

## STR Regulation Updates

This newsletter is not a comprehensive list of all regulation changes. It is meant to inform you of the major changes in a digestible format. Please review the revised STR Ordinance 20-C in full.

### Content:

1. Caps on the STRs in the NOZ
2. Updated License Types
3. Exception Licenses
4. Administration (Waitlist, lottery)
5. Occupancy - Timeline
6. Well Water
7. Transfer of Title Exceptions
8. Other Code amendments

### Nuggets of knowledge before you begin reading:

- **Resort Overlay Zone:** STR license standards have not changed, and are not restricted by caps
- **Short-Term Rental and Short-Term Vacation rental** (STR and STRV will be consolidated in the Land Use and Development Code
- **"Guests"** have been replaced with "renters" in the STR ordinance to clarify that guests of the property owner, where no consideration is exchanged does not constitute a booking. When friends / family are staying at an STR for no charge, they do not constitute a "booking."
- **Booking** means an agreement to rent a unit for a period of less than 30 days for an exchange of consideration.

### CAPS in the NOZ

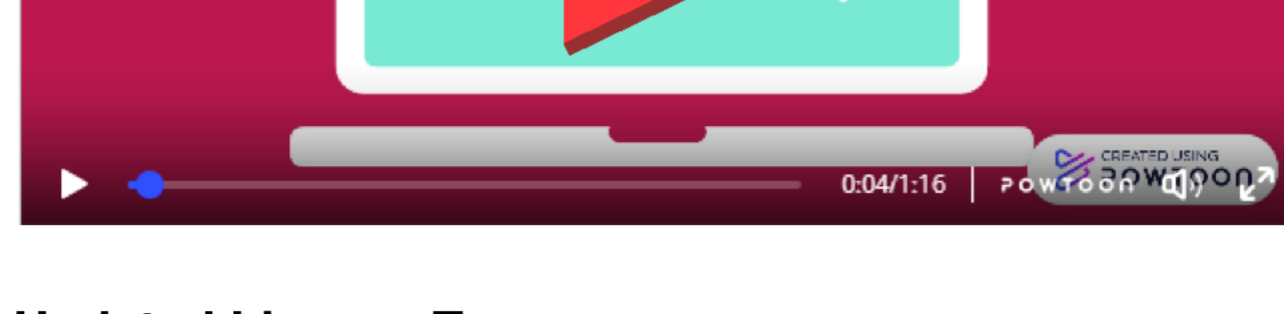
The number of Type II licenses in the County is capped by Basin. Each basin has a maximum allowed number of Type II licenses. If you are not familiar with Basins within the County, the map to the right may help you determine what Basin your property falls under.

**Lower Blue:** Currently has 669 STRs. Cap is set at 550 STRs (approx. 15% of units in the NOZ)

**Upper Blue:** Currently has 733 STRs. Cap is set at 590 STRs (approx. 18% of units in the NOZ)

**Snake River:** Currently has 226 STRs. Cap is set at 130 STRs (approx. 5% of units in the NOZ)

**Ten Mile:** Currently has 31 STRs. Cap is set at 20 STRs (approx. 6% of units in the NOZ)



### Updated License Types

At renewal 2023, all Neighborhood Overlay Zone licenses will convert to the new Type II License, unless approved for a Type I exception license.

There is no grandfathering in place. Pre-existing Licenses, Type I, Type II, and Type III Licenses will all convert to the new Type II License, unless the operator applies for a Type I exception license.

#### New Type II Standards:

- 35 Bookings per year, from October 1 through September 30
- Occupancy of 2 renters per bedroom, plus 2, unless restricted by septic system capacity
- License issuance restricted by Caps
- No longer limited by number of nights

#### New Type I Standards:

- 35 Bookings per year, from October 1 through September 30
- Occupancy of 2 renters per bedroom, plus 2, unless restricted by septic system capacity
- **Not restricted by cap: Must be reviewed and confirmed by staff to meet criteria below**

### Exception Licenses: Criteria for Type I License and Qualified Occupants (QO)

#### Overview

Type I (Exception Licenses) will be granted despite the CAPs to applicants who meet the criteria for Qualified Occupant status.

