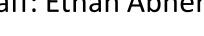


# DC-23-0001: Text Amendments to the Land Use Code related to Short-Term Dwelling and Vacation Rentals

Planning Commission October 18, 2023 Staff: Ethan Abner

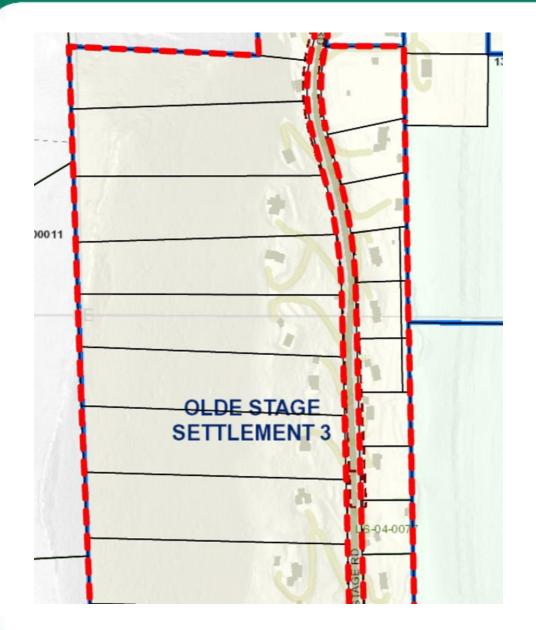




## Requests for Additional Information

- A process for Vacation Rentals that do not meet the standards in the proposed text and licensing ordinance.
  - Staff do not recommend creating a review process for Vacation Rentals that do not meet the proposed standards.
  - If the goal is to specifically allow for some level of Vacation Rental activity in the Plains, an alternative would be modifying the proposed licensing caps.
- Setting a minimum lot size standard for Vacation Rental licenses.
  - Staff do not recommend a minimum lot size standard as it is unlikely to address concerns regarding neighborhood compatibility.
  - Staff do not recommend allowing Vacation Rentals in subdivisions.
- Access





### **Example: Olde Stage Settlement 3**

- West lots ~5 acres
- East lots ~ < 1 acre

Although West lots are bigger and East lots are smaller, the dispersion of homes is about the same.







## **Proposal for Converting Licenses**

#### **Primary Dwelling Short-Term Rental**

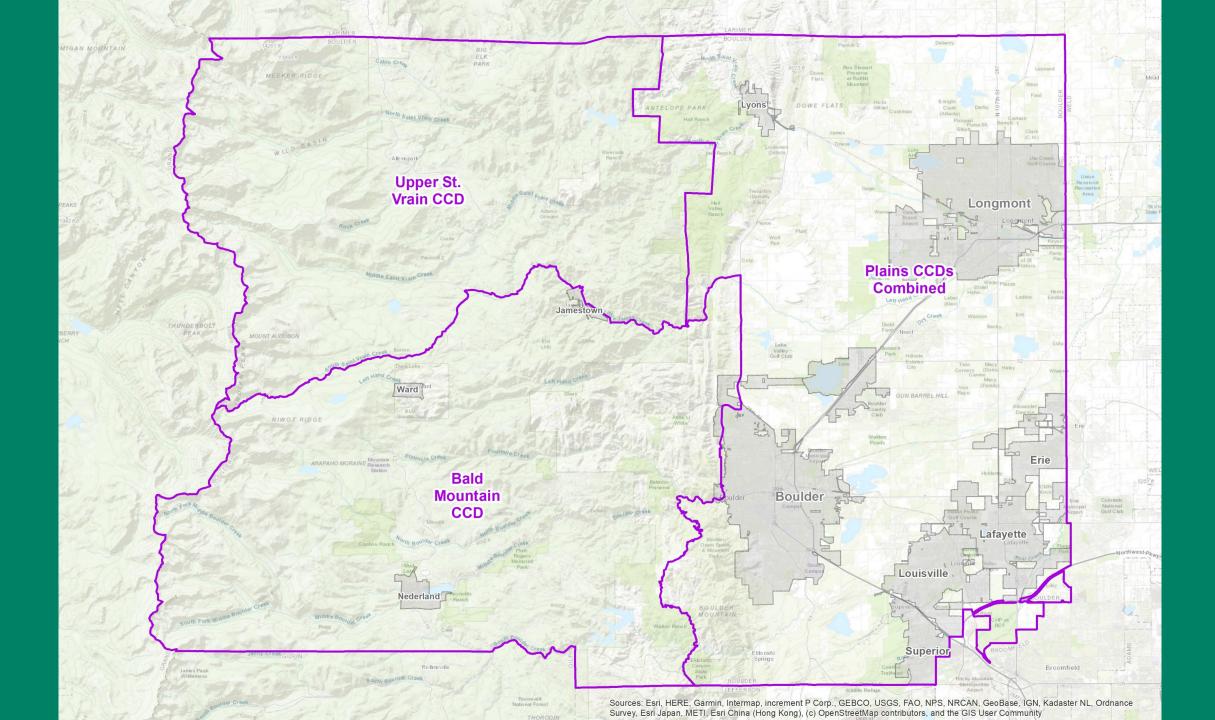
 May continue operating until their current license expires or choose to proactively seek a new Short-Term or Vacation Rental License.

