

Hello Councilmembers Melin and Grove and City Manager Relph and Director Henninger,

After our meeting with you Councilmembers way back in December I made some possible changes to our proposal based on your feedback. I sent this to all of the other 7 members in January, March and again in late June. I have not received feedback from any other members on this so **this is my own doing and I want to make clear it is not a consensus of the group**. It is a little disappointing that have not heard anything but, that is probably the way it will be until more serious discussion by the council progresses. Below you will find a copy of what I wrote in addition to the attachments.

I would like to thank you Councilmembers for pushing this topic and for expressing the need to get something done on this issue sooner rather than later. I do appreciate the City's position of "phasing" in but, to me at least, I see no difference between when I first came to council about this issue over two years ago and the situation now. I no longer have an STR across the street from me would be the biggest change as the home has been sold twice now. If this goes all the way to October of next year that will be three years and four months to get something done on this issue from the time I first went to council. Even by the slower pace of governmental actions that seems long, particularly when may jurisdictions around us have at least an ordinance in place. This being said I do agree that this will be a good time talk about the issue as it fits in perfectly with land use and, given all of the other issues on your plate right now, I do understand this.

Thank you for your time and your service,

Dan Radulovich

[REDACTED]
[REDACTED]

Greetings Everyone,

I hope that this finds you all well and you had a good holiday season.

Some of us had the opportunity to meet with new councilmembers Melin and Grove in the beginning of December. Both of them seem receptive to the vast majority of what we set forth in our outline. Councilman Melin had a ton of good feedback of which I tried to incorporate in the changes I have made to the original document we set forth. I am pretty sure that I did not catch them all so if someone has other notes please feel free to add them to this list. I will summarize a few things here.

First, I changed the number of days in the definition. I found in the Colorado Tax Code that 30 days is the breaking point between short and long term rental. Basically, if we used 28 there COULD be a 2 day gap where someone may have to pay state sales tax and not local. It would be best to stick with what the state uses for consistency.

The next larger change was the "business entity" idea. Councilman Melin expressed the same concern that I have had for a long time during this process. How do you allow someone to protect themselves but don't allow a person to have multiple LLC's, all legally considered a person, to take advantage of the system. The wording I lay out in the regulations and licensing section is my first effort at this and I tried to keep this as simple as possible. I don't know if it legally works but we can run this by others to check.

Another change was to grandfather in current licensees who don't live in the city. Also added language to state all other parts of the ordinance are applicable.

Provided language to make sure children do not "count" as far as this ordinance's occupancy goes. We probably need a consensus on what the age should be as a cutoff to not "count". My first inclination for this is 12 or 16 something along those lines.

We require proof in insurance in this outline but both members wanted to know if there were specific dollar amounts we should set forth in this document. Mike Price contacted his agent and I contacted my

broker and we both found similar things. First, there is no consensus in the insurance community as to how much coverage should be required. Another finding was many companies do not cover strictly non-owner occupied short term rentals. My broker said Travelers was one of the few that did. So, for you owners, how much do you think is enough? I am going to guess they will set a dollar amount whether or not we recommend one.

Councilman Melin wanted us to come up with more detailed fines and disciplinary actions but I do remember we were told not to dig into this too far by city staff. Melin had missed the last page and apologized for not reading it which is where we tried to lay out an administrative remedy. I think this almost a bigger issue the city needs to figure out, just my opinion on it though.

The last thing that I want to bring up is how often the license is renewed. We have 24 months right now, in all the reviewing of ordinances I have done I really don't recall anything more than 12 months. Particularly at the beginning of this process I think a yearly renewal is reasonable.

Yep a giant wall of text.....sorry about that....if you have any ideas on these issues please respond. Also let me know if I should post this on google docs or if this is sufficient. I kept the documents in show markup mode, many of the lines are formatting issues.

I don't know if there so much change here that we need to start meeting again to discuss this or not. I suppose we will find out based on the responses this.

I am going to the council meeting tomorrow night to ask them to consider the issue as they move into their retreat, hopefully they will as it seems to fit with all the land use and zoning updating they will be doing over the next few months.

Thanks All,

Dan Radulovich

Hi Mike and Jennifer,

I figured you would get a kick out of this. This was originally one section of a 5 page document I sent to council after a group of owners showed up for the first time in Dec of 2018, about a month before the public hearing about STR's. This was pretty far into the document and my guess is maybe 2 council members ever made it that far into the document as they pretty much knew where I stood on the issue. Anyway I just thought you may find it somehow useful after our conversation today.

