

DATE: January 10, 2017

STAFF: Ginny Sawyer, Policy and Project Manager

WORK SESSION ITEM

City Council

SUBJECT FOR DISCUSSION

Short Term Rental Regulations.

EXECUTIVE SUMMARY

The purpose of this item is to share proposed options for a licensing and regulatory framework to address short term rentals (STR). The proposed frameworks address both Land Use Code changes and new language for Chapter 15 and Chapter 25 of the Municipal Code. The proposed regulations are the result of much study and public engagement over the last two years.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does Council agree with the proposed licensing and Land Use Code provisions?
2. What, if any, changes would Council like to see?
3. Is this item ready for formal consideration at a Regular Council meeting?

BACKGROUND / DISCUSSION

The short term rental phenomenon, like other online/innovative activities, has become widely utilized prior to the creation or adoption of standard regulations. Many communities are now playing catch-up in an effort to protect neighborhoods, maintain the availability of residential housing, and ensure proper tax collection.

STRs refer to lodging offered for less than 30 days. The lodging can be a whole house, a private room or space in a house, or shared accommodations. There are numerous online platforms catering to STRs, the most popular being Vacation Rental By Owner (VRBO) and Airbnb.

Resort communities were some of the first to take notice and consider action to regulate STRs. In Colorado, the Colorado Association of Ski Towns published a report in June 2015 highlighting trends, challenges, and best practices. The report focused on 10 communities where STRs accounted for 1% to 52% of the housing stock.

Using Fort Collins data of 62,832 housing units and an estimated 300 STRs puts the local percent of STRs at .44%.

Reporting the number of STRs within the city limits is an estimate. While there are 128 sales and lodging licenses for STRs, the online platforms show many more. These discrepancies are difficult to resolve due to overlap between sites and lack of transparency and information available for the sites.

In July 2016, VRBO provided the following historical list of Fort Collins listings:

YEAR	LISTING COUNT
2008	127
2009	125
2010	124
2011	119

2012	115
2013	115
2014	119
2015	139
2016	129

In November 2015, Airbnb provided the following information:

200 active hosts with:

- 41% Whole house rentals (82)
- 55% Private room rentals (110)
- 3% Shared space rentals (6)

On December 29, 2016, it provided these numbers and explanation:

Fort Collins, Colorado	2013	2014	2015	2016
Active hosts	40	100	200	360
Active hosts booked	30	70	160	300
Active listings	40	110	260	470
Active listings booked	30	80	200	380
Year Over Year Growth		2014	2015	2016
Active hosts		150%	100%	80%
Active hosts booked		133%	129%	88%
Active listings		175%	136%	81%
Active listings booked		167%	150%	90%

Hosts often have more than 1 active "listing" but it is the same "house." For example, a host could list a shared space (a room in their home) and also list an entire home (perhaps when out on vacation) but this shows up in the data as 1 host with 2 active listings. Listings do not necessarily need to be "active" at the same time.

Since staff began attempting to track and report activity the following increases have been seen:

June 2015:	Estimated 171 listings and 54 STRs with sales and lodging tax licenses
October 2015:	Estimated 278 listings and 71 STRs with sales and lodging tax licenses
February 2016:	Estimated 275-300 listings and 94 STRs with sales and lodging tax licenses
July 2016:	Numbers not referenced
Current:	Estimate 250-300 listings and 128 STRs with sales and lodging tax licenses

Staff has found no communities with similar attributes to Fort Collins with a history of STR regulations; therefore, it is hard to point to proven "best practices."

From the first Council work session on this topic in June 2015 through the last in July 2016 staff has engaged the public and other communities and studies to look for ways to best mitigate the stated impacts of STR activity and to discourage underground activity.

Proposed Ordinance Highlights

Land Use Code (LUC)

Changes/additions to the LUC include definitions, zoning limitations, and parking minimums.

Definitions

Primary residence shall mean the dwelling unit in which a person resides for nine or more months of the calendar year. Under this definition, a person has only one primary residence at a time.

Short term non-primary rental shall mean a dwelling unit that is not a primary residence and that is leased in its entirety to one party at a time for periods of less than 30 consecutive days. The term party as used in this definition shall mean one or more persons who as a single group rent a short term non-primary rental pursuant to a single reservation and payment.

Short term primary rental shall mean a dwelling unit that is a primary residence of which a portion is leased to one party at a time for periods of less than 30 consecutive days. The term party as used in this definition shall mean one or more persons who as a single group rent a short term primary rental pursuant to a single reservation and payment. A carriage house that is not a primary residence is deemed to be a short term primary rental if it is located on a lot containing a primary residence. A dwelling unit of a two-family dwelling that is not a primary residence is deemed to be a short term primary rental if the connected dwelling unit is a primary residence and both dwelling units are located on the same lot.

Early in the outreach process it became clear that residents felt a distinct difference between an owner-occupied STR (primary) and a non-owner occupied (non-primary) STR. These have been defined separately. The definitions also state that a primary STR owner must be a resident at least 9 months of the year and allow for a carriage house or duplex to be considered a primary STR.

The LUC definition for Bed and Breakfast states that the accommodations are "...occupied by the operator of such establishment."

Zoning

The definitions were utilized to determine proposed allowable zoning. Primary STRs are allowed in all zones. By the definition, a primary STR owner would be present a majority of the time to address negative impacts, be a contact for neighbors, and would be invested in attracting high quality guests.

Non-primary STRs are limited to zones that currently allow other types of lodging (hotels, motels, bed and breakfasts.) These zones typically see more mixed-use activity. (**Attachment 1 and 2**)

Parking

Parking minimums have been set at one off-street parking spot per every two bedrooms rented.

Number of Bedrooms Rented	Number of Off-Street Parking Spaces
1-2	1
3-4	2
5-6	3

Staff is recommending no minimum required off-street parking for STRs in the Transit-Oriented Development Overlay Zone (**Attachment 3**) The Planning and Zoning Board did not support this parking exemption.

Municipal Code/Licensing

The additions to the Municipal Code provide the structure for STR licensing.

