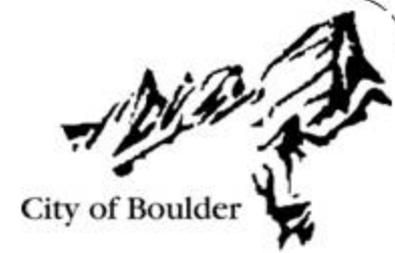


Short Term Rentals

February 10, 2015

Purpose



- Consider options for regulation of residential rentals for less than 30 days.
- Looking for policy and process suggestions, although specific ideas are always welcome.
- The nature and timing of next steps will depend on Council direction.

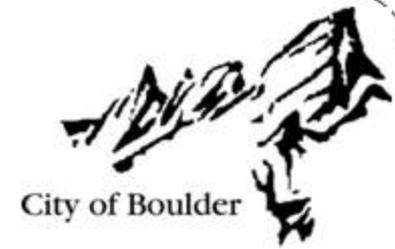
Problem Statement

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.

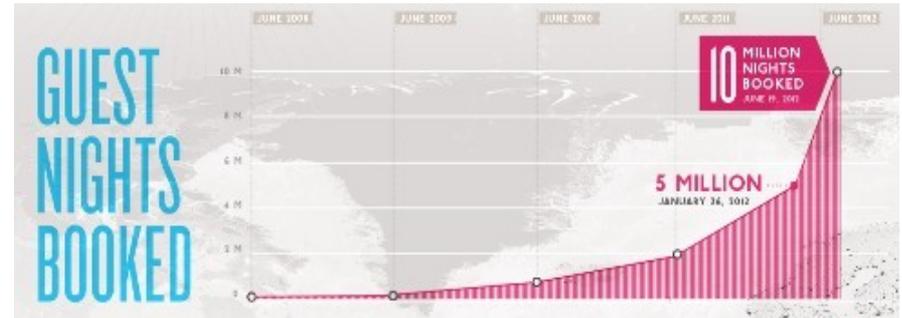
Growth



Boulder Growth:

- 21 identified in 2009
- 514 in 2014

Airbnb growth:



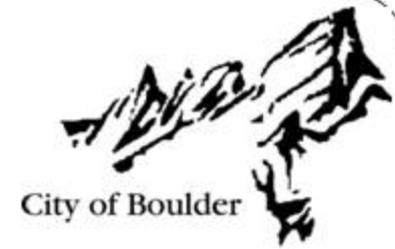
Usage

City of Boulder



Reviews	Number	%
Greater than 50	28	6%
11 to 50	109	21%
10 or less	377	73%

Definition of Bed and Breakfast

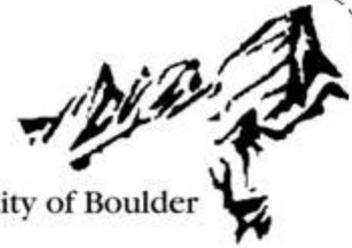


"Bed and breakfast" means a building of a residential character other than a hotel or motel compatible with the neighborhood offering:

- (1) Temporary lodging for less than one month;
- (2) Twelve or fewer rooms for guests;
- (3) At least one meal daily for guests; and
- (4) A manager residing on the premises, but not providing the accessory uses normally associated with a hotel.

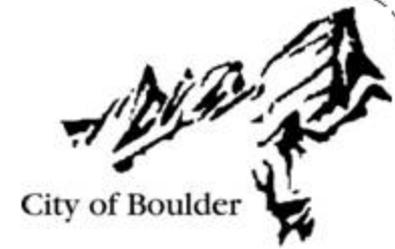
Definition of Hotel/motel

City of Boulder



"Hotel/motel" means an establishment that offers temporary lodging in rooms, for less than one month, and may include a restaurant, meeting rooms, and accessory uses and services, including, without limitation, newsstands, gift shops, and similar incidental uses conducted entirely within the principal building but excludes a bed and breakfast, as defined in this section.

