



# Vacation Rentals — Proposed Regulatory Approaches

## **Public Information Session** *Held via Zoom webinar*

Town of Bar Harbor  
May 27, 2020



# ISSUES

- **Magnet for second and retirement homes for decades.**
- **Property values and the cost of living are not affordable to the locals.**
- **Cost of housing continues to rise at a much faster rate than wages.**
- **Half of the people who work in Bar Harbor live off-island.**
- **Struggle with retaining a stable workforce.**
- **Labor and housing are the two main concerns for Bar Harbor employers.**
- **Barriers to employment are housing and transportation costs.**
- **The rise in vacation rental units in Bar Harbor is compounding the housing problem, as it is taking long-term housing options (entire homes and apartments) off the market.**

**The Town is seeking to find a balance  
between year-round housing and  
vacation rentals in Bar Harbor.**

# Goal

*Builds on the FY 2020 Council Vision, Goals and Strategies and on 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. Establish clear definitions, appropriate locations, and minimum length of stay.**
- 2. Maximize the supply and affordability of year-round housing options.**
- 3. Address speculation and conversion from year-round housing to short-term lodging.**
- 4. Prioritize residential use and neighborhood quality.**
- 5. Balance the playing field with transient accommodations, B&Bs, etc.**
- 6. Establish a pathway to successful and consistent enforcement.**
- 7. Ensure guest safety.**
- 8. Develop regulations that are politically acceptable, legally and practically enforceable, and financially affordable.**

# VR REGULATORY APPROACHES

## VR-1

## VR-2

### Definitions

**VR-1:** A dwelling unit, or portion thereof, that is rented to a person or a group for less than 30 days and a minimum of 1 night. A property owner may only be eligible for a VR-1 license if that property owner can demonstrate that this dwelling unit or another dwelling unit, on the lot where the VR-1 is located, qualifies as their primary residence. This property owner may hold a maximum of 2 VR-1 licenses.

**VR-2:** An entire dwelling unit that is not a primary residence and is rented to a person or a group for less than 30 days and a minimum of 4 nights. There is no maximum number of VR-2 licenses a property owner may hold.

**Primary Residence:** A dwelling unit where the owner resides for a minimum of 7 months each year.

# VR REGULATORY APPROACHES

	VR-1	VR-2
<b>Zoning Districts</b>	<b>Still allowed in 34 of the 40 zoning districts.</b>	<b>Still allowed in 34 of the 40 zoning districts.</b>

	<b>VR-1</b>
<b>Definitions</b>	<p><b>VR-1:</b> A dwelling unit, or portion thereof, that is rented to a person or a group for less than 30 days and a minimum of 1 night. A property owner may only be eligible for a VR-1 license if that property owner can demonstrate that this dwelling unit or another dwelling unit, on the lot where the VR-1 is located, qualifies as their primary residence. This property owner may hold a maximum of 2 VR-1 licenses.</p> <p><b>Primary Residence:</b> A dwelling unit where the owner resides for a minimum of 7 months each year.</p>
<b>Zoning Districts</b>	Still allowed in 34 of the 40 zoning districts.
<b>Entire dwelling</b>	YES
<b>Part of a dwelling (a room(s))</b>	<p><b>YES</b></p> <p>If all persons or groups renting the room(s) have access to living, cooking, sleeping, bathing and sanitary facilities that are separate and independent from other such rooms or groups of rooms.</p>

## VR-1

**Owner present at the time of the rental**

**NOT REQUIRED**

**Emergency contact required**

**YES**

**Require posting of license # on all advertisement including, but not limited to, online platforms such as Airbnb, HomeAway, etc.**

