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Town of Exeter Zoning Board of Adjustment October 19, 2021, 7 PM Town Offices Nowak Room Final Minutes

Members Present: Chair Kevin Baum, Vice-Chair Robert Prior, Rick Thielbar, Martha Pennell - Alternate, Christopher Merrill - Alternate, Anne Surman - Alternate. Doug

**Members Absent:** Laura Davies, Esther Olson-Murphy

**Call to Order**: Chair Kevin Baum called the meeting to order at 7 PM.

A. The application of Amy and Nicholas Cregan for a special exception per Article 4, Section 4.2 Schedule I: Permitted Uses and Article 5, Section 5.2 to permit a residential conversion for one additional unit within the existing structure located at 14 Union Street; and a variance from Article 4, Section 4.2, Schedule I: Permitted Uses, Schedule 1 Notes 1.(b) to permit the proposed conversion with less than the required minimum lot area. The subject property is located in the R2, Single Family Residential zoning district. Tax Map Parcel #73-242. ZBA

Attorney Sharon Somers of DTC was present to represent applicants Amy and Nicholas Cregan, who were also present.

Mr. Baum said the voting alternates will be Mr. Merrill and Ms. Surman.

Attorney Somers said her office over-notified on abutters. There are actually only three abutters: Exeter School District, which owns the daycare area at 73/232; 73/254, which is the Hansell Lynn Revocable Trust; and the immediate abutter, the Senok Family, at 73/241, which is 12 Union Street.

Attorney Somers said she would address the variance application first.

This application is concerning a two-bedroom apartment in the basement which has been used as a short-term rental, which has caused some concern for the town. We met with the town to figure out a way to resolve this. We seek to have a second dwelling recognized and use that for long-term rental purposes only as part of an approved second dwelling. The primary dwelling will be owner-occupied. It will be marketed to professionals working nearby or parents of PEA students. The Cregans' intent is not to have this rented out at all times. To move forward, we need a special exception and a variance, the latter because the lot size is shy by 723.6 square feet of the requirement.

This property is at 14 Union Street in the R2 Zoning District. It has 8,276.4 square feet. It is a lot of record. The house is a 1.5 story building, with 1,400 square feet of living area, and 980 square feet of living area in the basement. The primary residence is 3 bedrooms, and the basement is 2 bedrooms. The house was built in 2009, and continuously used as a residence since that time. The backyard is fenced and has shade trees. There are two driveways with parking for five cars, one more space than what is required. There is a great deal of open space behind the structure, exceeding the requirement: there is 5,895 square feet of open space where 3,310 is required. We comply with all elements of the special exception other than lot size.

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Regarding the variance criteria, 1) Granting the variance is not contrary to the public interest; no, there is no threat to the public health, safety, and general welfare. This is taking an existing single-family residence with bedrooms in the basement and making it into a long-term rental unit. No modifications will be made, so there will be no visible impacts. There is no alteration to the essential character of the neighborhood, which already has other two- and three-family homes. 2) Whether the spirit of the ordinance is preserved; yes, this point is generally considered with the public interest criteria, which is satisfied. 3) Substantial justice is done; yes, the denial of the variance will yield no gain to the general public, but will result in a loss to her clients. The clients are looking to rectify the situation with the short-term rental. Denying the variance will deprive the owners of the best use of this house and an additional income stream. 4) The values of surrounding properties will not be diminished; yes, the property will have no modifications, so the residential use will remain the same and have no impact to surrounding properties. Two driveways already exist. There are other properties in the neighborhood with multiple dwellings. The Cregans take seriously the obligation for the property to be owner-occupied, and will be picky about their tenants. 5) Hardship; yes, we believe that the property is unique and has specialized conditions. The layout and location of the residence and garage, the number of off-street parking spaces, and the locations of the driveways make this different from similar properties. This property is also unique in that it's substandard in size relative to other lots, but it's clearly suited to being a two residential unit property because it's innocuous, has two driveways, and has lots of parking space. There is no fair and substantial relationship between the public purpose of Note B - which was designed to lessen congestion and overcrowding - and denying the variance. The property is 723.6 square feet short, but even if they had that, it wouldn't do much towards meeting the spirit of that ordinance. The proposed use is reasonable; residential conversions are permitted in the R2 district, and the proposed use of a second dwelling is commonplace in the surrounding neighborhood. There are at least six 2+ family residences on Union Street.

