PLANNING AND DEVELOPMENT DEPARTMENT MEMORANDUM #17-2019

DATE: June 24, 2019

TO: Honorable Mayor Pro Tem Esquibel and City Council Members

THROUGH: Heather Geyer, City Manager

FROM: Brook Svoboda, Director of Planning and Development

Johanna Small, City Clerk

SUBJECT: CB-1923 – Short-Term Rental Property Regulations

PURPOSE

To consider a proposed ordinance that would establish licensing regulations for short-term rental properties. The intent of the ordinance is to regulate and control the use and occupancy of short-term rental properties in the City.

BACKGROUND

With the adoption of the Unified Development Ordinance (UDO), provisions were included to allow for short-term rental properties (STRs). As such, the UDO establishes the ability to conduct short-term rentals as a use, but does not regulate or license that use.

The UDO includes the following provisions for short-term rental properties.

Section 11-7-2 provides the definition of "short-term rental" as:

The rental of an entire dwelling unit for monetary consideration for a period of time less than 30 consecutive days, not including a bed and breakfast, boarding or rooming house, or hotel/motel. This definition does not include offering the use of one's property where no fee is charged or collected.

The UDO also addresses use-specific standards for short-term rentals:

Section 11-3-3(e)(20)

- A city-issued license shall be obtained, and all applicable taxes and fees shall be paid, prior to operating a short-term rental.
- Accessory dwelling units shall not be used as short-term rentals.
- Mobile homes, RVs, or travel trailers shall not be used as short-term rentals.
- Occupancy of a short-term rental by a paying guest shall not exceed 30 days.

Section 11-3-4(d)(1)(A)(ii)

Accessory dwelling units (ADUs) shall not be used as short-term rentals.

On March 11, 2019, City Council held a study session on short term rental policy and reviewed a draft ordinance prepared by the City Attorney. It was the consensus of Council to bring forward the draft ordinance for consideration. CB-1923 sets forth the regulations for administering short-term rental properties including licensing, application, review, permitting, and an appeals process. If the regulations are adopted, the licensing of STRs will be administered by the City Clerk's Office.

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The following tables highlight the licensing provisions and regulations contained in CB-1923.

Licensing:

A valid STR license is required for each short-term rental in the City.

Applications must include the required license fee and other documents and/or information as required by the City Clerk.

Applicants for a short-term rental license must also obtain a business license.

STR licenses are non-transferrable and must be renewed annually.

STR licenses may be suspended or revoked pursuant to Sections 18-18-8 and 18-18-9.

Licensees may appeal a decision to suspend, revoke, or not renew a STR license by submitting a written appeal to the City Clerk, which will then be forwarded to the City Council.

Regulations:

Each STR property must post the following information in a visible location:

- STR license number
- Contact information for the property owner or manager
- Contact information for all emergency services
- Fire escape routes (if a multi-story building)
- Trash and recycling days/times
- Maximum occupancy of the property

STR properties must be inspected to ensure compliance with the following:

- All smoke and carbon monoxide detectors must be in working order and in compliance with building codes.
- Fire extinguishers must be present and maintained as required by the Fire Code.
- Exterior and interior of the property must be in good repair.
- No active hazards may be present.
- Property must be pest and vermin free.
- Address number of the property must be visible and easy to read from the road.
- No retail or commercial activities other than the short-term rental of rooms are allowed.
- STRs must comply with applicable provisions of the City's zoning, subdivision, and building regulations with respect to setbacks, lot coverage, external signage, parking, and occupancy restrictions.

No more than one lease for a STR per day is allowed. (Multiple short-term rental leases may not be entered into for the same property covering the same day.)

All advertising for STR properties must include the STR license number. No property may be advertised until a STR license has been issued.

STAFF RECOMMENDATION

Attached to this memorandum is a proposed ordinance, which is being presented on first reading. Staff is recommending that City Council approve CB-1923 on first reading and schedule the ordinance for public hearing and second reading.

