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DATE: May 30, 2019

TO: Mayor and Councilmembers

FM: Ginny Sawyer, Project and Policy Manager *GS*

TH: Darin Atteberry, City Manager *DA*
Jeff Mihelich, Deputy City manager *J.M.*
Kelly DiMartino, Senior Assistant City Manager *KD*

RE: May 28, 2019 Work Session Summary: Short-term Rentals (STRs)

Mayor Pro Tem Kristin Stephens and Councilmembers Gutowsky, Pignataro, Summers, Cunniff, and Gorgol were present. Deputy City Manager Mihelich staffed the meeting.

Staff provided a thorough background on the development and components of the existing short-term rental (STR) licensing program and the unintended conflict between the program and the International Building Code and Fire Code.

Council was then asked direction on:

1. Addressing existing licensed STRs in multifamily buildings; and
2. Addressing STRs in Multifamily building going forward.

Existing STRs in Multifamily Buildings

Options:

1. Grandfather as is
2. Grandfather with conditions
3. Require all to meet R1 standards or cease operation

General comments:

- Consensus that safety is important.
- Concern for a perceived changing of rules on existing operators and/or requiring modifications that would be prohibitive.
- Desire for flexibility to achieve desired safety levels while reviewing existing STRs.
- Desire to have Building and/or Fire inspect these units.
- Overall support for grandfathering with conditions.

Future STRs in Multifamily Buildings

Options:

1. Only allow STRs in R1 buildings
2. Allow STRs in fire sprinklered buildings up to 25% of all units

General comments:

- Question of whether STRs should be allowed in multifamily at all.
- Interest in waiting to see what data emerges over time regarding STRs and if the International Building Code will address/define STRs in the future.
- Overall support to only allow future STRs in R1 buildings.

Other:

- Consider options to limit the occupancy in all STRs.
- Bundle upcoming changes with any additional changes (occupancy, decriminalize.)
- Review existing licensing requirements and ensure we are capturing all related code requirements.

Next steps:

- Send memo outlining potential updates/changes to STR licensing ordinance.
- Bring forward regulations to:
 - Grandfather existing units with conditions and inspections.
 - Only allow STRs in multifamily buildings that meet R1 standards
 - Limit occupancy in STRs
- Inform stakeholders of desired changes.