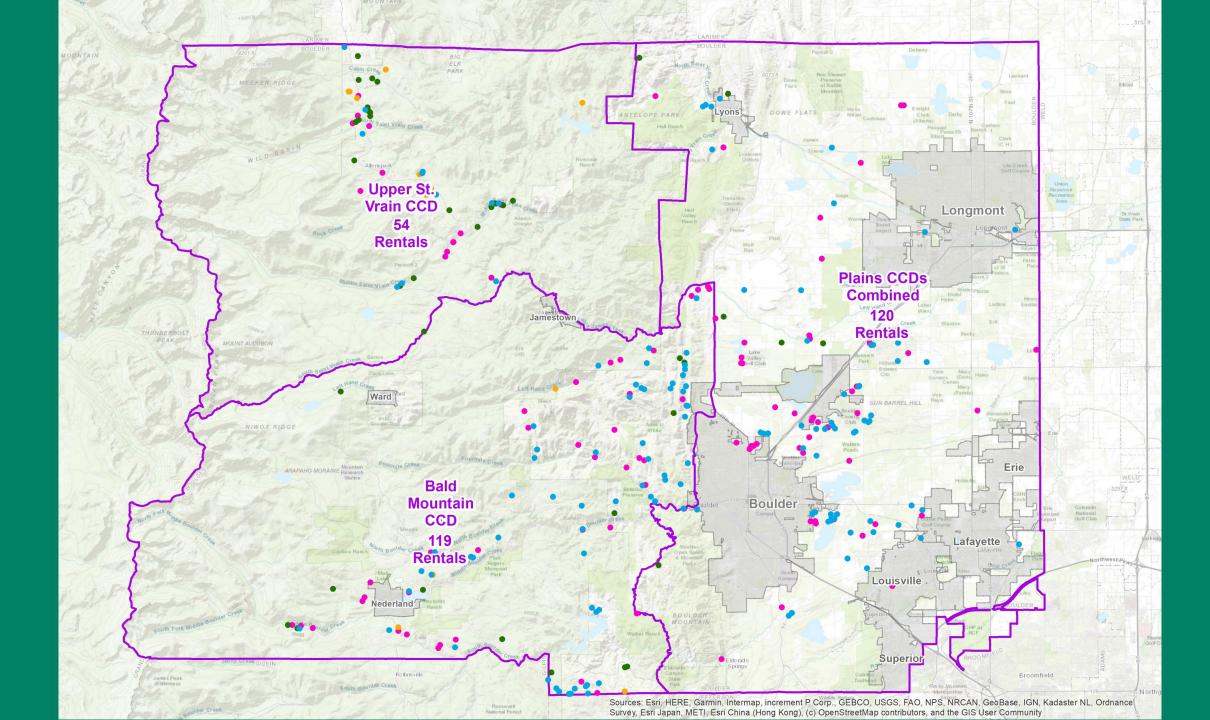
#### **Secondary Dwelling Short-Term Rental & Vacation Rentals**