BUDGET/TIME IMPLICATIONS

There will be an application fee associated with STR licenses. Proposed fees will be submitted for Council's approval by separate resolution on June 24, 2019. Short-term rental transactions are also taxable and such tax will be collected by the Finance Department through the Sales Tax Division.

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CB-1923 was approved on first reading on June 10, 2019. A public hearing and second reading of the ordinance was set for June 24, 2019. If CB-1923 is adopted on second reading, the ordinance will take effect five days after publication.

STAFF REFERENCE

If Council members have any comments or questions they may contact Brook Svoboda, Director of Planning and Development, at 303.450.8937 or bsvoboda@northglenn.org.

ATTACHMENTS

Attachment 1 – Short-Term Rental License Application

CB-1923 – Short-Term Rental Property Regulations

Attachment 1



City Clerk's Office 11701 Community Center Dr. Northglenn, CO 80233 303.450.8755

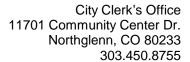
Short-Term Rental License

Annual License Application

Submittal Requirements and Processing Information

The following must be submitted as part of the annual short-term rental license application:

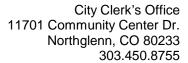
- ✓ A completed City of Northglenn Short-Term Rental License Application
- ✓ A completed Property Owner Affidavit
- ✓ A completed Affidavit of Lawful Presence
- Evidence of an application for a City of Northglenn Business and Sales Tax License
- ✓ Any other documents deemed necessary by the City Clerk's Office for the processing of the application
- ✓ Applicable fees, per license:
 - \$* non-refundable application fee;
 - \$* non-refundable late renewal fee, if applicable;
 - \$* annual license fee; and
 - \$* annual property inspection fee.
- 1) The first step in obtaining or renewing a short-term rental license is to submit a completed application, all required attachments, and applicable fees to the City Clerk's Office.
- 2) Short-term rentals are only allowed in certain locations within the City of Northglenn. If you have questions about your proposed location, please contact the Department of Planning and Development at 303-450-8741 or 303-450-8836 to verify that the proposed location meets the zoning and subdivision regulations with respect to adopted bulk standards, including, but not limited to, height, setbacks, area, lot coverage, external signage and parking.
- 3) The property owner must obtain a City of Northglenn Business and Sales Tax License. Questions regarding the reporting of sales tax should be directed to the Department of Finance at 303-450-8729.
- 4) Upon receipt of a completed application, the City Clerk's Office will verify the property owner of record. The application will then be circulated to all affected departments of the City to determine whether the application is in full compliance with all applicable laws, rules and regulations.
- 5) After an application for a short-term rental license is submitted, it is the responsibility of the property owner to arrange for an inspection of the property. The City of Northglenn Building Department can be reached at 303-450-8745 to make an appointment.
- 6) The license term shall be for a period of one (1) year commencing January 1st of each year following the initial license term. An application for renewal shall be submitted not less than thirty (30) days prior to the date of expiration of the existing license, and if such application for renewal is received less than thirty (30) days prior to the expiration date, a late fee as determined by separate resolution of the City Council shall be assessed.
- 7) Issuance of a short-term rental license shall not create a continued right to operate a short-term rental property beyond the annual term of the license. All short-term rentals shall be subject to amendments to the Northglenn Municipal Code.
- 8) Licenses issued pursuant to this Article are not transferable and shall be surrendered upon sale of the licensed property.





Short-Term Rental License Annual License Application

Address of Short-Term Rental:						
Property Owner:						
Property Owner: Individual Corporation Partnership Limited Liability Company Other						
Please check all that apply: This is my primary residence. I do not live at this property. I live at this residence during part of the year and in another state for part of the year. I will be present and living on the property during rentals. I will not be present during rentals. I will be renting out the entire house. I will be renting rooms within the house.						
Property Owner's Mailing Address:						
Phone Number: E-mail Address:						
Provide a complete description of the short-term rental property:						
Number of Bedrooms for Rent: Number of Off-Street Parking Spaces Available:						
Description of Off-Street Parking:						
If a Parking Permit is Required, Guest Parking Permit Numbers:						
URL for All Listings:						
Primary Local Responsible Party Name:						
Address:						
Phone Number: E-mail Address:						
Secondary Local Responsible Party Name:						
Address:						
Phone Number: E-mail Address:						
Estimated Response Time for Property Owner or Local Responsible Parties, if Off-Site:						





