

HOUSING SUBCOMMITTEE MINUTES 10/06/2021 (5:30pm)

Members Present: Leigh Davis, Johnathan Hankin, Garfield Reed, Pedro Pachano

1. Called to order at 5:30pm
2. Motion to approve minutes: postponed until next meeting
3. Item #3 – minutes already approved at last meeting
4. Discussion of short-term rentals: Pedro noted the committee will review bylaws from Lenox, Nantucket. Garfield noted that the committee's purpose is to make at least a third of the short-term rentals (out of 261) into affordable housing. Leigh concurred, and also said that she would like to help increase the overall market-rate rental availability. Leigh queried as to whether the committee agreed that there is in fact a housing shortage. Pedro responded that there is no question there's a shortage; our committee's question is: what effect are short-term rentals having on the housing availability? There's no guarantee that the short-term rentals will automatically become long-term rentals. Leigh explained that whether current commercial investors moved into the long-term housing market or put the housing up for sale, either way would be better for her in terms of increasing the housing supply. Pedro asked if the number of short-term rentals qualified as substantial enough to be a major issue—only 20% of rental supply (not full housing market). Leigh replied that she had looked into AirDNA.co and seen that there are 187 active short-term rentals in Great Barrington, and 171 are entire homes (16 private rooms). Johnathan said that this data does not agree with the state's data. Leigh responded that she trusts AirDNA.co more since it is real-time. The data difference is about 10 homes. Johnathan said there is no way we will get these converted to long-term rentals because the owners/investors are making 3 or 4 times the long-term rental rate currently. Leigh said this is why we are having this discussion and trying to figure out if we need to do anything about short-term rentals. Garfield interjected that he thought we should regulate short-term rentals. Pedro noted that we do not know whether these rentals are owned by local residents or investors. Leigh replied that she would like to impose a 'primary resident' requirement for short-term rentals. She clarified, at Johnathan's request, that this restriction is only for non-primary residents, primarily commercial investors. Pedro replied that he is skeptical that any of these houses will return to a long-term rental, would not want to deal with state regulations. He is not convinced that these homes would become long-term rentals. Leigh responded is that she is trying to regulate short-term rental investors in residential areas. Leigh proposed that there would be two short-term rental licenses: one for in-town residents, and another for out-of-town residents. Leigh noted that Pedro's proposal does not call out investors. She clarified that the out-of-town resident license would only be for industrial and non-residential zones. Garfield said he agreed with Leigh, but wanted to clarify that this is the subcommittee for affordable housing. Pedro replied that this is a subcommittee for housing in general. Garfield responded that we need to work together rather than grill Leigh. Discussion on meeting best practices ensued. Leigh noted that we are also addressing the affordability of housing as well. Pedro noted that he is not convinced of the effectiveness of this move. Leigh noted that, to summarize, she would like to suggest that we look at prohibiting short-term rentals

for non-primary residences. Leigh asked what Pedro thinks might happen to the existing short-term rentals owned by investors? Pedro replied the housing would probably be sold. Johnathan added that there would be a substantial cost to regulate this: how will we pay for it? If Leigh's data is correct, this means that 25% of our rentals are not registered. What would happen if these people just decided not to register their short-term rentals? Leigh responded that she is tracking them right now; there is a business which will take care of this for us; license fees would go to using this software (\$49/month), or an intern could review this. Pedro clarified that residents would be able to rent, so would they be able to rent out their house if they went on vacation for a week? Leigh responded that yes, but someone who has two properties in Great Barrington would not be able to rent a secondary unit off your property. Pedro asked about mixed-use properties, since Leigh's proposal does not ban these short-term developer rental licenses. Leigh replied that this is a separate topic for discussion. Pedro pointed out that we are not discussing wages; shouldn't we discuss this as well? He continued by saying that it will be extremely difficult to bring short-term rentals up to the restriction level of hotels and inns. Johnathan said that while he does not disagree with Leigh, he does not know if the proposed regulations will change anything. Especially if whatever we propose does not in practice have the desired impact. Pedro & Leigh asked what he thought would happen? Johnathan replied that he thought they would go undercover. Leigh pointed out that this is where enforcement comes in. Garfield noted that he liked Leigh's idea and was in favor of it. Leigh pointed out that if the lack of investors decreases housing values, it will also decrease housing costs. Johnathan said that if a full-time resident wants to sell their house, it will have an adverse impact on them as well. Pedro asked how many of the short-term rentals are developers versus long-term residents? No one was able to respond to this. Pedro asked Chris for his thoughts. Chris replied that regulation depends on our approach—we would have to budget for enforcement, and figure out how to differentiate between local homeowners versus investors on the app or database. Code compliance would be much harder, and require additional staff. May have to go to Town Meeting for this.

<MEETING CUT OFF at 6:36pm>

Meeting resumed at 6:40pm. Johnathan pointed out that State Law does allow a Community Impact Fee—which has to be used towards affordable housing or infrastructure. Ed Abrahams chimed in: no one disagrees that we need more affordable & year-round housing. Ed questioned AirDNA's numbers—both AirBNB & VRBO require hosts to register with the state.

<MEETING CUT OFF at 6:43pm>

Meeting resumed around 6:47pm. Ed continued that he is concerned that the investors who wouldn't be allowed to operate short-term rentals would sell instead of operate long-term rentals. The median home price is approximately \$360,000; your mortgage and taxes are \$2,000 per month along for this price (not affordable housing). He suggested that taxing these rentals instead and using that money to develop or subsidize affordable housing. Leigh reiterated the mission statement of the committee. Ed asked about protecting the residential nature of neighborhoods. He again pointed out that the committee will need to make sure that the goals need to be aligned with

the solution, and to make sure that we have enough data. A citizen, Ron, asked to speak (permission granted). He stated that he has owned rentals in this town for many years. You don't want to be policemen, but rather have cooperation with rental property owners. Great Barrington is not particularly friendly to multi-family rental units. He noted that there are a lot of ways to make multi-family units easier to own and operate. Money for renovations is also needed—funding opportunities should be explored (Community Development money, etc.). Leigh responded to Ron: We are taking a multi-pronged approach; this (regulating short-term rentals) is a first step. Pedro noted that he has found Williamstown's rental inspection policy to be very good. Leigh added that our fee structure would not be a money-maker, but would fund the new regulation program. Further discussion of this regulation program ensued. Pedro opened up the discussion for final comments. Johnathan encouraged the committee bring this to Town Meeting as a Town Bylaw, not a Zoning Regulation. Chris agreed with Johnathan. Pedro is inclined to send this to the Selectboard and let it be decided at Town Meeting. Next steps were discussed.

5. Housing Need Study: Postponed
6. Citizen Speak
 - a. Ed Abrahams: Question- are we just recommending registration? Noted that Town Meeting rejected registration 2 years ago.
7. Meeting adjourned at 7:07pm

Respectfully submitted by Tate Coleman, Board Clerk