

MEETING MINUTES
MUNICIPALITY OF WOODSTOCK, VERMONT
WOODSTOCK PLANNING COMMISSION
31 The Green
Woodstock, VT 05091

The Woodstock Planning Commission held a public meeting on Wednesday, March 25, 2024, to discuss the following:

Members present: Frank Horneck, Brad Lawrence, Benjamin Pauly, Mary Margaret Sloan, Matt Driscoll, and Nicole Green

Public present: Kat Gray, Laura Powell, Derek Demas, Susan Fuller, David Hill, Deborah Neuhof, Mary McQuaig, Mika and Dave McCormick, Marisa Sarafini, Wendy Marrinan, Roger Logan, Marisa Traniello, John King, Kevin Lynch, Michael Bald

Staff present: Steven Bauer, Director P&Z, Stephanie Appelfeller

Administrative Tasks

1. Call to Order – Frank Horneck called the meeting to order at 7:04pm
2. Adjustments to Agenda - None
3. Approve Minutes
 - (a) 3/6/2024

Motion: by Ben Pauly to approve the minutes as submitted.

Seconded: by Nicole Green.

Vote: 5-0, Approved as submitted. (Brad Lawrence not present for vote.)

4. Reorganization of the Commission

- (a) Nominations for Planning Commission Chair

Nicole Green nominated Ben Pauly for Planning Commission Chair.

Frank Horneck seconded the motion.

Vote: 5-0, Approved (Brad Lawrence not present for vote)

- (b) Nominations for Planning Commission Clerk

Nicole Green nominated Matt Driscoll for Planning Commission Clerk

Frank Horneck seconded the motion.

Vote: 5-0, Approved (Brad Lawrence not present for vote)

- (c) Announcement – Frank Horneck resigned from the Planning Commission immediately as recently sworn in as Village Trustee.

Public Hearing – To amend the Town and Village Zoning Regulations for the regulations of short-term rentals and bed and breakfast establishments.

Ben Pauly summarized the proposed bylaw amendments. Ben Pauly explained that the Short-term rental regulations will now be under the Short-term Rental Ordinance and no longer included under the zoning bylaws.

The definition of Bed and Breakfast changed to a residential building that offers lodging for transient occupancy with at least 3 but no more than 9 distinct and individually rentable units, not to exceed a total of 18 total sleeping spaces within the building.

Section 504 now states: Bed and breakfasts must:

- (1) Be licensed by the Vermont Department of Health to operate a food and lodging establishment;
- (2) Provide breakfast for guests in a common dining area;
- (3) Have a caretaker who resides on-site; and
- (4) Not provide cooking facilities for guests.

The definition of short-term rental: "Is a furnished house, condominium, other dwelling unit, or sleeping space of a dwelling unit that is 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."

He explained the other changes in the bylaws and asked for public comment on proposed amendments to bylaws.

Public Comments on Proposed Amendments to Bylaws

Marisa Sarafini – asked about the distinction between owner occupied vs non owner occupied and if the cost to town is different for each type?

Wendy Marrinan – asked if once effective, no zoning permit is needed? She wants to know how decisions under ordinance will be made if not regulated by zoning.

Susan Fuller – Section 504 Bed and Breakfast, must provide breakfast for guests in a common dining area and not provide cooking facilities for guests. Will people be required to take out existing cooking facilities?

Mica Seely – Where does S. Woodstock fall, is it part of town? If a STR is less than 14 days a permit is not needed? Ben replied yes.

Ben Pauly read the Planning Commission Report to accompany the proposed amendments to the Village and Town zoning regulations.

Mary Margaret Sloan was concerned the report was not sent to the Commission before the meeting for time to review. Matt Driscoll said the cover letter of the report is not binding, it is just a commentary to explain the proposed changes for the Boards.

