

**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: September 15, 2015

AGENDA TITLE: Continued second reading and consideration of a motion to adopt and order published by title only, Ordinance No. 8050 amending Title 10 “Structures” for the purpose of allowing and regulating short-term rentals by amending Section 10-1-1 “Definitions” by amending the definition of “Operator,” amending the definition of “Rental Property,” adding a new definition of “Short-Term Rental,” adding a new Section 10-3-19 “Short-Term Rentals” and setting forth related details.

PRESENTER/S

Jane S. Brautigam, City Manager
Tom Carr, City Attorney
Bob Eichen, Chief Financial Officer

EXECUTIVE SUMMARY

The purpose of this council agenda item is to amend the city’s rental licensing code to expressly permit short-term rentals. At the February 10, 2015 study session, the Council directed staff to bring forward a draft ordinance incorporating concepts from Council’s discussion. The intent is that the Council will use the legislative process to receive public input on various policy questions. At first reading on June 2, 2015, Council held a public hearing at which approximately 40 individuals testified regarding the ordinance. Council adopted the first reading ordinance as proposed, with the expectation that there could be substantial changes on second reading. Council held a second public hearing on August 27, 2015. Council engaged in an extensive discussion of the proposed ordinance and provided direction regarding potential changes to the ordinance. This agenda item is a consideration of potential amendments to reflect Council’s direction.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff requests Council consideration of this matter and action in the form of the following

motion:

Motion to adopt, amend and order published by title only, on second reading Ordinance No. 8050 amending Title 10 “Structures” for the purpose of allowing and regulating short-term rentals by amending Section 10-1-1 “Definitions” by amending the definition of “Operator,” amending the definition of “Rental Property,” adding a new definition of “Short-Term Rental,” adding a new Section 10-3-19 “Short-Term Rentals” and setting forth related details.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- **Economic:** Short-term rentals provide an alternative to hotels and motels. They may provide increased tourist activity. Short-term rentals also could provide revenue to city residents. Short-term rentals could have an adverse economic effect on hotels and motels.
- **Environmental:** Increased visitation generated through short-term rentals could also increase the city’s carbon footprint.
- **Social:** Short-term rentals provide increased opportunities for residents to interact with visitors from other parts of the country or the world. Short-term rentals could adversely affect the neighborhoods in which they are located.

OTHER IMPACTS

Fiscal – Regulation of short-term rentals will require the expenditure of city funds for which there is no budget. Staff intends to bring forward a proposed tax measure for the fall 2015 ballot that would provide revenue to support the regulatory program.

Staff Time – Regulation of short-term rentals will require additional staff.

BOARD AND COMMISSION FEEDBACK

None

BACKGROUND

At a February 10, 2015 study session, Council considered regulation of short-term rentals in Boulder. On June 2, 2015, Council held a public hearing at the first reading of the proposed ordinance to allow for community input. The views expressed by the community were largely supportive of short-term rentals. An organized group proposed an ordinance that Council considered but did not adopt. Several of those who spoke supported allowing short-term rentals of properties not occupied by the owner. Council held another public hearing on August 27, 2015, as part of the second reading of the proposed ordinance.

Proposed Ordinance

The proposed ordinance adopted on first reading, included the following provisions:

- Short-term rentals would need to meet all of the requirements of a rental license.
- Short-term rentals would be an accessory use and therefore would be permitted in any zone that permits dwellings, dwelling units, rooming units, or rooms. This would include all residential zones.
- Short-term rentals would be limited to the lessor's principal residence.
- Renters would be permitted to engage in short-term rentals.
- The resident would be required to reside in the unit at least 275 days each year.
- The short-term rental occupancy would be limited to the occupancy otherwise permitted by the code.
- Short-term rentals would be prohibited in permanently affordable units.

Council Proposed Changes

Council gave extensive consideration to the proposed ordinance in light of the extensive public comment received both at the two public hearings as well as through electronic mail. Staff has drafted two proposed ordinances to incorporate Council's direction. The version in Attachment B retains the requirement that all short-term rentals be owner-occupied. The version in Attachment C would allow non-owner-occupied short-term rentals, but would limit those rentals to no more than 90 days in a calendar year.

