

**To:** Estes Valley Planning Advisory Committee (EVPAC), Board of County Commissioners, and Larimer County Community

**From:** Community Development Department staff, Short-term rental regulations team

**Date:** January 13, 2023

## **Re: Short-Term Rental Regulations Public Review Draft #2 and Amended Ordinance for Implementation and Enforcement of Short-term Rental Regulations**

### **Purpose**

This memo shares information about the Public Review Draft #2 of the Short-term Rental (STR) Regulations and provides information about proposed amendments to the “Ordinance for Implementation and Enforcement of Short-term Rental Regulations.”

Since the October 27 Initial Public Review draft, county staff has received a lot of feedback from the public as well as boards and commissions, and the Board of County Commissioners. Over 180 written comments and three groups or organizations have commented, as presented in the summary of public comments. Approximately 220 people attended webinars in November.

After reviewing and analyzing feedback from the above-mentioned groups and researching other communities, the project team developed the Public Review Draft #2. This memo provides context and reasoning for the proposed revisions in the draft. The project team will present and discuss the suggested revisions on the following dates:

- **January 19**, 3:30 p.m., Estes Valley Planning Advisory Committee (EVPAC) discussion and feedback from the committee;
- **January 25**, 6:00 p.m. in Estes and **January 26**, 6:00 p.m. via Zoom - Community Open Houses to present draft and hear feedback from the public,
- **January 30**, 1:30 p.m., Work Session with Board of County Commissioners (BCC) to present draft and hear feedback from the commissioners.

Additionally, through January 30, the team will gather written feedback from the public. More information about the Community Open Houses can be found online on the project webpage: <https://www.larimer.gov/planning/short-term-rentals-regulation-updates>. A questionnaire form and email link is also on the webpage.

After hearing input on this draft and making revisions, staff will make a revised Public Hearing Draft available on **February 3** prior to the Planning Commission (PC) and Board of County Commissioners work session on **February 15** and before the Planning Commission hearing on **February 22, 2023**.



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## **Suggested Revisions to the STR Regulations**

The STR regulations are organized based on sections of the Land Use Code, first presenting definitions, then defining where STRs are allowed based on different zoning districts, then noting review procedures that apply, and then addressing the standards. The sections below are organized to follow the draft regulations and changes that have been proposed.

### **DEFINITIONS (p. 3-5)**

#### **STRs, Large Hosted STRs, and Bed and Breakfast Inns**

**This Draft #2:** includes three types: STR, STR Hosted (formerly B&B), and a new Bed and Breakfast Inn definition, as referenced in the definitions and use tables for countywide and the Estes Valley. STRs are proposed to have a maximum of 10 occupants. Large Hosted STRs are proposed to have a maximum of 16 occupants. Bed and Breakfast Inns are proposed to have a maximum of 20 occupants. Other minor edits are proposed in the definitions.

**October Draft:** Included “Limited” STRs (with a limit to the number of nights rented per year). There was lukewarm to negative feedback about that concept, so it did not carry into this draft.

#### **‘Large’ STRs**

**This Draft #2:** limits the size of STRs to no more than 10 occupants. The ‘Large’ STR (more than 10 occupants) option has been removed from the countywide zoning tables and definitions, including the Estes Valley. Feedback from the public, EVPAC, and PC and BCC suggests a desire to discourage the operation of Large STRs (more than 10 occupants) on small residentially zoned lots/parcels because they are a more intense use that may not be appropriate in small lot/parcel neighborhoods. The county has received only two such applications in the past few years.

**October Draft:** included “Large” STRs (10 or more occupants) as the current regulations do.

### **ZONING (p. 5-8)**

#### **Where STRs are Allowed**

**This Draft #2:** does not change where STRs are allowed and not allowed countywide (see Tables 3-1 and 3-4, Tables 13-1 and 13-4); however, it does propose changes to the review procedures that would be required for STR applications, as noted in later sections of this memo. In the Estes Valley, changes are proposed to allow Hosted STRs and Bed and Breakfast Inns in the EV CO zoning districts.

**October Draft:** included versions of the tables, including two options for the Estes Valley.

### **REVIEW PROCEDURES (p. 5-8)**

#### **STRs in Accommodations Zoning Districts in the Estes Valley**

**This Draft #2:** sets forth a Site Plan process for STRs in the Accommodations Zoning Districts in the Estes Valley (Table 13-4), with public notice but without a public hearing. The public and EVPAC suggest that a faster review process should apply to STRs in Accommodations Zoning Districts. The districts are generally intended for accommodations of varying intensity.

**October Draft:** included versions of this proposal.



### **Resort Lodge/Cottages – Countywide, not including Estes Valley**

**This Draft #2:** proposes a Special Review process for Resort Lodge/Cottage use in NR, FO, A, and RR-1 zoning districts which is consistent with how the reviews occurred prior to the Land Use Code change in 2020. The 2020 change made Resort/Lodge Cottages subject to an Administrative Special Review and created some unintentional complications and difficulties because of the impact of the use.

**October Draft:** proposed no changes to the approval process for Resort Lodge/Cottages.

### **STANDARDS (p. 8-15)**

#### **Modifications to General Standards for STRs (including Hosted STRs)**

##### **Reorganization of Section 3.3.5.**

**This Draft #2:** to improve readability and organization, this draft reorganizes the standards found in Section 3.3.5.B grouped under subcategories as follows:

- General Standards
- Ordinance for Implementation and Enforcement
- Safety Standards
- Floodplains
- Local Roadway and Access
- Life Safety Inspection and License
- Transfer of License.

**October Draft:** included a less organized list of proposed standards.

### **Occupancy**

**This Draft #2:** in addition to the language in current regulations which state: “for purposes of determining the potential total number of occupants, the number of bedrooms is multiplied by two,” the draft clarifies that each STR may be allowed one additional sleeping area per residence thereby allowing two additional occupants. This is being proposed following feedback from the public and to reflect current practice.