- May continue operating until their current license expires or choose to proactively seek a new Short-Term or Vacation Rental License.
- Alternatively, may choose to continue operating within the parameters of existing approvals as a nonconforming use so long as the land use review is finalized, conditions of approval are met, and certain health and safety requirements in the licensing ordinance are met.

Proposed Licensing Ordinance would be modified to explicitly address nonconforming use.







#### **Proposed Licensing Caps in Upper St. Vrain CCD (North)**

- Proposed Cap: 169 Vacation Rental Licenses
- Vacation Rentals: 21
- Primary Dwelling Short-Term Rental: 11
- Secondary Dwelling Short-Term Rental: 8
- Violations: 14
- Total: 54

Staff estimate that if all rental types and violations received a license, there would be 115 licenses remaining.



### **Proposed Licensing Caps in Bald Mountain CCD (South)**

- Proposed Cap: 73 Vacation Rental Licenses
- Vacation Rentals: 14
- Primary Dwelling Short-Term Rental: 63
- Secondary Dwelling Short-Term Rental: 4
- Violations: 38
- Total: 119



#### **Proposed Licensing Caps in Bald Mountain CCD (South)**

- Proposed Cap: 73 Vacation Rental Licenses
- Vacation Rentals: 14
- Primary Dwelling Short-Term Rental (NOTSUB): 32
- Secondary Dwelling Short-Term Rental: 4
- Violations (NOTSUB): 23
- Total: 73

Staff estimate the proposed licensing cap would accommodate all Vacation Rentals, Secondary Dwelling Short-Term Rentals, Violations (not in subdivisions), and Primary Dwelling Short-Term Rentals (not in subdivisions).



#### **Proposed Changes related to Use Categories and Processes**

- Two—rather than three—uses. Short-Term and Vacation Rental (Secondary Dwelling Short-Term Rental Use is eliminated).
- Staff-level zoning and licensing review for Short-Term and Vacation Rentals.
- Licensees required to notify immediately adjacent property owners about their Short-Term or Vacation Rental License.
- A cap on the total number of Vacation Rental Licenses is proposed in the Licensing Ordinance.



#### **Proposed Changes related to Vacation Rentals**

- Defined as a single-family 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.
- If approved and licensed—permitted to operate 365 days per year.
- Vacation Rentals are not permitted in subdivisions.
- Access must meet Multimodal Transportation Standards.
- Allowed in the Forestry and Mountain Institutional zones. Vacation Rentals would no longer be permitted in in the Agricultural, Rural Residential, Commercial, Business, General Industrial, and Light Industrial zoning districts.
- Parking requirement is reduces to two spaces or one space per every four approved occupants, whichever is fewer. Parking is still required to be on-site.
- Vacation Rentals must be rented with a two-night stay minimum.



#### **Proposed Changes related to Short-Term Rentals**

- Defined 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.
- Proposes an exception to allow rental of the entire Dwelling Unit (without the owner present) for up to 30 days per calendar year.
- Allowed in subdivisions.
- Clarifies that Short-Term Rentals are permitted—with a license—in any legal Dwelling Unit and in Historic Accessory Dwelling units.
- Allowed by right in all zoning districts.
- Staff propose modifying the parking requirement to two spaces. Parking is still required to be on-site.



#### Other Conforming Changes to the Land Use Code

- Staff propose to update the zoning tables and uses throughout Article 4 to reflect any approved changes.
- Article 4-516.Y, related to Secondary Dwelling Short-Term Rentals will be deleted since staff propose eliminating this category.
- Article 4-602 will be updated to remove references to Secondary Dwelling Short-Term Rentals.
- Article 4-802 will be updated to allow for the change in use of a parcel to Vacation Rental without a site plan review. Staff propose to exclude a change in use to Vacation Rentals from this process because of the prescriptive nature of the licensing ordinance.



