

Docket # DC-23-0001: Text Amendments to the Land Use Code related to Short-Term Dwelling and Vacation Rentals

Summary of Proposed Changes in Initial Draft Code Text and Licensing Ordinance

September 1, 2023

County staffs' proposed revisions to Article 4 of the Land Use Code and Licensing Ordinance 2020-01, which govern all Short-Term Dwelling and Vacation Rentals in unincorporated Boulder County, are attached. The draft identifies proposed language to the text by underlining proposed additions and ~~striking~~ text that is proposed to be removed. These revisions are an initial draft and may be modified throughout the remainder of the text amendment and licensing update process.

The proposed changes seek to strike a balance that considers the potential positive and negative impacts of Short-Term and Vacation Rentals, with a focus on:

- Ensuring a baseline level of safety for Short-Term and Vacation Rentals
- Simplifying the licensing and land use review process
- Creating more certainty for applicants
- Balancing property owners' desires for short-term rentals and the desires of the surrounding neighborhoods and communities
- Minimizing impacts to housing stock by guiding whole-home rentals to areas of the county that are more appropriate for this use

The practice of regulating Short-Term and Vacation Rentals, as well as balancing their impacts on the community, is complex. This summary provides information about how the regulations will work in practice, highlights key changes, and provides additional details on other proposed changes. The proposed text amendments to the Land Use Code and the updates to the Licensing Ordinance are designed to work together to regulate Short-Term and Vacation Rentals in the unincorporated county. They simplify the process by reducing the number of uses from three to two and establish a single process through which both the Short-Term and Vacation Rental uses are reviewed by zoning and licensing staff. Additional recommendations create parameters that establish a baseline level of health and safety in rental dwellings, outline areas where Vacation Rentals may be more appropriate, and reduce impacts to traditional housing stock, primarily through the introduction of a licensing cap.

Summary of Proposed Changes

1. Reduce the Number of Rental Types

- Reduce the number of rental types from three to two by eliminating the Secondary Dwelling Short-Term Rental use.
- Redefine Primary Dwelling Short-Term Rental as "Short-Term Rental" and maintain the Vacation Rental use classification.

2. Redefine Short-Term and Vacation Rentals

- **Vacation Rentals (Article 4-507.E)**
 - Define a Vacation Rental as a single-family dwelling unit (Dwelling Unit) that offers transient lodging accommodations to a single booking party at a time for a rental duration of fewer than thirty days where the entire Dwelling Unit is solely occupied by the rental party during the duration of the rental period.

- Remove references to the number of days the Dwelling Unit is rented, allowing approved Vacation Rentals to be rented for up to 365 days per year.
- **Short-Term Rental (Article 4-516.X)**
 - Define Short-Term Rental as a Dwelling Unit offering transient lodging accommodations to a single booking party at a time for a rental duration of fewer than 30 days where the Dwelling Unit is the primary residence of the owner or tenant, the owner or tenant resides on the premises, and the owner or tenant is present during the rental period.
 - Allow a long-term tenant to obtain a Short-Term Rental License.
 - Create an exception that allows the entire Dwelling Unit to be rented without the owner or tenant present for up to 30 days per calendar year.
 - Clarify that Short-Term Rentals are permitted, with a license, in any legal Dwelling Unit .

3. Changes to Process

- Short-Term Rentals will continue to require a license and be reviewed by staff as part of issuing the license. There is no change proposed for this process.
- Vacation Rentals will now only require review under licensing. Compliance with zoning is included as part of the licensing review. There are no Planning Commission and/or Board of County Commissioners hearings required.
- The requirement for a Development Agreement has been eliminated due to the change in review process.
- Licensees will be required to notify immediately adjacent property owners about their Short-Term or Vacation Rental License.
- A cap of total licenses available in the County is proposed.

Other Proposed Changes to the Land Use Code related to Short-Term and Vacation Rentals

- **Vacation Rentals (4-507.E)**
 - Allow Vacation Rentals only in the Forestry and Mountain Institutional zoning districts.
 - Modify parking requirements to two spaces, or one space per every four approved occupants, whichever is fewer. Require all parking to be on-site.
 - Require that Vacation Rentals be rented with a two-night stay minimum.
- **Short-Term Rentals (4-516.X)**
 - Maintain allowance in all zoning districts, by right.
 - Modify parking requirements to two spaces. Require all parking to be on-site.

