



From the desk of:

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Memorandum

DATE: December 12, 2019
TO: Short-Term Rental Ordinance Planning Team
FROM: Aaron Schultz
RE: **Short-Term Rental Meeting Notes**

Below are the assembled meeting notes as recorded during the initial Short-Term Rental Ordinance public meeting in November 2019 and as requested by the Planning Team. Comments are organized by topic, though some comments may be relevant to multiple areas of discussion.

Separation – Possible Zoning Approach

- What is the purpose of the 500-foot separation?
- Should the separation be only horizontal or also vertical?
- 500-foot perimeter defines the # limit of STRs - no more room
- Problems with 500-foot perimeter
- The 500-foot perimeter uses property lines, for large properties the limit goes way into the neighborhood
- Exempt owner occupied STRs from the 500' radius limit, owners help maintain community in the neighborhood
- The idea of no 500' rule, no zones, but other ways of getting at neighborhood character and community values, must be considered
- Either cap or some foot rule, not both. Eliminate 500' rule!
- Other communities appear to be able to manage zones as it relates to STRs. Looking at the make-up of our distinct neighborhoods, this would seem like an easy decision to operate in this way.
- Difference between renting a small ADU vs. a single family home in Crystal Hills
- Radius doesn't take into account terrain (which may create natural separation)
- Radius not the best measure
- Current separation requirement is a one-size fits all solution. Why not let the Planning Commission apply some discretion?
- Different zones - strong support

- Zone concept: 1. Savellis -> west; 2. Vias Streets (Beckers); 3. Crystal Hills
- Zones based on neighborhood makeup and character
- Separation of grandfathered STRs might increase the number outside of the commercial core.
- Narrow lots/streets: measure linear distance vs. radial
- Purpose of 500' separation: distribute impact and protect neighborhood character
- Durango - different STR rules for different zones.
- Does separation prevent neighborhood decline?
- Property line to property line? Or front door to Front Door 250' (x3)
- Where is the home on the property? Provide some lee-way for

2% Cap - Explore

- Why is it limited to 2%
- Do not increase the 2% cap or do away with the cap, especially in single family neighborhoods. Keep the cap!!
- Either cap or separation foot rule, not both
- Will changes lead to more STRs?
- What is the occupancy rate of lodging properties?
- Feel strongly in support of 2% cap, we haven't reached it yet.
- About half - keep 2% cap
- 13 people - raise the cap
- Suggest a different cap for owner occupied
- Consensus - do not lower cap

Owner Occupied

- Exempt owner occupied STRs from the 500' radius limit, owners help maintain community in the neighborhood
- What about a 4th category of property, locally managed - as in live here and manage properties.
- 2% cap and 500' radius for non-owner-occupied
- 2% cap for owner occupied (no radius limit)
- Give exceptions and or preference for not just owner occupied but also people who live here and would manage properties here, when developing the regulations going forward.
- Different criteria for truly "owner occupied" short-term rentals
- Owner Occupied, cottages
- Different separation for owner occupied
- Owner occupied or owner next door (owner within a short distance)
- 2nd home and vacation homes: owner occupied sometimes

- Non-owner occupancy is an issue, such as outside investors.
- Allow Planning Commission flexibility to determine the radius for owner occupied
- Denver requires an affidavit to show owner occupancy
- Explore proportional cap by owner occupied vs. non-owner occupied
- Owner occupied only: count toward 2% cap but not use the 500' radius requirement
- Define "owner occupied": local owners at other Manitou address? Local control? Local managers?
- How is "owner-occupied" determined?

Neighborhood integrity - insurance, 21 days, bad behavior, affordable housing

- Exempt owner occupied STRs from the 500' radius limit, owners help maintain community in the neighborhood
- Taxes - lodging taxes; prove insurance; taxed as a commercial property, it's a business
- How do we keep the historic in Manitou Springs? We have always been a tourist community. If we limit too harshly, we will just become a suburb of COS.
- Complaint parameters - might trigger loss of permit
- Not based on planning or formal zoning
- Dwelling types w/ unique characteristics
- Community = relationships; different zones = different requirements
- Limit number of STRs per block in single-family homes
- Demographics of STR users: other regulations to address visitor behavior, clearly defined process to address complaints.
- Loss of community
- Local investors are not next door neighbors, different level of involvement.
- Differentiate unit type: room/suite/condo/house
- Resident/visitor balance: move slowly with change to retain residential neighborhood character
- Want to protect neighborhood integrity
- Should different neighborhoods have different STR regulations and requirements?
- Other cities require STRs to have insurance
- Certain structures/types of property should be considered differently - i.e. condos.
- Taxes - level the playing field for STRs with other accommodations with commercial property taxes.

Follow Up

- Legal non-conforming - have a conditional use permit before the new STR ordinance
- Identify the community engagement reach out person
- Classify notes within theme areas

- Identify follow-up questions
- Share notes prior to next planning team meeting
- Next planning team meeting in January - via reach out from new interim planning director
- A map to determine where existing STRs are operating
- what is considered "significant changes" that would require a legal non-conforming STR to come into compliance
- What is the ultimate goal of the existing regulation?
- More information about different zones
- Would like to see more data on the impact of short-term rentals on housing costs.
- Process for submitting a complaint
- How would different caps be addressed and enforced
- What is the existing number of owner-occupied STRs
- Notification of neighbors
- More Data: economic impact of STR owners and guests
- How do you address HOAs?
- How do you address multi-family buildings?
- During recession, people had to sell their Manitou home. STR useful in an emergency situation, not forever.
- If you give up Short Term Rental permit, is the City aware?
- Are there any studies on the impact of short term rentals on property values?
- How many STRs are owner-occupied vs. investment properties?
- Do STRs that no longer operate give up their permit?
- What is the recourse for negative behavior?
- Host Compliance - how do they manage compliance?
- Do we need more STRs? What is the STR vacancy rate?

Additional Comments, Feedback, Parking Lot Ideas

- Manitou policies driven by residents no other cities/state. Citizens of Manitou should be weighted differently than outside investors or owners
- Decision process/policy development need to know the people around the table: consensus decisions
- Went to consensus too quickly for a first meeting
- Possibly meetings on a singular issue
- Straw poll/temperature in the room
- How do we manage "tracking" who pays taxes?
- Cultural commitment
- Can you vote? Honor system
- Legal/regulatory ramifications
- Capture participant status: resident, property owner, full time/part time at each

meeting to accompany notes and consensus decisions made during the meeting

- Who else should be around the table:
 - Hotel/motel
 - neighborhood leadership groups
 - mine data from the public meeting from the Crystal Hills short-term rental hearing
 - one week prior - robust article in the PPB about the process, issues, etc.
 - Brief overview/update/recap at the beginning of the next meeting
 - Public notice strategically around the community
 - Variable message board
 - Alternative means i.e. survey to obtain feedback
 - Notify all within 500' of STR radius; expensive - consider utility bills
- Consider uniqueness of property at Planning Commission, e.g. one suite in a large home
- 500 foot OR 2% cap
- ADU issues/density - for new ADU ordinance.
- Suggest exception process based on hardship

Norms and Context

- Audience
 - Used STR - majority
 - Owner STR - about half
 - Live near an STR - about 10
- Suggested Norms
 - Speak from experience, not hearsay