#### **Proposed Changes related to the Licensing Ordinance**

- Several changes that clarify licensing requirements related to health and safety have been included in the Licensing Ordinance.
- Some licensing requirements (e.g., radon testing, HERS rating) are proposed to be eliminated.
- Introduce incrementalism into the Wildfire Partners Assessment and Certification Process.
- A cap on the number of Vacation Rental Licenses is proposed.
  - No Vacation Rentals permitted in the Plains.
  - 169 Vacation Rental Licenses (12.2% of THU) in Upper St. Vrain CCD
  - 73 Vacation Rental Licenses (1.3% of THU) in Bald Mountain CCD



## **Action Requested**

- The Planning Commission closed the public testimony portion for this docket at the September 20 hearing and tabled DC-23-0001 to October 18 (today) for discussion and action (i.e., provided a recommendation to the BOCC).
- Written comment will continue to be accepted and members of the public will have the opportunity to provide additional public testimony in front of the Board of County Commissioners.
- The BOCC hearing on Docket DC-23-0001: Text Amendments to the Land Use Code related to Short-Term Dwelling and Vacation Rentals is scheduled for January 9 at 1 p.m. Additional information will be available on the docket webpage.



### **Action Requested**

Staff recommend that the Planning Commission recommend to the Board of County Commissioners *approval of Docket DC-23-0001: Text Amendment to the Land Use Code related to Short-Term Dwelling and Vacation Rentals, with the following condition(s):* 

A. The Board of County Commissioners concurrently adopts the proposed Short-Term and Vacation Rental Licensing Ordinance.



## **Additional Slides**



#### **Text Amendments: Short-Term Rentals**

#### Short-Term Rental defined as:

- A single-family dwelling unit offering transient lodging accommodations to a single booking party at a time within that dwelling unit for a rental duration of fewer than 30 days where:
  - a) The dwelling unit is the primary residence\* of the owner <u>or tenant</u>;
  - b) The owner or tenant resides on the premises; and
  - c) The owner or tenant is present during the rental period, with the exception of up to thirty nights per year where the entire dwelling unit may be rented without an owner or tenant present.

\*Licensing Ordinance defines Primary Residence: The Dwelling Unit in which a person resides for more than nine (9) months out of each calendar year.



#### **Text Amendments: Vacation Rentals**

#### Vacation Rental defined as:

- A single-family dwelling unit offering transient lodging accommodations to a single booking party at a time within that dwelling unit for a rental duration of fewer than 30 days where the entire dwelling unit is solely occupied by the rental party during the duration of the rental period.
  - a. The dwelling unit is not the primary residence of the owner; and
  - b. The dwelling unit is rented more than 60 days per year.