Highlights include:

- Every STR is required to have a STR license
- All are required to have a sales tax license and a lodging tax license and remit appropriate taxes
- License must be posted at property and included in all advertising
- All STRs will be inspected to ensure minimum property maintenance standards are met (**Attachment 4**)
- Licenses are \$200
- Annual renewal is \$100
- Fee waiver for units providing the following accessibility features:
 - No entryway stairs or offer access to a portable ramp.
 - Interior first/main floor with no stairs. Level access to living, eating, bathroom, and sleeping area.
 - All doorways on main level must be at least 36 inches wide.
 - No-step shower or shower bench provided. Grab bars are provided.
 - Raised toilet seat.
 - Bed cane/grab bar available for at least one bed in the unit.
 - Minimal carpeting or rugs throughout unit.
- Licenses run from January 1 to December 31
- No person or entity may have more than 3 non-primary STR licenses
- Only a property owner may license an STR (no tenants)
- Local contact information required

The proposed licensing provisions also include grandfathering for those non-primary STRs that may no longer be in an allowed zone. STRs that were operating as STRs, had acquired sales and lodging tax licenses, and remitted all required taxes prior to the adoption of zoning limitations would be allowed to apply for a STR license. (**Attachment 5**)

CITY FINANCIAL IMPACTS

The proposed fee structure is based on consideration for an on-site inspection and 2-3 hours of staff time per application in the first year. In renewal years, staff time is expected to drop to 1-2 hours per renewal.

For the last two years, sales tax staff has worked to educate and contact residents regarding the need for sales and lodging tax remittance. Staff has also been involved in collaborative efforts with Airbnb and other communities to have Airbnb remit on behalf of their hosts. Through this process and based on information from Airbnb, Fort Collins is currently collecting the majority of reported tax. Rather than relinquish control and the ability to audit, staff has opted to continue as is rather than enter into an agreement with Airbnb.

STR sales and lodging tax remittance from 2014 to current:

	Sales Tax	Lodging Tax	Total
2014	\$25,667	\$19,909	\$45,576
2015	\$59,552	\$45,773	\$105,325
2016	\$74,045	\$56,388	\$130,433
Total	\$159,265	\$122,069	\$281,334

BOARD OR COMMISSION RECOMMENDATION

The Planning and Zoning Board considered the LUC changes at its December 15, 2016 meeting. The Board voted to recommend adoption of the changes, with the exception of the TOD parking exemption from the minimum requirements. (**Attachment 6**)

Staff met with the following boards for outreach purposes:

Affordable Housing Board: October 2015, January 2016, November 2016

Human relations Commission: May 2016
Commission on Disability: February 2016, October 2016

PUBLIC OUTREACH

Staff met with individual stakeholder groups, the Visit Fort Collins Board, the Fort Collins Board of Realtors, and hosted three community open houses in 2016. (**Attachment 7**)

Non-statistically valid online surveys were also conducted, including one targeted to neighbors of licensed STRs.

The topic of STRs has been very polarized throughout the community. Since the first outreach STR hosts have wanted some level of regulation and neighbors have expressed a high level of concern about neighborhood quality.

The focus of neighbor concerns includes the following:

- A desire to classify STR operation as a commercial use not a residential use
- General neighborhood impacts such as parking, noise, and lack of understanding of neighborhood norms
- A loss of “neighborhood fabric” by not having permanent neighbors who are part of the community

The proposed regulations provide a balance between protecting neighborhood quality and allowing this unique opportunity within our community. However, recognizing the varying public opinions, the following are potential options/changes to the proposed ordinance listed by more to less restrictive:

- Prohibit all non-primary STRs
- Pursue more restrictive zoning by either:
 - Only allowing non-primary STRs in zones that currently allow hotels/motels (**Attachment 2**)
 - Only allowing primary STRs in zones that allow any type of lodging establishment (**Attachment 1**)
- Limited number of non-primary licenses to 1 per person/entity
- Require all licenses to be in a person’s name (not an entity) and require name to match name on the deed of the property
- Be more restrictive on the grandfathering provisions by only allowing those who had been in operation by a certain date
- Allow a property that is contiguous to and owned by the operator to be considered a primary STR (i.e., I own adjacent properties and live in one and operate the other as a STR.)

If Council opts to move forward with a licensing program, staff has worked collaboratively to create a solution using existing sales tax licensing software that could be ready within 10 days of a second reading. Staff would also propose a limited window for application by those properties seeking to be grandfathered.

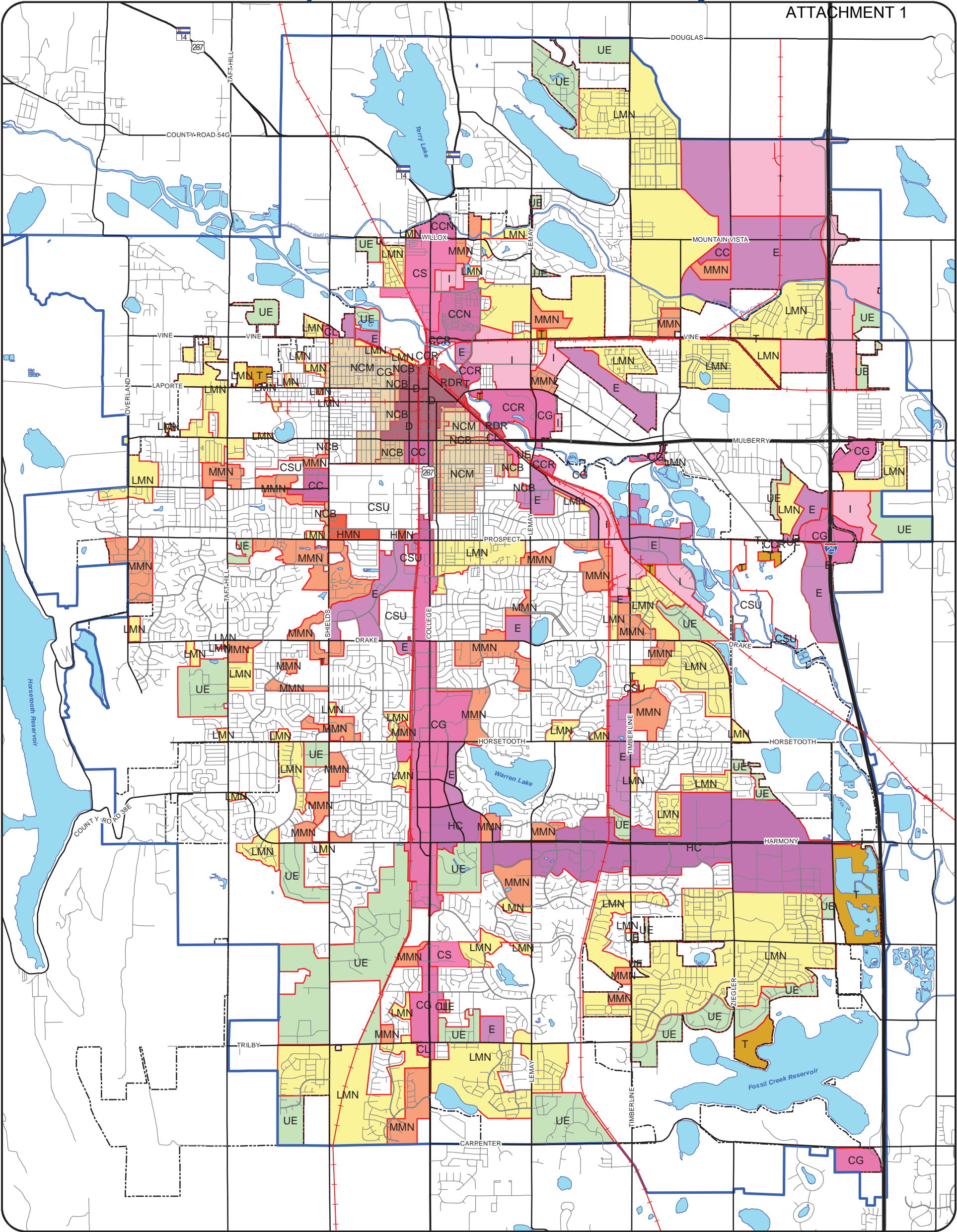
Staff would also suggest contracting with a private compliance monitoring company for the first two years of STR licensing to assist with tracking STR trends and local compliance. Online research suggests this could cost \$380/year for the lowest level of monitoring to \$8-12K/year for more in-depth, detailed monitoring.