Claim 8 – Tourism and Local Economy

There is also the claim of how much money these tourists contribute to the local economy. So here is some math to see how much the city will make. First, you only get money if it is spent here, no lodger's tax or anything special here (EVERY other municipality collects lodger's tax by the way, you may want to look into that), 3% is the city's cut on everything. From looking through the listings, \$75 per night seems about average. According to airbnb an average stay is about 3 nights so \$225. According to budgetyourtrip.com and the Denver.org tourism facts and figures the average couple will spend \$477 during a 3 night stay in Denver. \$225 is lodging so \$252 for other expenses. The biggest expense is food at \$68 per day per couple, for 3 days = \$204, the other \$50 is factored into tips and transportation and the like, mostly not taxable. I cannot find reliable numbers for tourist spending on retail shopping so I am going to make an estimate here based on what my wife and I would spend on a trip. Let's go with \$200 on run of the mill touristy stuff. So, the total taxable money spent is \$629 for the 3 night stay. IF all of this money is spent in Littleton then \$18.87 is the city's cut. For ease of calculation, we can assume \$20 per stay. This is also assuming all money is spent in Littleton which, most of the time, is not the case.

So, according to the website airdna.com I can see the peak occupancy for airbnb in Littleton is 86% in July and in November it bottoms out to 43%. Let's assume 60% occupancy for the year or 214 days. Divide the days by 3 (the average stay of a couple) this is 71 different couples staying in the one location. So $71 \times \$20$ per visit is \$1,420 in a year. I could find about 50 listings on airbnb so $\$1,420 \times 50 = \$71,000$ a year for the city. You will probably spend \$10K on a third party service to help with enforcement so \$61,000 in net revenue per year for the city, and once again this is the maximum assuming all the money was spent here. This is not a significant revenue generator for the city. As a frame of reference, the city gave \$80,000 to charities last year.

In case you were wondering, the estimated sales tax collection for all of 2018 is \$28,700,000 according to the 2019 City of Littleton budget. This means about \$957 million taxable dollars were spent in Littleton this year. Under the current calculation estimates I just used (\$629 per stay \times 71 stays per rental \times 50 rentals), about \$2.2 million was spent by people who rent short term rentals or 0.2% of the money spent here in Littleton, once again this is not a significant amount of money brought into the city. Plus, once again, this is the absolute maximum as it assumes that all of the money is spent in Littleton and it is most likely an overestimation as most of these rentals are probably not available all year. Additionally, it is not as if this is going to disappear overnight, the rentals will still be allowed but limited on how much time it can be available.

BTW if you enjoyed this, I sent Councilmember Fey an e-mail regarding Carbon Monoxide and masks as it relates to particle size which is equally as nerdy as this.....I can send if you like lol.

Thanks,

Dan Radulovich

Hi Kathleen,

I'm Tom Grant and I live in Littleton in district 3. I am a member of the Transportation and Mobility board and I've been following your communication on Envision, ULUC and the new vision for Littleton. As Littleton prepares a roadmap to the future I'm curious if this short-term rental trend has been taken into account. I figured you are as knowledgeable on the process as anyone. Can you tell me how short-term rentals will be treated under this new system? I'm experiencing the negative effect of this industry in my own neighborhood. I see the potential for an overnight change in the character of residential areas as they suddenly become more like hotels than homes. Are we prepared to ensure that existing homeowners have a say before homes are converted into B&Bs? Will the city find increased demand for services and no way to have the drivers of this demand pay their way? I'd love to hear your thoughts on the issue.

Tom Grant



Hi Mark,

You might remember me from the coalition meetings. I am Mike Orf, a member of the Littleton Short Term Rental Alliance. Angela asked me to send on our comments on the latest ordinance that city council is reviewing. We feel that the ordinance is well crafted, but just have a few minor remarks. Please see these comments below and let us know if you have any questions. Thank you for your hard work on this!

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Line 28 Page 1

Suggest to add "Whereas, the city Council recognizes that short –term rentals support tourism, benefits local businesses and provides sales tax revenue for city services and neighborhood infrastructure.

Page 9 (31) #4 Maximum Occupancy per Bedroom. A short-term rental shall not exceed two (2) adults per bedroom, plus four.

(This was the recommendation of the coalition)

Page 9 (33) Maximum Occupancy of Premises. The maximum occupancy of a short-term rental shall be twelve (12) persons

Page 10 (5.) #8

Remove Limitation on Multiple Uses.