Council gave the following direction for amendments to be considered at a continued second reading:

1. Inspections

Council members agreed that third-party inspections would not be necessary for short-term rentals. Council directed that staff prepare language that would substitute a self-certification requirement for the inspection required of long-term rentals. Council directed staff to require inspections of any accessory units licensed for short-term rentals. All legal accessory units currently are required to obtain a rental license within six months of approval. Section 9-6-3(a)(1)(F), B.R.C. 1981. Thus, all accessory units are already required to be inspected. Staff proposes two additions to the ordinance to address this change. These changes are included in both Attachment B and Attachment C.

There is a new subsection 10-3-19(a)(4)¹ as follows:

¹ The numbering of Section 10-3-19(a) is slightly different in Attachment B and Attachment C. Attachment B includes the owner-occupied requirement and Attachment C does not. For the purposes of this memorandum, all references are to the numbers in Attachment B, except where Attachment C is referenced specifically.

(a) Short-term rentals are prohibited except:

(4) The operator certifies that the dwelling unit is equipped with operational smoke detectors, carbon monoxide detectors and other life safety equipment as may be required by the city manager.

There is also a new section 10-3-19(b) as follows:

(b) Short-term rentals, other than short-term rentals of accessory units, shall not be subject to the inspection requirements of Section 10-3-3(a) B.R.C. 1981 (“Licenses”).

2. Accessory Units

Council directed staff to draft language that would allow short-term rentals of accessory units. Council expressed an interest in an amendment that would limit such rentals to 120 days in a calendar year. Council also directed that there be an amendment allowing an owner to rent an accessory unit or the main dwelling, but not both. These changes are included in both Attachments B and C.

There is a new definition of “accessory unit” in Section 10-1-1, which is as follows:

Accessory Unit means an accessory unit permitted under Section 9-6-3(a), B.R.C. 1981 (“Accessory Units”).

There is a new subsection 10-3-19(a)(2) as follows:

If the rental license is for an accessory unit on the same property as another dwelling unit, only the accessory unit or the other dwelling, but not both, may be a licensed or used as a short-term rental.

There are new subsections 10-3-19(a)(3)-(4) as follows:

(3) If a dwelling unit is licensed for short-term rental, then no accessory unit on the same property may be issued a short-term rental license;
(4) If the operator’s name appears to the deed to the property on which the dwelling unit is located;

There is also a new subsection 10-3-19(c) as follows:

(c) An accessory unit may not be rented as a short-term rental for more than 120 days in any calendar year.

