

**CARBONDALE BOARD OF TRUSTEES
SPECIAL MEETING
JANUARY 18, 2022
CARBONDALE TOWN HALL AND
VIA ZOOM
6:00 P.M.**

ATTENTION: All regular Carbondale Board of Trustee Meetings, Special Meetings, Executive Sessions and Works Sessions will be conducted in person and virtually via Zoom. If you wish to attend the meeting virtually, and you have a comment concerning one or more of the Agenda items, please email cderby@carbondalecto.net by 5:00 pm on January 18, 2022.

If you would like to comment virtually during Persons Present Not on the Agenda please email cderby@carbondalecto.net with your full name and email address by 5:00 pm on January 18, 2022.

You are invited to a Zoom webinar.

When: Jan 18, 2022 05:30 PM Mountain Time (US and Canada)

Topic: Carbondale Board of Trustees 1-18-2022 Work Session

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/87890914398>

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Webinar ID: 878 9091 4398

International numbers available: <https://us02web.zoom.us/j/87890914398>

PLEASE NOTE THAT ALTHOUGH THE INVITATION TO THE ZOOM MEETING LISTS THE STARTING TIME AS 5:30 THE MEETING ACTUALLY STARTS AT 6:00 P.M.

TIME*		ITEM	DESIRED OUTCOME
6:00	1.	Short-Term Rental Discussion	ATTACHMENT A Discussion
9:00	2.	Adjourn	

Please note: times are approximate



TOWN OF CARBONDALE

PUBLIC WORKS

511 Colorado Avenue
Carbondale, CO 81623

Board of Trustees Agenda Memorandum

Meeting Date: January 18, 2022

TITLE: Short-Term Rental (STR) – Continued Discussion

SUBMITTING DEPARTMENT: Public Works

ATTACHMENTS: Colorado Municipal League Short-Term Rental Ordinance Matrix
STR Information Gathered by Trustee Sparhawk
Community First Carbondale (CFC) Memo and Additional Information

BACKGROUND

At the December 21, 2021, meeting, CFC presented information related to the potential regulation and taxation of STRs. The stated goals of the potential regulation and taxation were to:

- Reduce real estate speculation in Carbondale
- Extract additional tax revenue for the purpose of developing affordable housing
- Prioritize and empower full-time locals

In addition to members of CFC, several members of the public attended and commented at the meeting either in person, or via Zoom. At the conclusion of that meeting, the Board discussed goals and next steps. The stated goals were to prevent future conversion of workforce housing to STRs and to encourage conversion of STRs to workforce housing. The next steps were to potentially:

- Pursue permitting on existing STRs
- Prohibit STRs in non-owner-occupied housing units
- Create an ordinance for review at the March 22nd meeting

The discussion was continued to tonight's meeting to allow additional input from the community.

DICUSSION

The main goal of tonight's meeting is to gather additional public input on the potential regulation of STRs. To assist in that effort, attached are an STR ordinance matrix compiled by the Colorado Municipal League (CML), information collected by Trustee Sparhawk related to STR offerings in Carbondale as well as updated information provided by CFC.

If, after receiving additional public comment on this topic, the Board believes that STR regulation is necessary to promote the prosperity and improve the order, comfort and convenience of the town and its residents, it is anticipated that developing fully vetted, meaningful and enforceable regulations related to STRs may take some time. Some of the items to consider, and for the public to offer input on related to potential regulations are:

- Should STRs be regulated within town limits?
- Should there be a limit on how many are allowed?
- If there should be a limit, what should that limit be based on (i.e., percent by area, percent by zoning classifications, just a maximum number in the entire town, etc.)?
- Should STRs be limited to only properties that are owner-occupied (i.e., primary residence versus vacation homes, second homes, investment properties, etc.)?
- If STRs are limited to owner-occupied properties, how does an STR differ from a bed and breakfast establishment which is a special or conditional use in all residential districts?
- Should hotels and motels be specifically excluded from STR regulations?
- Should STRs be licensed/permitted (in addition to a sales tax license)?
- Should STRs be required to notify neighbors?
- Should properties that are deed restricted for affordable housing be allowed to be used as an STR?
- Should additional fees or taxes beyond the existing lodging tax be considered? (Note that any proposed additional tax would be required to be approved by voters, and additional fees should have a rational nexus between increased costs to the town or the cost to mitigate impacts of STRs.)
- If an additional tax was proposed, should that tax be dedicated to a specific purpose? If so, what purpose?
- Should STRs in residential districts be required to comply with existing occupancy requirements? (i.e., no more than four unrelated persons can occupy a residential dwelling unit.)

As mentioned above, if the Board decides to move forward with developing STR regulations, it will likely take several months. Therefore, staff suggests that the purpose of the ordinance to be considered at the March 22nd meeting would be to allow time for the regulations to be developed while mitigating the potential proliferation of STRs within the community.

Potential items to be considered for the ordinance on March 22nd include:

- Direction to establish a licensing program for existing STRs
- Definition of "existing"
- Required documentation for licensing
- Length of initial licensing period
- Fees associated with the licensing

FISCAL ANALYSIS

N/A

RECOMMENDED ACTION

Receive public comment on STRs and provide direction to staff on next steps.

Prepared by: Kevin Schorzman

Short-Term Rental Ordinance Matrix-April 2021

City	Primary Residence Allowed	Non-Primary Residence Allowed	Which Taxes Required	Tax Collected: By municipality or listing agency	License Required	Neighbor Notification	Concentration Limit	Zoning Limitations	Fees
Aspen	Yes	Yes, but Deed Restricted affordable/employee units are prohibited in being used as STRs	Sales (2.4%) Lodging (2.0%) + state and county	The property owner is the liable party for the tax. Any property management company or other intermediary can pay the tax on behalf of the owner.	Yes, a short-term vacation rental permit is required to acknowledge safety requirements and other responsibilities of the property. An annually renewable Business License also required.	No	No	No	Annual business license fee of \$150. Vacation Rental Permit is free.
Avon	yes	yes	4% sales tax, 4% accommodation tax	yes	yes, non-transferrable	no	no	Short Term Overlay Districts - primarily town core	Annual Business License fee is \$75.
Basalt	yes	May only be rented on a short-term basis with the primary residence	4% Lodging + 8.2 % sales (Eagle County) and 9.3 % sales (Pitkin County)	Municipality	yes, annually renewable	no	no on single-family, max. of 6 short-term rental allowed in multi-family buildings	no	\$35 annually, plus a \$150 safety inspection charge on initial license
Beaver Creek Resort Co.	no	yes	yes	by BCRC	yes, annual Business License	no	no	no	\$200 annually
Blue River	yes	yes	2.5% Town Sales tax 3.4% Lodging Tax	Municipality	yes, non-transferrable	no	No	no	\$200 first time, \$150 annually
Breckenridge	yes	yes	2.5% Sales Tax, 3.4% Accommodation Tax	Municipality and online platforms	yes, non-transferrable	no	no	none- unless deed restricted workforce housing, then prohibited	BOLT: \$75 - \$175 annually/Admin Fee: \$25-\$150 annually
Crested Butte	Yes	Yes	4.5% Lodging Sales Tax & 5% Vacation Rental Excise Tax The excise tax collected is used to fund affordable housing projects.	The Property owner or authorized agent is responsible for collecting and remitting taxes through the Town's on-line licensing and sales tax software program.	Vacation Rental License & Town of Crested Butte Business License are both required	Yes, 100ft radius	No. The number of unlimited vacation rental licenses is limited to 30% of the total number of freemarket residential units in town located in the permitted zone districts. Currently 213 unlimited vacation rental licenses can be issued.	Yes. Restricted to permitted zones. Not allowed in deed restricted housing or accessory dwelling units that are required to be long term rentals.	Unlimited Vacation Rental License fee:\$750/year. Primary Residence License fee: \$200/year with a maximum of 60 nights of rental per year
Denver	yes	no	lodging tax: 10.75% occupational privilege tax: \$4/month business personal property tax and/or sales tax if applicable	AirBnB collects for their listings. Taxes remitted directly to the City in other cases.	yes, lodger's tax id license and non-transferrable business license required	no	no	Yes. Allowed wherever residential uses are permitted, but additional limitations apply. See sections 11.7.1, 11.8.10, and 11.12.7.7 of the Denver Zoning Code.	Lodger's Tax License - \$50 biannually Business License application fee - \$25 upon application Business License - \$25 annually
Dillon	Yes	Yes	yes	State collected sales tax but lodging tax remitted to Town	yes, renew annually	no	no	no	\$50 annually

City	Primary Residence Allowed	Non-Primary Residence Allowed	Which Taxes Required	Tax Collected: By municipality or listing agency	License Required	Neighbor Notification	Concentration Limit	Zoning Limitations	Fees
Durango	yes	yes	3.5% City sales tax and a 2% lodger's tax	AirBnB collects for their listings. Taxes remitted directly to the City by owner/manager in other cases.	yes, non-transferrable	yes, 300 foot radius	Yes. Limits are included by zone, block face, or by development depending on the location.	Yes. Permitted in 2 of 6 single-family zones and in all 3 mixed use zones. Recent code amendments have eliminated the use from multifamily zones.	\$750 first time and annual business license fees of approx. \$100
Estes Park	no	yes	state, county, town and lodging	Taxes collected by the State and remitted to do not self collect	yes	yes	no	yes, a limit on the number of residentially zoned properties. No limit on commercially	\$200 base fee plus \$50 per bedroom for properties inside Town limits
Fraser	yes	yes	sales & lodging	Municipality	registration	no	no	no	\$150
Frisco	yes	yes	yes	Municipality	yes	no	none	no	\$125 STR License application fee
Glenwood Springs	yes	yes	3.7% sales & 2.5% lodging	Air BnB/VRBO collecting the taxes thru state system. STR owners must report this information to City.	Yes, 2 types available Short Term Rental (STR) and Accessory Tourist Rental (ATR)	STR - yes all neighbors within 250 feet. ATR - no	250' distance between STR permit, citywide cap	No unless prohibited by PUD	STR new \$500, renew \$300 ATR new \$300, renew \$150
Grand Lake	yes	yes	yes	Listing Agency	yes, renewable annually	yes	no	no	\$600 Annually
Mt. Crested Butte	Yes	Yes	County, state and Town sales tax, plus 4% local marketing district tax and 2.0% Occupational Lodging tax, \$3.66/night.	Municipality	Yes, Short Term Rental License and Pillow Tax License	No	No	No	\$200, plus pillow tax - \$10 per person the unit sleeps
Salida	yes	yes	Occupational Lodging tax, \$3.66/night.	Municipality	yes, non-transferrable	no	Capped at 75 and 1 per block in the Residential/Industrial areas	Capped at 75 in Residential/Industrial. No cap for Commercial District	\$470 New Residential/Industrial License, \$270 for New Commercial License, \$270 after first year for both types
Silverthorne	yes	yes	2% sales & 2% lodging tax. Annual STR license.	Owners are responsible for collection/remittance of taxes. VCA with Airbnb & Vrbo Sales & lodging tax due monthly to the Town of Silverthorne	Yes. Non-transferable, for collection/remittance renews annually on Dec. 1.	Only in case of duplex	No.	No.	Tiered fee: Studio \$100, 1 BR \$150, 2BR \$200, 3BR \$250 4BR+ \$300
Snowmass Village	Yes	Yes	3.5% sales tax and a 2.4% lodging tax	AirBnB and VRBO collect for their listings. Taxes remitted directly to the City in other cases.	yes, non-transferrable	No	No	No	No

