

December 16, 2020

The Rationale of a Greensboro Short Term Rental Bylaw

This report was produced by a subcommittee of the Greensboro Planning Commission (hereafter referred to as the PC) to inform the Greensboro Community of rationale for a proposed bylaw to manage short term rentals (hereafter referred to as STR). It may not necessarily reflect the unanimous view of the entire Planning Commission.

Authority to Manage STR's

In 2020 the VT legislature gave the authority to manage STR's to local municipalities as part of Act S237. A municipality now has the power to:

[t]o regulate by means of an ordinance or bylaw the operation of short-term rentals within the municipality, provided that the ordinance or bylaw does not adversely impact the availability of long term rental housing. As used in this subdivision, "short-term rental" means a furnished house, condominium, or other dwelling room or self-contained dwelling unit rented to the transient, traveling , or vacationing public for a period of fewer than 30 consecutive days and for more than 14 days per calendar year.

It is important to note that a STR bylaw **only** applies to a dwelling rented for less than 30 consecutive days and for more than 14 days per calendar year. Other state laws already apply to STR's (such as fire, safety and health standards) and Greensboro property owners must already adhere to those state laws. The Greensboro proposed bylaw will use the same state of VT check list for fire, safety, and health that is **already** applicable to property owners who do STR's.

It may also be worthy of mention that doing STR's in the Shoreland Protection District (SPD) is at present NEITHER a permitted or conditional use. What the proposed STR bylaw does is to explicitly make this activity a conditional use but to do so in a responsible manner.

Why STR's Are a Concern for the Greensboro Community

The renting of homes and cottages has occurred in Greensboro for many years to typically offset the carrying costs for legacy homeowners. The PC recognizes this. But there has also been building pressure to commercialize the rental market. It is our firm belief that the proposed bylaw will improve the rental market for legacy homeowners by enhancing the reputation of Greensboro as a place to visit, rent and to enjoy the physical beauty of our community. This will make it possible for our legacy rental property owners to meet their financial needs and to manage that rental enterprise so that we bring a balance between their goal for a financial return and the rural character of our community.

The proposal will also create a management plan that will encourage and support a wider cross-section of the Greensboro community to realize an income from the STR business (more on that below).

Comparing Our Purpose for a STR Bylaw to Other Towns:

Greensboro's STR bylaw purpose:

"The intent and purpose of this ordinance is to establish procedures and standards by which residential short-term rentals can be provided to tourists seeking them in a manner that protects both the quality of their experience and the community character of Greensboro. It is the Town of Greensboro's intent to establish residential short-term regulations that support Greensboro's tourist base and local economy, while simultaneously upholding the health, safety and welfare of the public and preserving the abundant natural resources."

"The purposes are: (a) to establish a balance between the desire of property owners to rent their residential properties to short-term rental guests for compensation and the desire of residents to preserve the traditional peace and quiet of their neighborhoods; (b) to preserve and protect residential neighborhood character and livability from the impacts that are often associated with short-term rentals; and (c) to ensure the safety of occupants of short-term rentals."

Other municipalities have stated things in more stark terms:

The STR bylaw for Woodstock VT states:

“The Town recognizes the benefit of Short Term Rentals to homeowners, visitors and the community. However, it is important not to create a nuisance or change the residential character of the area.”

The STR bylaw for Lake Placid states as its purpose:

“The Village of Lake Placid and Town of North Elba also recognize that the historical nature of the community has been that of a small, residential resort community of owner-occupied dwellings and that extensive short-term rentals endanger the residential character of the community and may cause disruption to the peace, quiet and enjoyment of neighboring homeowners. Accordingly, in order to respect the property rights and interests of all homeowners in the Village of Lake Placid and Town of North Elba, this local law seeks to achieve a balance between those who offer their homes as short-term rental properties and those who choose not to do so.”

As you have read, the Greensboro proposal in its statement of purpose and intent recognizes some competing interests surrounding the STR industry **without** stating it in pejorative terms as other municipalities have done. The property owners who choose to rent in the SPD are our neighbors and friends; we do not want to criticize what they are doing but rather to establish some standards so that these properties are rented in a responsible manner which recognizes those competing interests.

Why Are STR's a Problem?