ATTACHMENTS

1. Zones Proposed to Allow Non-Primary STRs(PDF)
2. Proposed Non-Primary STR Zone District Matrix (PDF)
3. Transit Oriented Development Overlay Districts (TOD) (PDF)
4. Short Term Rentals Minimum Standards (PDF)
5. Primary and Non-Primary in the Downtown Area (PDF)
6. Planning and Zoning Board Minutes, December 15, 2016 (draft) (PDF)
7. STR Public Engagement Summary (PDF)
8. Powerpoint presentation (PDF)

Short Term Rentals

Zones Proposed to Allow Non-Primary STRs



- | | | |
|--|---|--|
| Growth Management Area | Limited Commercial (CL) | Low Density Mixed-Use Neighborhood (LMN) |
| City Limits | Service Commercial (CS) | Medium Density Mixed-Use Neighborhood (MMN) |
| Water Features | CSU | Neighborhood Conservation Buffer (NCB) |
| City Zoning | Downtown (D) | Neighborhood Conservation Medium Density (NCM) |
| Community Commercial (CC) | Employment (E) | River Downtown Redevelopment (RDR) |
| Community Commercial North College (CCN) | Harmony Corridor (HC) | Transition (T) |
| Community Commercial Poudre River (CCR) | Industrial (I) | Urban Estate (UE) |
| General Commercial (CG) | High Density Mixed-Use Neighborhood (HMN) | |



Scale 1:60,000

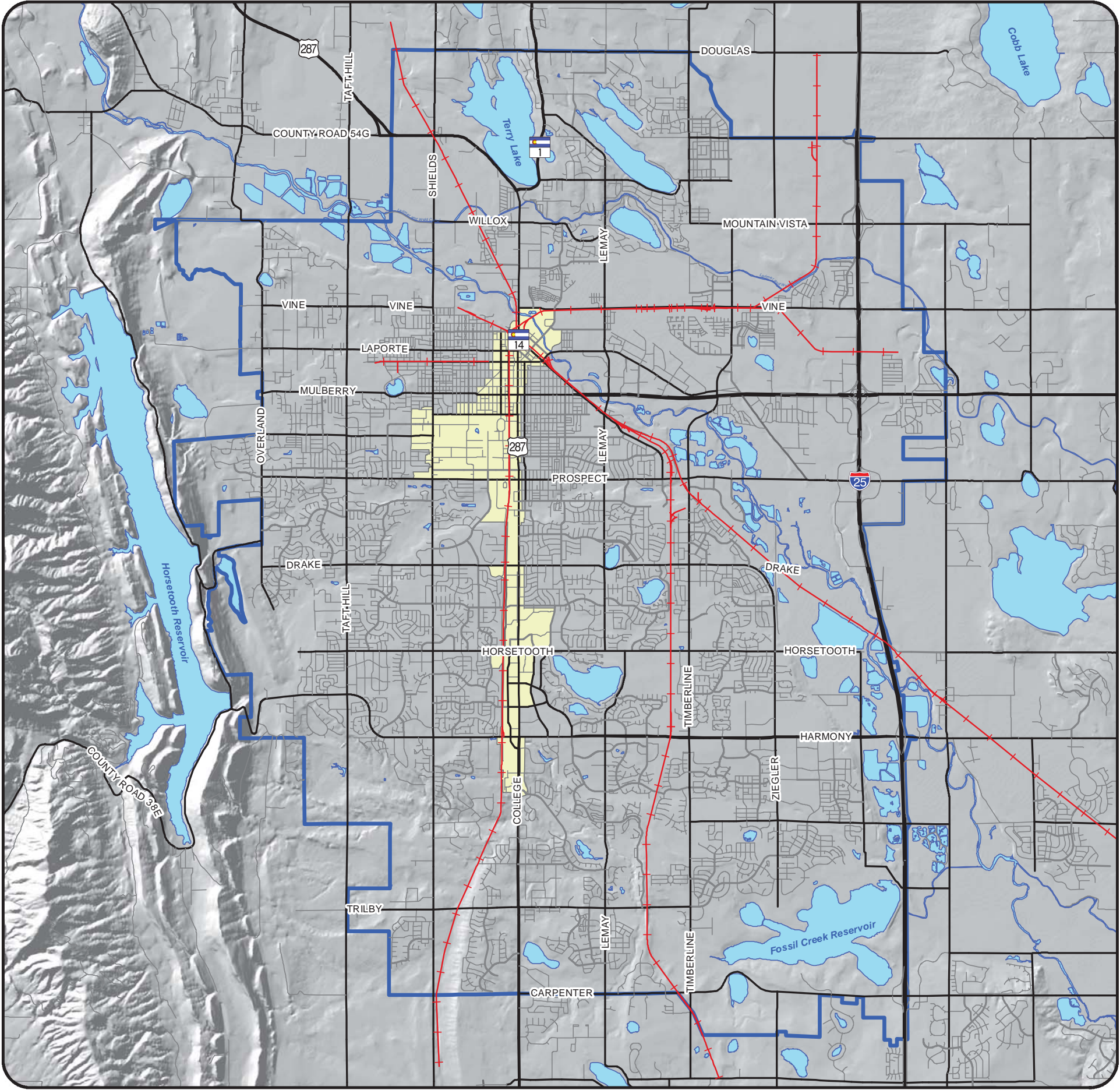
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Amended: January 20, 2015
Printed: January 03, 2017