Short-Term Rental License Property Owner Affidavit

Address of Short-Term Rental:
I,, certify that I am the owner of the property that is the subject of this application for a short-term rental license. By placing my initials, I hereby acknowledge the following:
The rental property must have a posting of the following information in a conspicuous place and manner available to renters: 1) The short-term rental license number; 2) The contact information of the property owner or manager; 3) The contact information for all emergency services; 4) Fire escape routes (if a multi-story building); 5) Method and timing of trash disposal and recycling; and 6) The maximum occupancy of the property that is subject to the short-term rental license.
The address number of the rental property must be visible and easy to read from the road to the front of the building.
All smoke and carbon monoxide detectors must be in working order and in compliance with Article 5, Chapter 10 of the Northglenn Municipal Code.
All fire extinguishers must be present and maintained as required by the International Fire Code, as adopted in Section 10-5-2 of the Northglenn Municipal Code.
The exterior and interior of the property must be in good repair and maintained properly.
There must be no active hazards present.
The property must be pest and vermin free.
There may be no other retail or commercial activities at the property.
No more than one lease shall be valid for a short-term rental per day.
The property must remain in compliance with the applicable provisions of the City's zoning and subdivision regulations with respect to adopted bulk standards, including, but not limited to, height, setbacks, area, lot coverage, external signage and parking.
All listings for the short-term rental property must include the short-term rental license number.
The property must not be listed or advertised for rental until a license has been issued.

initial li date of	icense term. An applicati	on for renewa license, and i	l shall be submit f such applicatio	encing January 1 st of each year following the tted not less than thirty (30) days prior to the on for renewal is received less than thirty (30) l.
proper		n of the license	e. All short-term	ontinued right to operate a short-term rental rentals shall be subject to any amendments
A shor	t-term rental license is no	t transferable	and shall be sur	rendered upon sale of the licensed property.
1) 2) 3)	fines, taxes, or any other	o the City has r money owed acted by the lic te, or local rule with the terms	not been paid. If to the City; ensee, his or here, regulation, or and conditions of	of the license; or,
	within the application; When it appears that the	e license was use of the pro Municipal Co vith the terms	operty as a short de or statute o and conditions o	
	ne responsibility of the pation (HOA) regulations,			mpliance with any applicable homeowners
		•	•	pection of the property. Failure of the property y to application processing.
am familiar wit Northglenn. I a	th Chapter 18, Article 18 c	of the Northgle business and	nn Municipal Co sales tax license	lete to the best of my knowledge and belief. In the City of the common short-term rentals in the City of the must be obtained in the City of Northglenn all license will be issued.
Signature:			Title:	Date:
STATE OF)		
Sworn	to before me thisc	lay of	, 20,	by
		į	Notary Public	
		I	My Commission	Expires:

SPONSORED BY: MAYOR PRO TEM ESQUIBEL

COUNCI	LMAN'S BILL	ORDINANCE NO.
No.	CB-1923	
	s of 2019	Series of 2019

A BILL FOR AN ORDINANCE ADDING A NEW ARTICLE 18 TO CHAPTER 18 OF THE NORTHGLENN MUNICIPAL CODE ENTITLED SHORT-TERM RENTAL PROPERTIES

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

<u>Section 1</u>. The Northglenn Municipal Code is hereby amended by the addition thereto of a new Article 18 of Chapter 18, establishing licensing regulations for Short-Term Rental Properties, to read as follows:

ARTICLE 18 SHORT-TERM RENTAL PROPERTIES

Section 18-18-1. <u>Intent and Purpose</u>.