- Qualified Occupant can be owner or long-term renter (see criteria for different submittal options)
- Type I Licenses will NOT count towards the CAP
- Replaces current Type I license with new Qualified Occupant (QO) criteria
- QO Status requires certain employment and residency conditions
- Retirees may meet QO criteria
- Permitted a maximum 35 booking parties per year for any or all combinations of booking types

#### Criteria for Qualified Occupant (QO) Status: What to submit with your application

All applicants will be required to submit an affidavit attesting to primary residency by a Qualified Occupant for a minimum of 9 months of the year.

Applicants will need to submit documents showing that they meet the employment **and** residency requirements:

#### Employment Requirements

QO must work a job 30+ hours per week year-round, within the County\*

#### Submit for all applicants:

1. Paystub, or record of minimum wage if self-employed

#### Residency Requirements

QO must reside at the property for a minimum of 9 months of the year.

#### Submit for Owner as QO:

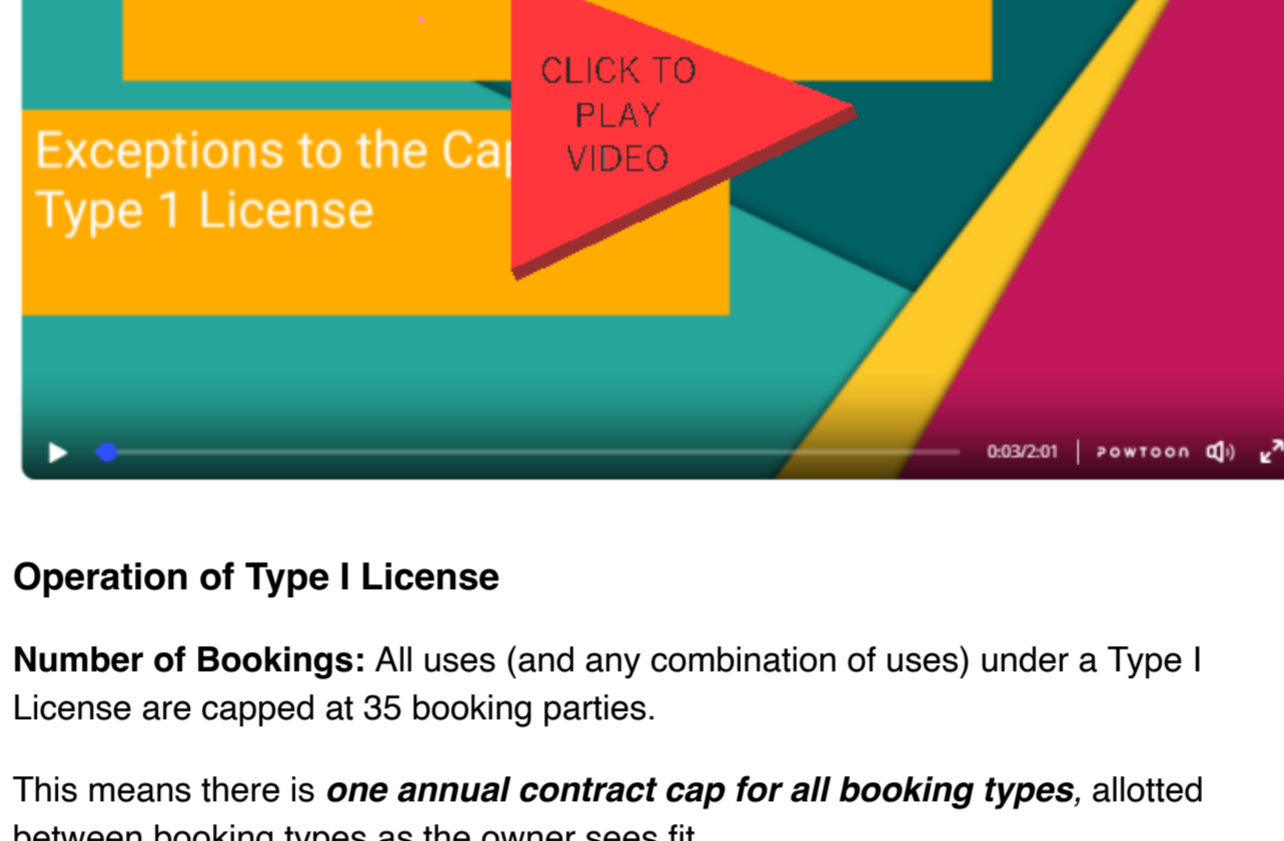
1. Evidence of mailing address,
2. Two of the three following documents:
  - Voter registration
  - Tax returns or other tax documents such as a 1041 or W2.
  - Motor Vehicle Registration