City	Primary Residence Allowed	Non-Primary Residence Allowed	Which Taxes Required	Tax Collected: By municipality or listing agency	License Required	Neighbor Notification	Concentration Limit	Zoning Limitations	Fees
Steamboat Springs	yes	yes	Yes (Sales & Lodging)	AirBnB and VRBO collect for their listings. Taxes remitted directly to the City in other cases.	Sales Tax License Required; VHR permit required for single family homes and duplexes in most zone districts	yes for VHR permits	no	no	\$50 Sales Tax Fee (one time); \$500 VHR permit fee, \$75 annual renewal fee
Telluride	yes	yes	4.5% Town Sales Tax 2.5% Town Affordable Housing Excise Tax 2.5% (collected from Yes sales/lodging)	Prop. Owner or representative / booking agency remits taxes	yes	no	no	yes, restrictions in residential zone	\$165 base fee plus \$22 per bedroom
Vail	Yes	Yes	Yes sales/lodging	Airbnb/VRBO/Property Manager collects for their listings. Taxes remitted directly to the town in other cases. Municipality	yes Effective 3/1/19 STR Registration required per unit.	Yes, for Duplex neighbor only; proof of notification required	No	No	tiered fee structure-- \$150 per unit for unmanaged properties, \$10 per unit for managed units, \$5 per unit for condotel managed units (24x7 front desk) Annual business license fee of \$60
Winter Park	yes	yes	yes		yes, non-transferrable	no	no	no	

Counties

Eagle County	No county-wide restriction; short-term rentals not allowed in price-capped deed-restricted units	No county wide restriction	If assessors' office is aware a unit is a rental, it is taxed as such		No, counties can not initiate business licenses	No county wide restriction	No county wide restriction	No county wide restriction	none
Summit County	yes	yes	All short term property rentals (less than 30 days) are subject to the sales tax, mass transit and affordable housing tax. A sales tax license is obtained from the State because the State of Colorado Department of Revenue collects these taxes. Personal property tax is also collected by the County Assessor on residential rental furnishings.	Sales tax is collected through the State; Personal property tax on short term rental properties is assessed and collected by the County Assessor's office.	A short-term vacation rental permit is required through the County Planning Department as no business licenses were authorized by the State in unincorporated areas, so the use is regulated through a land use permit. REcent legislative changes now allow STR business licenses and Summit County is reviewing a change to or the addition of a license. A sales tax license is required through the State of Colorado. A personal property tax declaration form must be submitted to the County Assessor.	Notice is sent to neighbors only in cases where changes are proposed to the exterior of the property or building.	no	Zoning regulations are included in Section 3821 of the Summit County Land Use and Development Code, and include requirements for permitting, responsible agent, health & safety standards, parking, trash, noise, pets, signage, advertising, and complaints and enforcement. Not permitted in deed restricted workforce housing units, and in certain PUDs that expressly prohibit the use.	Initial permit - \$150; Annual renewal - \$75 Administrative Conditional Use Permit (CUP) required for higher occupancy and parking requests Initial CUP fee - \$350 (this is the full fee charged; not charged both the STR permit fee and the CUP fee); Annual CUP renewal - \$75

City	Primary Residence Allowed	Non-Primary Residence Allowed	Which Taxes Required	Tax Collected: By municipality or listing agency	License Required	Neighbor Notification	Concentration Limit	Zoning Limitations	Fees
Out-of-state Agencies									
Park City, UT	yes	yes	Summit County TRT 3.00; Outdoor Rec TRT.32; Park City TRT1.00; Park City Sales Tax 1.00;Summit County Sales.25; Utah Sales4.85; Summit Cty. Transpo.30;Mass Transit.25;Resort Comm. Tax 1.60. Total 12.57	state and AirBnB	yes, non-transferrable, annual business license	yes, in cases of duplexes or if shared common areas/halways exist between or within a building	no	yes, only allowed in certain zones or with CUP's in certain zones	\$149.00 Admin Fee, \$28.74 per bedroom fee, \$17.00 Yearly renewal admin fee plus \$28.74/bedroom
Jackson, WY	yes	yes	yes	Collected by state and by AirBnB	yes, a permit	Yes, to neighbors within 300 ft.	no	yes, only allowed within the Lodging Overlay District or the Snow King Resort District	yes, \$100 for each residential short-term unit being permitted
Ketchum, ID	yes	yes	yes	As of Jan '18 tax collected by listing agency and remitted to City	yes, business license	no	no	No, State Legislature pre-empted local control of STR's	no
Moab, UT	no	no	yes	County and AirbnB	Yes, for each property owner	no	no	yes, only allowed in certain commercial zones	Business license fee - \$45 plus \$4 per room
Whistler, BC	no	Depends on zoning.	Provincial Sales Tax: 8% of listing price including any cleaning fees for reservations 26 nights and shorter in the Province of BC. Municipal and Regional District Tax: 2-3% of the listing price including any cleaning fees for reservations 26 nights and shorter in the Province of British Columbia	Province and "Airbnb"	yes	no	no	Only allowed in "tourist accommodation" zoned properties.	Business license fee

City	Occupancy Requirement	Require a "local responsible party" to take complaints?	Mandatory response time for the responsible party to address the complaint?	Utilize a 24 hour call center for complaints?	Compliance Efforts? (Compliance monitoring company, municipal staff, software, other)	Weblink to STR ordinance/regulations	Number of listings (Approx.)	Other
Aspen	No	Yes	Yes - local representative is to be "on call" per the municipal code.	No	MuniRevs, Staff - Finance and Community Development Departments	https://library.municode.com/co/aspen/code/municipal_code?nodeId=DT26LAUSRE_PIS_OOSURE_CH26.575MISURE_526.575.22OVARE https://www.cityofaspen.com/1331/Lodging-Tax-Vacation-Rentals	1300 (750 active, 550 inactive)	
Avon	none	No	No	No	MuniRevs	http://www.avon.org/str	295	
Basalt	none							Not permitted in employee housing units, Requires local representative
Beaver Creek	no	Yes	30 days	No	We are utilizing Host Compliance to find owners renting on their own who have not paid appropriate tax/assessment		1200	BCRC collects 5.35% Civic Assessment and .0098% Lodging Assessment for all STR
Blue River	2 people per bedroom plus two. No Bedroom and septic/sewer verification required	No	No	No	No	https://townofblueriver.colorado.gov/lo-dging/short-term-rentals	145	Posting requirements at rentals and self-certification required.
Breckenridge	Yes. Limited to 2 people per bedroom plus 4 for the entire property	Yes	60 minutes	Yes, LodgingRevs 970-423-5334	Yes, LodgingRevs	www.townofbreckenridge.com/shortterm	3838	All properties - Special Conditions of License/BOLT License -Location Card posting requirement/Advertisement Requirements
Crested Butte	2 people per bedroom plus an additional 2 people for the unit with a maximum occupancy of 10 people. Occupancy over 10 people requires an additional parking space be provided on site for every four additional people or part thereof.	Yes	1 Hour	No. Complaints can be lodged via phone or email to the Vacation Rental Inspector at Town Hall	Short Term Rental Helper generates a monthly list of non compliant properties based on our list of licensed properties.	https://www.crestedbutte-co.gov/index.asp?SEC=0DA56E89-36E1-4A3A-8001-5F16483DEFCD&Type=B_BASIC	209 unlimited licences. 17 primary residence licenses	Site safety inspection and on-site parking verification required.
Denver	No maximum number of guests per night. No simultaneous rental to more than one party under separate contracts.	Yes. LRP must be in City and County of Denver during the entire length of the STR period, must have access to the licensed premises, and must be authorized to make decisions regarding the licensed premises.	No	Yes. Complaints may be filed at any time by calling 311; however, response will likely only come during business hours (except for emergency situations)	Host Compliance, 1 full-time Compliance Manager, 4 employees who assist with STR compliance matters part time, STR Advisory Committee to guide policy changes	STR Business Licensing Homepage	3773 active listings, 2556 active licenses	
Dillon	no	yes	no	yes	yes, STR Helper	yes, https://www.townofdillon.com/business-resources/dillon-short-term-rental-str	113	requires license number in ads, must submit parking and trash/recycling plans