- (a) It is the intent of the City Council to establish licensing regulations to safeguard the public health, safety, and welfare by regulating and controlling the use and occupancy of short-term rental properties in the City. No property may be used as a short-term rental without the owner first obtaining a license as set forth in this Article 18.
- (b) This Article shall apply to short-term rental properties only as defined herein. This Article shall not apply to hotels or other establishments providing lodging for the general public.
- (c) This Article shall not supersede or affect any private conditions, covenants, or restrictions applicable to a parcel of property.
- **Section 18-18-2.** <u>Definitions.</u> The following terms used in this Article shall have the meaning set forth below:
- (a) *Boarding, Rooming, Lodging House* shall have the same meaning as set forth in Section 11-7-2 of the Northglenn Municipal Code.
- (b) *Hotel/Motel* shall have the same meaning as set forth in Section 11-7-2 of the Northglenn Municipal Code.
- (c) Lease means an agreement or act by which an owner gives to a tenant, for valuable consideration, possession, and use of property or a portion thereof for a definite term, at the end of which term the owner has an absolute right to retake control and use of the property.

- (d) *Owner* means the record owner of a dwelling or dwelling unit who intends to lease or who leases the unit as a short-term rental.
- (e) *Short-term rental* shall have the same meaning set forth in Section 11-7-2 of the Northglenn Municipal Code

Section 18-18-3. License Required.

- (a) A valid license is required for each short-term rental in the City.
- (b) Licenses shall be issued by the City Clerk, provided the requirements of this Article are met.

Section 18-18-4. Application/Fee.

- (a) Applications shall include the required license fee, and other documents and/or information as required by the City Clerk.
- (b) All applicants for a short-term rental licensee shall also be required to obtain a business license prior to any short-term rental license being issued.
- (c) All applicants for a short-term rental license shall complete and file with the application a License-Holder Affidavit of Inspection ensuring compliance with Section 18-18-6 of this Article.
- (d) The annual license fees under this Article shall be set by separate resolution of the City Council.
- (e) Accessory dwelling units, as defined in Chapter 11 of the Northglenn Municipal Code, mobile homes, recreational vehicles, and travel trailers are not eligible for a short-term rental license.

Section 18-18-5. <u>License Term; Transferability.</u>

- (a) The license term shall be for a period of one (1) year commencing January 1 of each year following the initial license term.
- (b) Issuance of a short-term rental license shall not create a continued right to operate a short-term rental property beyond the annual term of the license. All short-term rentals shall be subject to amendments to this Article.
- (c) An application for renewal shall be submitted not less than thirty (30) days prior to the date of expiration of the existing license, and if such application for renewal is received less than thirty (30) days prior to the expiration date, a late fee as determined by separate resolution of the City Council shall be assessed.
- (d) Licenses issued pursuant to this Article are non-transferable and shall be surrendered upon sale of the licensed property.

Section 18-18-6. <u>Health and Safety Standards</u>. Each short-term rental property shall be licensed and in compliance with all applicable standards established under this Article as follows:

- (a) Each short-term rental property shall have a posting of the following information in a conspicuous place and manner available to renters:
 - (1) The short-term rental license number;
 - (2) The contact information of the property owner or manager;
 - (3) The contact information for all emergency services;
 - (4) Fire escape routes (if a multi-story building);
 - (5) Method and timing of trash disposal and recycling; and
 - (6) The maximum occupancy of the property that is subject to the short-term rental license.
- (b) Each short-term rental shall ensure that the address number of the rental property is visible and easy to read from the road to the front of the building.
- (c) Each short-term rental shall ensure that all smoke and carbon monoxide detectors are in working order and in compliance with Article 5, Chapter 10 of this Code.
- (d) Each short-term rental shall ensure that fire extinguishers are present and maintained as required by the International Fire Code, as adopted in Section 10-5-2 of this Code.
- (e) Each short-term rental shall ensure the exterior and interior of the property are in good repair, including, but not limited to, kitchen facilities that are provided, which shall be maintained in good repair.
- (f) Each short-term rental shall ensure that there are no active hazards present.
- (g) Each short-term rental shall ensure that the property is pest and vermin free.
- (h) Each short-term rental shall be prohibited from any retail or commercial activities other than the short-term rental of rooms as provided by this Article.
- (i) No more than one lease shall be valid for a short-term rental per day, it being the intent of this subsection that multiple short-term rental leases may not be entered into for the same property covering the same day.
- (j) Each short-term rental shall comply with the applicable provisions of the City's zoning, subdivision, and building regulations with respect to adopted

bulk standards, including, but not limited to, height, setbacks, area, lot coverage, external signage, parking, and occupancy restrictions.