#### Submit for Renter as QO:

1. Evidence of mailing address, such as bills, utilities, etc
2. Copy of lease

#### Properties with an ADU

- ADU must be leased to long term renter who is a member of the local workforce; owner does not qualify as QO in this scenario
- Management of ADU cannot make up majority of employment hours for QO status



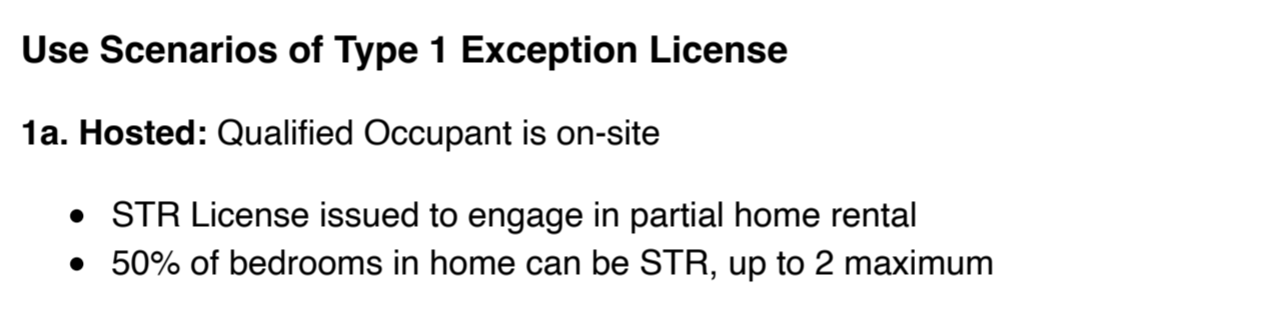
### Operation of Type I License

**Number of Bookings:** All uses (and any combination of uses) under a Type I License are capped at 35 booking parties.

This means there is **one annual contract cap for all booking types**, allotted between booking types as the owner sees fit.

For example, 20 partial-home rentals and 15 entire-home rentals adds up to 35, and would be the maximum number of rentals allowed per year. How the 35 bookings is divided is up to the discretion of the STR operator.

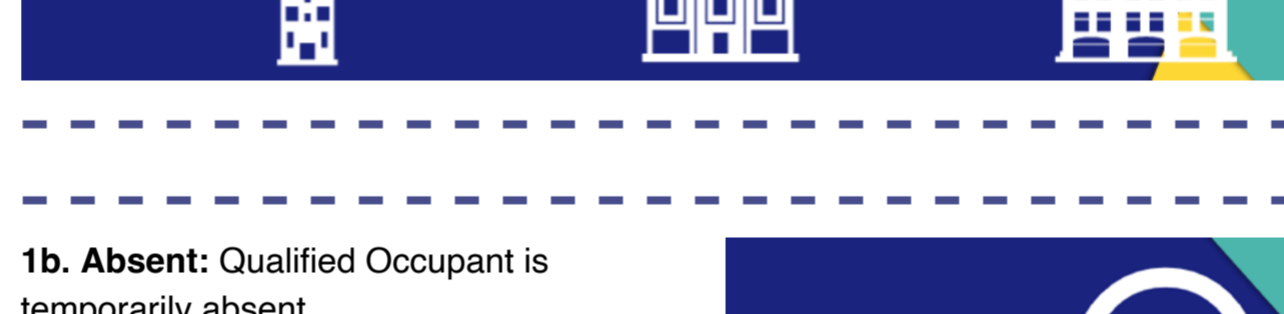
The revised regulations do not include a nightly limit. Type I and Type II licenses will now be limited to 35 booking parties annually, with no night limit.



