

Use of the sales tax licensing system as a means to regulate short term rentals is ineffective because the tax system does not look at operational issues. It is designed for the collection of taxes. Most cities that regulate short term rentals enact regulations addressing short-term rentals in residential units in their zoning code. At the July 10, 2018, study session, staff presented a number of policy questions for the council and received direction. The proposed ordinance is based on that direction.

PRIOR ACTIONS OR DISCUSSIONS:

City council discussed draft regulations for short-term rentals during the August 28, 2018 study session. After that discussion, the draft regulations were posted on LittletonPlans for citizen review and comment. Public comments are currently being solicited through end of the day on September 18, 2018. All public comments will be compiled for the planning commission and city council to consider when the draft regulations are presented for formal review.

STAFF ANALYSIS:

The proposed ordinance is modeled after the City of Golden Code, and other metro area communities, and is designed to handle these as licenses issued administratively in designated zoning districts.

The ordinance is designed to meet the three objectives previously discussed with council:

1. Develop a formalized process to regulate short term rentals.
2. Maintain community and neighborhood character.
3. Develop rules to ensure public safety.

A PowerPoint presentation addressing specific provisions in the ordinance will be presented.

The formalized process will include annual business and operator's licenses with a minimal fee. Existing short-term rentals will have until January 1, 2020, to come into compliance. Community and neighborhood character will be addressed by requiring that the short-term rental must be a primary residence and requiring compliance with all city codes. Public safety will be enhanced by providing lessees with copies of relevant city codes and having a designated local contact.

These provisions meet the initial council objectives. Should council introduce and adopt the ordinance, staff will evaluate its operation and as with most cities make periodic recommendations for improvement.

OPTIONS/ALTERNATIVES:

Option A. Direct staff to proceed with a draft ordinance to planning commission for review and, upon recommendation, to a first reading with city council.

Option B. Direct staff to terminate further actions in regard to short-term rentals

Option C. Provide further guidance to staff on regulations, recognizing that the current moratorium expires on October 17, 2018, and additional direction will need to be provided on the issue of continuing the moratorium.