Proposed Changes to the Licensing Ordinance

- **Section 1: Definitions**
 - Redefine Primary Residence as “the Dwelling Unit in which a person resides for more than nine (9) months out of each calendar year.”
 - Remove definition of Short-Term Rental since the Secondary Dwelling Short-Term Rental is proposed to be eliminated. Strike language regarding Vacation Rental as this use is defined by the Land Use Code.
 - Define tenant as “a person who occupies property rented from a property owner for a rental duration of greater than 30 days.”

- **Section 2: License Required:**
 - Clarify that offering, providing, or operating a Short-Term Rental or Vacation Rental without a license is a violation of the Licensing Ordinance. HB23-1287 enables Boards of County Commissioners to work with vacation rental platforms to have advertisements for unlicensed rentals removed from platforms.
 - Maintain limitation of one license of any type per person or legal entity.
 - Allow an additional Short-Term Rental license to be issued to a person or legal entity associated with that person if the Dwelling Unit or Licensed Premises is a Historic Landmark and the owner already maintains a Vacation Rental License on a separately Licensed Premises.

- **Section 3: Licenses**
 - No proposed changes.

- **Section 4: Licensing Procedure**
 - Outline the process for submitting an application online, including providing proof of adequate liability and property insurance.
 - Modify proof of primary residence requirements by reducing the types of documents that applicants must provide and instead require the applicant to provide a Colorado state-issued Driver's License or Identification Card and sign a Sworn Statement of Primary Residence.
 - Require Sworn Statement of Primary Residence to be submitted annually on the anniversary of license issuance.
 - Remove text referencing proof of land use approvals as land use reviews will no longer be required.
 - Require Licensees to provide a copy of their license to immediately adjacent neighbors.
 - Remove references to Secondary Dwelling Short-Term Rentals.
 - Clarify that applicants must provide any additional information requested by staff for the potential Licensee's application within six months. If the information is not provided, the application will be withdrawn.
 - Outline some of the departments to which the Director may refer licenses.

- **Section 5: Licensing Requirements**
 - Clarify that applicants must comply with Land Use Code requirements, as applicable.
 - Maintain requirements for building inspections.
 - Add a provision that requires the applicant to obtain and complete permits for any nonpermitted work in the Dwelling Unit that is being offered for rental.
 - Modify Wildfire Partners Certification process.
 - Short-Term and Vacation Rental applicants must have an assessment that has been completed within the past five years to obtain their initial license.
 - Upon their first renewal, two years after the date of the initial license, they must be Wildfire Partners Certified.

- No changes are proposed.
- **Section 10: Term of License or Permit; Renewal**
 - Clarify language related to violations of the Licensing Ordinance on Licensed Premises.
- **Section 11: Licenses Non-Transferable**
 - No changes are proposed—licenses may not be transferred from one person to another or one location to another.
- **Section 12: Violations**
 - No changes are proposed.
- **Section 13: Fees as adopted in the Planning Review Fee Schedule**
 - No changes are proposed.
- **Section 14: Severability/Savings Clause**
 - No changes are proposed.
- **Section 15: Effective Date**
 - No changes are proposed. Ordinance will become effective 30 days after publication following adoption on the second reading.

Summary of Proposed Changes to the Land Use Code

- **Article 4**
 - Zoning tables in Article 4 as well as associated uses will be updated to reflect the approved changes.
- **Article 4-516.Y**
 - Text of this section will be deleted to eliminate the Secondary Dwelling Short-Term Rental use.
- **Article 4-602 Special Provisions**
 - Text will be updated to remove references to Secondary Dwelling Short-Term Rentals
- **Article 4-802 Applicability and Scope of the Site Plan Review Process for Development**
 - A.10. will be updated to read “A change in use of a parcel, except for a change of use to a Vacation Rental.”