Proposed Non-Primary STR Zone District Matrix

Zone District	Lodging Establishments	Bed and Breakfast	Bed and Breakfast (Less than 6 beds)	Non-Primary STR
Rural Lands (RUL)				
Urban Estate (UE)			X	X
Residential Foothills (RF)				
Low Density Residential (RL)				
Low Density Mixed-Use Neighborhood (LMN)			X	X
Medium Density Mixed-Use Neighborhood (MMN)			X	X
High Density Mixed-Use Neighborhood (HMN)			X	X
Neighborhood Conservation, Low Density (NCL)				
Neighborhood Conservation, Medium Density (NCM)			X	X
Neighborhood Conservation, Buffer (NCB)		X		X
Public Open Lands (POL)				
River Conservation (RC)				
Downtown - Old City Center (DOC)	X	X		X
Downtown - Canyon Avenue (DCA)	X	X		X
Downtown - Civic Center (DCC)	X	X		X
River Downtown Redevelopment (RDR)	X			X
Community Commercial (CC)	X	X		X
Community Commercial - North College (CCN)	X	X		X
Community Commercial - River (CCR)	X	X		X
General Commercial (CG)	X	X		X
General Commercial - I-25/SH 392 Corridor Activity Center (CAC CG)	X			X
Service Commercial (CS)	X	X		X
Neighborhood Commercial (NC)				
Limited Commercial (CL)	X	X		X
Harmony Corridor (HC)	X	X		X
Employment (E)	X	X		X
Industrial (I)		X		X

Transit Oriented Development Overlay Zone



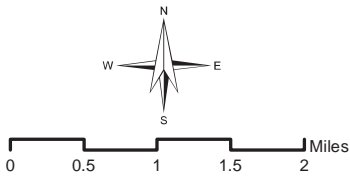
Railroad Lines

Growth Management Area

Water Features

Transit Oriented Development Overlay Zone

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Printed: November 28, 2016

Short Term Rentals (STR) Minimum Standards

The following items are required to be in place and operational at the time of the STR license inspection:

Exterior

1. Stairways must not have loose or broken steps and have handrails solidly attached.
2. Decks and porches 30 inches above the ground must have guardrails that are solidly attached.
3. Window wells within 3 feet of driveways or sidewalks must be protected with guard rails or grate covers.
4. Insect screens are required on windows and doors used for ventilation from May to November.
5. Entry doors are required to have locks for security; locks shall operate from inside without a key or special knowledge.
6. Windows located within 6 feet of ground are required to have locks for security.

Interior

1. All stairs must have solidly attached handrails and/or guardrails.
2. All walking surfaces must be in generally good repair and free of trip hazards.
3. Every bathroom and toilet room must have an openable window to the exterior or have an exhaust fan, ducted to the exterior.
4. Every clothes dryer must be exhausted to the exterior through metallic ducts.
5. Passage way opening or doorways shall provide an opening at least 24 inches wide by 6 feet tall.
6. Ceilings shall have a clear height of at least 6 feet.

Sanitation

1. All plumbing fixtures must be maintained in a safe, sanitary and functional condition, free from obstructions, leaks and defects.
2. All kitchen sinks, lavatories, laundry facilities, bathtubs and showers must have hot and cold running water.
3. The water supply system must have sufficient volume and pressure for proper function of plumbing fixtures.
4. Water shall be heated to a temperature of not less than 110 degrees with a storage capacity of 30 gallons minimum shall be provided.

Mechanical

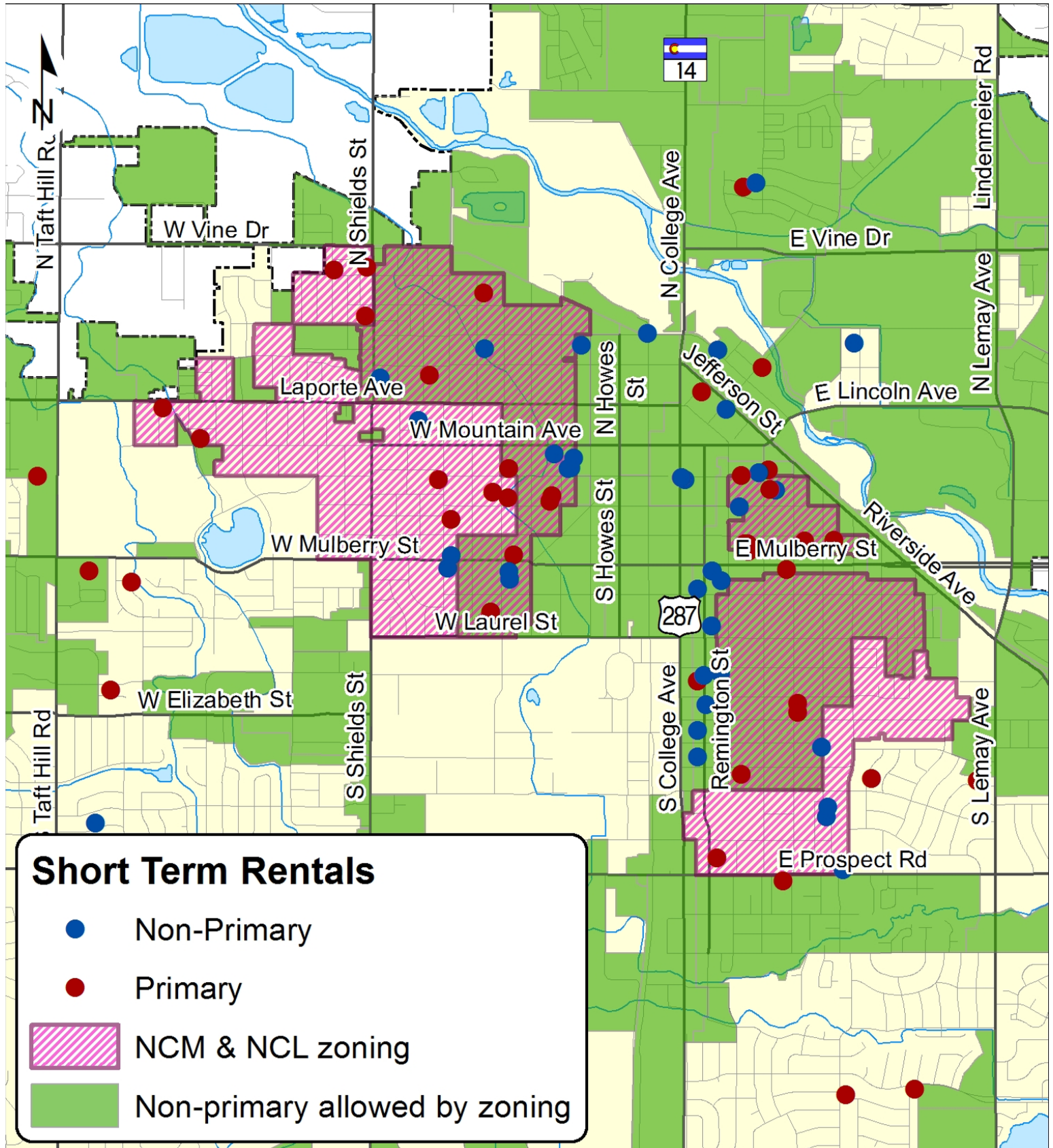
1. Habitable spaces must have heat during the period from September 15 to May 15 and maintain a temperature of not less than 68 degrees F.
2. All mechanical appliances must be properly installed and maintained in a safe working condition.
3. All fuel-burning equipment and appliances except for gas-cooking appliances must be connected to an approved chimney or vent.
4. All mechanical equipment must have an approved automatic safety fuel shutoff and an accessible manual fuel shutoff valve.
5. Every STR unit containing fuel-burning (natural gas) appliances(s) or constructed with an attached garage must have an approved carbon monoxide alarm maintained in sound operational condition.