City	Occupancy Requirement	Require a "local responsible party" to take complaints?	Mandatory response time for the responsible party to address the complaint?	Utilize a 24 hour call center for complaints?	Compliance Efforts? (Compliance monitoring company, municipal staff, software, other)	Weblink to STR ordinance/regulations	Number of listings (Approx.)	Other
Durango	Determined by parking or # of bedrooms at the property.	Yes	No	No	LodgingRevs	http://online.encodeplus.com/regs/durango-co/doc-viewer.aspx#secid-273	125 permitted short term rentals	Updated regulations adopted in December 2020 which further restrict this use based on zoning. For existing and new mixed use developments, language that specifically allows STRs and caps the total number of units allowed for this use must be included in a prior land use approval.
Estes Park	2 per bedroom, plus 2 up to 8 total	Yes	30 Minutes (School District boundary)	Yes	LodgingRevs	www.estes.org/businesslicensing	322 residential and 152 commercially 120	New regulations were adopted December 2016 and modified in March 2017. Additional modifications Program implementation late 2017
Fraser	no	yes	one hour					
Frisco	2/BR plus 4, with option to apply for more upon inspection	No, "responsible agent" 24/7 with no local requirement	No	Not yet, but coming summer of 2019	STR Helper	Updated materials should be available by 4/1/19	900	New ordinance passed 1/8/19; New annual STR license term of 5/1-4/30; First STR license issued 5/1/2019
Glenwood Springs	STR based on inspection ATR is one bedroom, 2 guests	Yes, residing within 30 miles/minutes	No	No	Staff	https://www.ci.glenwood-springs.co.us/333/Vacation-Rentals	104 active permits, approximately 90 active listings	It is a condition for renewal that owners show they remitted lodging tax – showing they are actually utilizing the permits.
Grand Lake	none	yes	15 min	no	STR Helper			
Mt. Crested Butte	No	Yes	Yes	Yes	Host Compliance	https://mtcrestedbuttecolorado.us/verifical/sites/%7B36467D9E-CD46-4739-95F2-EF9DEBC7DA37%7D/uploads/Ordinance%20Series%2010.pdf	600	
Salida, CO	None	Require local management	no	no	LodgingRevs	https://library.municode.com/co/salida/codes/code_of_ordinances?nodeId=C_H6BULIRE_ARTVISHRMBULI	200	
Silverthorne	Max advertised occupancy = 2/Bedroom + 2	Yes	7am -11pm (60 minutes) 11pm -7am (30 minutes)	Yes	Yes. LodgingRevs	https://www.silverthorne.org/town-services/finance-administrative-services/business-liquor-licenses	100	STR license is required to be posted in online ads. Good Neighbor Guidelines must be posted prominently in rental property. STR license is required to be visibly displayed in rental property (address, license #, property owner name & contact info for responsible agent). STR prohibited in deed restricted & workforce housing units.
Snowmass Village	Yes, under the building code	no	no	no	no		800 units. This does not include hotel rooms	Not permitted in employee housing units without prior approval.

City	Occupancy Requirement	Require a "local responsible party" to take complaints?	Mandatory response time for the responsible party to address the complaint?	Utilize a 24 hour call center for complaints?	Compliance Efforts? (Compliance monitoring company, municipal staff, software, other)	Weblink to STR ordinance/regulations	Number of listings (Approx.)	Other
Steamboat Springs	1 per 200 sf, max 16	no	no	no	no	CDC Section 302.E.4 (http://steamboatsprings.net/246/Community-Development-Code)	171 active permits. Approx 2386 listings in area.	We only require a VHR permit for single family and duplex units OUTSIDE of the resort area (RR and G) zone districts. Multiple family units and all units in RR and G are allowed by right.
Telluride	none	yes	no	no	yes	https://www.telluride-co.gov/DocumentCenter/View/260/short-term-rental-regs	723	Restrictions in Residential Zone : no more than 3 rentals per year, w aggregate not to exceed 29 days; implemented in 2011
Vail	Two per bedroom, plus two.	Yes - Local contact within 60 minute distance required; Evidenced by copy of driver's license	60 min response time unless between 11pm and 7am, then 30 minute response time	Yes	LODGINGRevs, one full-time municipal employee monitors listings, registrations and complaints	https://www.vailgov.com/short-term-rentals	2500	Notorized affidavit required as part of the application for acknowledgement of life safety, noise, trash and parking regulations
Winter Park	none	no	no	no	LodgingRevs	no	349	We require a business license. We have contracted with LodgingRev's that tracks various sites for rentals that have not obtained a business license. The Town does not have other limits or restrictions for short term rentals excluding any regular zoning restrictions.

Counties

Eagle County	Eagle County Land use codes state no more than one person per every 300 square feet; this limit is not enforced							No county wide restriction
Summit County	2 persons per bedroom plus 4 additional occupants, or 1 person per 200 square feet of living area, whichever allows for a greater occupancy. Max occupancy 19; can apply for a CUP to request 20 or more occupants. Condominium buildings with interior egress corridors less than 44 inches wide and without a sprinkler system are further limited to 2 persons per bedroom plus 2 additional occupants, or 1 person per 200 square feet of living area, whichever allows for a greater occupancy.	Responsible agent required. Local residency not required for the agent. Responsible agent must be available 24 hours per day, 7 days per week, and must respond to complaints within 1 hour.	yes, required to respond within 1 hour	yes, Host Compliance 24-hour call center is utilized	yes, Host Compliance and Planning Dept staff	www.SummitCountyCO.gov/STR	as of 3-24-21: 3,767 active permits; 6,282 active registered listings. Note 450 new STR permit applications under review.	County STR regulations were adopted 12/18/18. Currently contracted with Host Compliance for permitting system and complaint management system

City	Occupancy Requirement	Require a "local responsible party" to take complaints?	Mandatory response time for the responsible party to address the complaint?	Utilize a 24 hour call center for complaints?	Compliance Efforts? (Compliance monitoring company, municipal staff, software, other)	Weblink to STR ordinance/regulations	Number of listings (Approx.)	Other
<u>Out-of-state Agencies</u>								
Park City, UT	Yes, 75 sq. ft per bedroom, at least 50sq ft of floor space per occupant (if more than 1)	yes	no	no	monitoring with 3rd party that verifies internet listings	www.parkcity.org/MunicipalCode	3500 listings. 2000 licensed	Site visit and safety inspection prior to application
Jackson, WY	Limited to less than one calendar month	no	no	yes	Host Compliance	yes	164	
Ketchum, ID	Max 30 days/guest							no
Moab, UT	no	no	no	no	no	https://moab.municipal.codes/Code/5.67.010		Not permitted in any residential zones. Only permitted in certain commercial zones. Building, fire, health and zoning inspections required for short-term rentals permitted in commercial zones.
Whistler, BC	no	no	no	no	Municipal staff, software, bylaw enforcement	https://www.whistler.ca/sites/default/files/2019/Nov/bylaws/original/23992/2142_tourist_accommodation_business_regulation_bylaw_no_2142.pdf	1000+	

Name of listing	Listing location (VRBO/AirBNB)	Type (part of residence or stand alone)	Location in town	House or apartment	Would the proposed regulations impact this property		Other notes
Cosy 3BD with parking included	airbnb	Private room	Apartments by Ace	room	no	1	
Sherpa's Garden	airbnb	Apartment	Near 2nd and Main	Apartment	no	1	
Entire rental by David and Brooke	airbnb	apartment	Near 8th and Colorado	Apartment	no	1	
Cozy basement apartment	airbnb	apartment	Alley between Main and Garfield - part of the condos between 2nd and 3rd.	apartment	no	1	
Cool Carbondale Crib	airbnb, vrbo	apartment	backside of the building with Fat Belly and Studio 2	apartment	?	1	
Private room in house hosted by Felicia	airbnb	private room	located on North 10th	room	no	1	
Private room in house hosted by Felicia (number 2)	airbnb		located on North 10th		no	1	
New! Carbondale home - Steps to Dine, Shop and Hike	airbnb, vrbo	house	Harmony Scott's building	house	?	1	
Cool 2bedroom cool crib	airbnb, vrbo	apartment	backside of the building with Fat Belly and Studio 2	apartment	?	1	
The Sunflower House	airbnb, vrbo	house	Right behind old Miser's Mercantile	house	yes	1	
Starlight Mountain	NOT IN TOWN BUT SHOWS UP ON MAP (on both sites)				n/a	1	
The Red Door Hideout	airbnb, vrbo	house	Right behind Miser's Mercantile - same lot as Sunflower House	house	yes	1	
Stylish Condo in Dwntrn Carbondale	airbnb, vrbo	condo	In the Weant Condos	condo	yes	1	
Sunny and Spacious 2 BR	airbnb	duplex	Next to the Launchpad	duplex	no	1	
Private room Carbondale off Main St. Downtown	airbnb	room	Weant Condos	room	no	1	
Entire rental hosted by Helena	airbnb, vrbo	apartment	Corner of Main and Sopris	ADU	no	1	
Entire rental unit - Carbondale Luxury Artists loft	airbnb, vrbo	apartment	On Weant, above Crystal Glass Studios	apartment	?	1	
Room in a boutique hotel	airbnb	room	689 Main St.	room	no	1	
Room in a boutique hotel	airbnb	room	689 Main St.	room	no	1	
Stylish Modern Downtown Oasis	airbnb, vrbo	apartment	Corner of Garfield and 7th	apartment	no	1	
Cozy Condo downtown	airbnb, vrbo	apartment	Across from pool in apartment building	apartment	yes	1	
Location is great, entire home	airbnb, vrbo	house	near Colorado and 7th	house	?	1	
Entire townhouse Carbondale aspen valley 2b/2.5ba Townhouse	airbnb	condo	townhouses on Main Street	townhouse	yes	1	
entire townhouse Carbondale cozy Carbondale entire artsy	airbnb	apartment	?	apartment	yes	1	
Private room Sopris Studio	airbnb	room	?	room	no	1	

