

Policy Shortcomings in PZC Application #23-3 Proposed Amendment to the STR Regulations

(Prepared by Eric Treaster for April 13, 2023)

The proposed amendment should not be adopted because it fails to address multiple short-term rental policy issues including those identified in the following [edited] Letters to the New London Day; and does not assure prevention of disruptive STR parties in residential districts.

#1: *"... Investors and corporations are buying up houses and turning them into rental properties at a tremendous rate. This trend is exacerbating the shortage of houses for sale, driving up prices, and putting homeownership out of reach for many first-time buyers. As a result, America is quickly becoming a renter nation, destroying the ability for thousands of middle-class American families to accumulate wealth.*

"How corporations are buying up houses — robbing families of the American Dream

"<https://nypost.com/2020/07/18/corporations-are-buying-houses-robbing-families-of-american-dream/>

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"Why the Road Is Getting Even Rockier for First-Time Home Buyers

" <https://www.nytimes.com/2022/04/23/us/corporate-real-estate-investors-housing-market.html>

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"Investors bought a record share of homes in 2021"

<https://www.washingtonpost.com/business/interactive/2022/housing-market-investors/>

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..."

#2: *"If only STRs were run by "folks" renting out part of their home to cover some expenses.*

That was the early days of AirBnB, etc. Professional investors with portfolios of properties are now preying on seaside communities to diversify their assets. And why not; its low hanging fruit, easy money. The price of real estate has nearly doubled in the last five years. Pernicious investors and speculators from well outside of our region that care only about their bottom line are part of the picture. Let's preserve and protect our precious communities that we've worked so hard to create. ..."

#3: *"Front and center in today's Regional section is a long piece on helping the homeless in Stonington. The loss of long-term rental units to transient STRs exacerbates the matter. Why do we permit the commercialization of our residential communities for the benefit of the few STR investors? Rentals are hard to find as it is, much less affordable housing. ..."*

#4: *"We chose to live in a low-density residential zone and enjoy its community-focused lifestyle. With the proliferation of STR businesses, many of us are now surrounded by transient housing with visitors who have little respect for neighbors. Our quality of life has eroded to serve the interests of the few operators. Sadly, neighbors are forced to leave town due to long-term rental shortages and higher housing costs."*

#5: *"Zoning is the bedrock foundation of local government land use protections. It helps to establish and maintain the character of a community in accordance with local desires and protects public safety, health, quality of life, and property values by separating uses that may be incompatible. STRs are commercial businesses in a residential zone and must not be permitted. NO to Short-term rentals."*

#6: *"STRs hollow out communities ... This regulation assumes they are permissible and does nothing to stop their proliferation. STRs in your neighborhood means no neighbor. Does The Day advocate the hollowing out of communities? It seems so. Maybe STR folks will subscribe to The Day and shore up circulation."*

And if the editors had done some due diligence, and talked to real estate people, they will have found that on the purchase side, anyone wanting to buy a home in Stonington should be very careful, lest they find an STR next door to them or in their future. Nobody wants to live next to an STR unless it is owner occupied. When selling a house, you can certainly get more for it if it is a viably lucrative STR, but those nearby will pay more in local taxes because of the higher selling prices.

Lastly, there is no benefit to the municipality from the business generated by STRs; it is simply a trade off when you do not have a permanent year round resident or family in a home. Zoning can address a unique situation like Groton Long Point. ..."

#7: *"**Ban STRs from neighborhoods** – The proliferation of Short Term Rentals (STRs) in residential zones within Groton is of concern, especially with the influx of new EB employees for whom the town is seeking housing STRs attract businesses (Airbnb) and private wealth to purchase homes at high prices to convert them into lucrative STRs. The result is the removal of these homes from the town's housing stock. Thus, working people in Groton will find reasonably priced homes or apartments difficult to obtain. Where will they have to go to reside? ... STRs in residential zones jeopardize the meaning of residentially zoned areas!"*

Local businesses will continue to prosper with tourism even if the visitors are lodged in appropriate commercial hotel zones. Neighborhoods will not prosper nor thrive if the houses on their streets becomes transient lodgings (STRs). ... [they should not] be permitted, no matter how regulated, in residential zones in any town or city."

#8: ***Mystic – "Stonington Police called on several neighboring police departments on Friday to help them break up a massive party advertised online as "Project X: The party you've only dreamed about."***

*"Stonington Police Deputy Chief Todd Olson said the party took place at 4 School Place, a home on a small dead end road off School Street being used **as a short-term rental**. Police became aware of the party through advertisements brought to their attention. ... Police visited the home prior to the party to find no one around, but started fielding 911 calls shortly after 8 p.m. due to the sheer number of people and vehicles clogging the roads in the neighborhood, and in some cases blocking driveways, Olson said. He said there were concerns about the ability for emergency vehicles to navigate the roads. The owner of the home, when contacted by police, indicated there were rules in place barring parties at the home.*

*Olson said Stonington police called **on support from state police, Groton Town Police, Ledyard and Westerly police to manage the people and traffic. Police reported more than 100 people showed up at the party. ... "***