So this begs the question what is it about STR's that is causing municipalities all across the country to write bylaws to control them? It is difficult to find an article that exactly parallels Greensboro's community; almost everyplace has a bigger population than us but the principles remain the same regardless of the size of the community. There are many articles and papers available to explain this. Here is a link to one of them: <http://www.keepneighborhoodsfirst.org/strproblem>. An informative study was published by Dartmouth College entitled, "Short-Term Rental Units: Regulations and Impacts in Vermont". <https://rockefeller.dartmouth.edu/sites/rockefeller.drupalmulti-prod.-dartmouth.edu/files/prsshorttermrentalfinal.pdf>

What follows is a more extensive explanation of why we need to address this issue in Greensboro and why our STR bylaw must look as it does.

Any new bylaw or revision to existing bylaws must be supported by our Town Plan. The PC completed its work on the Greensboro Town Plan in 2019 and the Select Board endorsed it. It is a 115 page document plus some additional appendices. The town plan was based on an extensive survey that many of you completed. **In that survey the overwhelming choice as the top priority for the town was to "protect the rural character of the community"**. The Greensboro PC was determined to write a town plan that would form an action plan to conserve what is best about Greensboro and move the town forward economically. It may be found at <https://www.greensborovt.org/wp-content/uploads/2019/07/Greensboro-Town-Plan-FINAL-6-12-19.pdf>.

[For ease of reading we are putting the many town plan references at the end of the report.]

The Greensboro Plan

The STR subcommittee studied many other towns' STR bylaws and created what we believe best fits Greensboro. It contains many standard items as well as standards crafted to fit Greensboro- among those are:

1. A permitting procedure which includes some assurance that the property owner adheres to existing VT law concerning fire, safety and health standards. The permit will be subject to **exactly** the same procedure as all other business permits in Greensboro.
2. That the property owner advertises a maximum occupancy capacity commensurate with the capacity of septic system according to the standards set by the State of Vermont
3. That the property owner has provided the phone number of the person(s) who is responsible for managing the property and can respond to problems in a timely fashion
4. Set standards for parking and that a plan for weekly trash removal is in place
5. Bans the advertising for large parties or other such events
6. As 24 other Vermont municipalities have done, we have added the permitted 1% to the already existing State of VT rooms and meals tax that our property owners are **already** obligated to collect. We will be asking the Select Board to apply that revenue to supporting environmental concerns, environmental education, recreation and the administration of this bylaw.

These last two standards only apply to the Shoreland Protection District and not the whole town.

7. Sets a minimum 3 night rental period for properties during the summer months so as not to turn our lakesides into motel like accommodations.
8. Establishes that any structure must be rented in its entirety

Explanation of why there are special rules for the SPD

The two standards that **apply only to the Shoreland Protection District (SPD)** and the maximum occupancy standard warrant additional explanation. These standards are intertwined and it is impossible to separate one from the other and the explanation will touch upon that.

We **mindfully** made the standards for “whole structure rental” and “minimum rental period” only applicable to the SPD. We did this for three major reasons. One is that many properties in the SPD are on very small lots, many far less than one acre. As opposed to the Rural Lands District with one dwelling per 10 acres, in the SPD it is often the case that 15 or more cottages can be found in a 10 acre area. This makes these homes/cottages particularly sensitive to the activity of their neighbors. Ultra-short term renters in particular might not be as sensitive to neighborly concerns as legacy property owners would be or even one week renters simply because they would be here for such a short time. The second major reason is that since many of our lake-side properties have only primitive septic systems, overuse of those systems is a concern. Properties in most of the rest of Greensboro are in a district which has 10 acre minimum zoning and modern septic systems. Thirdly, it would make the opportunity to take advantage of the ultra STR part of this business available to a broader economic cross-section of our community.

As the main reason for having a STR bylaw is to protect the community character of a town or neighborhood, we want the experience for all the stake holders of that community to remain stellar: renters, full time residents of the SPD and the legacy rental property owners when they themselves are in residence. When we do that we also strengthen the environment and maintain the rural character of the whole community.

The Three Legged Stool

We look at this as a three legged stool. The three legs consist of (1) establishing a minimum rental period, (2) making it only possible to rent the entire cottage or camp, and (3) setting a maximum occupancy for each cottage.

Minimum Rental Period

As we immersed ourselves in this issue it became apparent that minimum rental periods are necessary to avoid the SPD becoming a massive lakeside inn and/or B&B. The rapid turnover of STR's (what we might call ultra-STR's) guests is disruptive to all the stakeholders in this discussion. Again, by stakeholders we mean full time residents of the SPD, property owners when they themselves are in residence and the more typical week long renters who come to Greensboro for quiet, rural lakeside experience. The disruption to the "normal" life in neighborhoods and communities is largely what has driven towns to enact STR bylaws.