Name of listing	Listing location (VRBO/AirBNB)	Type (part of residence or stand alone)	Location in town	House or apartment	Would the proposed regulations impact this property		Other notes
Private room in Sunny clean house	airbnb	room	Near the ditch on Hendrick's drive (so probably on Defiance Drive)	room	no	1	
Entire Condo hosted by Brady	airbnb, vrbo	condo	Barber Drive	condo	yes	1	
Charming Carbondale Studio	airbnb, vrbo	apartment	Corner Greystone and hendricks	apartment	no	1	
Private room Carbondale off Main St. Downtown	airbnb	room	Crystal Road	room	no	1	
Private room in residential hosted by Candace	airbnb	room	Crystal Road	room	no	1	
"Simply comfy" guest suite privat entrance	airbnb, vrbo	apartment	Corner of Oak Run and Greystone	ADU	no	1	
"Tiny House" guest suite (note this is listed twice)	airbnb (twice), vrbo	apartment	Corner of Oak Run and Greystone	ADU	no	1	
Brand new construction, one bedroom guest suite		apartment	Oak Run	ADU	no	1	
Single family home entire residential home hosted by Hunt	airbnb	house	Road near RFTA admin offices	house	yes	1	
Perfect "home away from home" in town with hot tub	airbnb	house	not sure yet	house	yes	1	
Entire guest suite Krystalhouse	airbnb	apartment	Crystal Circle	ADU	no	1	
Entire Townhouse - Thompson Park (1)	airbnb, vrbo	townhouse	Lewis Lane - Thompson Park	townhouse	yes	1	
Entire Townhouse - Thompson Park (2)	airbnb, vrbo	townhouse	Lewis Lane - Thompson Park	townhouse	yes	1	
Entire Townhouse - Thompson Park (3)	airbnb, vrbo	townhouse	Lewis Lane - Thompson Park	townhouse	yes	1	
Entire Townhouse - Thompson Park (4) (parksid paradise)	airbnb, vrbo	townhouse	Lewis Lane - Thompson Park	townhouse	yes	1	
Entire residential home - Luxury near golf (RVR)	airbnb, vrbo	house	RVR	house	yes	1	
Private room		room	no details or photos yet	room	no	1	
Entire residential home - RVR Retreat	airbnb, vrbo	house	RVR	house	yes	1	
Entire residential home - nicely appointed	airbnb, vrbo	house	RVR	house	yes	1	
The Adventurers Abode - entire home	airbnb, vrbo	house	end of 10th street	house	?	1	
Entire townhouse hosted by Jerry and Stefanie	airbnb, vrbo	townhouse	8th Street	townhouse	?	1	
The one with the Yellow Door	airbnb, vrbo	house	wheel circle area	house	yes	1	
Carbondale Oasis	airbnb	house	wheel circle	house	no	1	
Posh Garden Studio	airbnb	apartment	Corner of Morrison and Mesa	ADU	no	1	
Sun Splashed Town house	airbnb	townhouse	Corner of Morrison and Mesa	townhouse	no	1	https://www.airbnb.com/rooms/38188630?location=Carbondale%2C%20CO%2C%20United%20States&previous_page_section_name=1001&federated_search_id=6686063f-8296-4b93-8e70-d8fb99e7b28a&quests=1&adults=1

Name of listing	Listing location (VRBO/AirBNB)	Type (part of residence or stand alone)	Location in town	House or apartment	Would the proposed regulations impact this property		Other notes
Cozy Cottage in Downtown	airbnb	house	near 8th street	house	no	1	https://www.airbnb.com/rooms/20012358?location=Carbondale%2C%20CO%2C%20United%20States&previous_page_section_name=1001&federated_search_id=6686063f-8296-4b93-8e70-d8fb99e7b28a&quests=1&adults=1
Entire house hosted by Claudia	airbnb	house	near 8th and no grande	house	yes	1	
Bohemian Luxury	airbnb	room	wheel circle neighborhood	room	no	1	
Entire Loft hosted by Lisa	airbnb, vrbo	condo	Lofts at Delores Way	apartment	yes	1	
Entire condo modern loft (Anna + Peter)	airbnb, vrbo	condo	Lofts at Delores Way	apartment	yes	1	
amazing views, entire condo hosted by Zoe	airbnb, vrbo	condo	Lofts at Delores Way	condo	yes	1	
MODern industrial condo loft	airbnb, vrbo	condo	Lofts at Delores Way	condo	yes	1	
Beautiful Mountain Home -RVR	vrbo	house	11th Fairway - RVR	house	yes	1	
outstanding mountain golf retreat - RVR	vrbo	house	Perry Ridge Road - RVR	house	yes	1	
Charming mountain home in RVR	vrbo	house	RVR	house	yes	1	
Mountain Family home - RVR	vrbo	house	RVR	house	yes	1	
Cozy Mountain Getaway - RVR	vrbo	apartment	RVR	can't tell if it's a standalone or adu	?	1	
Modern Townhome	vrbo	townhouse	Near vitos way I think	townhouse	yes	1	https://www.vrbo.com/4728950ha?noDates=true&unitId=5701683
Family friendly mountain home	vrbo	house	RVR - Settlement lane, backyard backs up t RVR golf parking lot	house	yes	1	
On River, In Town, easy access	vrbo	house	Oak Run - near Greystone intersection, river side	house	yes	1	It is a 2nd home, they list when thy aren't visiting. If its the people I'm thinking of, they used to live here, raised their kids here and kept their house.
New cottage in old town	vrbo	apartment	8th and euclid	ADU	no	1	
Downtown feel at home	vrbo	apartment	Euclid	ADU	no	1	
Newly built, freshly designed studio	vrbo	apartment	N. Third Street across from Misers, behind vet/barbershopt	apartment (might be an adu)	?	1	
Luxury Penthouse overlooking downtown	vrbo	apartment	maybe the apartments on Colorado Ave? Can't tell	apartment	yes	1	*This looks like it might be in condos near True Nature where short-term rentals are not allowed.
Beautiful Bright secluded 2 bedroom	NOT IN TOWN but shows up on map - vrbo	apartment			n/a	1	
aspen valley home walk to downtown carbondale	vrbo	house	Cleveland Place	house	yes	1	Are short-term rentals allowed in Cleveland Place? I thought there were restrictions but maybe just on some units?

68 total properties listed on Airbnb and VRBO. These have been crosschecked with eah other and all within town limits.

Properties impacted by proposed regulations

Name of listing	Listing location (VRBO/AirBNB)	Type (part of residence or stand alone)	Location in town	House or apartment	Would the proposed regulations impact this property	Other notes
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2 show up on the map like they're in town, but they're actually out of town limits

Properties not impacted by current proposal (owner lives on site)

28

4-6 might be on commercial properties - not sure what that means

Unsure how they fit in current proposed regs (commercial properties or I can't tell whether it's an ADU or not)

9



MEMORANDUM

TO: Mayor Richardson and Carbondale Board of Trustees

FROM: Community First Carbondale
Kevin Rayes, Alexandra O'Neal, Shirley Powers, and Chris Hassig

MEETING DATE: January 18, 2022 (Continued from December 21st)

RE: Regulating Short-Term and Medium-Term Rentals

INTRODUCTION:

At the previous work session, the Board of Trustees and Community First Carbondale discussed the impacts of short-term rentals (STRs) and Medium-Term Rentals (MTRs) in our community. There appeared to be a level of consensus among Trustees that these uses should be regulated in some capacity.

Grappling with the nuances of regulations and taxes is a complex task, requiring significant thought and coordination among Trustees and the public. Regulations should be sufficiently aggressive to curb prohibited behavior but also crafted in a manner that is sensitive to the administrative and financial constraints of the Town. To better manage workload and scope, Trustees gave direction to divide this effort into three separate and distinct phases:

1. **Between now and March:** address the impacts of STRs by adopting regulations, implementing permitting procedures and imposing a schedule of fines.
2. **After March:** pursue a tax on STRs.
3. **2023 or later:** Consider provisions to address Medium-Term Rentals

Community First Carbondale agrees with this approach and has since revised the proposed provisions to focus solely on STRs.

PROBLEM STATEMENT AND GOALS:

At the previous meeting, Trustees wanted to identify a problem statement and craft goals to address it. We believe the question below captures the fundamental premise of this discussion and suffices as a problem statement:

When does an STR make more efficient use of unused resources without negatively impacting neighborhood character and when does it incentivize the conversation of residential space to tourist use?

By permitting the former and prohibiting the latter, we believe the following goals will be accomplished:

- Maintain housing base for fulltime residents and people who work in the community.
- Reduce real estate speculation in Carbondale.
- Preserve neighborhood authenticity and small-town community character.
- Support those who have invested or will invest in traditional lodging properties.
- Empower fulltime locals to make extra income via short-term renting a fulltime residence from time to time.
- Extract additional tax revenue from permitted short-term rentals.

SHORT-TERM RENTALS

Our provisions allow STRs within all zone districts where residential occupancy is allowed by right. However, STRs are permitted only in properties and dwelling units that are used as a primary residence. Only a natural person can apply for an STR permit and cannot hold more than one STR permit concurrently.

The City and County of Denver as well as the City of San Luis Obispo currently enforce similar rules. According to these municipalities, the administrative demands related to compliance is manageable and does not create a burdensome workload for staff. Applicants must show proof of ownership and use as a primary residence to be eligible for a permit. Allowable documentation includes proof of a valid motor vehicle registration, proof of voter registration, federal or state tax returns and a notarized affidavit.

Out of sensitivity to the Town of Carbondale's limited staffing capacity, our proposal requires applicants to obtain a new permit on a biennial basis (i.e., once every two years), instead of every year or every six months. This idea originated from the town of Santa Fe, which allows permits to be valid for up to two years if no complaints are reported and no violations occur. This rule not only reduces staff workload but also incentivizes compliance with STR provisions.

REGISTRATION

The foundation of the STR program begins with registration. By requiring a permit, the Town will have data on where STRs are located, contact information for complaints, and a party who will be held liable for violations. Best practices suggest keeping the registration process relatively simple to encourage participation. The primary objective of registration is to collect basic information from hosts and to maintain a line of communication with the Town. Similarly, it's a good idea to adopt modest registration and renewal fees that cover only administrative costs. Keeping these fees relatively low encourages compliance and avoids subjecting hosts in good standing with the law or those who only engage in STR rentals occasionally from bearing the cost of oversight for those who do not comply. The costs of fielding complaints and enforcement should be factored into fines for noncompliance.

RECORD KEEPING

As a condition of approval for a permit, the Town should require hosts to maintain records including booking history, and financial documentation for a minimum of two years. When requested by the Town, hosts should provide access to this information. Audits may be necessary from time to time when renewing a permit or for an investigation related to noncompliance. Administrative staff should be provided the discretion to determine what information is needed on a case-by-case basis.

Municipalities throughout the country have had varying levels of success working with online platforms to obtain information on STRs within their respective jurisdictions. The ordinance adopted by the Board of Trustees should explicitly require online platforms to provide booking information for STRs when requested. The ordinance may serve as a legal backing if booking platforms resist sharing data.

