

Falmouth, Maine Short-term Rental Ordinance and Registration Program

Commission to Increase Housing Opportunities in Maine by Studying Land Use Regulations and Short-term Rentals

September 23, 2022

Falmouth STR Market

- Falmouth contracted with Granicus Host Compliance in Fall 2021 to assist with compliance monitoring
- As of 9/21/22, Host Compliance has identified 70 total active rental units in Falmouth
- There has been a drop in active rental units during the pandemic
 - November 2019-122 rental units
 - October 2020- 88 unique rental units



Ordinance Development Process:

- The Town Council Ordinance Committee began discussing short-term rentals in 2018 after residents contacted councilors with concerns.
- Town staff conducted research on the short-term rental landscape in Falmouth, including initially contacting Host Compliance, as well as on Maine municipalities and select national municipalities' shortterm rental ordinances.
- A public forum was held in March 2020 with 41 attendees.



Top STR Pros and Cons Identified at Public Forum

PROs	CONs	
Short-term rentals are a revenue source for owners (help owners afford their mortgages)	Concerns related to non-owner-occupied rentals/investment properties (owned by out of staters, no supervision/accountability)	
Short-term rentals provide an affordable local lodging option-Falmouth only has one motel	Concerns related to transient guests (high turnover, visitors not neighbors)	
Having short-term rentals in town benefits local businesses	Parking/traffic concerns	
Town exposure to potential visitors/new residents	Land use/zoning concerns (commercial activity in residential areas)	
Short-term rentals positively impact property values	Too many STRs in the same neighborhood	
Most short-term rental operators are responsible and properly screen their guests.	Safety (occupancy/fire hazards)	
	Noise	
	Neighborhood Character	
	Pets (unattended, not familiar)	
	Inconsiderate guests	

Ordinance Writing Considerations

- Does Falmouth have a short-term rental problem?
- Wanted to facilitate data collection to better understand who is renting, where are they renting, and rental patterns
- Did not want to restrict people from renting their properties
- Enforcement
 - Staff capacity to monitor and enforce
 - Budgetary implications (staff time, Host Compliance (\$12,888.50, based on number of units), legal fees)



Top Short-term Rental Concerns Identified at March 11 Forum/Email

Ordinance

Approved July 2021

Purpose: to monitor the impact on residential neighborhoods by the operation of short-term rentals within the Town and to provide a registration program that enables the Town to monitor and track short-term rentals within its borders.

Requirements:

- 1. Ordinance established registration program-No person shall advertise, operate, or rent a short-term rental without first registering the short-term rental unit with the Town. Owners must renew their registrations annually on or before January 1.
- 2. \$300 Registration Fee
- 3. The owner must provide and emergency contact person who is able to respond within an hour to complaints regarding the condition, safety, or operation of the short-term rental, or the conduct of guests.
- 4. The owner must provide a certificate of insurance that expressly acknowledge that the property may be used for short-term rental business activity and evidencing (a) property insurance and (b) general liability insurance appropriate to cover the rental use in the aggregate of not less than \$1 million or proof that the owner conducts rental transactions through a hosting platform that provides equal or greater coverage.

Enforcement/Penalties:**

- Operating and/or advertising the rental of a short-term rental without a valid registration- per day fine of \$1,000 for first offense, additional per day fine of \$1,500 for each additional offense.
- For any other violation of the ordinance, the violator may be penalized with a fine of \$500 per day for each such violation.

**The Town has been using a three-strike warning letter system and has not enforced fines for owners who have registered or removed their listings before receiving a third letter.

Implementation

- Onboarding with Host Compliance took several weeks
- Online registration form maintained by Host Compliance
- Announced that registration was open by mailing letters to all identified operators and through the Town's bi-weekly newsletter, *The Falmouth Focus*, email alerts, and social media
- As registration period was new, offered a grace period for 2022 registrations-extended January 1 deadline until February 18
- Send warning letter through Host Compliance as new units are identified