Mr. Baum asked why they didn't go for an accessory dwelling unit. One of the differences is for an ADU, the dwelling unit must remain owner-occupied. With the second dwelling unit model, if this became a condo, there could be two separate owners. Attorney Somers said she wasn't involved in that decision. Ms. Cregan said they were under the impression that it had to be owner occupied as a general rule.

Mr. Baum asked about the layout of the unit. Ms. Cregan said there are two driveways: one driveway has a garage with a door to the upstairs, and one driveway with a door to the basement.

Mr. Prior asked how we define long term vs short term rental. Doug Eastman said he feels that anything longer than six months is a long-term rental. Mr. Prior said the

kind of tenants the applicants described, the parents of PEA students and traveling nurses, sounds like the exact tenants of an Air BnB. Family members will be coming in periodically. It does not sound like a long-term rental situation. Attorney Somers said the apartment may simply not be rented out from time to time, for example during the summer for a family member visit. Ms. Cregan said they had a traveling nurse this past year for three months with a one month extension. The PEA parent stayed for a semester. It would be a long-term but not permanent rental. Attorney Somers said there's no definition in the ordinance with what a long-term rental is. Six months or three months seem to be talked about as long-term, but it's kind of a judgement call.

Ms. Surman said she had an idea of a year lease, otherwise it sounds more like a hotel or bed & breakfast. If they rent for one year or two years, that person becomes part of the neighborhood. Mr. Baum said it's largely at Mr. Eastman's discretion, because it's not defined. It could potentially be conditioned in the motion.

Attorney Somers asked to consult with her clients.

Mr. Baum opened to public comment.

Joanna Rahm, who lives at the corner of Front Street and Union, said she moved to her house having spent time in the neighborhood and knowing it as a very special street in town. Union Street does have some multi-families on the other end, but this side of Union is all single-family homes. Amy and Nick are lovely neighbors, but she worries about this change, which will stay with the property.

Barb Pollard of 8 Union Street said she agrees, as she's worried about the character of the neighborhood. This half of the block is all single-family homes. She does like having the Cregans as neighbors but is opposed to this change.

Abby Sparling of 13 Union Street said she's noticed additional traffic when there are renters in this property. The rental is a two bedroom but there's only room on that side for one car. The long-term rental sounds like a better scenario than short-term, but she's concerned about what happens when the property is sold.

Mr. Baum said the Board received a letter in opposition from Barbara Pollard, Joanna Rahm, and the resident at 11 Union Street, with similar comments.

Attorney Somers said but for the lot size issues, the applicant would be going directly for the special exception, and she believes it meets those criteria. This is not a multi-family, it's a two-family. Several of the comments indicated that there are no other two-families in the area, but that's not true; lot 241, which is next door, and lots 243 and 250, are two-family. Lots 244 and 252 are three-family. This will not alter the neighborhood. The driveway will allow parking for this apartment; if there are occasionally people parking in the street, that could happen with any house. With the owner-occupied issue, that's a requirement of the special exception. This will not turn into an absentee landlord situation. "Long term" isn't defined in the ordinance, but we are willing to agree to a six-month rental period. There is no evidence that this will change the character of the neighborhood; all the physical aspects are there already, and there are other 2 and 3-family houses.

Mr. Prior asked when the Cregans were renting to a traveling nurse, was the contract with the individual or the company they worked for? Ms. Cregan said they

worked with a rental company specifically for traveling nurses, but the contract was with the nurse themselves.

Ms. Surman asked if it was converted prior to their owning it, and Ms. Cregan said yes. Ms. Surman asked if it was rented out previously, and Ms. Cregan said we don't know what the previous owners did. Everything was there when we moved in. When we purchased the home, we were told it was a legal apartment downstairs, but we later found out that wasn't true. Mr. Eastman said it was built as an in-law apartment, and it was inspected by the town. Mr. Thielbar asked if there is any connection between the two apartments, and Ms. Cregan said there is a door to the basement, but it would remain closed.

Mr. Baum closed the public session and the Board entered into deliberation.

