Halle proposed a restriction (that he assumed would never be passed) that would prohibit year round homes from being sold to off-island investors, noting this was the flip side of the current bylaw. Peter noted that, like Gary, he does not rent his house but stated that he is surrounded by those who do and he would genuinely miss the visitors who come and enjoy what we now enjoy. He noted that he had also once been a seasonal visitor who could only afford a short term rental on his first visits but over the years was able to become a homeowner and fears killing the goose that laid the golden egg.
24. Bill Sherman suggested a compromise to have the bylaw only apply to a 2 house lot. He noted the limited use that secondary dwellings now have within the town.
25. Gary suggested the concept of grandfathering existing short term rentals with the new bylaw applying only to new homeowners. Gary also asked if feedback being provided now can be incorporated into the bylaw before it goes to the town for a vote.
26. Denice Kroneau noted that the FinCom has only met once to hear opinions on this citizen's warrant, noting that Robin had attended that meeting and there would be another, likely 2 or 4 March but not yet scheduled. She stated the FinCom has not deliberated this bylaw nor proposed any motions and indicated she attended our meeting (as she frequently does) to hear ACNVT members' feedback on island issues. Denice indicated that the FinCom is still in the data gathering phase of the warrant article process.
27. Gary asked if ACK Now would consider any changes to the bylaw and Tobias noted a past warrant where significant negotiation took place with FinCom and the amended warrant was passed.

28. Jon Delano asked for the best way to contact ACK Now and Julia suggested using the email or phone number on their website with a preference for a phone call or her email which is jlindner@acknow.org. Jon looks for a compromise that will work to prevent the future harm of investor-only ownership without significantly harming existing short term rental homeowners.
29. Doug Rose thanked all attendees for their participation, the education he received on a complex issue and felt everyone on the call had the best interests of the island at heart along with the desire to work together. He supported the concept of grandfathering and also asked if the bylaw as written, would even have sufficient 'teeth' to prevent the growth of investor properties.
30. Julia indicated corporate involvement already exists on the island so sufficient regulations clearly have not been in place. Julia also indicated that ACK Now had already considered many of the suggestions made today and felt they would not fix the problem. Julia stated there is no way, according to their experts, to distinguish between investor and seasonal property owners.
31. Robin re-emphasized the material impact to those who spoke today, with some, like Kathy, who will completely lose the ability to rent her home.
32. Gary thanked our guest speakers and suggested to Peter Halle to form a subcommittee to brainstorm potential compromises; this suggestion was moved, seconded and approved by roll call vote.
33. Julia noted that this commitment was appreciated but she suggested a meeting between ACK Now and the ACNVT subcommittee before the work began to provide context for consideration.
34. Kathy asked about scheduling the next ACNVT meeting and guest speakers at upcoming meetings. It was agreed that the next meeting would be planned for February 6 at 10AM and Kathy will contact Rob Ranney (SSA) and John Brescher (Town Government Study Committee Chair) to see if they can attend this or future ACNVT meetings.
35. There was a motion, seconded and approved by roll call to adjourn the meeting. The meeting was adjourned at 11:45a.m.

Respectfully submitted,

Kathy Baird, Secretary

The following link represents the recording of this meeting located on the Town of Nantucket YouTube website.

<https://www.youtube.com/watch?v=zqo82KxG7yk>

Attachment: ACK Now Slide Presentation