

To whom it may concern,

I, William Gauch, am a resident of Middletown, RI and am providing my testimony to the Special Legislative Commission on short-term rentals for the meeting on 21 NOV 2024. I have lived on Aquidneck Island for 50 years. During that time, I have seen single-family homes turn into long-term rental apartments and long-term rental apartments turn into short-term rental apartments. Initially, short-term rental apartments were primarily limited to the waterfront/beach areas. In the last 10 years or so, due to the creation of short-term rental platforms like Airbnb and VRBO, the demand for any residential property in any area has skyrocketed. This has produced two detrimental results. First, it has driven up property values, making them much less affordable. New people can't afford to move here and existing owners often opt to sell and move away. Second, it has displaced families as a result of the general lack of available housing stock. Neighborhoods that were once full of children are now full of weekend rentals in the summer months only. The houses remain empty for much of the remainder of the year. Worse, these short-term rentals eventually take over whole blocks. At that point, houses get knocked down and rebuilt as "boutique" hotels or actual hotels. There are no abutters to complain because all the properties have been bought up by these property investors.

I realize that there are many nuanced elements to the discussion. There are differences between renting out a room in your house vs. renting out a floor of your house. There are differences between renting your primary residence during the summer to fund your vacation vs. outside investors buying property as income generators. However, through all the nuance, I see these houses rented out primarily as short-term rentals as businesses. Specifically, these rental businesses are small hotels. The main difference between these small hotels and actual hotels is that an actual hotel has on-site staff, security, maintenance, etc. for 24 hours per day, 7 days per week. Businesses, especially hotels, should be limited to commercial/industrial districts ONLY. Additionally, they should also be paying the commercial tax rate.

My position is as follows:

A Short-term Rental should be redefined to mean any home, apartment or other residential dwelling unit, which is rented for less than 28 days. The owner's primary residence may be rented on a short-term basis for no more than 14 days per calendar year. A short-term rental which is not the owner's primary residence but is located on the same property as the owner's primary residence where the owner will be present on the property during the period of rental shall be considered a residential use and will be subject to Municipal tax and zoning ordinances, as they apply to residential uses. Any short-term rental which is not the owner's primary residence or any short-term rental where the owner will not be present on the property during the period of rental, above the allowable 14 days per year, shall be considered a commercial (non-residential) use and shall be subject to Municipal tax and zoning ordinances, as they apply to commercial uses.

Sincerely,
William Gauch