In our research we came across three ways to establish some sort of management to this "rental turnover" issue. One way is to limit the total number of days property owners may rent during a calendar year or rental period. We rejected this approach for two reasons. For instance Lake Placid permits 90 days of rentals per calendar year. But Lake Placid has a year round rental season since they have a downhill ski mountain. To prorate an approach like this to a seasonal rental area like our Greensboro SPD our limit would be more like 30 days; this could severely diminish responsible legacy property owners' ability to realize a rental return on their cottages. We do not want to do that. The other drawback of this approach is that it could be 30 days of single night rentals taking us back to the potential problems of ultra STR's (one or two nights) we wish to avoid.

The second way is to limit the number of times property owners may offer their property up for rent. For instance, Woodstock VT permits up to 10 distinct rentals per year (excluding leaf peeping season). Again we rejected this approach for the same two reasons we listed above: it is too restrictive for responsible legacy property owners and it does not address the potential problems ultra STR's may bring.

The third approach is the one we selected to make part of our STR proposal. This approach would set a minimum rental period. We had long debates about how long that period should be. If we had decided to uncompromisingly defend the traditional environment of the SPD we would have set a firm 7 or even 14 day minimum rental period. In the end we created a hybrid and much less stringent version of this model. Obviously, something like setting a one week minimum would be the simplest to enforce and solve the ultra STR concerns.

The proposal contains a 3 night minimum during the busiest time of the rental season, June 15- Sept 15. Outside of that time period the minimum rental period will not be in effect. We decided on this model to permit our legacy property owners to maximize their income while putting a reasonable limit on the number of rental turnovers in an effort to avoid the problems that ultra STRs often bring . Also applying this to only the time frame of June 15-Sept. 15 permits our SPD property owners to take advantage of “leaf peeping” season where many visitors only want to spend one or two nights in the area **and** the lakesides have a much lower population density. Also the “leaf peeping” visitors are likely to be older and quieter. We recognize that this approach does potentially ask some property owners to defer some income because it would prevent the SPD from becoming an area where rapid rental turnover occurs. But in doing so we think this was a compromise that all the stakeholders could find workable and reasonable and responds to some of the public comments we have received.

There may be no properties in the SPD that at present rent out for just one or two days at a time but there are properties that are already offering a property for as short a period as 3 days in the SPD. Since more privacy is available outside of the SPD we believe one or two night STR demand is better suited for our Rural Lands District and Village Districts. There may in fact be an increase in the demand for one or two night rentals when the rail trail comes to the Bend. If the SPD is restricted to rentals of 3 nights or longer it may present a business opportunity for some modest income to a broader cross section of our community outside of the SPD.

Renting the Whole Structure

Our proposal makes it mandatory that a whole structure be rented and does not permit rooms to be let where the property owner is present (only in the SPD). But the experience in other communities (and there is no reason to expect that Greensboro would be any different) has been that if people begin to rent out rooms they more often than not turn into unofficial B&B's. You can imagine the scenario- someone in our SPD begins to rent out a bedroom and the guest naturally asks if they can go out to their car and bring in some groceries to make breakfast. Since the property owners want good reviews to show up on AirBnB they say yes-what's the harm in that? Well the harm is now we have B&B's in the SPD in all but name and that is a business. Soon it becomes apparent to SPD property owners that ultra STR's, whether the owner is present or not, is the way to maximize their income from renting. The nightly rate for ultra-STR's is always higher than for longer term rentals and inevitably the Greensboro market would move that way too. This would eventually drive up the prices for longer rentals and exclude some families of more modest income from enjoying our SPD.

Again we would like to reiterate that the other advantage of this proposal will have the effect of "spreading the wealth" of the STR business to a wider cross-section of our community.

Summary

In summary, the Greensboro Planning Commission recognizes and acknowledges that many of our SPD legacy property owners have chosen and will want to continue to rent their cottages on a short term basis. We are explicitly permitting that and supporting the decision to do so while also protecting the rural community fabric of Greensboro and physical environment of our lakes. We are proposing a bylaw that properly balances these competing values. We ask for your support for this bylaw.