## Research: Impacts of Short-Term and Vacation Rentals

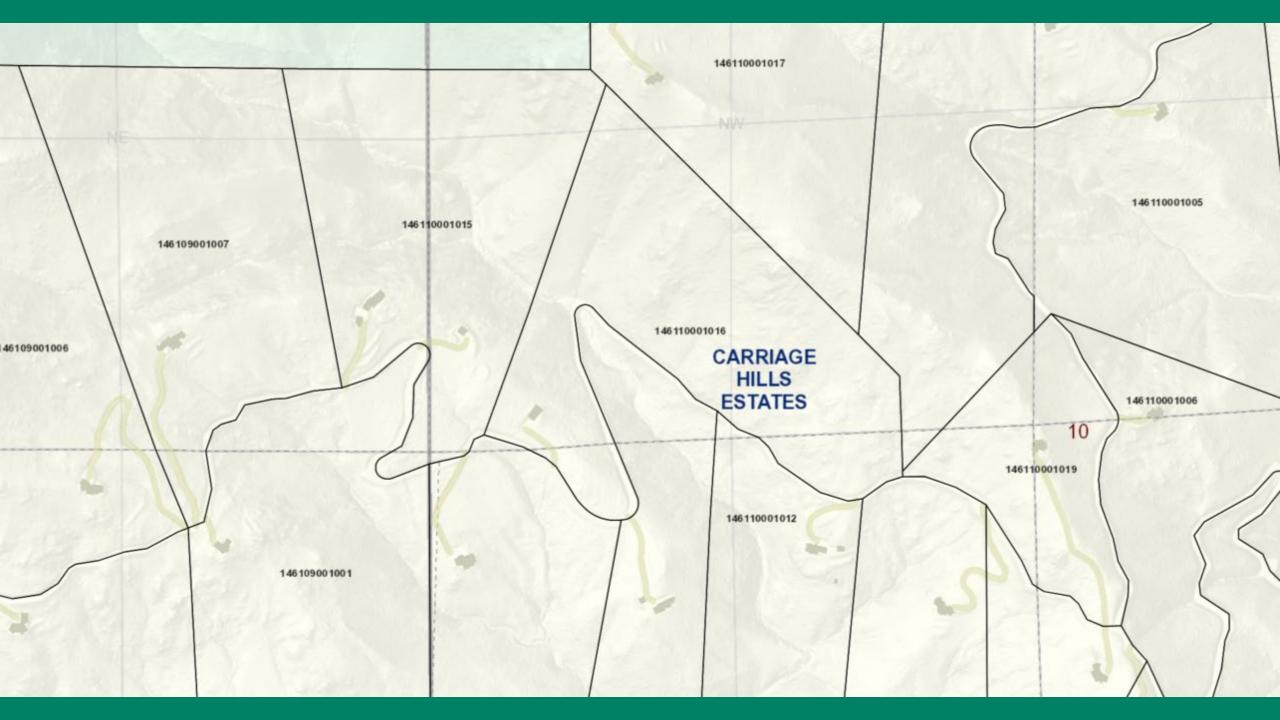
- "...the increased ability to home-share has led to increase in both rental rates and house prices (Barron, Kung & Proserpio, 2020)"
- "...while the total supply of housing is not affected by the entry of Airbnb, Airbnb listings increase the supply of short-term rental units and decrease the supply of long-term rental units (Barron, Kung & Proserpio, 2020)"
- "... the spread of Airbnb seems at its core to be a shift of potential housing supply from the long-term residential market to the market for short-term accommodations. The shift in supply can lower prices for travelers but raise housing prices for long-term residents (Bivens, 2019).
- "Airbnb mildly cannibalizes the rental market but has a market expansion effect... The rental supply reduction is larger for lower priced affordable units than for higher priced luxury units, suggesting that Airbnb can raise concerns about housing affordability. However, the market expansion effect is also greater for affordable units, suggesting that owners of affordable units benefit more from having Airbnb as an income source (Li, Kim & Srinivasan, 2021)"