Some communities have implemented software to monitor online bookings. For example, the City of Aspen uses LodgingRevs to scan the internet to check STR compliance. Tracking software will assist Carbondale with monitoring STRs. This software will be useful for the Finance Department (i.e., for tax purposes) and for the Planning Department (e.g., to ensure an individual does not manage multiple STRs). Upon adopting an ordinance, we recommend shopping for software to assist with compliance. The cost of the software will be offset by its efficiency compared to the hours of staff time required to monitor STRs manually.

COMPLIANCE, VIOLATIONS AND ENFORCEMENT

The integrity and success of the STR program hinges on consistent compliance and enforcement protocols. The following sections discuss how this may be accomplished.

Avoiding and Addressing Conflict

Compliance begins with proactively avoiding violations and disturbances. The City of Palm Springs requires all STRs to include a copy of the “Good Neighbor Brochure,” which informs guests about local ordinances and regulations that need to be followed during a visit. The brochure is available on the City’s website and is to be printed and included in a conspicuous location onsite. We recommend creating similar material and requiring it to be posted onsite for all STRs in Carbondale.



Figure 1: City of Palm Springs Good Neighbor Brochure

WHO'S MAKING ALL THAT NOISE?

- **NO MUSIC or SOUND** (TV, cell phone, radio, etc) are allowed outside at any time. Any type of **SOUND** from any sound producing device is not allowed outside of your Vacation Rental unit. This includes music coming from the inside of the home that can be heard outside. If your neighbors can hear the noise, you are in violation of the City Ordinance.
- While **NO MUSIC or SOUND** (TV, cell phone, radio, etc) are allowed outside at any time, **QUIET TIME** is between 10pm and 10am. Please consider moving indoors after 10pm. If you choose to be outside, please be considerate of the neighbors and use low voices. Please remember our neighborhoods are quiet, surrounded by mountains and voices can easily carry.
- **POOL TIME** is one of the most popular activities to enjoy in Palm Springs. Please keep voices and pool activities to a reasonable level. Continued and ongoing screaming for an extended period of time is one way to disturb the neighbors. Please be thoughtful.
- A **CALL** from the neighbors to the City will bring Code Compliance Officers to your door. Our officers may issue you a citation if you exceed the allowed noise levels or if another violation is observed. So please, keep the noise down and be considerate of the neighbors. You may be on vacation, but other occupants in homes around your vacation home may not be.

WHOSE CAR IS THAT?

Only **ONE** vehicle per bedroom is allowed at any given time. Utilize driveway and/or garage when **PARKING** your vehicle before using street parking. And never block any driveway or street access.

WHAT ELSE SHOULD I KNOW?

Please keep in mind that you will be cited or fined by the City, or even immediately evicted by the owner, for creating a disturbance or for violating any provisions of the City's Vacation Rental Ordinance. **The minimum fine is \$500 per violation.** The surrounding neighbors have been given a **24-hour** number to **CALL** should they need to report a complaint.

HOW MANY GUESTS IN A HOME?

Please abide by the **OCCUPANCY** limits in the chart below. Day Time occupancy is between 10am and 10pm.

Number of Bedrooms	Total Overnight Occupants*	Additional Day Time Occupants	Total Daytime Occupancy	Total Vehicles Allowed
Studio/1	2	4	6	1
2	4	4	8	2
3	6	4	10	3
4	8	4	12	4
5 Estate Only	10	4	14	5
6 Estate Only	12	4	16	6

* Plus 2 children age 12 or under

PUPPY LOVE

Palm Springs requires that all dogs be on a **LEASH** whenever they are outside, except in the City's Dog Park. Also, we expect everyone to pick up after their pet. **NEVER** leave your pet unattended in a vehicle; it is illegal all year long. And just like at home, a barking or whining dog disturbs the neighbors.

WHOSE TURN IS IT TO TAKE OUT THE TRASH?

Palm Springs residents recycle as much as they can and we hope you will too. If you have a blue recycling cart where you are staying, please use it to recycle metal, paper, glass and plastic products.

Please **DO NOT STORE** trash and refuse within **PUBLIC VIEW**, except in proper containers for the purpose of collection. If you are staying in a house, PSDS will pick up your trash and empty your recycling cart on your scheduled collection day(s). Please do not leave trash or recycling at the curb.

Figure 1 (Continued from previous page): City of Palm Springs Good Neighbor Brochure

When Conflicts Occur:

When violations or disturbances occur, they can often be resolved between the responsible party and concerned neighbors without the Town being involved. The first line of communication should begin with neighbors contacting the responsible party about the issue. To open this line of communication, as a condition of approval to obtain an STR permit, the responsible party is required to publicly notify neighbors about its operation. The notice should include the contact information of the responsible party should any disturbances or conflicts occur. The address and contact information of all STRs in Carbondale should also be made available on the Town website so that neighbors can look up who to call when an issue occurs.

If the responsible party fails to respond within 30-minutes or if an issue cannot be properly resolved, a channel where complaints are directed to the town of Carbondale should be made available. The City of Palm Springs provides a phone number on its website where complaints about nuisances or STRs believed to be in violation of the municipal code may be directed. A third party company answers complaints and conducts investigations. The company submits a report to the City for further investigation. We believe the Town of Carbondale would benefit from hiring a company to take these calls. Town officials can later investigate inquiries to determine if a violation occurred and needs to be addressed. As discussed in the following section, a schedule of fines should be adopted to help deter and rectify violations.

Violations and Enforcement

In Aspen, some STRs are rented for upwards of \$50 - \$60 thousand per night. The City planning department can charge a flat fee of just a few hundred dollars for first, second and third-time violations. For properties that refuse to comply with city requirements, those fees are a small cost of doing business and hardly a deterrent.

While the top tier rental rates of Aspen are unlikely to reach Carbondale, it's important to understand that as the extreme pressures of the up-valley market encroach into down-valley communities, the cost of renting STRs in Carbondale will continue to increase. A schedule of fines and fees that can fluctuate with market demands should be adopted to deter non-compliant STRs.

Instead of a flat fee, we recommend adopting a schedule of fines expressed as a percentage of the gross revenue earned for a specific booking. In addition to fluctuating with market demands, this method also achieves a level of proportionality commensurate to individual price points. To start, a first offense should almost always elicit a warning. But a second offense might incur a fine of 25 percent of the gross revenue earned from the affiliated booking that caused the disturbance. A third offense could require a fine of 50 percent of the gross revenue earned, and so forth. We can see how this methodology plays out when compared to a flat fee in the following scenario.

A tenant hopes to make some extra money to help pay rent. While out of town, she rents her apartment to a couple for two nights at 100 dollars per night. The couple returns late one night and disturbs the neighbors. A complaint is submitted to the Town and a flat fine of 200 dollars is imposed on the rental. Unfortunately for the tenant, 100 percent of the money she made is owed to the Town. Meanwhile, down the street, a five-bedroom single family home is rented for two nights to a group of

ten people at 500 dollars per night. The renters throw a party and receive a noise complaint. The town imposes the same flat fine of \$200 for the disturbance. This fine is only twenty percent of the profit derived from the rental, even though the noise from the party was more impactful to the neighborhood compared to the disturbance at the apartment.

Had a fee structure been adopted as a percentage of revenue earned, the tenant renting her apartment would have paid a fine of 50 dollars for the noise complaint (25 percent of 200), while the single-family home would have paid 250 dollars (25 percent of 1,000). In other words, this fee structure applied fines in a proportional manner based on the price point of each rental.

As a last resort, if four or more offenses occur within a two-year period (the length of time a permit is active), the permit on file shall be revoked by the Town and a two-year waiting period will be imposed before a property or dwelling would be eligible to apply for a new one.

It's important to note that the fee structure described in the previous paragraphs will function well for STRs that have an active permit on file because the financial information required to calculate such a fine would be made available to staff when requested. However, obtaining the information needed to calculate a fine based on gross revenue earned for an STR unwilling to play by the rules may be burdensome and time consuming for staff. For this reason, we recommend adopting a second schedule of fines that applies to violations associated with STRs that do not have an active permit. The concept of proportionality and deterrence can still be achieved but in a slightly different manner. Instead of calculating a fine based on the gross revenue earned per stay, fines can be assessed based upon the number of sleeping rooms in a home. Each sleeping room would be considered a separate offense. A five-bedroom-home would be assessed five fines (one for each sleeping room), while a studio, or one-bedroom apartment would be assessed one fine for a single sleeping room. Applying fines in this manner is consistent with our proposed definition of an STR, which broadly encompasses a property or dwelling, and does not differentiate if one bedroom is rented or if an entire home is rented.

ONE FINAL NOTE: CONSIDER A VALLEY-WIDE CALL TO ACTION

The housing crisis is a Valley-wide issue and should be addressed at the regional level. The scope of what we propose, and the jurisdiction of the Board of Trustees is confined to the town limits of Carbondale. Similarly, our neighboring communities are taking action to address STRs within their respective jurisdictions. Unfortunately, each community is taking on this issue alone with minimal cross collaboration. The conversation surrounding STRs is an opportunity for peer communities to share resources and develop a system that can be implemented at the regional level.

A significant portion of revenues derived from STRs leaves our Valley through payments to absentee booking platforms. Prohibiting outside platforms in the Valley and requiring STRs to be listed on a municipally owned booking system may turn this challenge into an opportunity. By combining resources, it's possible for Carbondale, Aspen, Basalt, Glenwood Springs, and other municipalities to create a single platform with functionality like that of Airbnb and other leading intermediaries. Through an inter-governmental agreement, participating communities could jointly invest in the development and ongoing

maintenance of the software. The financial return would be nearly guaranteed, given that fees users are accustomed and willing to pay to existing platforms would instead remain in our Valley. Additionally, the robust data obtained from the software would assist with enforcement and ensure compliance.

This concept would require significant up-front coordination and investment to pull off. However, even with regulations, STRs are here to stay. A shared platform could shift the negative externalities of these rentals into tangible community benefits.

We ask the Board of Trustees to adopt a resolution that serves as a call to action for Carbondale and our neighboring communities to establish a Valley-wide working group tasked with discussing the feasibility of developing a shared platform.