Electrical

1. All electrical equipment, wiring and appliances must be properly installed and maintained in a safe and approved manner.
2. Every habitable space in a dwelling must contain at least (2) separate and remote receptacle outlets.
3. Every laundry area must contain at least (1) grounded receptacle or a receptacle protected with a ground fault circuit interrupter (GFCI).
4. Every bathroom must contain at least (1) receptacle protected with a GFCI
5. Receptacle outlets installed in kitchens, garages, unfinished basements and exterior locations must be protected by a GFCI
6. Use of extensions cords are not allowed.

Fire Safety

1. All sleeping rooms must be provided with emergency escape and rescue window having a maximum sill height of (48) inches above the floor and a minimum openable area of (720) square inches.
2. Smoke alarms (electric or battery operated) must be installed in each of the following areas:
 - a. On the ceiling or wall outside of each separate sleeping area in the immediate vicinity of bedrooms.
 - b. In each room used for sleeping purposes.
 - c. In each story within a dwelling unit, including basements.



included in the agenda materials for this hearing and the board discussion on this item. Member Hobbs seconded. Vote: 5:0.

Board took a short recess at 8:00pm and returned at 8:10pm.

Project: Short-Term Rental Land Use Code Requirements

Project Description:

Proposed short-term rental (STR) regulations and associated Land Use Code changes.

Recommendation: Approval

*Chair Kirkpatrick recused herself due to a conflict of interest;
Member Carpenter will chair in her absence.*

Secretary Cosmas reported that several items had been received on this item since the work session:

- 1 citizen email requesting non-primary STRs be classified as commercial rather than residential;
- 1 citizen email in opposition of the proposed ordinance;
- 1 copy of the ordinance with proposed changes (from City Attorney);
- 1 copy of the ordinance with the changes incorporated (from City Attorney); and
- 1 additional citizen email in opposition to STRs.

Staff and Applicant Presentations

Ginny Sawyer, Program and Project Manager with the City of Fort Collins, gave a detailed presentation of this recommendation. She explained some of the history, including the changes to the Land Use Code:

- Definitions of primary residence (lives in a dwelling unit for 9 months or more);
- Definitions of short-term rental units (one party at a time for less than 30 days);
- "Party" is a reservation paid for a single group;
- Owner-Occupied could include a carriage house onsite or a 2-family dwelling, and will also be considered primary;
- Parking requirements (1 off-street parking for 2-bedroom except for TOD); and
- Zoning limitations – owner-occupied can be allowed anywhere; non owner-occupied will be limited to zones allowing lodging establishments.

Ms. Sawyer discussed the public outreach and where STRs would be allowed, noting there is a concentration of STRs in the downtown area due to amenities. She added that this ordinance will also propose a "grandfather" clause for any existing STRs. She is also proposing that each STR be inspected to ensure compliance with minimum housing standards. Some may have to go through the existing APU process to reach compliance.

Assistant City Attorney Yatabe clarified that no licensing procedures are being considered at this time, so citizens should focus their comments on LUC topics.

Public Input

Lisa Derbyshire, 709 Garfield, has several concerns with STRs, including definitions on parking, response time to complaints, and if they should be treated as residential or commercial properties. She does not feel that City outreach has been adequate, recognizing that STRs will be difficult to enforce.

Maggie Dennis, 315 Whedbee Street, stated that she doesn't feel that STRs are comparable to "bed and breakfast" establishments. She feels that her neighborhood is less protected than other areas that only allow primary rentals. She asked what some of the STR limits are (in terms in owner rentals, parking requirements, etc.)

Terry Usrey, 1940 Larkspur Drive, is familiar with issues concerning Air BnBs, but he now has a concern with the distinction between primary and non-primary enterprises. He also has concerns about occupancy loopholes, so he is requesting that STRs be prohibited, including any potential "grandfathered" STRs.

Michelle Haefele, 623 Monte Vista Avenue, is opposed to the proposed ordinance, saying this is fundamentally a zoning issue, and these are lodging businesses that do not belong in residential neighborhoods. She suggested that the definitions in the LUC be revised and simplified. Any STRs should only be allowed in those zones that are already approved for primary STRs.

Sue Ballou, 1400 West Lake Street, lives in the Avery Park neighborhood, which was originally all owner-occupied but is now 70% rentals. She would like to see the STR regulations also applied to long-term rentals. She is in favor of the proposal.

Lisa Eaton, 320 E. Mulberry Street, is a STR landlord and recognizes this is an on-going issue across the nation. She feels this is more of a residential use, and she is supportive of her own STR.

Reed Mitchell, 809 E. Elizabeth Street, suggested that the proposed ordinance isn't ready for approval yet. He has a concern that neighborhoods are changing over time, and resident expectations are being compromised. He doesn't feel that STRs belong in neighborhoods.

Margit Hentschel, 216 Wood Street, has had a lot of interaction with the City of Fort Collins, and she believes this project is very negative for the community. She has lived close to a STR in the past and had a bad experience overall, adding that there will be an exponential number of people impacted.

Diana Clements, 737 Hinsdale Drive, owns an STR and is in support of this proposal because she feels our city should offer a safe place for non-residents to come together. She believes having STRs is a nice compromise for non-residents who want to experience Fort Collins on a personal level.

Margaret Mitchell, 809 E. Elizabeth, is not in favor of STRs because the parking requirements do not compare favorably to those governing long-term rentals. She believes this proposal isn't ready for Council presentation.

Whitney Cranshaw, 1400 West Lake Street, lives in the Avery Park neighborhood, and he questions the distinction between long-term and short-term rentals, saying there isn't enough regard for the needs of the neighborhoods. He also stated that fees shouldn't be restricted to low-density areas only.

