

Town of Old Orchard Beach Office of the Town Manager

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Town Council Workshop - STR Meeting Minutes

April 12th, 2023

I, Tim Fleury, Secretary to the Town Council of Old Orchard Beach, Maine, do hereby certify that the foregoing document consisting of 7 pages is a copy of the original minutes from the regular meeting of the Old Orchard Beach Town Council held on April 12th, 2023.

Prepared By: Tim Fleury

Approved By: Old Orchard Beach Town Council

Approval Date: 5/2/2023

Respectfully Submitted.

Tim Fleury
Town Council

Secretary



Town Council Workshop Minutes

Wednesday April 12th, 2023 @ 6:00pm Council Chambers - 1 Portland Avenue

www.oobmaine.com/town-council

*Members of the public wishing to view the meeting from home may tune into Local Access TV (Channel 3 or 1301 - check with your provider) or by clicking the Meeting Videos link on oobmaine.com.)

There was a Town Council Workshop on Wednesday April, 12th, 2023, at 6:00pm to discuss a Short Term Rental (STR) ordinance in Old Orchard Beach.

Chairman O'Neill opened the workshop at 6:00pm and explained the purpose of the meeting.

Town Manager Asanza – explained the technical difficulties experienced in the council chambers with the projection system. The Town Manager gave a brief history of the STR process in Town so far, GIS data was added to maps for all rentals and recently STR's were added. 6118 parcels are available for rent, 235 seasonal, 920 year–round. She gave a quick overview of surrounding towns that currently have ordinances and gave a quick layout of the questions that would be addressed at the workshop. The next steps were explained; collect data, collect feedback, develop draft ordinance. It

will take 8 months to a year to get ordinance in place. OOB has a licensing process in place and will allow registration of STR's in town currently.

Chairman O'Neill - Thanked Town Manager Asanza for laying out foundation for process.

Councilor Mead – thanked staff for putting information together for council and residents. Gives an idea of what needs to be looked at. Understands that this will bring out a lot of concerns in the process of developing an ordinance. Lots of ideas and thoughts will be presented by the council and residents. Asking the public to be patient with the process. Ideas need to be formed before they can be accepted or rejected. Councilor Mead - STRs are depleting housing options in town for purchase or long term rentals. They are driving housing costs up faster than national average. It is an attractive investment opportunity for STR businesses. The biggest issue facing community, in his opinion, is loss of year-round housing. It's contributing to stagnant/declining enrollment in school. New residents are primarily an older age group because of pricing. OOB stands out as an investment opportunity due to lack of regulation compared to surrounding towns. There is a history of seasonal short-term rentals due to the beach setting. It is spreading beyond traditional beach area rentals and is moving further away from beach areas into surrounding neighborhoods. It changes the character of neighborhoods and community. They present a business opportunity in residential neighborhoods not zoned for business. It is not his intention to shut down STRs in OOB, however, there is a need to get a handle on it to keep it from spreading.

Vice Chair Blow – agree with Councilor Mead on some concerns. Agrees that it impacts neighbors. Communities that enacted ordinances, how many staff is needed to organize and enforce ordinance? Vice Chair Blow asked about

enrollment in the school system; would like to see enrollment for the past 5-20 years to see numbers. Doesn't disagree on retirement age moving in. Lots of new homes sold are priced at market rate, not STR market rate. Caution on going too far in ordinances, open to moving forward to answer questions and get public input. Doesn't like to tell residents what they can do with their own property. OOB has always been a resort community and people are drawn to town for that purpose. Less hotels available in town than in the past for tourists to stay in.

Chairman O'Neill – not in favor of ordinances. OOB is a resort town, people come to town to visit beaches, rent space, and spend money in businesses. Late 90's, early 2000's school was overwhelmed with number of students due to winter rentals. Value of homes sold in town not conditioned on STR availability. Doesn't see concern of STR in town. STR rental definition is new, always been allowed, just defined now. Would like to see concerns and issues dealt with as they come to light. Wouldn't like to see certain areas allowed and others not. Wants to be as transparent as possible in process.

Chairman O'Neill opened the floor to public input.