EXHIBITS:

Exhibit A | Proposed Code Language (revised from previous hearing)

Exhibit B | Proposed Schedule of Fines

Exhibit C | STR Regulations in Other Communities

Town of Carbondale Proposed Code Language Related to Short Term Rentals

Short-Term Rentals

While short-term rentals are permitted in all zone districts where residential occupancy is allowed by right, STR restrictions have been adopted to maintain the small-town character of Carbondale and to promote the public health, safety and welfare of the community. This section does not apply to any property or dwelling subject to bylaws, covenants, HOA rules or other provisions forbidding short-term rentals. All applicants are responsible for ensuring that applicable regulations are met prior to requesting an STR permit from the Town.

Applicability

All short-term rentals are limited to properties and dwelling units that are owner-occupied and used as a primary residence as defined in *Definitions*. Any property or dwelling that is not owner-occupied or not used as a primary residence is not eligible to be used as short-term rental.

Definitions

Residential property: Any parcel of land located within a zone district that allows for residential uses. The land may be improved with a single-family home, a duplex, accessory dwelling unit(s), accessory structure(s) or a combination thereof.

Dwelling Unit: Any dwelling unit located within a building that allows for residential uses. Buildings that accommodate a dwelling unit may include a multi-family development, a mixed-use development, a duplex or any similar building. As an example, one half of a duplex is considered a dwelling unit, or an apartment located within a multi-family building is considered a dwelling unit.

Sleeping room: Any sleeping room located within a primary or accessory structure on a property or within a dwelling unit.

Primary Residence: a property or residential unit occupied by a person for a minimum of nine (9) months per calendar year. Habitation is fixed for the term of the license and is the person's usual place of return. A person can only have one primary residence with only one STR address.

Natural Person: an individual human being; a natural person, as opposed to an organization or a business entity.

Short-term rental (STR): a property, dwelling unit or sleeping room rented for a period of less than thirty (30) days.

Proof of Use as a Primary Residence

1. The following documentation is required as part of a permit application to adequately demonstrate proof of use as a primary residence:
 - a. A valid Colorado driver's license or a valid Colorado state identification card; and at least three of the following documents indicating that the rental is the applicant's primary residence:
 - i. Proof of valid motor vehicle registration; or
 - ii. Proof of voter registration; or
 - iii. Federal or state tax returns or other financial documentation; or
 - iv. Utility bill; or
 - v. Any other legal documentation deemed sufficient by the Town which is pertinent to establishing primary residence within the Town; or
 - vi. Proof of property ownership via a recent deed, Title or Encumbrance Report (no older than six months); and
 - b. A notarized affidavit from the applicant certifying that the above documentation is accurate and truthful. The affidavit shall certify that the applicant resides on the subject property or residential unit for a minimum of nine months per calendar year.

Building, Fire and Zoning Codes

All building, fire and zoning code regulations shall be met prior to applying for an STR permit and shall remain in compliance for the duration an STR permit is active.

Permit Registration Eligibility:

1. All STRs must receive a duly issued STR permit prior to and throughout the time of operation.
 - a. Only a natural person is eligible to apply for an STR permit.
 - b. A natural person shall hold no more than one (1) STR permit concurrently.
 - c. A natural person must occupy a property or dwelling as a primary residence for a minimum period of one (1) year prior to applying for a permit.
 - d. STR permits are non-transferrable to other natural persons' and non-transferrable to other properties or dwelling units.
 - e. If a property or dwelling unit is owned by a legal or business entity, the permit must be held in the name of any person with legal authority to act on behalf of the entity.
 - f. Upon sale or transfer of the home for which an STR permit has been granted, a new STR permit shall be required.
 - g. The permit holder shall be designated as the responsible party for complaints, emergencies and other related incidents and shall be held responsible for violations.
 - h. Short-term rental permits remain valid for a maximum period of two (2) years. Permit renewal applications shall be submitted to the Town of Carbondale no later than 30 days prior to the expiration of the permit.

- i. Any permit renewal request submitted less than thirty (30) days prior to the expiration of an existing permit or an application for permit renewal that is deemed incomplete less than fifteen (15) days prior to the expiration of an existing permit is subject to review and approval after the expiration of an existing permit.
- j. A property or dwelling with any outstanding building, fire or zoning code violations shall not be eligible to apply for an STR permit until all outstanding violations are properly rectified and inspected by the applicable Town official.
- k. Prior to applying for an STR permit, the responsible party shall mail notice by first class mail with certificate of mailing, to the owners of properties within three hundred (300) feet of the subject property, exclusive of rights-of-way, as shown in the records of the county assessor, and by first class mail to the physical address of such properties where such address is different than the address of the owner and to the land use department. Notice shall be on a form approved by the Town and shall contain the name and phone number of the responsible party who will be available twenty-four hours per day, seven days a week to respond to complaints regarding the operation or occupancy of the short-term rental. Copies of all required mailing lists and mailing certificates shall be provided to the Town as part of the application for an STR permit. An application to renew a permit shall not be required to provide public noticing.

Operation of a Permitted STR

1. Each STR shall maintain the following information in a conspicuous location within the unit:
 - a. The name of the managing agency, rental manager, local contact person or owner of the unit, and a telephone number at which that party may be reached on a twenty-four-hour basis.
 - b. The maximum number of occupants permitted to stay in the unit, and
 - c. Trash pick-up day and applicable rules and regulations pertaining to leaving or storing trash or refuse on the exterior of the property, and
 - d. Notification that any radio receiver, musical instrument, phonograph, loudspeaker, sound amplifier, or any machine or device for the producing or reproducing of any sound shall only be operated within a fully enclosed Vacation Rental unit and shall not be audible at the property line of the Vacation Rental, and
 - e. Notification that the occupant may be cited or fined by the Town and/or immediately evicted by the Owner pursuant to state law, in addition to any other remedies available at law, for creating a disturbance or for violation any provisions of this chapter, and
 - f. Notification that failure to conform to the occupancy requirements of the vacation rental unit is a violation of this chapter, and
 - g. A copy of this Chapter of the Town of Carbondale municipal code, as may be amended from time to time.

2. Occupancy Limitation

- a. Each STR shall accommodate no more than two (2) occupants per sleeping room for a maximum of ten (10) occupants.

Advertising:

Any advertisements for an STR shall include the business license number. On-site advertising of an STR is prohibited.

Permit denial, nonrenewal, suspension or revocation

1. The Town of Carbondale may deny a permit application, suspend, or revoke an active permit based on any of the following reasons:
 - a. Neighbor complaints of noise or other disturbances relating to the STR/MTR have not been adequately addressed; or
 - b. Noncompliance with permit conditions; or
 - c. Noncompliance with other governmental requirements; or
 - d. The permit holder provided false or misleading information during the application process; or
 - e. The permit holder is delinquent in payment of Municipal, State or County taxes, fines or penalties assessed in relation to the short-term rental; or
 - f. There is Evidence of non-responsive management; or
 - g. One or more zoning violation(s) exist on a property or dwelling unit that have not been rectified; or
 - h. The Town of Carbondale determines that a property or dwelling unit has violated one or more of the provisions required for STRs/MTRs.
2. When an STR permit is revoked, a two-year waiting period shall apply to the associated property or dwelling. The waiting period shall be memorialized in an administrative determination and shall be recorded against the subject property or dwelling. The waiting period shall begin on the date represented in the administrative determination.

Applicability. STRs must comply with all applicable Town regulations, including those found in the Carbondale Municipal Code. Property owners and local representatives (hereby referred to as “responsible party”) shall be jointly liable for all violations pursuant to this Chapter.

Responsibility for fines. Any responsible party may be subject to applicable civil or criminal penalties, including fines, set forth in the Municipal Code and attorneys’ fees incurred by the Town to eliminate any such violation.

Notification of an offense.

- a. Upon the receipt and verification of any violation of this Section, the permitting official shall send written notice via certified mail to the responsible party.
- b. All notices sent by mail pursuant to this Section shall be deemed delivered to the responsible party if a return receipt indicates that the notice was sent by certified mail to the owner at the property address and/or at any other address shown for the owner in the property tax records of the County Assessor; to any tenant or other occupant at the mailing address for the property; or to any other responsible party which as a contractual obligation to manage the property at its business address.
- c. The notification shall include the following information:
 - i. The address of the property where the violation is alleged.
 - ii. Specific reference to the Section(s) of this municipal code and / or to conditions of a development approval which are alleged to have been violated.
 - iii. If necessary, a statement of the action that must be taken to bring the property or use into compliance with this LUDC.
 - iv. A statement indicating the previous number offenses already file with the subject permit and the applicable fines or repercussions associated with the current offense(s)
 - v. A statement that if the property is not brought into compliance within the stated time frame, a citation or summons will be issued.
 - vi. Information about appealing the notification.
 - vii. Contact information for a person or department who can answer questions about the notification.

Timeframe to rectify an offense. A time frame, not to exceed fifteen (15) days from the date of mailing shall apply to bring the property or dwelling into compliance. At the discretion of the permit official, an extension may be granted if the responsible party is working in good faith with the Town towards a resolution. Such an extension is not applicable for properties or dwellings with more than two offenses in a two-year period.

To resolve a violation of excessive noise, disorderly conduct, disturbing the peace or any other nuisance attributed to the use of an STR, an affidavit from the responsible party shall be submitted to the permit official via mail or electronically within fifteen (15) days of the notification of such offense. Town staff shall file the affidavit with the associated permit. The affidavit shall include the following information:

1. The address of the property or dwelling where the violation(s) occurred
2. A summary of the violation(s)
3. A statement of action explaining how the violation(s) will not occur in the future
4. Contact information of the responsible party.

Timeframe to pay fines and late fees.

All applicable fines shall be paid in full within fifteen (15) days from the date of the notice of violation. In the event the responsible party fails to adequately rectify all cited violations or to submit full payment within the fifteen (15) day timeframe, the offense shall be considered unresolved. A late fee shall be automatically assessed beginning on the sixteenth (16th) day of the offense, without any further action from Town staff. Each subsequent day thereafter shall be considered a separated offense and an additional late fee shall accrue each day the offense persists. The fee shall be based upon the permitting status of a property or dwelling:

- An unresolved offense associated with a property or dwelling that has an active STR permit shall automatically accrue a late fee of no less than \$500 per day until the offense is resolved.
- An unresolved offense associated with a property or dwelling without an active STR permit shall automatically accrue a late fee of no less than \$1,000 per day until the offense is resolved.