(This ordinance is designed to regulate the use of short-term rentals. Property owners should retain the discretion of how they use their property)

Page 10 #9 Parking. All short-term rentals shall provide one parking space per two bedrooms....

(Requiring 4 parking spaces for a single-family home is excessive - most renters bring only one or 2 cars.)

Pg 8. (2) Evidence pertaining to denying a license

Suggest adding what process would be followed or who would make this decision.

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Thank you again!

-Mike Orf

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Thank you Carol and Kathleen for providing updates. I checked in with the council meeting from yesterday and reviewed the documents provided. I am encouraged that Littleton is poised to take significant action on this issue.

I am especially glad to note that there will be a licensing fee implemented to cover administrative costs. As a small business owner located in the city of Littleton I have had a few opportunities to talk with the Sales Tax licensing department. I know that they are already very busy and don't have the resources to administer STR's as well. As a result the current requirement to obtain a sales tax license seems functionally unenforceable as they don't have the time to check new listings and verify against properly licensed STR's. The property next door to mine was (is?) one such property without a Sales Tax license. I was told that the licensing department would send out a letter. But what follow up happened after that? I don't know. As a result I strongly believe that the quantity of STR's (43?) put forth at the council meeting is actually higher. Also, there was a reference to a map of current STR's in Littleton but I was unable to locate it. It would be helpful if a STR map was a permanent addition to the city website. In my case if you look at our street (Buffalo Dr) on Google Maps you'll see the property next door highlighted as a vacation rental. Which means that Google Maps recognizes it as a business. I cringe every time I search for directions.

I am further encouraged by the occupancy limit. The property next to ours is advertised as sleeping 10! And we have observed more than that for parties, wedding receptions, family reunions, business retreats and a bunch of guys who brought their race cars up from New Mexico on trailers in order to compete in amateur races at Bandimere (they warmed them up at 10:30 pm and went out cruising until 3am). No word on the race results.

I also think that both of the good neighbor notifications and the property inspection are critical. In a normal residential scenario I would just walk next door and talk with my neighbor about the tree that is overgrowing the fence that needs to be replaced and the family of racoons that seems to be living under the deck and the garbage cans that get left out at the street for weeks at a time etc, etc. The first reading seems to provide most of the necessary communication channels that attempt to provide a way for STR's to fit into a neighborhood and for a non resident property owner to actually be responsible for the property. As it stands right now the neighborhood has to do all of the adjusting to the reality of a poorly maintained hotel/conference center on the street.

I would just add that it would be nice to know how a neighbor should communicate with the city if this ordinance passes and a property owner fails to comply with the licensing requirements and also the thing about the map.

Yes, Carol, I would appreciate any additional communication before the 11/17 public hearing or let me know where I might locate it on the website.

Thank you everyone for your good work on this matter.

Mark Hostetler

Dear Council Member,

A quick re-intro - I reside at [REDACTED] South Nevada St. I own the entire structure that is divided into two units as a duplex. I have recently, in response to COVID, turned Unit A, into a STR and work with a locally owned management company to "co-host" this property through Airbnb and VRBO etc.

While I am sure, as with any residence - owned or rented - complaints of excessive noise and disruption are reported to the city. I personally, have never had an incident at my property. Unique to my situation, while I am onsite and available for issues, the renters are not aware that I am the owner when they rent. This provides an up-close and personal experience for me to see how the operation truly affects neighbors - as I am one of them! To date - the guests have been people who enjoy all that Littleton has to offer - taking walks, spending money at our shops and restaurants and simply residing in the home, as any of us do when we are in our own homes.

It's important to remember what running a successful STR entails:

- **Landscaped and tidy yard** - free of junk and trash
- **Well kept structure** - visibly and structurally
- **Clean and up-to-date furnishings and interior**
- **Reviews! Reviews! Reviews!** Without rave reviews of guests that have enjoyed a stay with all of the above boxes checked - the STR simply won't appeal to those looking and wouldn't survive.

As a homeowner and host - it is in my own best interest only rent to guests that will take care of my investment. After having rented this same unit to long term renters AND Short Term renters - I MUCH prefer the STR scenario. Mostly, because my property looks and is being maintained better than it ever has.

If there are true STR operators that are allowing anyone that would treat their house or property or the neighbors with disrespect - I would challenge if they are in fact TRUE STR operators. The formula for success in the business does not add up to do otherwise.

