



PLANNING DEPARTMENT

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To: Board of County Commissioners

From: Jessica Potter, Senior Planner; Brandi Timm, Planning Technician; Sarah Schwartz, Planning Technician

Date: January 18, 2022; BOCC Work Session

Subject: STR update including enforcement and data monitoring plan

Purpose:

Summit County adopted revised STR regulations on December 16, 2021 that went into effect the following day. Throughout the regulation amendment process, the BOCC discussed tracking metrics moving forward. The purpose of this work session is to provide an update on STRs since the adoption of the new regulations, specifically including the topics bulleted below.

- Applications
- Data Monitoring
- Enforcement and compliance
- Monitoring of nightly limits associated with Type I and Type II licenses
- Planned outreach with property managers and realtors

Topics:

Applications:

Over the last few months, despite the moratorium there had been a backlog of licenses to be reviewed. Staff had been working through the regulation adoption process while processing the influx of licenses received prior to the moratorium going into effect. STR staff is caught up on license review and there is no longer a queue. Since the new regulations went into effect, turnaround time is approximately 1-2 weeks for review.

As of the preparation of this report on the week of January 10, since the moratorium ended on Dec. 17, staff has received 63 new applications. The breakdown of those applications is bulleted below:

- 63 STR Applications
- 15 in the Resort Overlay Zone
- 48 in the Neighborhood Overlay Zone
 - 7 Type I Licenses
 - 39 Type II Licenses
 - 2 Type III Licenses that were refused because they did not have CUP approval

The percentage of Neighborhood Overlay Licenses at 76% is a significant portion of the total,

however is expected to decrease proportionally in the coming months due to pent up demand in the Neighborhood Overlay during to the moratorium. As a reminder, the moratorium did not impact the Resort Overlay Zone.

Data Tracking:

To monitor STRs and to analyze the efficacy of the new regulations, staff will continue to track various metrics. In understanding the effects of the new regulatory framework, staff does want to underscore that full compliance will not occur until September 2025, and it will not be possible to fully understand the effects of the new regulations until after that date. As an example, staff received 44 complaints to the STR hotline since the adoption of the new regulations (more detail about those complaints is provided in a subsequent section of this report); however, all 44 of those complaints occurred at properties with pre-existing licenses operating under the “old” regulations, meaning those properties operate with no limit on the number of nights rented and lenient occupancy allowances.

The metrics proposed for data collection are bulleted below. Staff welcomes input on other data points requested by the BOCC.

Metrics:

- Number of active STR Licenses by week / month
- Number of STR applications by week
- Running total / percentage of STR license types (Resort, Neighborhood Types I – III, pre-existing)
- Complaints: by complaint type, by license type
- Home sales resulting in an STR, tracked semi-annually
- Specific neighborhoods of focus: track total number of STRs, change in STRs, and complaints

Enforcement and Compliance:

Following the adoption of the new regulations, staff has devoted significant attention to enforcement. The original STR Ordinance went into full effect on October 1 allowing STR staff a more efficient approach to enforcement including the ability to work with the Sheriff’s office to issue citations.

STR staff tracks each complaint to the hotline and determines the result of the complaint – a warning, violation, citation, or unsubstantiated complaint which often results in a notice. Staff tracks the type of complaint (parking, noise, trash, or excess occupancy) as well as the type of license (pre-existing, Neighborhood Type I, II, or III, or Resort) associated with the complaint. Every complaint to the hotline is reviewed by staff and receives follow up. Staff contacts the Responsible Agent to issue notifications of warnings, violation, or simply notice of the complaint. Staff often follows up with the complainant as well. Additionally, the Sheriff’s office now has access to the complaint log in Host Compliance and has been visiting properties with complaints, communicating with renters if they observe an issue, and reporting back to STR staff.

Since the STR Ordinance became effective (Oct. 1 2021):

- 5 Citations have been issued by the Sheriff’s office (4 different properties)
 - 3 for advertising excess occupancy after multiple warnings, 2 for STR without a license following license revocation
- 1 revocation of license

Since Adoption of New Regulations (Dec. 17, 2021):

- 44 Substantiated Complaints to STR hotline (phone and web)
 - 42 Neighborhood Overlay; 2 Resort Overlay
 - Peak 7: 19
 - License Type(s): All Pre-existing Licenses
 - Warnings Issued: 21
 - Violation of STR Ordinance: 9
 - Noise Complaints: 9 warnings issued, 1 resulted in a violation due to RA failure to acknowledge
 - Parking Complaints: 12 warnings, 4 resulted in a violation due to RA failure to acknowledge (all 4 of the violations contained evidence of parking violation)
 - Trash Complaints: 2 warnings
 - RA failure to acknowledge: 12 warnings, 4 resulted in violation (4 for parking complaints with evidence, 1 for noise complaint)

Despite ramped-up efforts concerning enforcement, there are some externalities with STRs that increased enforcement cannot address, two examples are included below.