Mr. Thielbar said it doesn't seem like a stretch in terms of the amount of space they're short. Mr. Baum said the ZBA's focus relates just to that space. What is the effect of having a 2-unit dwelling on a lot that is slightly undersized?

Mr. Merrill said if we turn this down, will whomever buys this house be back for the same request? Mr. Baum says case law supports that the proposal or circumstances have to be significantly changed to come back, even if it's a different applicant.

Mr. Prior said he'd like to put conditions in the motion. Mr. Baum said he'd prefer to see the conditions as part of the variance.

Mr. Prior went through the special exception criteria. 1) The proposal is not contrary to the public interest and 2) the spirit of the ordinance is observed; yes, the applicant and their counsel have explained how the essential character of the neighborhood would not be changed. There's no exterior change proposed. There is sufficient parking, and there is no parking variance requested. Mr. Baum said the ordinance requires 4 spaces and they have 5. 3) Substantial justice is done; yes, he sees no harm to the public or other individuals. There is a benefit to the applicant. 4) The values of surrounding properties are not diminished; yes, we have no testimony on values, other than information from the applicant on property values in the area. There are no external changes, so it doesn't seem like there will be an effect on value. 5) Literal enforcement of the ordinance would result in unnecessary hardship; yes, the property is 700 or so feet under. The hardship is in the way the lot was laid out. In his opinion, it does meet the five variance criteria. Mr. Baum said there's an open playground area next door, which provides an additional buffer to the residential abutter.

Mr. Thielbar said the folks they've been renting to haven't been families, they've been single people. Mr. Baum said it doesn't matter, we're talking about dwelling units.

Mr. Prior made a motion to approve the application for a variance from Article 4, Section 4.2, Schedule I: Permitted Uses to permit the proposed conversion with less than the required minimum lot area, with the following conditions: 1) that the property must remain owner-occupied and 2) that no rental of either unit on the property shall be for less than six months. Mr. Merrill seconded. Mr. Thielbar said he's worried about setting a precedent of going beyond their charge in setting the limit of six months. Mr. Baum said the applicant has offered it, and it's in line with what the building inspector has suggested would be more than a short-term rental. Mr. Thielbar asked if the town later defined short term rental as 8 months, would these folks still be ok? Mr. Baum said they would be able to continue. It wouldn't prevent the town from making

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Mr. Baum said the Board will now discuss the special exception request. Attorney Somers said there are two components to the special exception criteria: the criteria that are set forth in Article 5.2, and criteria that are unique to residential conversions. Re 5.2, whether the use is a permitted special exception; yes, a residential conversion is permitted by special exception in this district. The second re article 5.2 is whether the use will protect the public safety, health, welfare, and convenience. Yes, the use is already established, and there will be no interior or exterior modifications. Is the proposed use compatible with the zoned district? Yes, the property is zoned for residential use. This is compatible with the adjoining development as there are a number of properties nearby that are 2 - and 3-family. Adequate landscaping and screening are provided; there will be no modifications, so additional landscaping is not necessary, but we do have adequate landscaping on the property. Is there adequate off-street parking and loading? Yes, there are the two driveways and the garage. The use conforms with all applicable regulations governing the district; yes, the lot is a substandard lawfully nonconforming lot of record, and we comply with the various regulations. There will be Town Planner review and site planner review if necessary; this is not relevant, as there will be no modifications. Will the use adversely affect abutting or nearby property values? No, this was covered in the variance discussion. The next two criteria are not applicable, as there are no hazardous materials and none of the tax map/lot numbers apply to this property. For a residential conversion, the number of offstreet parking spaces are compliant; yes, we have 5 spaces. Have we applied for variance from minimum lot size requirements; yes, we just dealt with that issue. Has the structure been a residence for a minimum of 10 years? Yes, the structure was built in 2009 and has been continuously occupied. Does this meet the open space requirements? Yes, it not only meets but exceeds it. If the conversion is intended to create a rental unit, will the second unit remain owner-occupied? Yes, this will remain an owner-occupied property. Site review is unnecessary because there are no changes. The applicant does not request an expansion of the existing structure. Are there adequate septic facilities? This property is on municipal water/sewer, so this is not applicable.

Attorney Somers asked if the Board had any questions, but there were none. Mr. Baum opened the discussion to the public.