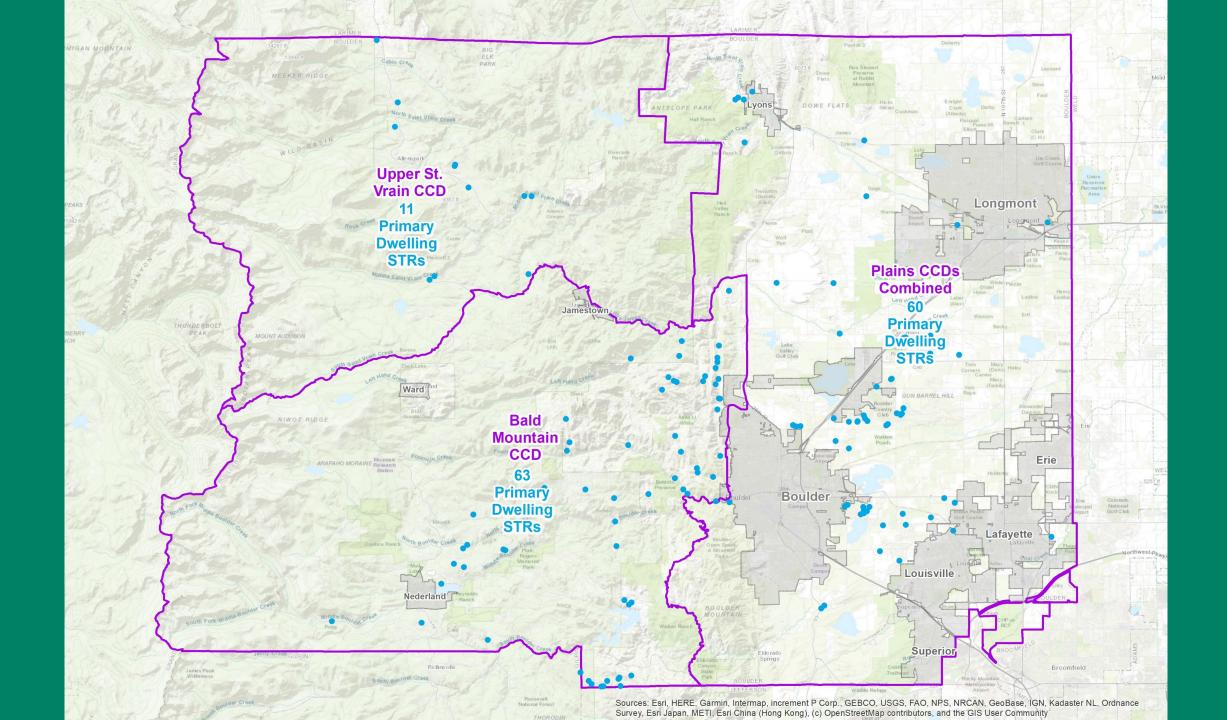


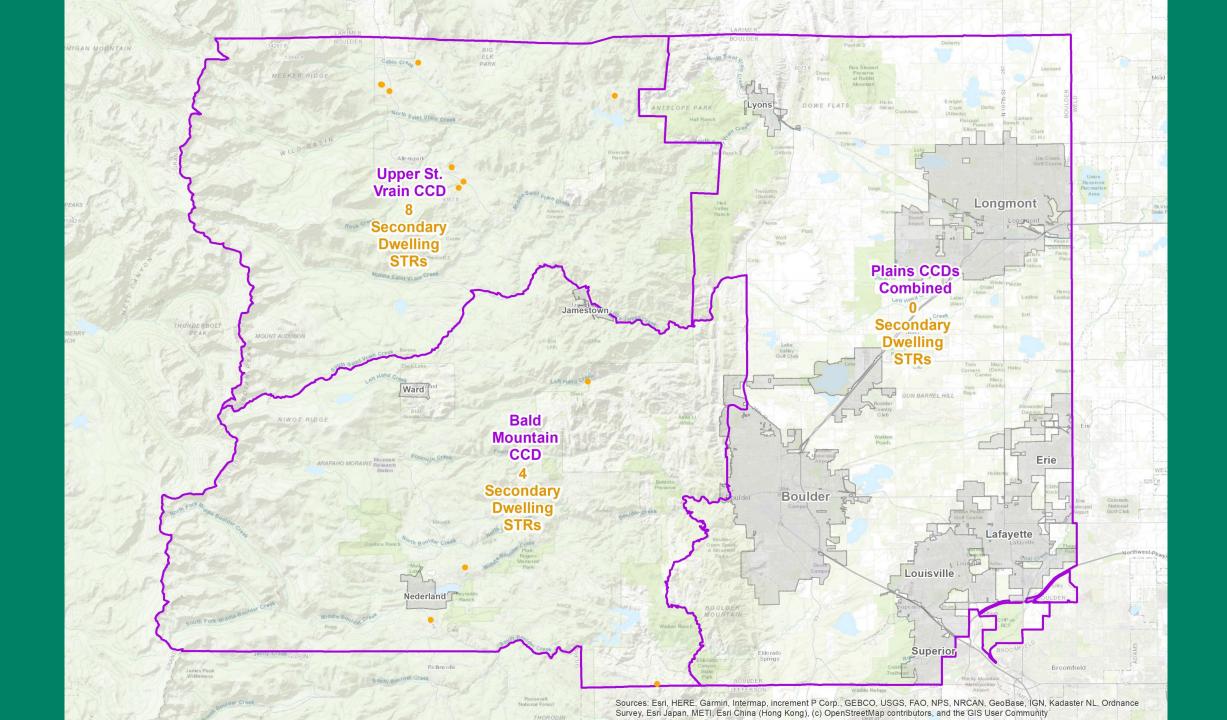
#### Plains (Combined CCDs: Boulder, Longmont, Lafayette-Louisville)