In addition to any other lawful means, the Town may collect and recover all fines or late fees, by certifying such delinquent amounts to the County Treasurer, pursuant to Sections 31-20-105 and 31-20-106, C.R.S., to be collected in the same manner as real property taxes against the property to which such delinquent amounts are appropriately attributed. All amounts due and owing the Town in connection with any violation of this Article shall constitute a first priority lien on the vacation rental property.

STRs with a Duly Issued Permit. An STR with a duly issued permit that is found to be in violation of the provisions of this code shall be subject to the Stage 1 STR Schedule of Fines. Each offense shall be documented against the permit on file. All offenses are cumulative. If four or more offenses are documented on a single permit, the permit shall be revoked, and a waiting period of two years shall apply before a new permit may be issued. The waiting period shall be recorded against the subject property or dwelling in the form of an administrative determination. The waiting period shall begin on the date represented in the administrative determination.

Stage 1 Short-Term Rental Schedule of Fines

The following schedule of fines applies to STRs that <u>do have</u> a valid permit.				
Violation	1 st offense	2 nd offense	3 rd offense	4 th offense
Disorderly conduct, disturbing the peace or any other violation of Article 5, <i>Public Peace, Order and Decency</i>	Written warning	25% of gross revenue earned from applicable booking ²	50% of gross revenue earned from applicable booking ²	75% of gross revenue earned from applicable booking ² , and Revocation of STR permit (2 year waiting period applies)
Excess noise in violation of Article 9, <i>Noise Abatement</i>				
Failure of designated representative to respond to an incident within thirty (30) minutes ¹				
Exceeding the maximum number of occupants allowed (no more than two (2) people per dwelling for a maximum of ten (10) people)				
Failure to include business license number in online listings	Written warning	\$250	\$500	\$1,000; and, Revocation of STR permit (2 year waiting period applies)
All other offenses				

1. The responsible party shall be the first point of contact for all complaints or concerns regarding the condition, operation, or conduct of occupants of the Vacation Rental. Failure to respond within thirty minutes or inability to resolve a conflict in an appropriate manner shall be grounds for the imposition of penalties as set forth in this chapter. It is not intended that the responsible party act as a peace officer or place himself or herself in an at-risk situation.
2. The maximum fine imposed for a single offense shall not exceed two thousand six hundred and fifty dollars (\$2,650).

STRs without a permit. On or after January 1, 2024, it shall be unlawful to advertise, or receive payment, (directly or indirectly), for an unlicensed short-term rental located in the Town of Carbondale. An STR without a duly issued permit shall be subject to the fines set forth in the Stage 2 STR Schedule of Fines. All fines shall apply to the property or dwelling for which the STR is located.

Stage 2 Short-Term Rental Schedule of Fines

The following schedule of fines applies to STRs that do not have a valid permit.			
Violation	First Offense*	Second Offense*	Third Offense*
Operation of an STR after a permit was revoked	\$500 per sleeping room		
Operating an STR without a duly issued, active permit	Written warning	\$1,500 per sleeping room	\$2,650 per sleeping room
Operation of an STR that is not occupied by a fulltime resident	Written warning		
All other offenses			

***A separate violation shall be assessed for each sleeping room in a home or dwelling. The number of sleeping rooms in a home or dwelling shall be based on the record from the Garfield County Assessor.**

Unlawful transactions. On or after January 1, 2024, it shall be unlawful for any booking service provider to receive payment, directly or indirectly, for an unlicensed short-term rental located in the Town of Carbondale.

Jurisdictions in Colorado												
Location	Primary Residence	Not occupied as full time residence	Sales Tax	Lodging Tax	Other Tax	Total municipal Tax	County Tax	State Sales Tax	Total Tax	Permit Fee (primary res)	Permit Fee (unlimited)	Published Information
Aspen	Allowed w/ permit	Allowed w/ permit	2.4	2	0.4	4.8	3.8	2.9	16.1	150	150	Maratorium in Effect
Avon	zoning-limited w/ permit	zoning-limited w/ permit	4	4	2	10	1.5	2.9	24.4	75	75	Ord. No. 12 Series of 2009
Basalt	Allowed w/ permit	Allowed w/ permit	3	4	0.8	7.8	2.8	2.9	21.3	75	75	Ord. No. 7 Series of 2012
Crested Butte	Allowed w/ permit	zoning-limited with 30% market cap & permit	4.5	0	7.5	12	8	2.9	32.9	200	750	Ord. No. 6 Series of 2017
Denver	Allowed w/ permit	Prohibited	0	0	10.75	10.75	0	2.9	24.4	50	NULL	Article III Muni-Revs
Durango	zoning-limited w/ zone-specific caps & permit	zoning-limited w/ zone-specific caps & permit	3.5	5.25	0	8.75	2	2.9	22.4	750	750	Standards for Transient Residential Land Uses and Overnight Accommodations
Estes Park	Cap. allowed w/ permit	cap. allowed w/ permit	8.7	2	0	10.7	0.8	2.9	25.1	200	200	Municipal Code
Glenwood Springs	Density-limited w/ permit, prohibited in ADUs	density-limited w/ permit, prohibited in ADUs	3.7	2.5	0	6.2	2.5	2.9	17.8	300	500	Municipal Code
Telluride	allowed w/ permit	cap. allowed w/ permit	4.5	2.5	2.5	9.5	3.25	2.9	25.15	167 + 22 per sleeping room	167 + 22 per sleeping room	Municipal Code

Jurisdictions in Other States			
Location	Primary Residence	Not occupied as full time residence	Published Information
Santa Fe	Allowed w/permit. Density-limited and cap of 1,000. Permit is limited to one per natural person.	Allowed w/permit. Density-limited and cap of 1,000. Permit is limited to one per natural person.	Ord. No. 35 Series of 2020
San Luis Obispo	Allowed w/ permit	Prohibited	Short-Term Rental Guide
Palm Springs	Allowed w/ permit	Allowed w/permit	Ordinance No. 1918



Carbondale Forward

TO: Mayor Richardson and Carbondale Board of Trustees

FROM: Carbondale Forward
Nina and Jess Pedersen, Harmony Scott, Brittany Hailey, Hunt Walker, Richard Walker, Pat McGinty, Jon Flacke, Anna Arlein, Brent Moss, Jen Moss, Michael Hailey, Zoe Herreid, James McGuire, Leslie and Patrick Johnson

MEETING DATE: January 18, 2022

RE: Short Term Rentals as Part of a Thriving Community

INTRODUCTION:

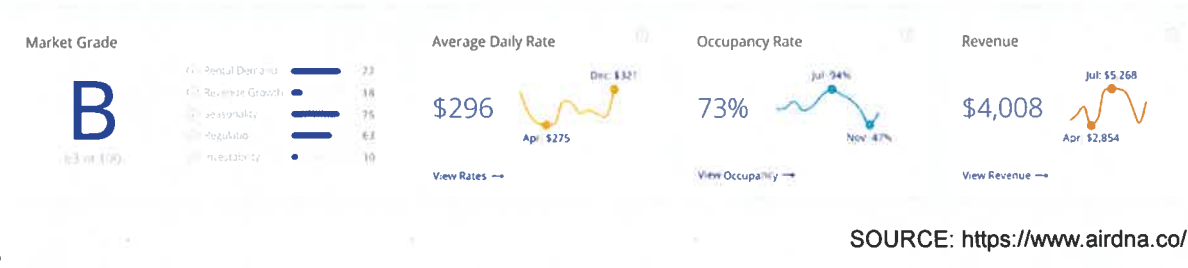
Carbondale Forward is a grassroots organization of local community members in favor of establishing STR regulations with Carbondale's future in mind. We are business owners, landlords, renters, travelers, artists, neighbors and concerned citizens. Nina Pedersen and her husband Jess, have supported countless Carbondale families and businesses for 26 years, renting commercial and residential properties in the heart of downtown Carbondale. Hunt Walker is a 50 year resident of the valley, a 16 year resident of Carbondale and current short term rental host. Harmony Scott is an artist, a business owner, a lifelong resident of the RFV, and a Carbondale resident for 22 years. Together, they and many others support a more balanced approach to regulating short term rentals.

First and foremost, our group recognizes the long term housing shortage within our community. We empathize with those unable to attain stable housing. As long term residents of Carbondale, we have seen the effects of the long term housing shortage first hand. However, we disagree with Community First Carbondale's assessment that short term rentals have been the driving force behind the housing shortage. In addition, Community First Carbondale fails to recognize the potential negative impact that their proposed regulation could have on the town's economy.

Through the town's own assessment, and Community First Carbondale's comments in the December 21st meeting, the number of short term rentals in Carbondale proper does not appear to have significantly grown in the previous two years. In fact, independent third party data and analytics firm AirDNA shows a 6% decrease in short term rentals within Carbondale over the last 12 months. We approximate that there are now 35-40 active short term rentals within the town. The town itself has 2,245 residences, meaning only 1.64% of the housing stock

is currently being utilized as short term rentals. At the same time, 382 units are either built or being built and will be completed in the next two years, expanding the housing stock by 17%.

Independent analysis of the short term rental market in Carbondale shows “LOW INVESTABILITY” due to the expense of homes and the current market rates, demand is high, and revenue growth is low.



Since Carbondale has not regulated the short term rental market at this time, preliminary data seems to suggest that market forces alone have stabilized the short term rental numbers. Anecdotally, the long term housing crunch has continued to worsen over the same time period.

It is our assessment that short term rentals are being used as a scapegoat for the larger and much more complex issue surrounding the nationwide housing shortage. A restrictive short term rental regulation may seem politically expedient now, however it is shortsighted. This regulation is unlikely to impact the larger housing crisis, and potentially economically disastrous for some long term residents and local businesses.

BACKGROUND:

Short term rentals are not new to Carbondale, they have existed for many years. The proliferation of new technology platforms have certainly changed the landscape and visibility of short term rentals, but have not changed fundamentals. The most popular short term rental platform, Airbnb, has been active in Carbondale for over 12 years. In that time Carbondale has experienced significant economic growth, and downtown businesses in particular have prospered. Tourism and short term rentals have certainly played a part in this growth.