Question from crowd asking what happens to bylaw amendment if ordinance does not pass? Steven Bauer replied the Trustees and Selectboard should consider it as a package deal to cover any gaps in regulations. The Commission is only voting to make a recommendation at this stage.

Motion: by Matt Driscoll to send the Planning Commission report and transmittal draft of the proposed bylaw amendments to the legislative bodies for review and adoption.

Seconded: Brad Lawrence seconded the motion.

VOTE: 4-0-1

Approved: Ben Pauly, Brad Lawrence, Nicole Green, Matt Driscoll

Abstained: Mary Margaret Sloan

Short-term Rental Ordinance

Ben Pauly mentioned there were two minor changes to ordinance since last meeting.

1. Section 5 - The appointment and removal of the Short-term rental officer.
 2. Section 6 - 55 non-owner occupied, and 55 owner occupied registration, so total 110 allowed STR registrations per year.
- The application window for existing permit holders, preexisting rural operators, and preexisting multiple unit operators runs Aug. 1, 2024 – Sep. 15, 2024. The application window for all other applicants (subject to availability) opens on Nov. 1, 2024, and runs until the respective registration limit is reached, or June 30, 2025, whichever comes first.
 - Registrations are non-transferable and do not transfer upon property sale.
 - Only one registration per registrant unless qualified as a preexisting multiple unit operators.
 - Only one registration per parcel unless qualified as a preexisting multiple unit operators or the parcel -has more than 5 distinct and individually rentable dwelling units.
 - If there are more than 5 units on a parcel, no more than 15% of the total number of units on that parcel can be STRs.

Ben Pauly explained the proposed fees, fee waiver, fines, and penalties, as well as definitions of non-owner-occupied vs owner occupied and various preexisting operator categories.

Mary Margaret Sloan asked how the two changes were made because not brought before the Planning Commission to vote on the changes. Steven Bauer replied that the Planning Commission can vote to approve these two changes now or at the next level and the Town's counsel recommended these two changes.

Public Comments on Proposed Short-term Rental Ordinance

Roger Logan asked about the split between owner occupied and non-owner occupied. Wondering how the even split was established.

Mika Seely asked if can find the amendment online and FAQ online and would like clarification on the fee structure and how many times can rent the unit per year. Laura Powell explained the documents are all on the Planning and Zoning website. Ben Pauly replied that the occupancy fees are based on Fire Marshall's occupancy, at \$250/occupant/year and the rentals are now allowed unlimited times per year.

Marisa Traniello asked why a cap is necessary, will it create an exclusive group that holds the permits? Ben Pauly recommended that she look at the statement of purpose.

John King explained the cost of building affordable housing is out of touch and STR provides an option to live here. He mentioned we do not have enough hotel rooms or bed and breakfast and STRs help fill that gap. John felt the ordinance is misguided and cap is too low.

Deb Neuhof has had a STR since October. Young people use her studio apartment because they can afford her unit. Visitors use restaurants and shops in Woodstock. She felt fees were too high.

Marisa Serafini asked the budget for managing the ordinance. How were the fees determined, why are fees different for non-owner occupied? Steven Bauer will provide an answer at the Joint meeting Wednesday 3/27. Ben replied the fees are set to fund the administration of the ordinance, software costs, and litigation. Mary Margaret Sloan estimated \$87,500 for expenses annually to run the program.

Dave McCormick mentioned his rough estimate would be revenue of \$400k. Ben Pauly said they will explain the costs at the meeting on Wednesday.

Owen Shindler asked how the STR program is being managed now? Steven Bauer said it is not being managed now and that is the problem. Owen asked how many STR units there are now? Steven replied there are 84 we know of now and up to 180-200 advertised, so many people are doing it without permits. Owen said that \$2000/yr. in fees is oppressive and won't convert his unit to a long-term rental.

Kat Gray owns two STRs and hosts 3 rentals. She does not agree with the ordinance, and this will not address the purpose of the ordinance. It does not agree with the fees of the ordinance. She mentioned visitors are vital to Woodstock who shop and spend money locally. People buy homes after staying at STRs in Woodstock. She mentioned keeping the existing rules and then capping at an appropriate number.