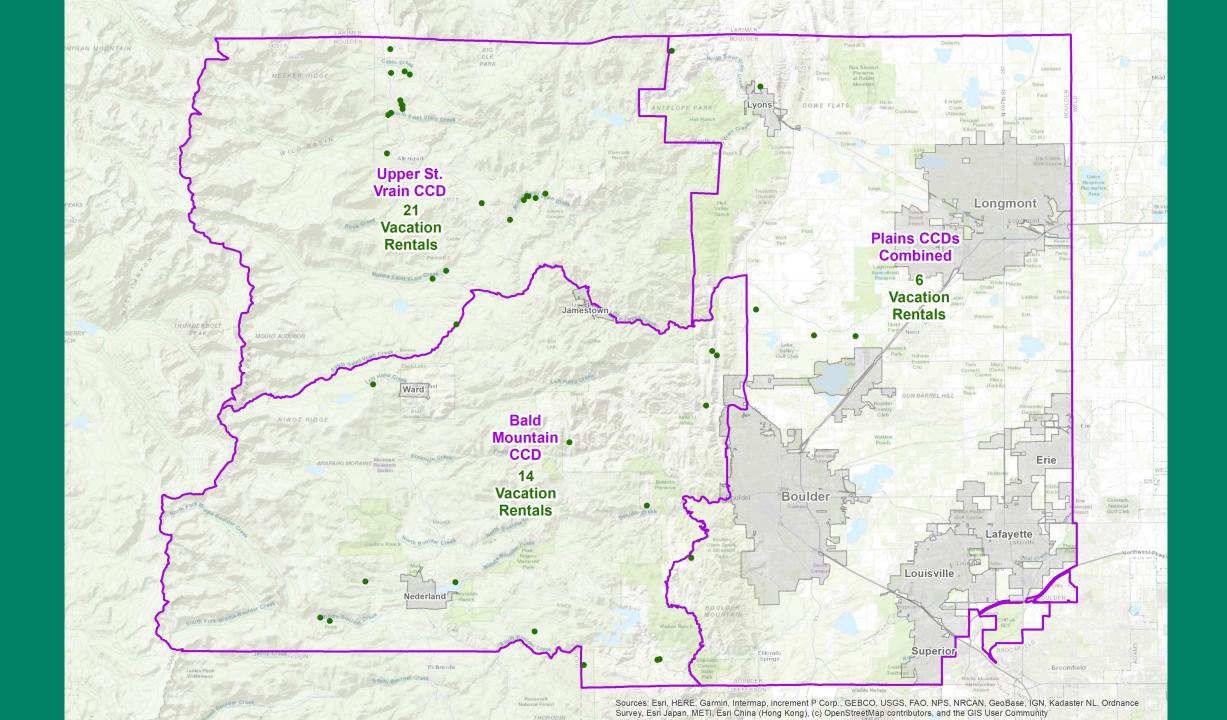
- Staff propose no Vacation Rental Licenses for the Plains.
- Vacation Rentals: 6
- Primary Dwelling Short-Term Rental: 60
- Secondary Dwelling Short-Term Rental: 0
- Violations: 54
- Total: 120