Stephen Johnson – 2 Brisson Street – hotel on street where they live. The hotel converted to condos and is now a year-round property – Chairman O'Neill – moratorium on condo conversations as planning board deals with issues – Jeffrey Hinderliter – coming to council next week – Mr. Johnson – is this an issue that is working with STR and condo conversations? Looking at condo conversations and management contact issues, infrastructure issues, etc. – Councilor Mead – planning board addressing condo conversations at 4/13 meeting and offering recommendations to town council – can have Council look at concurrently with planning board.

Sherri Trip – Ocean Trip Inn – use AirBnb for advertising and renting out units – lots of unlicensed residents using AirBnb and Vrbo to list properties. Sites can be required to list business licenses – loss of town revenue in unlicensed rentals – Craigslist too.

Ed Bones - 32 West Old Orchard Ave – own few AirBnb properties – started year-round rentals, get tenants in and can't get bad renters out for 12-month lease. STR renters allow daily inspection of properties. People aren't moving anywhere due to property pricing. Tourists can afford to come to town due to STR being in budget. Driving around OOB, lots of vacant homes. Can attract more people in various ways. On planning board in Laconia when they brought STR ordinances into existence. Town can address vacant homes to make town more appealing.

Anne L'Heuruex – homes for short term rentals on Prospect Street and Saco Ave – owns STR and vacationed in area for 1 week every year – retirement plan to own STR in town and retire in town – lots of \$ to bring homes up to rental status and increase resale value. Not always out of state owners that are only investment companies. Off season rent to traveling nurses and college students, STR in summer season. Chairman O'Neill – minimum length of stay? Ms. L'Heuruex – one home is in an HOA and has a 6 night minimum with certain months restricted, the other home starts as 1 week minimum and tier down closer to the season.

Chairman O'Neill – homeowners association – should be up to HOA instead of Town to regulate home use – should be built in HOA's of new homes – holds weight in court if challenged.

Ed Bones – old plans Fern Park Association, 300 lots in 1930, older subdivisions away from coast that offer homes to residents that couldn't

afford to live by coast. Most of town in subdivisions. STRs are not the problem, but still attracting lots of people.

Councilor Mead – agree that it's a can of worms but it's been a can of worms in surrounding towns that have enacted ordinances. There is a middle ground where STR continue to be allowed. He wants to be clear that he is not interesting in eliminating STR's in town. He agrees that there is a history in town and it is full of rentals. At the same time, the Airbnb phenomenon is a recent issue. How far should council allow businesses to infiltrate residential communities? Lives in HOA community and his street is protected, but lots of streets in town are not protected.

Sherri Tripp – thought Councilor Mean said neighbor was renting but now said in HOA and protected. Councilor Mead clarified that was not talking about own home but was giving example.

Stephen Johnson – HOA comment – no HOA in hotel conversation – bought home next to seasonal hotel, now it's condos that may not have HOA. Chairman O'Neill – association is built in as condo association.

Vice Chair Blow – stressed that he is not in favor of Airbnb impacting neighbors with parties and cars blocking street, believes properties should be licensed and ordinances that regulate properties are good, but doesn't want to regulate where they can be located. He doesn't want to restrict Ocean Park but it is the worst parking in entire town. He clarified that town should not restrict where STRs can be located but tackle issues brough about from STRs. Enforcement is an issue now, and worried about it in the future.

Councilor Mead – hopeful in upcoming workshops that presentation from

High School Students on 4 distinct neighborhoods and ownership patterns will give more detail. There is a lack of historical data on STRs in area, only rental data. New definition will allow tracking moving forward. Range of fees currently. Would like to differentiate fees between year-round and STR license fees – STR more \$.

Vice Chair Blow – increased STR fees would help cover costs on STR enforcement – concern on enforcement and overtaxing PD and code department – not based on amount owners are making on unit.

Ed Bones – disagree on difference on fee – fees jumped from \$50/year to \$500/2 years – where does \$ go? Properties that owe back taxes and not collecting – Chairman O'Neill – some properties owe back taxes – town won't remove residents due to taxes – Mr. Bones – taxes owed by out of state owners, not living in town – getting punished if STR fees go up, where do fees go? If \$ is needed, collect taxes owed. Chairman O'Neill – just a question brought up, increasing fees. This is a working process, nothing is being enacted, just discussing options. Chairman O'Neill – all business licenses went up to cover admin fees – Councilor Mead as a single councilor, opinion is STR should pay more than single year-round rental – voted against license increase because wanted increase to STR rentals and less \$ for other rentals.

Chairman O'Neill closed workshop @ 7:15 pm