**YES**

**Annual licensing**

**YES**

**Annual fee**

**\$250/license**

**Inspection cycle for life safety standards**

**Every 3 years by Fire Department  
Annual check-off by owner**

**Chapter 64 - Disorderly House ordinance  
(to cover problems with large gatherings)**

**YES - Add VR to the definition of building (to  
make it clear)**

	<b>VR-1</b>
<b>Proof of Primary Residence</b>	<b>YES</b>
License revocation (based on multiple, recurring and/or significant code violations and non-compliance, and in some cases criminal activity)	The Council could revoke the license for a min of 3 and max of 8 months, after a public hearing.
Operating without a license	Will have to wait 12 months from the date of the violation before applying for a VR license
Applicant must be current on all taxes, water & sewer fees	<b>YES</b>
Require indoor posting of license certificate (to include the physical address of VR and owner/contact information).	<b>YES</b>
Require a one-time notification by the town to immediate abutters (includes across a road/ROW) within 30 days of issuance of VR license	<b>YES</b>
Weekly trash removal	<b>YES</b>
<i>Town-wide cap</i>	<b>NO</b>

	<b>VR-2</b>
<b>Definitions</b>	<p><b>VR-2: An entire dwelling unit that is not a primary residence and is rented to a person or a group for less than 30 days and a minimum of 4 nights. There is no maximum number of VR-2 licenses a property owner may hold.</b></p> <p><b>Primary Residence: A dwelling unit where the owner resides for a minimum of 7 months each year.</b></p>
<b>Districts</b>	<b>Still allowed in 34 of the 40 districts</b>
<b>Entire dwelling</b>	<b>YES</b>
<b>Part of a dwelling (a room(s))</b>	<b>NO</b>
<b>Owner present at the time of the rental</b>	<b>NOT REQUIRED</b>

## VR-2

### Town-wide cap

**YES - Cap of 175<sup>1</sup> with a 3:1 entry ratio until cap is met (i.e. for every three expired licenses one is issued until the cap is met at which time the number of license issued would not exceed the cap).**

**From time to time, the Town Council shall consider adjustments to the cap for the calendar year.**

### VR licensing protection clause

**Presently licensed VR of an entire dwelling will be able to continue operating as long as the VR license is renewed annually.**

### License Transferability Location

**NO**

### Ownership

**YES, but expires within 5 years of the adoption of the ordinance.**

<sup>[1]</sup> 175 represents about 5% of the Bar Harbor Housing Stock. We know that at least 236 of the town's 438 vacation rentals registrations from calendar year 2019 are to non-Bar Harbor addresses. The remaining 202 vacation rental registrations are to Bar Harbor addresses, but this does not imply that these vacation rentals are all taking place on a primary-residence property.

	<b>VR-2</b>
<b>Emergency contact</b>	<b>YES</b>
<b>Require posting of Bar Harbor license # on all advertisement including, but not limited to, online platforms such as Airbnb, HomeAway, etc.</b>	<b>YES</b>
<b>Annual licensing</b>	<b>YES</b>
<b>Annual fee</b>	<b>\$250/license</b>
<b>Inspection cycle for life safety standards</b>	<b>Every 3 years by Fire Dept. Annual check-off by owner</b>
<b>Chapter 64 - Disorderly House ordinance (to cover problems with large gatherings)</b>	<b>YES - Add VR to the definition of building (to make it clear)</b>
<b>Proof of Primary Residence</b>	<b>NO</b>

	<b>VR-2</b>
<b>License revocation (based on multiple, recurring and/or significant code violations and non-compliance, and in some cases criminal activity)</b>	<b>The Town Council could revoke the license for a minimum of 3 and maximum of 8 months, after a public hearing.</b>
<b>Operating without a license</b>	<b>Would have to wait 12 months from the date of the violation before applying for a VR license and would be placed at the bottom of the wait list</b>
<b>Applicant must be current on all taxes, water and sewer fees</b>	<b>YES</b>
<b>Require indoor posting of license certificate (to include the physical address of VR and owner/contact information).</b>	<b>YES</b>
<b>Require a one-time notification by the town to immediate abutters (includes across a road/ROW) within 30 days of issuance of VR license</b>	<b>YES</b>
<b>Weekly trash removal</b>	<b>YES</b>