Tamela Wahl, 311 Whedbee Street, is not opposed to STRs but is opposed to this two-pronged approach, because she feels it applies different standards to neighborhoods, making it discriminatory. She also thinks there are some issues with the classifications on the map that was provided, saying that

the neighborhoods surrounding the Old Town areas should also be regulated, and she questioned the STR rates that were presented because her own neighborhood rate seems much higher.

Renee Choury, 318 Whedbee Street, believes her neighborhood is suffering due to the number of existing rentals and businesses. She is in favor of limiting the overall number of STR businesses.

Applicant and Staff Response

Ms. Sawyer responded to some of the citizen concerns by saying that adjustments are being made all the time to the proposal, and City Council will hear this proposal on January 3rd, 2017. Planner Frickey also responded that the map representation is accurate. Ms. Sawyer added that one individual cannot own more than three STRs. Additionally, parking standards are based on the type of housing, so parking requirements will vary, which can be more problematic in the Old Town area.

Board Questions

Member Schneider asked what the “grandfather” date will be; Ms. Sawyer responded that this licensing date is still being determined. He also asked about the distinction between short-term and long-term rentals; Ms. Sawyer responded that this distinction will require another process and will require public input. Member Hobbs asked whether there is any distinction in the code as to the housing type that can be considered for an STR; Planner Frickey responded that most multi-family homes or apartment complexes do not allow sub-letting, but owners could rent out their apartment under a short-term basis under the current regulations. She added that a 3-license limit per owner/entity is being proposed. Member Schneider asked if the existing owners had been subjected to the inspection process yet; Ms. Sawyer responded that this will occur soon, but the only requirement now is to have sales tax and lodging licenses. Ms. Sawyer acknowledged that this proposal will need more time for continuous improvement. Member Schneider also inquired about the no parking restrictions in the TOD areas only; Ms. Sawyer responded that this could be changed.

Board Deliberation

Member Schneider doesn't have any issues with the proposal and agrees that there is a need for regulation. He feels this proposal is a good compromise, but he would like to change the parking requirement for the TOD. He will support sending this proposal to Council. Member Hobbs agrees that this is a policy decision and the P&Z is simply making a recommendation to City Council at this time. He also stated that there is a stark distinction between primary and non-primary owner types and uses, which may result in the distinction between residential and commercial use. He feels we have a responsibility to people who bought homes in Fort Collins not expecting to see commercial uses in their neighborhoods. He also feels that the availability of investments is limited but doesn't want to encourage investment in short-term rentals due to lack of affordable housing. He will support this proposal for primary owners but not for non-primary owners. Member Hansen feels that this is new territory and is still unsure how it the LUC will be impacted; he supports the proposal and would like to continue to address the parking standard by removing this exemption from the TOD. Member Carpenter thanked the citizens and staff for their work during this process; she feels this proposal is a good start to addressing this topic, but she also questions the parking for STRs in the TOD area.

Member Schneider made a motion that the Planning and Zoning Board recommend the adoption to the LUC changes for Short-Term Rentals to include parking restrictions in the TOD zone district, based upon the findings of fact contained in the staff report that is included in the agenda materials for this hearing and the board discussion on this item. Member Hansen seconded. Vote: 3:1, with Member Hobbs dissenting.

PUBLIC ENGAGEMENT SUMMARY

PROJECT TITLE: SHORT TERM RENTAL ACTIVITY (STR) WITHIN FORT COLLINS
OVERALL PUBLIC INVOLVEMENT LEVEL: INVOLVE

BOTTOM LINE QUESTION:

Should Short Term Rentals (STRs) be regulated by the City of Fort Collins? If so, by what means?

KEY STAKEHOLDERS:

- STR hosts and operators
- Neighbors of STRs
- Existing Bed and Breakfast and Hotel Operators
- Visit Fort Collins Board

CITY BOARDS AND COMMISSIONS:

- Affordable Housing Board:
 - o October 2015
 - o January 2016
 - o November 2016
- Planning and Zoning Board
- Commission on Disability
 - o October 2016
 - o February 2016
- Human Relations Commission
 - o May 2016

OTHER BOARDS AND COMMITTEES:

- Visit Fort Collins Board:
 - o September 2015
 - o March 2016
- Fort Collins Board of Realtors Legislative Committee:
 - o October 2015
 - o February 2016
 - o November 2016

COMMUNITY OPEN HOUSES

- February 2016
- June 2016
- November 2016

TIMELINE: May 2015 – December 2016

PHASE 1: (Scope and Interest)

Timeframe: May-September 2015

Council Work Session: June 9, 2015

Key Messages:

- The City is exploring perspectives on the operation of VRBOs and Airbnbs within our community to determine if any action is needed.
- Share your experience/concerns regarding short term rentals.

Tools and Techniques:

- Focus groups with operators and those who have had personal experience as neighbors.
- Online Questionnaire: promoted through stakeholders, fcgov.com, and social media
- Meet with Boards and Committees

PHASE 2: (Regulation Development)

Timeframe: October 2015 – December 2016

Council Work Sessions: October 27, 2015; February 23, 2016; July 26, 2016

Key Messages:

- The City is exploring potential regulation for STR activity in Fort Collins.
- What should be considered in developing regulations?

Tools and Techniques:

- Focus groups with operators and those who have had personal experience as neighbors.
- Adjacent property survey
- Three community open houses



City Council Work Session

January 10, 2017

Short Term Rentals (STRs)



Direction Sought

1. Does Council agree with the proposed licensing and Land Use Code provisions?
2. What, if any, changes would Council like to see?
3. Is this item ready for a regular Council meeting?



Short Term Rentals

- Short Term Rental (STR) refers to rental agreements for less than 30 days.
- Vacation Rentals by Owner (VRBO) and Airbnb are two of the most widely known.
- Working to understand potential positive and negative impacts of a growing STR market and to develop potential regulations.



Background

Best Approximation:

- § ~ 300 listings among multiple sites
- § ~ 128 existing STR sales and lodging tax licenses
- § ~ .44% of housing stock

- § Exact address and owner contact information is not available on Airbnb and limited on other sites

- § Listings are inconsistent, hard to search, with overlap between sites



Background

June 9, 2015 - Council Work Session; direction:

- Utilize tools City already has in place
- Better define problem and problem severity
- STR definition and more outreach

October 27, 2015 - Council Work Session; direction:

- Create draft regulatory framework
- Continue public outreach



Background

February 23, 2016 - Council Work Session; direction:

- Continue with the definitions including Primary and Non-Primary residence.
- Move forward with options that:
 - Ensure appropriate tax collection
 - Address concentration and dispersion of STRs
 - Aren't overly regulatory but still position Fort Collins to be nimble and address issues as needed now and in the future



Background

July 26, 2016 - Council Work Session; direction:

- Pursue a licensing program that utilizes defined uses by zone district.
- Consider and present what implementation will look like.
- Include information on gaining compliance and anticipated enforcement and consequences.