The distribution of short term rental options throughout the core of Carbondale has had a major economic impact on the town. Visitors that stay close to the town’s commercial core, spend more time and money with local businesses. The downtown core of Carbondale has only 7 rooms available through traditional lodging (Way Home, Marble Inn). The only hotels in town are far from the commercial core, expensive and often completely booked. The revenue generated by short-term rentals is reinvested in the local community. Whereas hotel profits may go directly back to headquarters, local hosts keep and circulate money locally. In the case of Airbnb, hosts retain approximately 87% of the booking price. Short term rentals benefit many community members: short term rentals create jobs for locals, provide taxes for our community, and tourism options that positively impact many local businesses.

Though larger cities have found some success with restrictive or prohibitive short term rental regulations, smaller communities take a larger risk of harming their economy by restricting one of the many cottage industries providing income to residents and local businesses.

Many comparisons have been made between Carbondale and Aspen, Steamboat, Santa Fe and other resort communities near and far. However, Carbondale is unique and may have more in common with the towns of Pagosa Springs, Ridgeway & Salida, all of which have enacted regulations that recognize the positive impact short term rentals have on their community while mitigating the risk of fractional-type investment practices in STRs. Each of the three community ordinances enacted by Pagosa Springs, Ridgeway, and Salida are attached here as an EXHIBIT for review.

SECOND HOMES:

Second homes have long been a part of the fabric of Carbondale. Many second home owners have taken advantage of the ease of new short term rental platforms to reduce the cost of ownership by short term renting their second homes while not in use. Second homes that are currently in the short term rental market should not be assumed “potential long term rentals” as Community First Carbondale has previously stated. Families invest in second homes at least partially for their own use, and they are likely to sit empty rather than converted to long term rentals. Community First Carbondale’s proposed legislation could end up contributing to the well documented “Ghost Town” effect in mountain communities.

ADUs & IN-LAWs:

ADU’s and In-Law suites are the perfect long-term rentals from an affordability and size standpoint. Let’s imagine for a moment that the town does adopt Community First Carbonale’s proposal as is. What would the impact be on ADUs and In-Law suites?

Only primary residences would be permitted to short term rent. Reducing the accommodations options to:

- Shared spaces within primary residences
- ADUs
- In-Law suites

Somes residents may choose to rent their entire home while on vacation for a week or two, but the availability of entire homes for short term accommodations would be greatly reduced. At the same time, by far the most popular type of short term rental is a “private” or “full” residence. The demand for these rentals has been built up over many years, and will not be reduced as a result of this regulation.

So where will all this demand land? Because ADU's and In-Law suites would be granted special status in this regulation, and because they are considered "private" or "full" residences, the demand would fall on them.

With the reduction of supply, and a steady, if not growing demand for accommodations, we would expect to see an increase in the nightly rates. This increased revenue potential and demand, will likely lead to more ADU and In-Law owners converting their long term rentals to short term. Because the policy proposed by Community First Carbondale is so restrictive, the pressure for owners to convert ADUs and In-Laws will be overwhelming. Over time we should expect most to be converted to short term rentals, likely leading to a further reduction in the long term housing stock.

LLCs & REAL ESTATE SPECULATION:

Many economies are undergoing substantial change based on new and emerging technology, and investment strategies. Real estate speculation, especially as it relates to fractional ownership and investment in short term rentals, is the elephant in the room. Though it does not appear that "LLCs" are grabbing up real estate and converting long term housing stock to short term rentals in Carbondale at this time, Carbondale Forward agrees that the town should take action to prevent this in the future. Unfortunately, the regulation proposed by Community First Carbondale does not specifically tackle this *predicted problem*. Instead the regulation takes far broader steps that will greatly impact many local community members.

Carbondale Forward questions whether LLCs and real estate speculation are being used as a boogeyman, to scare the town into taking drastic action. If this future problem is the real issue, why isn't the proposed regulation more specifically tailored to address it?

PROPOSED REGULATION:

Carbondale Forward is in favor of the town taking deliberate action, and finds it unsatisfactory that a special interests group's lopsided and extreme proposed regulation would be considered without proper balance from additional interest groups. We recommend that the trustees take the time to form a special working group of citizens from all sides of the issue, to further research short term rentals as they pertain to Carbondale specifically, and to recommend balanced action. In this way Carbondale can move forward, embracing emerging technologies, growing with the changing travel and housing trends, and continuing the hard work of maintaining a community that benefits everyone.

A responsible first step in the process would be to create an open registration or permitting system for short term rentals. This would provide the town granular visibility into the real and present short term rental market in Carbondale. It is vitally important that the town collect its own information to evaluate this important issue, rather than rely on third party interest groups.

The town should also consider the current zoning districts in any future regulation. Several of the zones laid out in the Carbondale Unified Development code (including C/T, CRW, HCC, MU) specifically list lodging as designated, in some cases “encouraged” use. Several other zones (including AG, OTR, R/LD, R/MD, R/HD) list lodging as a conditional and special use. The Carbondale Comprehensive plan specifically “encourages... small scale lodging” in several neighborhoods in and around the downtown core. Many Carbondale residents and businesses count on reliable and consistent code enforcement. They have made investments, built their lives and livelihood around the code. Many of their decisions and financial obligations cannot be easily undone.

Prohibition, overregulation or over taxing of STRs is unlikely to solve the affordable housing crisis in our community. But real and meaningful investments in affordable housing for our community could make a difference. If the Town Trustees wish to extract additional revenue from STRs for the purposes of investing in long term housing, Carbondale Forward recommends they consider a ballot measure that would create a 10% affordable housing tax on all STR’s. This tax would be paid by the tourists using our community resources, not the locals who already pay taxes. **Example tax revenue potential:** Applying the average daily rate of \$296 across 40 properties in Carbondale proper = \$11,840 of average income per day. 365 days per year = \$4,321,600 of STR income per year. Average occupancy is 73% so that is \$3,025,120 per year of STR income. If we had a 10% affordable housing tax that was voted on and paid for by tourists, that would generate an estimated \$302,512 towards affordable housing per year.

QUESTIONS:

- Will the TOC consider establishing a special working group of citizens to further research and deliberate on balanced regulation?
- Is TOC looking to build any deed restricted rental/owned residences?
- Is TOC looking to create a Housing Authority to manage and maintain listings of these potentially deed restricted properties? Run lotteries?
- Do we need TOC to somehow see the effects of the upvalley job market; how they are not also supplying enough housing? The housing burden is falling to Carbondale, Glenwood, New Castle, Silt and Rifle.
- Do we have any land within TOC limits that can be developed into a Tiny Home community, owned and managed by TOC? Or developed with guidelines?
- What funds are there to provide housing?
- Will TOC have published guidelines for future development, addressing STRs?

EXHIBITS:

Exhibit A: Pagosa Springs STR Ordinance - Handout provided

Population: 2,057

- The town sent out a survey and had numerous public meetings

- The purpose of the new restrictions is to limit the number of short-term vacation rental properties within each residential zoning district and within each multi-family (condominium, apartment and townhome) development complex, to balance the needs of local, full-time residents, minimize the impacts vacation rentals often have on residential neighborhoods and preserve the Town's sense of community.
- These new regulations **only** apply in residential zoned areas within the Town limits of Pagosa Springs
- A 250 ft. radial distance buffer between licensed vacation rental properties is required.
- Only one vacation license is allowed per property (residential).
- Licenses issued on or before September 7, and that are in good standing, are not subject to the new eligibility restrictions (grandfathering is allowed)
- Moving forward, the Town will cap licenses at 10% of all dwelling units within each residential zoning district and at 10% within each multi-family (condominium, apartment and townhome) development complex located in residential zoning districts within Town limits.
- For Mixed-Use Commercial Districts: When a vacation rental is a use by right or permitted use, within the Mixed-Use Town Center and Mixed-Use Corridor zoning districts, the properties are not subject to the new cap and ownership regulations (the Town's existing code does not allow single-family structures within these mixed use districts).
- Each condominium, apartment and townhome development complex located within residential zoned districts will be allowed to have only one licensed vacation rental unit, or 10% of the total of all dwelling units within the complex, whichever is greater.
- Fifty percent of the money received by the Town for vacation rental licenses and renewals are placed into a fund to contribute towards workforce housing initiatives. The Town will continue to require that all vacation rentals be licensed and inspected and comply with all laws and regulations.

Exhibit B: Ridgeway STR Ordinance - Handout provided

Population: 992

Ridgeway is similar to Carbondale in that it is a 45 minute drive to a major Colorado resort town.

- Acknowledges the need for regulation so STRs do not consume too much of the town's long-term housing supply, broadens the types of STRs throughout the town, clarifies the status of mixed use buildings in the HB and GC District, and recognizes the economic benefits, potential tourism attractions, and ability for STRs to make one's home more affordable.
- Incentivizes people to construct ADUs on their property
- To promote the quality of experience and the character of Ridgeway, the Town has established regulations to promote a **mix of lodging options** (Community

First Carbondale's proposal does not promote a mix, but a singular type of home, creating high demand on this type of residence).

- For STRs located in the "HB" historic Business or General Commercial "GD Districts, a maximum of five STRs are allowed per building or structure.
- For STRs not in the above Districts:
 - Shall be a property with two dwelling structures where the owner may use one of the dwelling structures as a STR if both dwelling structures are owned by a single owner and one dwelling unit is owner occupied.
- The unit rented shall be a dwelling unit with no more than 5 bedrooms, nor be leased or used to any group containing more than 10 people under the age of 18.
- Owner or Owner's agent within 20 minutes of property
- ADUs are allowed as long as the property plot is a minimum of 8,000 square feet
- Required to pass a health, safety and welfare inspection by town building inspector
- Limited to 50 (not including rooms for rent) within town limits
- Biannual renewal of license

Exhibit C: Salida STR Ordinance - Handout provided

Population: 5,791

- Created caps on the numbers of STR's based on the four non-residential zones in the town.
- A separate short-term license is required for each short-term rental property. In the residential zones (listed above), no more than one (1) short-term rental permit is permitted per property owner.
- Short Term Rentals are required to pay an Occupational Lodging Tax of \$3.66 per room per night