3. Owner Occupied Requirement

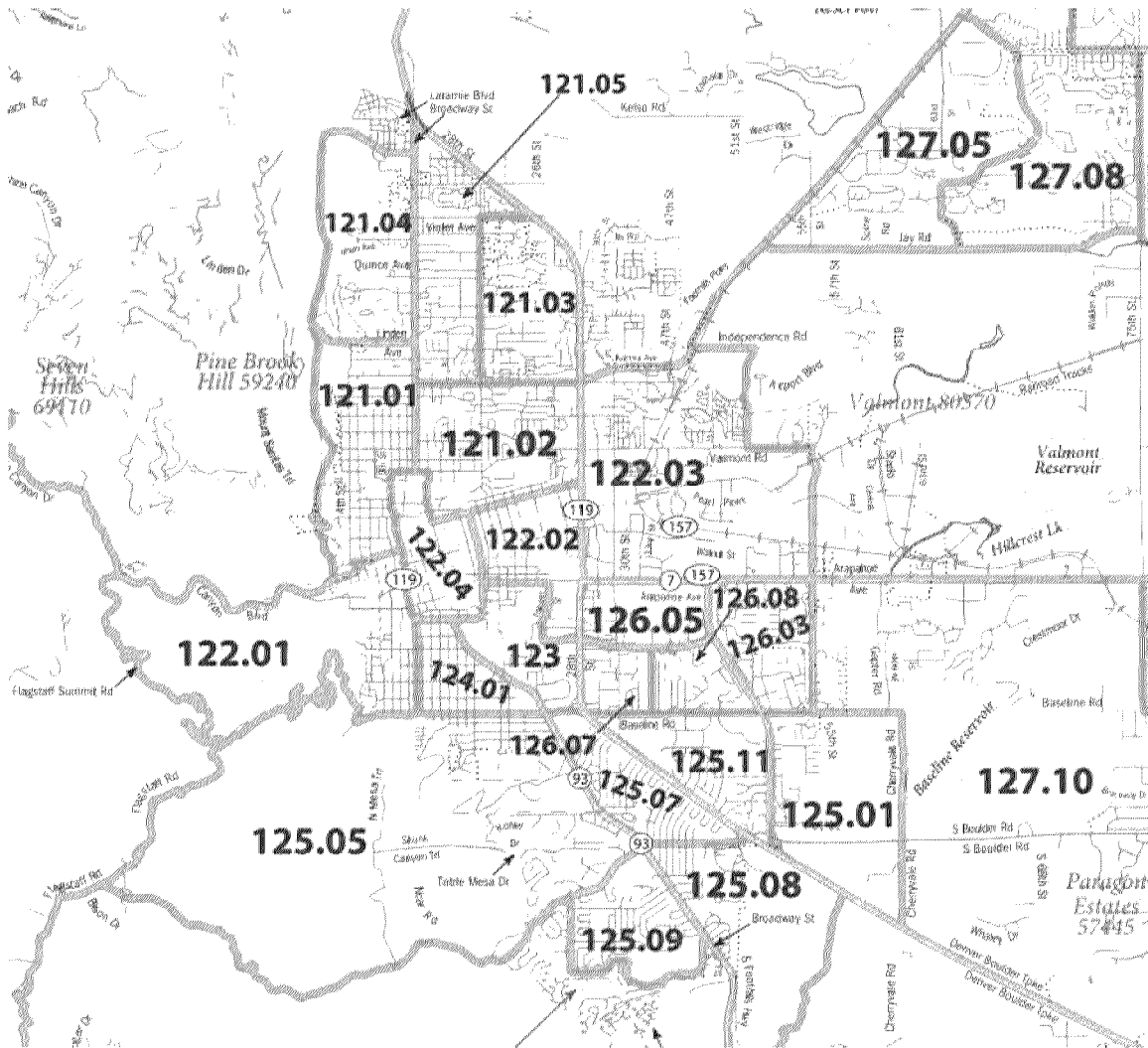
Council discussed, but did not reach consensus about whether to allow only owner-occupied short-term rentals. Council did agree to eliminate the requirement limiting owner-occupied rentals to properties occupied by the owner 275 days each year. Accordingly, this language does not appear in either Attachment B or Attachment C. As noted above, Attachment B retains the language approved on first reading restricting rentals to owner-occupied properties. Council directed that staff draft a provision requiring that the operator's name appear on the deed to the property. The intent was that this would limit rentals by limited liability corporations generally used by investors to operate rentals. Current code allows corporate persons to obtain rental licenses. If the limited liability corporation owned the property, it could still obtain a rental license. Accordingly, to meet Council's stated intent, staff recommends including a requirement that the operator be a "natural person." This requirement is reflected in subsection 10-3-19(a)(4) as follows:

(4) If the operator is a natural person and the operator's name appears on the deed to the property on which the dwelling unit to be rented is located

Attachment C would permit non-owner-occupied short-term rentals. Council discussed a limitation on the number of days that such rentals would be permitted. Council's discussion ranged from 30 days per year to 120 days per year. Staff used 90 days per year, although this should be understood as a placeholder for Council's ultimate choice. This language appears only in Attachment C in subsection 10-3-19(d) as follows:

(d) A dwelling unit that is not the operator's principal place of residence shall not be rented as a short-term rental from more than 90 days in any calendar year.