Section 18-18-7. Advertising. All advertising for a short-term rental property shall include the short-term rental license number. No property may be advertised for lease until a license has been issued.

Section 18-18-8. <u>Suspension</u>. A license may be suspended:

- (a) When any money due to the City has not been paid. This includes failure to pay civil penalties, fines, taxes, or any other money owed to the City.
- (b) When any activity conducted by the licensee, his or her agent, or an occupant of a short-term rental violates any federal, state, or local rule, regulation, or law.
 - (c) Upon failing to comply with the terms and conditions of the license.
 - (d) Upon any grounds of suspension provided by ordinance.

Section 18-18-9. Revocation. A license may be revoked by the City:

- (a) When it appears that the license was obtained by fraud, misrepresentation or false statements within the application;
- (b) When it appears that the use of the property as a short-term rental property is a public nuisance as defined by this Code or statute or violates any federal, state, or local rule, regulation, or law.
 - (c) Upon failing to comply with the terms and conditions of the license.
 - (d) Upon any ground of revocation provided by this Code.

Section 18-18-10. Renewal.

- (a) Upon receipt of a timely renewal application, the City Clerk shall review the application and shall administratively approve renewal of the license, provided that the property has not been in violation of this Article, has not had its short-term rental license suspended, and has not been the subject of a nuisance violation conviction or plea of guilty or no contest.
- (b) In the event the City Clerk determines that the property is being operated in violation of this Article, has had its license suspended in the previous year, or has been convicted in the previous year of a nuisance violation or is subject to a pending nuisance violation, the City Clerk shall deny the renewal application.

Section 18-18-11. Appeal to the City Council.

(a) In the event the City Clerk determines to suspend, revoke, or determine not to renew a license under this Article, the Owner may appeal the

decision of the City Clerk by submitting a written appeal to the City Clerk within ten (10) days of the date of the decision by the City Clerk, which appeal shall then be forwarded by the City Clerk to the City Council.

- The City Council in determining whether to affirm or reverse the decision of the City Clerk shall consider the severity of the violation(s), the culpability of the licensee, any remedial measures taken to prevent future violations, and the impact on the public health, safety and welfare of the conduct that resulted in the determination to suspend, revoke, or determine not to renew a license.
- (c) Review by the City Council of the City Clerk's decision shall be according to Chapter 3, Article 7 of the Northglenn Municipal Code, and the burden of proof shall be on the Owner to show that the City Clerk's decision is not supported by competent evidence.

Section 18-18-12. Violations and Penalties.

- It is unlawful for any owner or occupant of a short-term rental property to violate any provision of this Article or any other applicable provisions of this Code.
- (b) In addition to the suspension and revocation proceedings pursuant to Sections 18-18-8 and 18-18-9, violations of this Article shall be subject to the penalties set forth in Section 1-1-10 of this Code. Each separate act in violation of this Article, and each and every day or portion thereof during which any separate act in violation of this Article is committed, continued, or permitted, shall be deemed a separate offense. Any remedies provided for in this Article shall be cumulative and not exclusive and shall be in addition to any other remedies provided by law.

INTRODUCED, READ AND ORDERED POSTED this of June

Mayor Pro Tem

ATTEST:

2019.

JOHANNA SMALL, CMC

City Clerk

PASSED ON SECOND AND FINAL READING this day of2019.					
	ANTONIO B. ESQUIBEL Mayor Pro Tem	_			
ATTEST:					
JOHANNA SMALL, CMC City Clerk					
APPROVED AS TO FORM:					
COREY Y. HOFFMANN City Attorney					