Proposed Regulations

Proposed Regulations:

- Land Use Code changes
- Licensing added to Municipal Code



Definitions

Primary residence shall mean the dwelling unit in which a person resides for nine or more months of the calendar year. Under this definition, a person has only one primary residence at a time.



Definitions

(Owner Occupied)

Short term primary rental shall mean a dwelling unit that is a primary residence of which a portion is leased to one party at a time for periods of less than 30 consecutive days.

A carriage house that is not a primary residence is deemed to be a short term primary rental if it is located on a lot containing a primary residence.

A dwelling unit of a two-family dwelling that is not a primary residence is deemed to be a short term primary rental if the connected dwelling unit is a primary residence and both dwelling units are located on the same lot.



Definitions

(Non-Owner Occupied)

Short term non-primary rental shall mean a dwelling unit that is not a primary residence and that is leased in its entirety to one party at a time for periods of less than 30 consecutive days.

The term party as used in this definition shall mean one or more persons who as a single group rent a short term non-primary rental pursuant to a single reservation and payment.



Proposed Parking Requirements

Minimum off-street parking:

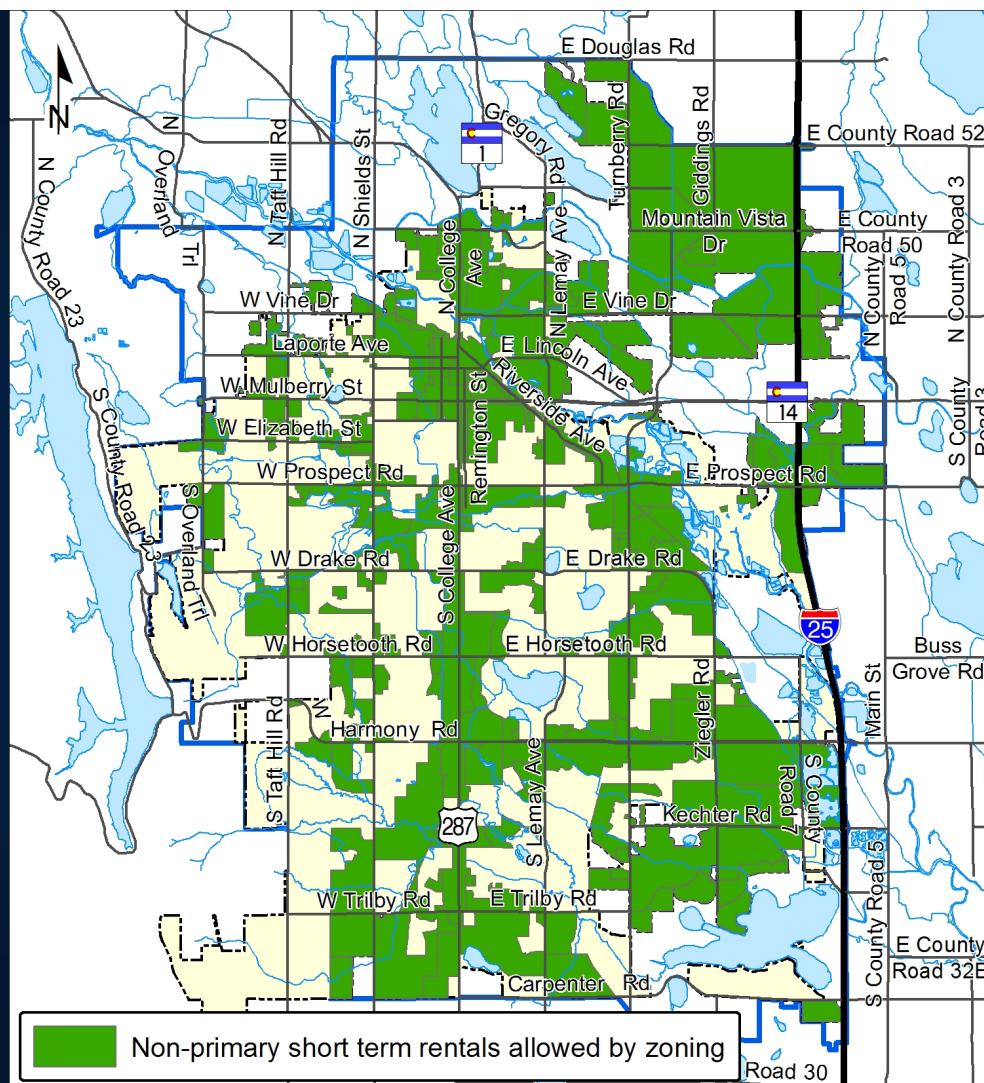
Number of Bedrooms Rented	Number of Off-Street Parking
1-2	1
3-4	2
5-6	3

No minimum parking within the Transit-Oriented Development Overlay Zone



Proposed Zoning Limitations

- Primary short-term rentals allowed in all zones
- Non primary short-term rentals limited to zones which allow Bed and Breakfast and other Lodging Establishments





Proposed Regulatory Concepts

STR License:

- Licenses- \$200 non-refundable and non-transferrable.
- Annual renewal \$100.
- License is for the person not the property.
- License is non-transferrable and revocable.
- License posted at property and number required to be included on all advertising.



Proposed Regulatory Concepts

All STRs would require:

- § Sales and lodging tax licenses and remittance of all applicable taxes.
- § A one-time inspection.
 - Exterior, Interior, Sanitation, Mechanical, Electrical, Fire Safety
 - Can be waived if proof of recent inspection
- § A description of the area to be rented (ex. Back bedroom and bath; downstairs portion of house, etc.)