**October Draft:** did not address sleeping areas.

### **Minimum Separation Between STRs in Residential Areas**

**This Draft #2:** proposes a minimum separation between STRs of at least 500-feet. This reflects feedback and concern about saturation of STRs in residential neighborhoods and that some streets and/or neighborhoods have too many STRs within a small area. The approach suggested reflects other jurisdictions’ practices.

**October Draft:** did not include a residential area separation requirement.

### **Motor Vehicles, Event Space, Water, and Public Open Space**

**This Draft #2:** recommends standards for these topics that generally carried forward from the October draft with little to no change.



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### **Ordinance for Implementation and Enforcement**

**This Draft #2:** cross references the Ordinance for Implementation and Enforcement, and the language is generally carried forward from the October draft.

### **Required Property Manager Travel Time**

**This Draft #2:** includes language in Section 3 to require property managers to be located 30-minutes or less from the property, rather than one hour. This change reflects substantial feedback regarding neighborhood and neighbor safety and code enforcement and concerns regarding response time by property managers and/or emergency personnel.

**October Draft:** proposed no changes to the response time.

### **Fire Prevention**

**This Draft #2:** includes language to restrict solid fuel burning exterior appliances for all STRs, not just in the identified wildfire hazard areas, and to require reliable communication means. Standards were developed in conjunction with fire districts. These generally carried forward from the October draft.

### **Floodplain Overlay District Standards**

**This Draft #2:** includes revisions to the floodplain standards to not allow STR (including hosted STRs) structures or primary access in the floodplain, including floodway and flood fringe. This reflects feedback that floodplains pose a substantial risk to not only the community at large, but also that those guests staying at STRs may not be familiar with flooding in the Mountain West and how to respond.

**October Draft:** included more general floodplain standards.

### **Local Roadway and Access Standards**

**This Draft #2:** proposes a simplified standard for safe and adequate access. Overall, the public expressed concern with and confusion about the proposed local roadway and access standards. Additionally, the County Engineering Department thinks the suggested standards could be difficult to implement or may exclude many mountain properties.

**October Draft:** included more restrictive local roadway and access standards.

### **Life Safety Inspection and License Renewal**

**This Draft #2:** clarifies that a life-safety inspection is required and recommends a required license renewal every other year, when registration is currently required, with a Building Division reinspection every fourth year at the same time as the license renewal. The Building Division weighed in on the best practice for timing of the life-safety reinspection timing, as requested by EVPAC.

**October Draft:** included a version of this proposal.

### **Transferability**

**This Draft #2:** includes revisions (based upon significant feedback from the public, EVPAC, and PC and BCC, and project team analysis of other jurisdictions) to proposed language to align transferability standards with the Town of Estes and allow existing approved STRs to continue to transfer their licenses. New approvals after a date certain (Mar. 1, 2023, proposed) would not be able to transfer licenses. Staff explored whether a family transfer exemption could be possible and did not find a legal way to allow that. The transferability standards are not applicable to EV-A and EV-A1 properties, as EVPAC had suggested.

**October Draft:** included two options and resulted in a lot of discussion.

### **Not included: Exemption to STR regulations in Residential Zoning Districts for HOAs that Support STRs**

**This Draft #2:** does not include changes to exempt certain neighborhoods after the staff team explored the legality and equitable ways to address requests from Windcliff. The best option for those communities with HOAs that support or encourage STRs that would be to request to rezone to an Accommodations zoning district. Regardless of the zoning district, property owners would still be required to seek County approval and meet all required standards prior to operating an STR.

**October Draft:** touched on the question about certain neighborhoods that have expressed interest in having STRs.

### **Not Included: Energy Efficiency**

**This Draft #2:** no longer includes an energy efficiency standard in Section 3.3.5 from the October draft after limited feedback on the topic noted that such standards may not be practical or could create hardship.

### **Non-conforming Vacation Home in the Estes Valley**

**This Draft #2:** incorporates a requirement, as stated in the Ordinance for Implementation and Enforcement, requiring that at the time of reinspection (every 4 years) a non-conforming vacation home shall be required to be in compliance with the Land Use Code safety standards contained in Section 3.3.5.B.I through t.

**October Draft:** did not address nonconforming vacation home compliance with safety standards.

### **Residential Zoning District Cap for Estes Valley**

**This Draft #2:** includes a proposal to reduce the cap in the Residential Zoning Districts of the Estes Valley by 10-20% to reflect the mixed feedback from EVPAC and the public that ranged from eliminate STRs from residential areas to no change to the cap of 266. The project team proposed a standard that would create a minimum distance between all future STRs, as noted earlier in this memo.

**October Draft:** did not address the cap.





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## What is New in the Ordinance for Implementation and Enforcement of Short-term Rental Regulations?

The ordinance that was originally adopted in 2021 also is being proposed for amendments along with the regulations, including:

1. Clarifying purpose and intent to require a short-term rental license rather than simply planning approval.
2. Clarifying the County's limited liability.
3. Clarifying and strengthening the language around "Cease and Desist" letters for illegal short-term rentals.
4. Requiring clear advertising of license numbers.
5. Addressing disorderly conduct and good neighbor policies.
6. Addressing vehicles and other structures on the STR property.
7. Requiring compliance with all other applicable laws and noting that an infraction with another jurisdiction at the STR will be counted as a violation in Section 8.
8. Requiring the property manager to provide reports of complaints.
9. Noting that egregious and/or severe life-safety violations may be subject to immediate revocation.
10. Noting that fines of up to \$1,000 may be imposed for each separate violation.
11. And other clarifications.