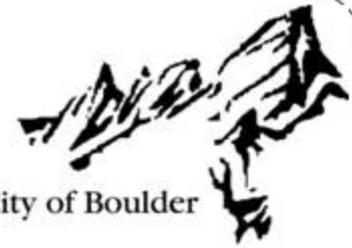


# Short-Term Rentals

August 27, 2015

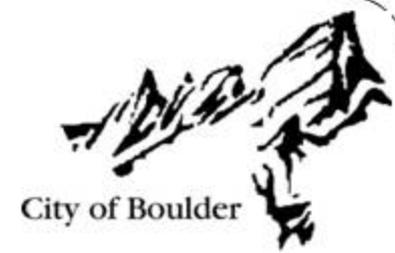
# Problem Statement

City of Boulder



Short-term residential rentals have seen a dramatic growth over the last five years. The city has no established regulatory framework for these rentals. Existing laws were not drafted with short-term rentals in mind.

# Rental Licensing



- Exceptions
  - Owner occupied may have up to two “roomers”
  - Principal Residence
    - Up to 12 months
    - Owner resides in the residence before and after
    - Owner is out of the county during the rental
  - Is a Hotel or Motel

# Current Code

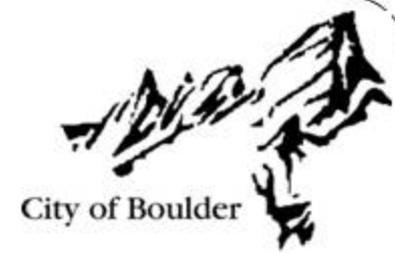
City of Boulder



“No operator shall allow any person to occupy any rental property as a tenant or lessee or otherwise for a valuable consideration unless each room or group of rooms constituting the rental property has been issued a valid rental license by the city manager.”

“Buildings, or building areas, described in one or more of the following paragraphs are exempted from the requirement to obtain a rental license from the city manager. . . . Commercial hotel and motel occupancies which offer lodging accommodations primarily for periods of time less than thirty days, but bed and breakfast facilities are not excluded from rental license requirements.”

# Regulations Imposed by Other Cities



- Licensing
- Taxation
- Inspection
- Notification requirements
- Sign limitations or requirements
- Principal place of residence
- Insurance
- Minimum number of days for owner occupation
- Parking requirements
- Minimum stay
- Maximum number of occupants
- Local representation

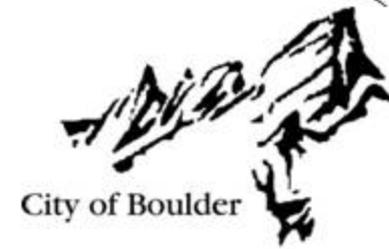
# Ordinance Passed on First Reading

City of Boulder



- Short-term rentals would need to meet all of the requirements of a rental license.
- Short-term rentals would be an accessory use and therefore would be permitted in any zone that permits dwellings, dwelling units, rooming units, or rooms. This would include all residential zones.
- Short-term rentals would be limited to the lessor's principal residence.
- Renters would be permitted to engage in short-term rentals.
- The resident would be required to reside in the unit at least 275 days each year.
- The short-term rental occupancy would be limited to the occupancy otherwise permitted by the code.
- Short-term rentals would be prohibited in permanently affordable units.

# Ordinance Language



## **10-3-19. – Short Term Rentals.**

Short-term rentals are prohibited except:

- (a) The rental is of the operator's principal residence;
- (b) The occupancy during any rental period does not exceed the occupancy permitted pursuant to section 9-8-5, B.R.C 1981 ("Occupancy of Dwelling Units");
- (c) The operator resides in the premises rented for a period of at least 275 days in each calendar year; and
- (d) The rental property is not a permanently affordable unit.

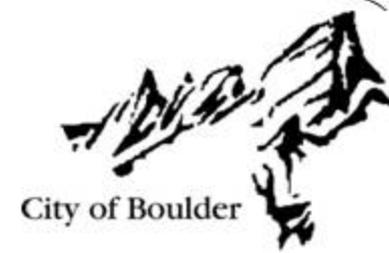
# Options in the Packet

City of Boulder

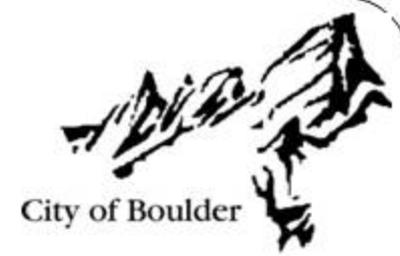


Option	Amendment
Eliminate the sabbatical exception	Amendment 1
Create a de minimus exception	Amendment 2
Allow ADUs as short term rentals	Amendment 3
Ban ADUs as short term rentals	Amendment 4
Limit the number of licenses	Amendment 5
Prohibit renters from hosting	Amendment 6
Grandfather existing rentals	Amendment 7
Ban advertising illegal rentals	Amendment 8
Limit of one rental per resident	Amendment 9

# Issues for Council to Consider

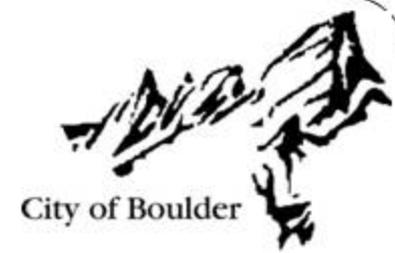


- Limitation on Number of Short-Term Rentals
- Restrict Investors
- Second Dwelling Unit
- Enforcement
- Occupancy
- Should regulation be conditioned on the tax passing?



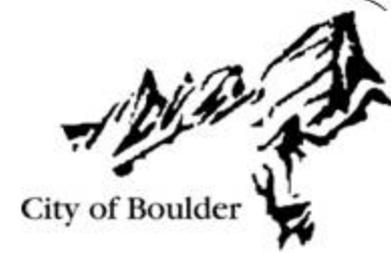
# Short-Term Rental Tax

# Proposed Short-Term Rental Tax



- Increasing number of Short-term Rentals (STRs)
- Compliance issue – regulatory
- More difficult to administer than the lodging tax
- Discussed Feb. 10th , June 14, and July 14
- Passed: First reading August 4

# Proposed Short-Term Rental Tax



- For a new sharing economic business model that does not always lend itself to the clarity of the accommodations tax
- Future code changes could impact two types differently
- Revenue projections \$150K to \$350K
- Costs of compliance will be higher
- Staff recommends no commitment for ongoing sharing of revenues until sufficient experience has been gained