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Study Committee for STR Bylaw of the Greensboro Planning Commission

Lake Placid

https://www.futurelakeplacid.com/wp-content/uploads/2020/02/2.10.20.STR_.proposed.pdf

South Portland [https://www.southportland.org/files/](https://www.southportland.org/files/4015/6693/1059/STR_ORDINANCE_from_CH._14_8.27.19.pdf)

[4015/6693/1059/ STR_ORDINANCE_from_CH._14_8.27.19.pdf](https://www.southportland.org/files/4015/6693/1059/STR_ORDINANCE_from_CH._14_8.27.19.pdf)

A List of more STR Regs.

<https://www.gov1.com/community-development/articles/examples-of-short-term-rental-regulations-AFE7TNtGivcUe1RN/>

Study by Nat'l Low Income Housing Coalition showing STR raise property taxes

<https://nlihc.org/resource/study-finds-presence-short-term-rentals-associated-higher-property-prices>

Below is a list of references to specific parts of the town plan that support the writing of a STR bylaw:

Pg. 2 - Community Profile:

“Looking forward, the town will be increasingly challenged to make decisions that honor the stewardship of the rich history of the healthy, natural world that has shaped this community. In light of development pressures, it may be a difficult balance to preserve what is precious about Greensboro. Stewardship of the health of the lake and maintenance of the rural character of the community are integral to Greensboro’s sense of identity.”

Pg. 6 - Community Survey:

From top priorities:

- Protect rural character of the community
- Protect natural resources
- Preserve the character of Greensboro Village

From “What I never want to see change in Greensboro”:

- Lake water quality
- Rural character

Pg. 7 - A Vision for Greensboro:

“The Town’s rural character is viewed as a significant benefit that should be preserved”

“As a community, there is a strong sense that conservation of our natural resources, including Caspian Lake, should be a high priority.”

Pg. 21 - Natural Resources:

“Greensboro is home to a community of people who care about the natural landscape and whose vision for the future is a profound and strengthened human commitment to the natural world, while striving to protect and conserve Greensboro’s natural heritage. Nearly 40 square miles in size, Greensboro is rich with outstanding natural features. The local community recognizes the value in stewardship of wildlife, plants, ecological systems, fish and the immeasurable benefits therein.

“Given the community commitment to conservation (the 2016 Greensboro Community Survey results showed overwhelmingly that protection of our natural resources and protection of the rural character of Greensboro were the top priorities of our residents), it is natural to take the steps to actualize that commitment.”

Pg. 24 - Lakes and Streams:

Caspian Lake: “In 2016 the status of the lake was downgraded to Stressed...

Sedimentation and road and developed land runoff are negatively affecting water quality...Furthermore, the ground water level table is unusually high, and old, and outdated, and expired, overburdened septic systems increase the danger of septic overflow, especially in wet years...

“The Greensboro Association is very active in keeping the lake free from Eurasian Milfoil and Zebra Mussels. The Association also sponsors swimming lessons, and monitors water quality on a weekly basis. These activities are testament to the concern and care the residents, both full and part-time, have for Caspian Lake.”

The Vermont Department of Environmental Conservation Lake Scorecard rates Caspian as follows:

- Nutrient Trend: Fair Condition
- Shoreland Habitat: Fair Condition

- Invasive Species: Good Condition

Pg. 26-27:

“Non point sources of phosphorus include agriculture run off, stream bank erosion, developed land (from roads, parking lots, lawns, athletic fields, and buildings), wastewater treatment facilities and failing septic systems...”

Pg. 28:

“Because excess nutrient loading results from activities both in the watershed and along the lakeshore, proactive action is required at both the lake and along the waterways in the watershed.”

Pg. 45: Regional Compatibility with the Northern Vermont Development Association (NVDA)

Regional Plan:

- Goals and Strategies of NVDA Regional Plan for Natural Resources - Protect the quality of the region's water
- Surrounding towns share similar problems such as safeguarding water quality and natural resources.

Pg. 93 - Natural Resources Actions

- 2. B) “...bylaw amendments required to protect lake water quality from all potentially harmful actions on Caspian Lake.”
- 2. C) “Amend bylaws to create a 100 foot buffer along streams.”
- 3. “Conduct public outreach to (a) educate shoreland owners in order to reverse the negative trend in shoreland vegetation and aquatic habitat. (b) to implement best management practices consistent with the Vermont LakeWise program. (c) to control milfoil and other aquatic nuisances, and (d) educate property owners adjacent to the lake to keep their septic systems properly maintained.”