Joanna Rahm of 105 Front Street said there are more single-family units in this area of Union Street than multi-family. Many of the multi-family properties do not meet these criteria, and the people that live there do not act like part of the neighborhood. The constant rotation of people who live in them do bring down property values. These properties are eye-sores. One of the approved two-family houses is not used as a two-family.

Mr. Baum closed the public hearing and the Board entered into deliberation. Mr. Thielbar said the ordinance makes provision for this kind of conversion. It's often the case that abutters aren't pleased, but the Board has to follow the rules. The only way those concerns can be addressed is by changing the rules, which the ZBA can't do. Mr.

Prior said the property will remain owner-occupied, so there's pressure on the owners to maintain the stability of the property and the neighborhood, whether that's the Cregans or the future owners.

Mr. Prior said he agrees with counsel that the application does meet all the special exception and schedule 1 note conversions criteria.

Mr. Prior made a motion to approve the application of Amy and Nicholas Cregan for a special exception per Article 4, Section 4.2 Schedule I to permit the residential conversion for one additional unit within the existing structure located at 14 Union Street. Mr. Thielbar seconded. Mr. Merrill asked if this property will still have to be owner occupied after it's sold. Mr. Baum said that's correct. It's not on the deed but it's part of the town records. Mr. Merrill said he's concerned about the way Front Street and Union Street are changing. Mr. Prior, Mr. Thielbar, Ms. Surman, and Mr. Baum voted aye, and the motion passed 4-0.

B. The application of CKT Associates for a variance from Article 4, Section 4.2 Schedule I: Permitted Uses to permit an age-restricted residential use (for the proposed relocation of Building D in the Ray Farm Active Adult Community) to be located on Ray Farmstead Road. The subject property is located in the C-3, Epping Road Highway Commercial zoning district. Tax Map Parcel #47- 8.1. ZBA Case #21-12.

Mr. Baum asked Mr. Prior to act as Chair for the consideration of this application. Mr. Baum left at this time. All five of the members present will be voting members.

Attorney Justin Pasay was present to discuss this application. Attorney Pasay said we'd like to continue the hearing in order to supplement the application prior to the first hearing of this application. When he filed this application, Mr. Eastman reached out to Attorney Mitchell about the legal implications and the future of the TIF road, which the Board may want to hear more about. Mr. Prior said he'd also like Attorney Pasay to address the letter the Board received today. Mr. Prior asked if he would re-notify the abutters of the November 16th date, and Attorney Pasay said he can look into it, and also invites the public to reach out to the applicants to discuss any questions outside of the public hearing.

Mr. Thielbar moved to allow a continuance of the application of CKT Associates, case 21-12, until the November meeting. Mr. Merrill seconded. Mr. Prior, Mr. Thielbar, Ms. Pennell, Mr. Merrill, and Ms. Surman voted aye, and the motion passed 5-0.

A resident of the Ray Farm condominiums said he wasn't notified as an abutter. Mr. Eastman said the Association is the appropriate legal organization, and it's the Association's responsibility to notify the residents. Attorney Pasay said they will address the notification process prior to the November 16 meeting.

A resident asked if they could see the letter Mr. Prior mentioned, and Mr. Prior said it was a letter from a legal firm in Portsmouth regarding a right of way. Mr. Eastman said he will consult with an attorney to see if the letter is protected by attorney-client privilege. Mr. Prior said there's an extensive list of abutters who were notified, but they have no way of knowing who's the person in each unit. The Association is not obligated to notify the residents, but the Association's interests are the same as the residents in the eyes of the law.

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## II. Other Business

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A. Approval of Minutes: September 21, 2021 Corrections: Mr. Thielbar said Line 92, is it a business "condition" or a business "decision"? Mr. Prior said it should read "business decision."

276 277 Ms. Surman moved to approve the minutes of the September 21, 2021 as amended. Mr. Merrill seconded. Mr. Prior, Mr. Thielbar, Ms. Surman, and Mr. Merrill voted aye and the motion passed 4-0.

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## III. <u>Adjournment</u>

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Ms. Surman moved to adjourn. Mr. Merrill seconded. All were in favor and the meeting was adjourned at 8:41 PM.

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- Respectfully Submitted,
- 286 Joanna Bartell
- 287 Recording Secretary