

Legislation Text

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Agenda Date: 7/31/2018

Subject:
Short-Term Rentals

Presented By: Steve Kemp, City Attorney and Jocelyn Mills, Community Development Director

REQUESTED COUNCIL ACTION:

Does city council support amending Title 10 of the zoning code regarding short-term rentals?

BACKGROUND:

Short-term rentals are defined as the rental of all or part of a parcel of property for 30 days or less. These types of rentals have become a significant issue across the nation.

People historically have rented out rooms or houses by word of mouth or advertising. With the development of the Internet and websites such as Airbnb.com and HomeAway.com, it is now possible for people to advertise and rent out their homes and/or spare bedrooms to anyone, anywhere with only a few mouse-clicks or taps on a smartphone screen. As a result, across the country the number of homes listed for short-term rent has grown over the last five years. A quick snapshot of the AirBnB, VRBO, and Home2Go websites, indicate there may be up to 100 within the municipal boundaries of Littleton.

With the growth of short-term rentals it may be lucrative for private citizens to become part-time innkeepers; however, most of the negative impacts are borne by the neighbors and surrounding community who may not be getting anything in return. This policy discussion focuses on the issue of whether it makes sense to regulate short-term rentals and preserve as many of the benefits as possible while not turning neighbors and other local community members into "innocent bystanders."

STAFF ANALYSIS:

Introduction/Education:

In previous discussions, there appears to be three broad goals relating to the regulation of short-term rentals. First, preserve compatibility between individual's rights to use their property and the existing neighborhood, recognizing legitimate property rights. Second, have appropriate regulations in place to protect public health and safety. Third, provide adequate regulations to ensure that a use such as short-term rentals is compatible with the existing uses.

The policy questions below are designed to provide the necessary information to include in the proposed regulations. Based on the direction provided by council to these questions, staff will complete the drafting of regulations to implement the policy choices. The intent of these questions is to obtain the necessary direction from council to develop regulations that will meet the goals as outlined above.

Objectives:

1) Provide formalized process and code for managing short-term rentals in Littleton.

Questions:

1. Should the city adopt an annual permitting process and land use requirements for managing short-term rentals and a process for revoking permits for properties that violate the regulations? This would be through a city issued business license.
2. If an annual permitting process is required, should there be a charge for the short-term rental license?
3. If an annual permitting process is required, should the existing short-term rental business licenses and those associated properties be required to come into compliance with these new regulations over time?
4. If an annual permitting process is required, should it cover all short-term rentals, which include an entire residential home/property and short-term rental of a room or more within a primary residence? Or only one or the other?

2) Provide regulations that ensure Littleton's residential neighborhoods retain their existing character and not allow for "party homes."

Questions:

1. Should short-term rentals be allowed in any zone district or Planned Development that allows residential uses?
2. Should the city require short-term rentals to be the homeowner's primary residence? This could include requiring the owner to be onsite during all rentals.
3. Should the city establish a maximum number of people (occupants) allowed in a short term rental at any time? For example, the city could establish a maximum number of occupants for all short-term rentals or regulate the maximum number of people per bedroom.
4. Should the city establish a maximum number of parking spaces be provided on the property for the short-term rental? Similarly as above, the city could require a maximum number of parking spaces for all short-term rentals or regulate a required number per bedroom.

3) Provide rules to ensure public safety of Littleton's neighborhoods.

Questions:

1. Should the city require that all short-term rental contracts include a copy of the city's noise, parking, and trash regulations to outline what is expected of renters? (Example, a "good neighbor" brochure or similar type outreach material could be provided as part of the permitting process.)

2. Should the city require that all short-term rental permit holders list a “local contact” that can be reached 24/7 and take immediate corrective action in the event any non-emergency issues are reported (i.e. deal with suspected noise, parking or trash issues)?

At the August 28 study session, staff will bring a draft of proposed regulations incorporating these policy choices. Based on council direction at that time, staff will proceed with a study session with Planning Commission on September 10 and Planning Commission action on September 24. After Planning Commission action, staff will proceed with an item introducing the proposed regulations on first reading on October 2, 2018. In addition, the draft will be placed online for public comment.

FISCAL IMPACTS:

There could be revenue generated that would help offset administrative costs. No tax policy change is anticipated.

STAFF RECOMMENDATION:

Based on the concerns of citizens and council members, staff recommends council provide direction on the policy questions in this communication.

OPTIONS/ALTERNATIVES:

Option A. Provide no direction on policy questions.

Option B. Provide direction on policy questions.