		Home » Boards » Town Council - Town Manager SHORT-TERM RENTAL REGISTRATION Pursuant to Falmouth's Short-lerm Rental Ordinance.	End there have a set of the first set of the
Falmadh ME (Maggie Rening) 🔵 🔹	INSERT ADDRESS BLOCK	effective January 1, 2022, no person shall advertise, op-	
	RE: TOWN OF FALMOUTH SHORT-TERM RENTAL ORDINANCE IN EFFECT JANUARY 1, 2022	erate. or rent a short-term rental in the Town of	101
	Dear (INSERT OWNER NAME). You are receiving this letter because you are believed to operate a short-term rental in the Town of Fairnouth.	Falmouth without first registering the short-term rental	At Langue month Lang term
ort-Term Rental Registration and Renewal Form	The Falmouth Town Council enacted Ch. II-23 of the Falmouth Code of Oxinances, "Short-term Rental Oxinance" on July 26, 2021.	with the Town, Short-term rental is defined as the adver-	
	Pursuant to the Short-term Rental Ordinance, effective January 1, 2022, no person shall advertise, operate, or rent a short-term rental in the Town of Fairhouth without first registering the short-term rental with the Town.	tising, offering for rent, use, control, management, or op-	14 miles 99
	Note a promotion of a more close or particular without its registering the promotion rearies and the close. Short-term metal is defined as the advertising defining for metal use, control, management, or operation of a dwelling unit is whole or is part, for dwelling, steeping, or lodging purposes for a period of less than thirty consecutive devis, for commensation, directly or individual or individual and the steeping of the	eration of a dwelling unit in whole or in part, for dwelling,	and an and a second secon
		sleeping, or lodging purposes for a period of less than	84.3%
Welcome to Falmouth's Short-Term Rental Registration and Renewal System.	The Teem is utilizing a permitting software in partnership with Granicus Host Compliance. To register a short- term vertal unity please visit (NSERT UNIC). This site will begin accepting applications on (NSERT DATE). From shift are hours to assist vou with this concept. Please email strafformic one or cell (207)	thirty consecutive days, for compensation, directly or in-	and here a day and here a
	692-5335.	directly. The annual registration fee is \$300.	Corplice Days 4
Sect-Sens Rental Onlinesce	A short-term metal shall not be considered engineered with: 1. Application and all associated documentation have been previded to the satisfaction of the <u>Totem</u> ; 2. \$300 registration fee has been received by the <u>Totem</u> ; and 3. Registration runde has been received by the <u>Totem</u> ; and	The ordinance requires that owners renew their short-	
Register a Short-Term Rental Renew an axisting Short-Term Rental Registration	The ordinance requires that registrations must be measured anoutably on or before. Jaway 1: As the ordinance and registration programs in earlier, the Cost and registrations only, where we links with allowed 3: 3,0022 to the second	term rental registrations annually on or before January 1. The 2022 deadline to register was February 18.	A series and the series of the
	Please be advised that the penalty for advertising, operating, or renting a short-term rental without a valid registration is a per day fine of \$1,000 for the first offense and an additional per day fine of \$1,000 for each	Town staff are happy to assist you with the registration process. Please email str@falmouthme.org or call	A second s
	additional offense, to be recovered upon complaint to Maine District Court or Superior Court.	Julie Baxter at (207) 699-5335 if you have questions or need additional information.	**************************************
	If you have questions or need additional information, please email <u>strp2/telmou/hme.org</u> or call (207) 899-5335. Sincerely,		4 Parking Park
Fiyes encounter technical difficulties, please context autoorth-failty of the sector planax const.	Marguerite Fleming	CLICK HERE TO	
- Provide and a second s	Administration Analyst	REGISTER	
	TOWN OF FALMOUTH 271 Falmouth Road @ Falmouth, ME 04105		
	www.falmouthme.org	Click here to view the list of registered short-term rental units as of September 20, 2022.	
		Circk here to view the list of registered short-term rental units as of September 20, 2022.	

How It's Going One Year In

- 60 registered units
- Staff have been able to work with all identified owners to either register or remove their listings before the third warning letter
- Staff have received very few complaints
- Initially planned to use Host Compliance's 24/7 Hotline but decided not to due to concerns about staff capacity to manage
- Registration Data (Registrant Reported):
 - 22-partial home rental, 38-whole home rental
 - 46-single-family detached dwelling units, 8-accessory dwelling units, 6-two-family or multi-family dwelling units
 - 23 units are owners' primary residences, 37 units are not owners' primary residences
 - 4 owners own multiple short-term rental units in town



Thank you!

Marguerite Fleming Administration Analyst <u>mfleming@falmouthme.org</u> (207) 699-5329