### Use Scenarios of Type 1 Exception License

#### 1a. Hosted: Qualified Occupant is on-site

- STR License issued to engage in partial home rental
- 50% of bedrooms in home can be STR, up to 2 maximum



#### 1b. Absent: Qualified Occupant is temporarily absent

- Entire Home can be STR
- Created for "teacher" scenario, i.e. summer vacations



#### 1c. Property with ADU

- ADU must be occupied by long-term renter who is a member of the local workforce
- Owner cannot qualify for QO status in this scenario
- ADU cannot have been removed in the previous 3 years by current owner



### Administration of the Caps

The revised Ordinance 20-C puts in place a process for issuing new licenses. The process of creating a waitlist/lottery is triggered by being within 10% of the cap.

**The County will not be keeping a waitlist in the meantime.**

At the end of each renewal period, the County will determine the number of existing licenses. This number will be determined by January 5th of each year following each renewal period. Due to the volume of licenses to review and nuance of each license, it takes several months to complete renewals, even after they have been submitted.

When any Basin is within 10% of the cap, the County will initiate the planning process to create a license-granting system. This could be a waitlist or lottery. **This system has not been determined at this time.**

The license granting system will be published on the STR Webpage in the spring following the 10% trigger. The earliest this may happen is Spring, 2024.



### Occupancy for Type I and Type II Licenses

Occupancy applies to all people on the property at any time, not just for sleeping. Any room used for sleeping must be approved by the Building Inspection department.



**Permitted Occupancy in the NOZ = 2 persons per bedroom plus 2 persons, with the following limitations:**

#### Properties on OWTS (On-site Wastewater Treatment System / Septic)

- Limited to the capacity stated on the OWTS permit
- Typically limited to 2 persons per bedroom

#### Loft as bedroom

- To count as a bedroom, a Loft **must** be approved as a sleeping area through a building permit
- Shall be allowed 2 occupants

#### Studio as bedroom

- Treated as a 1-bedroom unit

**All NOZ licenses must comply with the above occupancy standards by renewal 2023.**

**There is no grandfathering: Pre-existing, Type I, and Type II licenses must abide by the above occupancy, and all other standards.**

### New Requirement for Properties on Well Water

#### Well water permits

Properties served by well water will have to submit their well permit in the next renewal period.

Instructions for finding, downloading, and submitting your well permit for the next renewal period will be posted on the Summit County STR page.

You can also visit the Colorado Division of Water Resources website for more information.

#### Well water and Hot tubs

Hot tubs require a water augmentation plan, for properties on a well.

Properties with hot tubs will have to show that their water is augmented for such use.

Instructions for augmenting your water, as well as finding, downloading, and submitting the augmentation plan will be posted on the Summit county STR page.

Without proper well augmentation, the hot tub will need to be removed from the STR property or made unavailable to guests.

### Transfer of Title and STR Licenses

Previously, no Transfers of Title were permitted under the same STR License. The revised STR Ordinance now includes some exceptions, where property can change hands, and the new owners can keep the existing STR license.

These transfers are meant to allow for familial or court determined ownership to take place, without the new owners losing their license.

Transfer of Title exceptions are listed on page 6 of the STR Ordinance 20-C.

### Other Items

#### Bed and Breakfasts (B&B)

- Can accommodate multi-booking parties
- Not limited to 35 bookings per year

- Still requires owner occupancy, Class 4 CUP, in addition to STR License
- Prior to operating a B&B in a residential zone district, the operator must have an active STR license for at least 1 year