There also has been some discussion of limiting the number of units by limiting the number of units allowed in a census district. Austin, Texas limits the number of non-owner-occupied units to no more than three percent of the detached single-family or two-family housing units in a census tract. Implementation of such a restriction would require a significant investment of staff time. Staff would need to create a database of the number of single-family and two-family housing units in each census tract. Staff also would need to develop a methodology to associate licenses with census tracts and to check the number of licenses issued in each census tract. The census tracts in Boulder are as follows:



Another similar option might be to use the method created for limiting the number of accessory units. Section 9-6-3(a)(2) provides as follows:

(2) Accessory Dwelling Units: In addition to the general accessory unit standards in paragraph (a)(1) of this section, the following standards apply to accessory dwelling units. The owner or the owners of a lot or parcel with an existing single-family dwelling unit may establish and maintain an accessory dwelling unit within the principal structure of a detached dwelling unit in the RL-1, RL-2, RE, RR-1, RR-2, A or P districts if all of the following conditions are met and continue to be met during the life of the accessory dwelling unit:

(A) Neighborhood Area: In the RL-1, RL-2, RE, RR-1, RR-2, A or P zoning districts, no more than ten percent of the single-family lots or parcels in a neighborhood area contain an accessory dwelling unit. For the purpose of this subparagraph:

(i) The "neighborhood area" in RL-1, RL-2 and P zoning districts is the area circumscribed by a line three hundred feet from the perimeter of the lot line within which any accessory dwelling unit will be located.

(ii) The "neighborhood area" in RE, RR-1, RR-2 and A zoning districts is the area circumscribed by a line six hundred feet from the perimeter of the lot line within which any accessory dwelling unit will be located.

(iii) For the purpose of calculating the ten percent limitation factor, a legal, nonconforming structure containing two or more units or a limited accessory unit is counted as an accessory dwelling unit. The city manager may promulgate regulations defining additional methods to be used in calculating the ten percent limitation factor and the neighborhood area.

(iv) If an application for an accessory dwelling unit exceeds the ten percent requirement set forth in this subparagraph (a)(2)(A), the city manager will place the applicant on a waiting list for the neighborhood area. At such time as there is room for an additional accessory dwelling unit within a neighborhood area, the city manager will notify the first eligible person on the waiting list. Such person on the waiting list shall be required to provide notice of intent to file an application within thirty days and file an application within sixty days of such notice.

Such a requirement would also require substantial staff work.

4. Rentals and Affordable Housing Units

Council decided to remove the language that would have allowed short-term rentals by lessees. This language does not appear in either Attachment B or Attachment C. Council retained the restriction prohibiting short-term rental of affordable housing units. This restriction appears in both Attachment C and Attachment D. At the August 27, 2015 meeting, Council requested information regarding the Housing Division's recommendation relating to short-term rentals of affordable housing units. Staff provided a brief explanation of division staff's views. There is some additional background regarding the process for developing this position that may assist council in this area.

Staff solicited input from nearly 800 program owners and 600 others (prospective buyers, real estate agents, lenders, and others with an interest in the program). Staff received feedback from about a dozen people, with three comments in favor of participation, six opposed, and three expressing concerns but not taking a position.

In addition, the city's volunteer Homeownership Committee, which advises staff on program policies, discussed the tradeoffs presented by this issue at two meetings. The committee consists of two program owners, a Realtor, a lender, a homeownership education counselor, and a developer.

The feedback and discussions included a recognition that permitting affordable home owner participation would provide program owners with the benefits of short-term rentals, such as greater flexibility to travel, gaining income and building wealth. The committee also discussed the concern that short-term rentals did not align with the city's goal of creating opportunities for people to live in Boulder. The committee preferred that program owners that engage in rental do so under the current long-term uses already

outlined in the covenant (one room in the home at any time, or the whole home for up to 12 months after 5 years of ownership). They also did not want the program to be considered a business opportunity for prospective buyers since the benefit to the program is to provide an affordable purchase price, and were concerned that STR participation could erode community support for the program.

On balance, the community goal of keeping affordable housing focused on providing long-term homes for residents outweighed the individual benefit of short-term rental to owners of homes in the city's program.