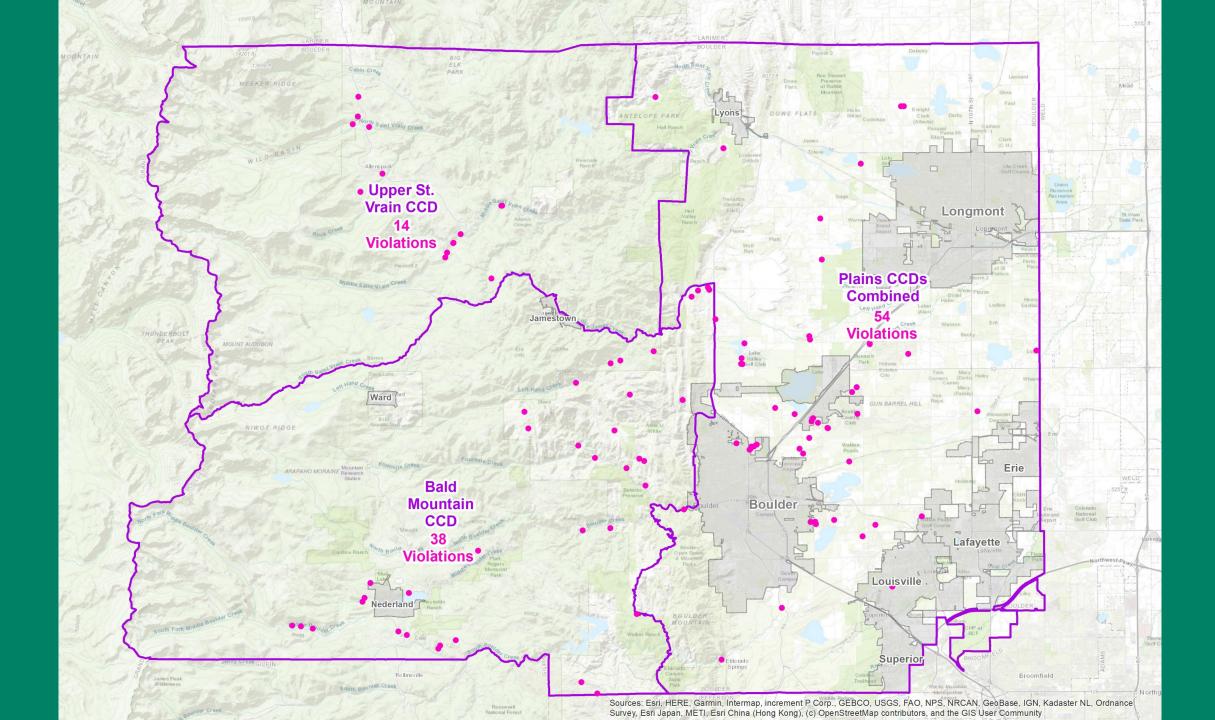












# Cross-Referencing Table for Conversion Possibilities in Bald Mountain CCD (25% increment)

Bald Mountain CCD				Violation (0%)	Violation (25%)	Violation (50%)	Violation (75%)	Violation (100%)
Primary	32		Primary (0%))	,	6	12	17	23
Secondary	4		Primary (25%)	8	14	20	25	31
Vacation	14		Primary (50%)	16	22	28	33	39
Violations	23		Primary (75%)	24	30	36	41	47
			Primary (100%)	32	38	44	49	55
Bald Mountain CCD				Violation (0%)	Violation (25%)	Violation (50%)	Violation (75%)	Violation (100%)
Primary	63	32 (NOTSUB)	Primary (0%))		9.5	19	28.5	38
Secondary	4		Primary (25%)	15.75	25.25	34.75	44.25	53.75
Vacation	14		Primary (50%)	31.5	41	50.5	60	69.5
Violations	38	23 (NOTSUB)	Primary (75%)	47.25	56.75	66.25	75.751	85.25
			Primary (100%)	63	72.5	82	91.5	101