Use Table



	As of Right	Use Review
Bed and Breakfasts	RH-3, RH-7, MU-1, MU-2	RH-1, RH-2, RH-4, RH-5, MU-3
Hotel/motel	MU-4, BMS, BC-1, BC-2, BR-1, BR-2, DT-4, DT-5	BT-1, BT-2, DT-1, DT-2, DT-3

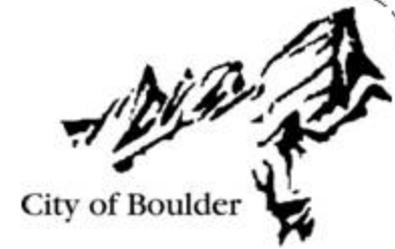
Rental Licensing

City of Boulder



- 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

Some Pros and Cons



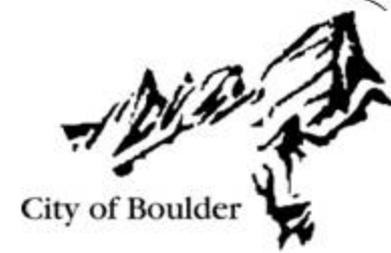
Cons

- Impact on Residential Neighborhoods
- Unfair Competition to the Hotel/Motel Industry
- Public Safety
- Impact on the Availability of Housing

Pros

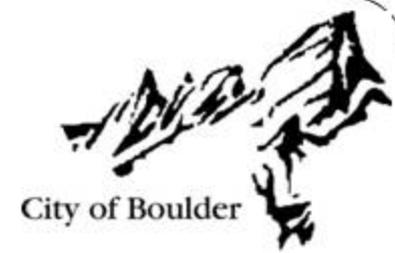
- Generate Income for Residents
- Increased Economic Activity
- Supports Marijuana Tourism

Regulations Imposed by Other Cities



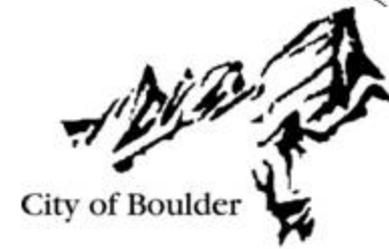
- Licensing
- Taxation
- Inspection
- Notification requirements
- Sign limitations or requirements
- Principal Place of Residence
- Insurance
- Minimum Number of Days for Owner-Occupation
- Parking requirements
- Minimum Stay
- Maximum number of occupants
- Local Representation

Taxation Options



- Option 1 - Clarify definition of Accommodations Tax so no doubt it includes VRBOs
 - a. Code clarification going forward, or
 - b. Place it on the ballot in 2015

Taxation Options



Option 2 - A new type of tax

- For a new sharing economic business model that does not always lend itself to the clarity of the accommodations tax
 - Could be tied to the accommodations tax rate
 - For staff - compliance and regulatory issue more than a revenue issue
 - All three will be more challenging
- Future code changes could impact two types differently
- Costs of compliance will be higher
 - Staff would recommend no commitment for sharing revenues until sufficient experience has been gained

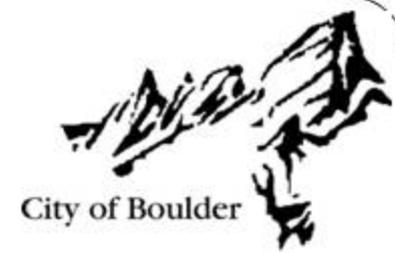
Questions for Council

City of Boulder



- Does Council need more information?
- Does Council prefer to ban or regulate short term rentals?
 - If Council prefers a ban, staff recommends adopting an ordinance that makes enforcement simpler.
- If council would prefer to regulate, which issues should staff explore?

Potential Areas for Regulation



1. Location
2. Number of rental days
3. Fire safety
4. Inspections
5. Parking
6. Rental only of principal residence
7. Insurance
8. Notification
9. Disorderly conduct
10. Licensing
11. Taxation
12. Local Manager

Other Potential Areas for Regulation

City of Boulder



- Occupancy limit: same as for rentals or no limit or something else?
- Boarders (within owner's unit) vs. "true" VRBO: same, different, like rentals or not, occupancy limits, etc.
- Rental license: like true rentals, renewal period, cost, energy regs, etc.
- Interim regs w/o taxes for now?
- Enforcement made easier: civil penalties, "contract" with the city, etc.