5. Occupancy

Council's discussion with respect to occupancy, confirmed that Council's intent is to have the occupancy of short-term rentals be the same as allowed for other dwelling units in the zone district. Council members discussed whether to make an accommodation to recognize that many, if not all, short-term rentals would be owner-occupied. Thus, if the underlying unit is at full occupancy, no additional rental would be allowed. Council directed staff to develop language that would count a family as one person for the purpose of the occupancy limitation. Thus, a family could rent a portion of a home, while another family remained in residence. This new language appears in subsection 10-3-19(a)(7) as follows:

If the occupancy during any rental period does not exceed the occupancy permitted pursuant to Section 9-8-5, B.R.C. 1981 ("Occupancy of Dwelling Units"); provided, however, for the purposes of this section only, the operator and people related to the operator shall be counted as one person. The occupancy of any accessory unit shall be limited to a family or two unrelated persons;

6. Advertising

Council supported a restriction on the advertising of illegal rentals and a requirement that any advertisement include the rental license number. This language is included in subsection 10-3-2(a), which would also apply to long term rentals. The proposed language is as follows:

(a) No operator shall allow, or offer to allow through advertisement or otherwise, any person to occupy any rental property as a tenant or lessee or otherwise for a valuable consideration unless each room or group of rooms constituting the rental property has been issued a valid rental license by the city manager. Any advertisement shall include the rental licensing number assigned by the city manager.

7. Energy Requirements for Short-Term Rentals

The second reading memorandum noted that short-term rentals would be required to comply with the same energy requirements as those to which long-term rentals will be

subject to in 2019. The relevant provision of the city's amendment to the International Property Maintenance Code is as follows:

C101.1 Scope. Appendix C sets standards for residential rental dwelling unit energy efficiency. Effective January 2, 2019, the energy efficiency requirements of this section shall apply to all residential rental dwelling units licensed according to Chapter 10-3, "Rental Licenses," B.R.C. 1981, except:

1. Buildings that can be verified as meeting or exceeding the energy efficiency requirements of the Energy Conservation Code, Chapter 10-7, B.R.C. 1981; and
2. Any manufactured home; and
3. Accessory Dwelling Units and Attached Owner Accessory Units as detailed in Section 9-6-3, "Specific Use Standards Residential Uses," B.R.C. 1981.

Thus, SmartRegs will apply to all short term rentals, except rentals of accessory dwelling units and attached owner accessory units. If council would like SmartRegs to apply to accessory units licensed for short term rental, council should consider adding the following language to new section 10-3-19:

(e) Notwithstanding the provisions of § 10-2-2 B.R.C. 1981 ("Adoption of the International Property Maintenance Code with Modifications), Appendix C, effective January 2, 2019, the energy efficiency requirements set forth in § 10-2-2, Appendix C section shall apply to all accessory units licensed as short term rentals.

8. Local Agent

For long-term rentals, a local agent is required only if the owner is not a natural person domiciled in Boulder County. Council members appeared to have an interest in requiring a contact person for short-term rentals. The proposed language is included in Section 10-3-19(a)(7) as follows:

(7) If the operator provides to any guest and posts on the property the name and telephone number of a contact person, who for owner-operated rentals can be a permanent resident on the property and who is capable of responding to the property within sixty minutes.

9. Effective Date

The proposed ordinance would be conditioned on the passage of the short-term rental tax. The relevant language is in Section 4 of the ordinance as follows:

Section 4. In the event that the ballot measure set forth in Ordinance Number 8065, known as the “Short-Term Rental Tax,” does not receive a majority of the votes cast, Section 10-3-19 shall be amended to read as follows:

10-3-19. – Short-Term Rentals.

Short-term rentals are prohibited.

This language would replace the proposed ordinance language in Section 10-3-19 allowing short-term rentals. Staff also recommends that Council consider allowing the ordinance to be effective 30 days after final passage, while directing the city manager to begin implementation no earlier than January 4, 2016. It is not clear whether the Neighborhood Right to Vote initiative would apply to this ordinance. Having the ordinance become effective before the election would eliminate any ambiguity. If passed on third reading at the September 29, 2015 special council meeting, the ordinance would become effective before Election Day. The relevant language is in section 6 of the ordinance as follows:

Section 6. This ordinance shall be effective thirty days after final passage. The city manager is directed to begin implementation no earlier than January 4, 2016.