Additionally, Airbnb or VRBO renters have personal ratings, just like the properties do. It is in their best interest to maintain that rating in order to continue having rental privileges with other properties. I suspect that the problem properties are new and unaware or aren't serious STR properties and need to educate themselves on the ins/outs of attracting quality guests that respect the property and neighborhood they are visiting.

Lastly - I'd like to point out the significantly unbalanced focus that is being placed on this, likely due to a very small number of properties that are not compliant or small group of people complaining. I wonder if the city would be willing to apply these same standards to long-term rental units? I live amongst many long term rental homes in my immediate neighborhood and I sure wish some of the renters would behave as well as my guests do. I really wish they would pick up their trash, take care of their lawns, bring their dogs in when they are barking for hours on end. Perhaps we should look at permitting and inspecting and charging a fee to these landlords as well?

My property provides proof that a well run and registered STR can be a true asset to the community. With simple regulations, the "problem" properties can be fixed or eliminated with simple enforcement and this business model could actually be an asset to the community and small businesses of Littleton.

Best,

Amy Kenney

[REDACTED]
[REDACTED]

Dear Council Members -

I am writing to you as a local business owner that co-hosts an STR property located in Downtown Littleton.

We work directly with Littleton resident, Amy Kenney at [REDACTED] South Nevada St to successfully operate her property as a Short Term Rental.

We are a small and as I mentioned locally owned Management company - operating 10 properties in Colorado. We were to excited to partner with Amy in Littleton - as it is such a desirable destination for our target market. We careful vet all of our guests and have had success in all of our homes - which shows with our 5 star Superhost rating. We are involved in our communities - employing locals to help maintain and clean the properties. We work directly with and adhere to all local guidelines, as you will see with the Littleton Cottage. We are licensed and pay local taxes.

We are not opposed to increased guidelines - as we believe this only improves the local market and weeds out anyone not sticking to what we call "good neighbor" rules.

We would be willing to share examples of how our process attracts visitors of the best kind - ones that respect and contribute monetarily to your city.

Thank you!

Tina Barry

Re: STR's

As a co-operator of an STR locally, I'd like to express my support for *reasonable* additional licensing IF the goal is to protect the vast majority of responsible STR operators.

My thoughts:

1) Let's make sure the impetus for additional restrictions and licensing fees for STRS is commensurate to the problem. Has the city conducted a study to determine the number of complaints specific to STRS vs. similar complaints to traditional rentals? My guess is there are just a handful of serial complainers and just a few bad apple STR operators. Can the same be said for traditional rentals with absentee owners..just a handful of complaints? Make sure that's considered before responsible STR operators are yoked with more fees and restrictions.

2) Owner occupied vs Non-owner occupied STRs. If non owner occupied STRS are a concern maybe we need to license all rentals to be fair? A majority of traditional rentals are non-owner occupied which have no such standards for "party-houses", upkeep, good neighbor flyers, annual fees for re-application etc. Because STR owners are typically competing for renters differently than long term renters they are far more apt to maintain their properties impeccably over traditional rental properties.

3) Business or traditional rental? I think it's unfair to classify STRs more like businesses because they do not operate on a practical basis any differently than a traditional rental or owner occupied home. Should any home with say, two teens that drive, dogs that bark, constant Amazon deliveries, etc., now be classified as a business too?

4) Good neighbor flyers. I think these flyers should only be required in less dense zones like R3, R2, etc. Advertising that you are operating an STR in a higher density zone may only serve to attract attention to something that would otherwise go unnoticed. The inside flyers are a great idea regardless of area.

5) Revenue. It goes without saying that STR's create much needed revenue. Every one of our renters loves to stroll downtown and spend!

6) Hardships and opportunity. Due to Covid and the lack of ADU's direction from the city some people might need this income to make ends meet. I think the application fees for NON-OWNER occupied STRs should be *dramatically* increased and *waived entirely* for owner occupied STRS. This might go a long way to satisfy those leaning toward only owner occupied STR's? Perhaps consider a different, more stringent app process with non-owner occupied STRs as well?

7) I love the idea that an available contact person should be required for all STR's.

8) Fines for non-registered STR's should be considered and enforced...a lot like the ban on downtown smoking should be. ;)

STR's are a real asset to the community and a great way for those struggling to create extra income. That being said, some additional licensing should be considered to keep the bad apples out. Lets not let a few complainers and a few bad faith STR owners ruin for the majority.

Gratefully,

Brad Peterson