Mica Seely understands both sides and mentioned she moved 3 times in 3 years because the houses she was renting were converted. Her existing home would not be good for LTR. People rent out their space because they need the income.

Dave McCormick mentioned STRs are critical for people to live here.

Mary McQuaig expressed the ordinance is misguided and will not help in long-term rentals. This ordinance will cause 2nd homeowners to leave homes vacant. The high fees are hurting people who live in Woodstock. If the town is short on funds, it is not fair to put this on 105 people. Someone who rents every day has the same fee as people who rent 4 weeks/year, it encourages only big business owners. Suggested keeping it simple, with a small fee and simple registration.

Roger Logan reminded that no one is saying this will solve the housing problem. Fees are reasonable for registration and most people do not abide by the registry currently. He would increase the owner-occupied amount available.

Kevin Lynch said short-term rentals are a necessity to afford living here.

David Hill estimated fees will generate \$330k and Mary Margaret Sloan thinks it will cost \$85k to administer. Where will the extra funds go, is it refunded? Steven Bauer said it will go into general fund and the accounting of the funding will be allocated.

Derek Demas is concerned about fees and casual owners being forced out. He asked when caps are filled within both groups, what happens to the permit when opened up? What does an ordinance do that a Zoning bylaw doesn't? He asked if anything changed since the Town did not pass the ordinance in 2019.

Fees are too high since paid annually. Will salary for new person go to 100% short-term rental oversight or can they do other things in zoning office?

Deb Neuhof asked if this will go to residents to vote at a town meeting? ~~Steven Bauer explained the ordinance has a 60-day petition per 24VSA§1973.~~ **Corrected Steven Bauer's comment to indicate petition period is 44 days, see 24VSA§1973 for more details.**

Wendy Marrinan pointed out that people don't want to do this as a business, it is for casual use to offset expenses. Worried this will create more large scale commercial STRs. She has concerns about having this no longer being under zoning but understands that enforcement can come from it be as an ordinance.

Michael Bald is worried that this will push out small people and only let rich and big companies be able to afford to own STRs. Enforcement will be a challenge. Fees will be too high to continue.

Paula Townsend indicated a lot of STR owners are just people trying to make ends meet. The cap is too low, and this will become exclusive. STRs help people afford to visit Woodstock too.

Susan Fuller is worried that the software company won't be able to track STR owners listing less than 14 day and over 30-day rentals. Housing problem is from out-of-state people moving here, suggested adding that someone can't use a house as an STR for 5 years after someone buys a home. People do what they must do to stay here. The Planning Commission is attacking the community.

John King suggested not charging a fee for primary homeowners. Water, sewer and new school are big expenses coming to the town. Affordable housing needs to be called affordable financing; the cost of building won't come down.

Public testimony closed.

Matt Driscoll suggested the Planning Commission consider lowering fees. Mary Margaret Sloan would like to reduce the fees after consistently hearing from people that this is important to them to be able to afford it and a new STR rental tax from the state may be coming at 10%. Mary Margaret Sloan expressed the proposed fees would bring in 3x the amount of the costs, Ben Pauly did not agree with the 3x amount. Nicole Green, Brad Lawrence, and Ben Pauly support the fees as is.

Laura Powell mentioned the fee abatement may make the amount generated lower than anticipated and costs are still being determined. She does not want to ask tax base for money to cover this program.

Motion: by Brad Lawrence to send the planning commission's final recommendations for the short-term rental ordinance to the legislative bodies for review and adoption

Seconded: by Matt Driscoll

VOTE: 4-0-1

For: 4 (Ben Pauly, Matt Driscoll, Brad Lawrence, Nicole Green)

Abstained: 1 (Mary Margaret Sloan)

Meeting adjourned 9:02pm