Data and Tracking

Council discussed monitoring the effectiveness of the short-term rental program by collecting data and periodically reviewing the regulations. Staff recommends that staff record the following data and report annually to council:

- Number of short-term rental licenses
- Number of short-term licenses as compared to long-term rental licenses
 - To track conversion over time
- Location of short-term rentals by neighborhood.
 - To track concentration
- Complaints
 - Long-term as compared to short-term.
- Tax revenue for short-term
 - Total collections and number of returns filed
 - Compliance rate Number of returns/number of licenses
- Enforcement
 - Illegal rentals identified
 - Compliance achieved
 - Citations issued

ATTACHMENTS

Attachment A - Ordinance 8050 as passed on first reading

Attachment B - Ordinance 8050 with amendments (Restricted to owner-occupied)

Attachment C - Ordinance 8050 with amendments (not restricted to owner-occupied)

ORDINANCE NO. 8050

AN ORDINANCE AMENDING TITLE 10 “STRUCTURES” AMENDING SECTION 10-1-1 “DEFINITIONS” BY AMENDING THE DEFINITION OF “OPERATOR,” AMENDING THE DEFINITION OF “RENTAL PROPERTY,” ADDING A NEW DEFINITION OF “SHORT-TERM RENTAL,” ADDING A NEW SECTION 10-3-19 “SHORT-TERM RENTALS” AND SETTING FORTH RELATED DETAILS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. Amend Section 10-1-1 as follows:

10-1-1. – Definitions.

...

Operator means any person, who is an owner, is an owner’s representative, has charge of, or controls any dwelling or parts thereof. An operator includes a lessee.

...

Rental Property means all dwellings, dwelling units, and rooming units located within the city and rented or leased for any valuable consideration, but excludes dwellings owned by the federal government, the state, or any of their agencies or political subdivisions and facilities licensed by the state as health care facilities. Rental Property includes any property used as a short-term rental.

...

Short-term rental means any dwelling, dwelling unit, rooming unit, room or portion of any dwelling unit, rooming unit, room rented or leased for valuable consideration for periods of time less than 30 days, but excludes commercial hotels, motels or bed and breakfasts. A short-term rental is a use that is accessory to such dwelling, dwelling unit, rooming unit, or room.

...

Section 2. A new Section 10-3-19 is added to read:

10-3-19. – Short-Term Rentals.

Short-term rentals are prohibited except:

- (a) The rental is of the operator’s principal residence;
- (b) The occupancy during any rental period does not exceed the occupancy permitted pursuant to Section 9-8-5, B.R.C. 1981 (“Occupancy of Dwelling Units”);

- 1 (c) The operator resides in the premises rented for a period of at least 275 days in each calendar year; and
- 2 (d) The rental property is not a permanently affordable unit.

3 Section 3. The City Council deems it appropriate that this ordinance be published by title
 4 only and orders that copies of this ordinance be made available in the office of the city clerk for
 5 public inspection and acquisition.

6 INTRODUCTION, READ ON FIRST READING, AND ORDERED PUBLISHED BY
 7 TITLE ONLY this 2nd day of June, 2015.

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 10 _____
 11 Mayor
 12 Attest:

13 _____
 14 City Clerk

15 READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED
 16 PUBLISHED BY TITLE ONLY this 27th day of August, 2015.

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 18 _____
 19 Mayor
 20 Attest:

21 _____
 22 City Clerk

ORDINANCE NO. 8050

AN ORDINANCE AMENDING TITLE 10 "STRUCTURES" AMENDING SECTION 10-1-1 "DEFINITIONS" BY ADDING A NEW DEFINITION OF "ACCESSORY UNIT," AMENDING THE DEFINITION OF "RENTAL PROPERTY," AMENDING SECTION 10-3-2 "RENTAL LICENSE REQUIRED BEFORE OCCUPANCY AND LICENSE EXEMPTIONS," ADDING A NEW DEFINITION OF "SHORT-TERM RENTAL," ADDING A NEW SECTION 10-3-19 "SHORT-TERM RENTALS" AND SETTING FORTH RELATED DETAILS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. Section 10-1-1 is amended to read as follows:

10-1-1. – Definitions.