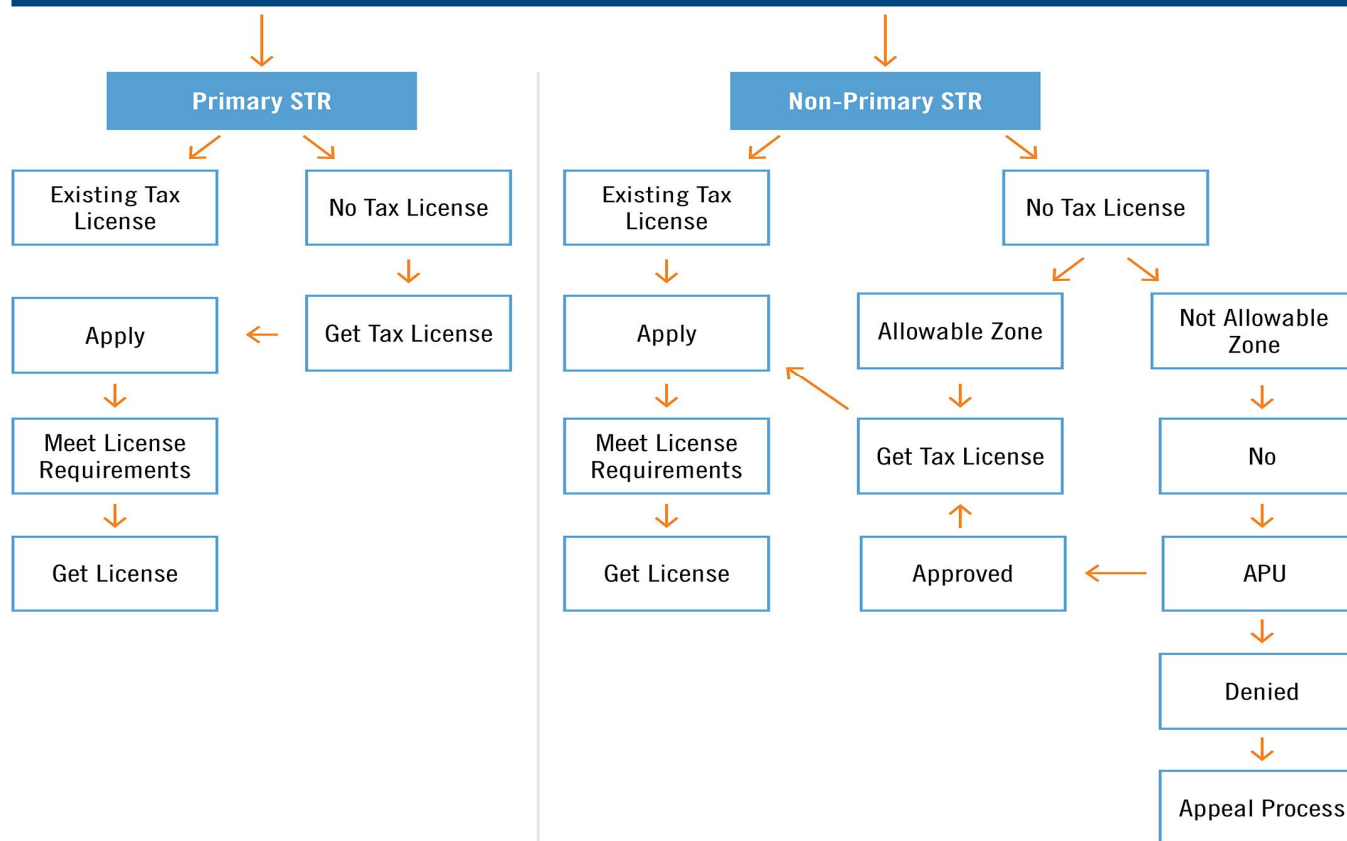


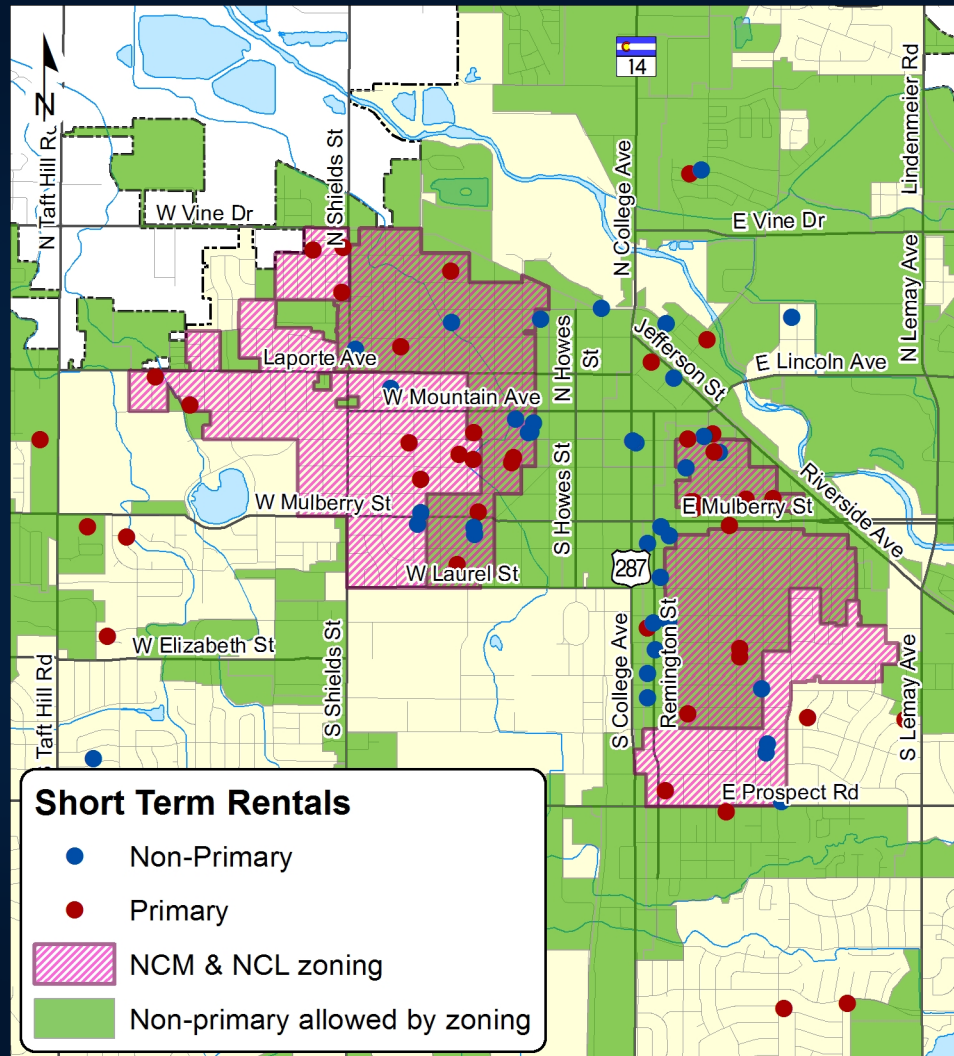
Proposed Regulatory Concepts

Other Considerations:

- Waiving of fee for more handicap accessible STRs
- No more than 3 Non-Primary licenses per person/entity
- License must include name of local contact
- Existing Non-Primary STR
 - If a Non-Primary STR is in a non-allowable zone and was operating with tax licenses and remitting all required taxes prior to licensing being required, they may apply for a Non-Primary STR license by April 1, 2017.

FIRST TIME STR LICENSE PROCESS







Direction Sought

1. Does Council agree with the proposed licensing and Land Use Code provisions?
2. What, if any, changes would Council like to see?
3. Is this item ready for a regular Council meeting?