- An example from this recent holiday season includes sledding in the ROW. Residents called the STR Hotline to inform staff of short-term renters sledding in Peak 7 and the upper Woodmoor Neighborhoods, both in the ROW. When complaints are called in about issues such as sledding, there is little that STR enforcement can do aside from attempting to track down the STR operator and suggesting that they inform renters that sledding in the street is dangerous and recommend that they provide information about sledding hills to renters. Often times, calls such as these are not linked to a residence or license, so a Responsible Agent is not called.
- Another example includes noise. While this is one of the issues that the complaint line and Ordinance 20 attempts to mitigate, it is a subjective standard that has peaks and valleys so enforcement by the Sheriff's office, STR Hotline, or Responsible Agent (RA) is challenging – people quiet down when someone calls or comes to the door. For example, the STR complaint line is called often by residents in older multi-family buildings or by neighbors of single-family homes that are frequently rented. The complaint line will call the RA on file, the RA will contact the renters to be respectful of neighbors, but often the resolution notes include statements that the renters didn't believe that they were being loud. The best the STR staff can do is reach out to the property manager the morning after the complaint and in the case of older multi-family buildings suggest they install as many sound mitigation measures as possible, such as rugs, or communicate with renters that they are in an older building and to take shoes, or ski boots, off upon entering the unit. In single-family homes staff can suggest they communicate in detail about outside noise and quiet hours. These suggestions have varying degrees of success.

It is a goal that the new regulations, with the limitation on number of nights rented and stricter occupancy provisions, will help to reduce complaints. However, it will be challenging to track until all, or at least most, of the licenses in the Neighborhood Overlay Zone have come into compliance with current standards, which may not occur until Sept. 2025.

Monitoring of Nightly Rental Limit:

The Neighborhood Zone Type I and Type II Licenses each contain a limit on the number of nights rented in a year. The "year" for STR purposes aligns with the September renewal period, meaning

that someone obtaining a Type II License in February of 2022 will be able to rent their property for 135 nights until September 2022, and then the “year” will start anew. This will help new STR owners who are buying a residence with reservations on the books, since they will be allowed to rent higher, proportionally to the rest of the year, through September 2022.

Staff is working with Host Compliance to develop a semi-automated method to monitor the number of nights rented. As an example, the IRS does not thoroughly review every American’s taxes, but audits taxes based on randomness and also when a “red flag” is raised. Staff is preparing a similar approach with rental records. Of note, new acknowledgement forms accompany the new STR framework which requires new STR license holders to sign a form acknowledging that they are aware of the nights per year rental limitation, based upon the type of license they are receiving.

Changing Landscape of STRs:

Changes at the state level are being considered that may potentially result in higher property taxes for STRs. This could significantly impact the STR landscape in Summit County. Additionally, the “dust” is still settling on the newly adopted regulations. Staff is devoting the time needed to enforcement and compliance with the Sheriff’s office, instituting the enforcement changes that went into full effect on October 1. It is recommended that staff monitor the potential changes at the state level, while also allowing the new regulations time to take effect, keeping in mind that comprehensive data on the effects of the new regulations adopted in December will not be able to be fully analyzed until after full compliance is required in 2025. Staff will continue to collect data on enforcement, license types, and soon, information on compliance with number of nights rented. Staff will also continue to collect data on specific neighborhoods to consider possible mixed zones at the direction of the BOCC. After these data points are analyzed, a discussion about further fine-tuning of the regulations could be appropriate.

Outreach to PMs and Realtors:

Staff is planning two virtual outreach sessions, one specifically targeted to property managers, and one specifically targeted to realtors. The property manager session is planned for mid-February and will cover enforcement, compliance, and the requirements and responsibilities of Responsible Agents. The Realtor session is planned for March 1 through the Summit Realtors Association and will cover the new regulations, including reasons for STR license denial such as incorrect bedroom count. This session is planned to receive continuing education credits for realtors needing to satisfy their professional continuing education requirements.