Accessory Unit means an accessory unit permitted under Section 9-6-3(a), B.R.C. 1981 ("Accessory Units").

Rental Property means all dwellings, dwelling units, and rooming units located within the city and rented or leased for any valuable consideration, but excludes dwellings owned by the federal government, the state, or any of their agencies or political subdivisions and facilities licensed by the state as health care facilities. Rental Property includes any property used as a short-term rental.

Short-term rental means any dwelling, dwelling unit, rooming unit, room or portion of any dwelling unit, rooming unit, room rented or leased for valuable consideration for periods of time less than 30 days, but excludes commercial hotels, motels or bed and breakfasts. A short-term rental is a use that is accessory to such dwelling, dwelling unit, rooming unit, or room.

Section 2. Section 10-3-2(a) is amended to read as follows:

10-3-2. - Rental License Required Before Occupancy and License Exemptions.

(a) No operator shall allow, or offer to allow through advertisement or otherwise, any person to occupy any rental property as a tenant or lessee or otherwise for a valuable

1 consideration unless each room or group of rooms constituting the rental property has
2 been issued a valid rental license by the city manager. Any advertisement shall include
the rental licensing number assigned by the city manager.

3 Section 3. A new Section 10-3-19 is added to read:

4 **10-3-19. – Short-Term Rentals.**

5 (a) Short-term rentals are prohibited except:

6 (1) If the rental is of the operator’s principal residence;

7 (2) If the rental license is for an accessory unit, only the accessory unit and not any
8 other dwelling unit on the same property may be a licensed or used as a short-term
rental;

9 (3) If a dwelling unit is licensed for short-term rental, then no accessory unit on the
10 same property may be issued a short-term rental license;

11 (4) If the operator is a natural person and the operator’s name appears on the deed to
the property on which the dwelling unit to be rented is located;

12 (5) If the operator certifies that the dwelling unit is equipped with operational smoke
13 detectors, carbon monoxide detectors and other life safety equipment as may be
required by the city manager;

14 (6) If the occupancy during any rental period does not exceed the occupancy
15 permitted pursuant to Section 9-8-5, B.R.C. 1981 (“Occupancy of Dwelling Units”);
16 provided, however, for the purposes of this section only, the operator and people
related to the operator shall be counted as one person. The occupancy of any
17 accessory unit shall be limited to a family or two unrelated persons;

18 (7) If the operator provides to any guest and posts on the property the name and
telephone number of a contact person, who for owner-operated rentals can be a
19 permanent resident on the property and who is capable of responding to the property
within sixty minutes; and

20 (8) If the rental property is not a permanently affordable unit.

21 (b) Short-term rentals, other than short-term rentals of Accessory Units permitted under
22 Section 9-6-3(a), B.R.C. 1981 (“Accessory Units”), shall not be subject to the inspection
requirements of Section 10-3-3(a) B.R.C. 1981 (“Licenses”).

23 (c) An accessory unit may not be rented as a short-term rental for more than 120 days in
24 any calendar year.

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Section 4. In the event that the ballot measure set forth in Ordinance Number 8065, known as the “Short-Term Rental Tax,” does not receive a majority of the votes cast, Section 10-3-19 shall be amended to read as follows:

10-3-19. – Short-Term Rentals.

Short-term rentals are prohibited.

Section 5. The City Council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

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Section 6. This ordinance shall be effective thirty days after final passage. The city manager is directed to begin implementation no earlier than January 4, 2016.

INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY this 2nd day of June, 2015.

Attest: _____ Mayor

City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this 15th day of September, 2015.

Attest: _____ Mayor

City Clerk

ORDINANCE NO. 8050

AN ORDINANCE AMENDING TITLE 10 "STRUCTURES" AMENDING SECTION 10-1-1 "DEFINITIONS" BY ADDING A NEW DEFINITION OF "ACCESSORY UNIT," AMENDING THE DEFINITION OF "RENTAL PROPERTY," AMENDING SECTION 10-3-2 "RENTAL LICENSE REQUIRED BEFORE OCCUPANCY AND LICENSE EXEMPTIONS," ADDING A NEW DEFINITION OF "SHORT-TERM RENTAL," ADDING A NEW SECTION 10-3-19 "SHORT-TERM RENTALS" AND SETTING FORTH RELATED DETAILS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. Section 10-1-1 is amended to read as follows:

10-1-1. – Definitions.

...

Accessory Unit means an accessory unit permitted under Section 9-6-3(a), B.R.C. 1981 ("Accessory Units").

...

Rental Property means all dwellings, dwelling units, and rooming units located within the city and rented or leased for any valuable consideration, but excludes dwellings owned by the federal government, the state, or any of their agencies or political subdivisions and facilities licensed by the state as health care facilities. Rental Property includes any property used as a short-term rental.

...

Short-term rental means any dwelling, dwelling unit, rooming unit, room or portion of any dwelling unit, rooming unit, room rented or leased for valuable consideration for periods of time less than 30 days, but excludes commercial hotels, motels or bed and breakfasts. A short-term rental is a use that is accessory to such dwelling, dwelling unit, rooming unit, or room.

...

Section 2. Section 10-3-2(a) is amended to read as follows:

10-3-2. - Rental License Required Before Occupancy and License Exemptions.

(a) No operator shall allow, or offer to allow through advertisement or otherwise, any person to occupy any rental property as a tenant or lessee or otherwise for a valuable consideration unless each room or group of rooms constituting the rental property has

1 been issued a valid rental license by the city manager. Any advertisement shall include
2 the rental licensing number assigned by the city manager.

3 Section 3. A new section 10-3-19 is added to read:

4 **10-3-19. – Short-Term Rentals.**

5 (a) Short-term rentals are prohibited except:

6 (1) If a dwelling unit is licensed for short-term rental, then no accessory unit on the
7 same property may be issued a short-term rental license;

8 (2) If the operator’s name appears to the deed to the property on which the dwelling
9 unit is located;

10 (3) If the operator is a natural person and the operator’s name appears on the deed to
11 the property on which the dwelling unit to be rented is located;

12 (4) If the operator certifies that the dwelling unit is equipped with operational smoke
13 detectors, carbon monoxide detectors and other life safety equipment as may be
14 required by the city manager;

15 (5) If the occupancy during any rental period does not exceed the occupancy
16 permitted pursuant to Section 9-8-5, B.R.C 1981 (“Occupancy of Dwelling Units”);
17 provided, however, for the purposes of this section only, the operator and people
18 related to the operator shall be counted as one person. The occupancy of any
19 accessory unit shall be limited to a family or two unrelated persons; and

20 (6) If the rental property is not a permanently affordable unit.

21 (b) Short-term rentals, other than short-term rentals of accessory units, shall not be
22 subject to the inspection requirements of section 10-3-3(a) B.R.C. 1981 (“Licenses”).

23 (c) An accessory unit may not be rented as a short-term rental for more than 120 days in
24 any calendar year.

25 (d) A dwelling unit that is not the operator’s principal place of residence shall not be
rented as a short-term rental from more than 90 days in any calendar year.

26 Section 4. In the event that the ballot measure set forth in Ordinance Number 8065,
27 known as the “Short-Term Rental Tax,” does not receive a majority of the votes cast, Section 10-
28 3-19 shall be amended to read as follows:

1 **10-3-19. – Short-Term Rentals.**

2 Short-term rentals are prohibited.

3 Section 5. The City Council deems it appropriate that this ordinance be published by title
4 only and orders that copies of this ordinance be made available in the office of the city clerk for
5 public inspection and acquisition.

6 Section 6. This ordinance shall be effective thirty days after final passage. The city
7 manager is directed to begin implementation no earlier than January 4, 2016.

8 INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY
9 TITLE ONLY this 2nd day of June, 2015.

12 _____
Mayor

13 Attest:

14 _____
15 City Clerk

16 READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED
17 PUBLISHED BY TITLE ONLY this 15th day of September, 2015.

20 _____
Mayor

21 Attest:

22 _____
23 City Clerk