CITY PLANNING COMMISSION AGENDA

STAFF: Carli Hiben, Program Coordinator

FILE NO(S): CPC AP 22-00023

PROJECT: APPEAL OF DENIAL OF A SHORT TERM RENTAL RENEWAL APPLICATION

15 NORTH CORONA STREET COLORADO SPRINGS, CO 80903

APPLICANT/OWNER: CONOR ANDRLE

949 LISMORE DRIVE COLUMBUS, GA 31904



PROJECT SUMMARY:

1. <u>Project Description</u>: This is a request to appeal the administrative Denial of the Short Term Rental renewal applications for 15 North Corona Street, Colorado Springs, CO, 80903, which were denied by Staff on March 7, 2022.

The property is zoned FBZ (Form Based Zone) and is located south of East Kiowa Street, northeast of the intersection of North Corona Street and East Pikes Peak Avenue.

- 2. Applicant's Appeal Statement: (see 'Appeal Statement' attachment)
- 3. <u>Community Development Department's Recommendation</u>: Staff recommends the City Planning Commission uphold the Denial of the Short Term Rental renewal applications and deny the appeal.

BACKGROUND:

- 1. Site Address: 15 N Corona Street Tax Schedule Number 6418115018
- 2. Existing Zoning/Land Use: FBZ-T2A (Form Based Zone Transition Sector 2A)

- 3. <u>Surrounding Zoning/Land Use</u>: The surrounding properties to the east, west and south are zoned FBZ (Form Based Zone district) and the properties to the north are zoned C6 (General Business).
- 4. <u>Annexation</u>: The property was annexed in 1872 as part of the 3,614.35 acre Town of Colorado Springs annexation area.
- 5. Master Plan/Designated Master Plan Land Use: Experience Downtown Plan
- 6. Legal Description: Unplatted
- 7. Zoning Enforcement Action: None
- 8. <u>Physical Characteristics</u>: 15 North Corona Street is improved with a multi-family residence, consisting of a total of 7,500 square feet in lot area.

STAKEHOLDER PROCESS AND INVOLVEMENT:

There is no stakeholder process in the denial of a Short Term Rental (herein referred to as "STR") renewal application. To notify the public of the appeal process, the site was both posted for 10 days prior to the City Planning Commission hearing and 233 postcards mailed to notify property owners located within 1,000 feet of the subject property.

ANALYSIS OF REVIEW CRITERIA/MAJOR ISSUES/COMPREHENSIVE PLAN:

- 1. <u>Timeline of the denial of the Short Term Rental application:</u>
 - a. <u>March 5, 2021</u> –Owner occupied Short Term Rental permit (STR-1819) issued to Unit A and non-owner occupied Short Term Rental permit (STR-1820) issued to Unit B.
 - b. <u>September 30, 2021</u>— It was discovered that 15 North Corona Street was issued two owner occupied short term rental permits, even though the property owner did submit an application for an owner occupied STR (Unit A) and a non-owner occupied STR (Unit B). The property would not have been eligible for a non-owner occupied STR per City Code Section 7.5.1704.C., "No non-owner occupied short term rental unit shall be located within five hundred feet (500') of another non-owner occupied short term rental unit..." (See '15 N Corona Street 500' Buffer' attachment). It was also at this time that staff discovered that the property owner no longer occupied the premises.
 - c. <u>March 1, 2022</u> Two non-owner occupied STR renewal applications were submitted for 15 North Corona Street, Units A & B.
 - d. <u>March 7, 2022</u> The applicant was notified that staff was unable to renew the permits pursuant to City Code Section 7.5.1704.C.
 - e. <u>March 15, 2022</u> Conor Andrle filed an appeal of the Denial of the Short Term Rental renewal applications.

Staff did issue the STR permits in March 2021 but the applicant provided conflicting information in submitting one owner occupied STR permit application and one non-owner occupied STR application for the same property. It is the policy of Planning Staff to not issue different STR permit types for multiple dwelling units located on the same property.

At the time of issuance of the STR permits in March 2021, the property would not have been eligible pursuant to City Code Section 7.5.1704.C. 15 North Corona Street is approximately 468' from 426 East Kiowa Street, which has been an established non-owner occupied Short Term Rental since September 2019.

C. No non-owner occupied short term rental unit shall be located within five hundred feet (500') of another non-owner occupied short term rental unit. The five hundred feet (500') separation measurement shall be made in a straight line without regard to intervening structures or objects from the nearest property line of the proposed short term rental unit to the nearest property line of another short term rental unit. Where an owner occupied short term rental unit is owned by an active duty military service member whose permanent duty station is within El Paso County, the Manager shall waive this requirement for the owner for up to one (1) year if the service member receives orders to report to a temporary duty station outside of El Paso County.

The property owner provided the attached appeal statement, dated March 15, 2022, which states (in part),

"...The owner, Conor Andrle, purchased this property after inquiring with the Department, if the property located at 15 N. Corona St., Colorado Springs, CO 80903 was eligible for a non-owner-occupied short-term rental. On December 28, 2020, employee for the Department, Mitch Hammes, Neighborhood Services Manager, stated that '15 N. Corona DOES qualify for a non-owner-occupied STR. 502 5. 1 1di DOES NOT qualify." Exhibit A. Conor Andrle purchased the property, and made several improvements to the property, in reliance on this information..."

While the property owner submitted one non-owner occupied Short Term Rental permit application and one owner occupied Short Term Rental application and two permits were issued without requiring corrections or revisions, it is not in the best interest of the City to perpetuate an error that has been made. Further, the City requires an annual renewal application in order to verify that the property is in compliance with the Code on a yearly basis.

Staff was unable to approve the renewal application in 2022 as the property is not eligible for a non-owner occupied Short Term Rental permit pursuant to City Code Section 7.5.1704.C.

The appellant goes on to state:

"...The provision at hand limits a non-owner-occupied short-term rental (STR) from being within five hundred feet (500') of another non-owner-occupied short-term rental. The City has stated that the property located at 15 N. Corona St. was within 500' of another short-term rental, that being 426 E. Kiowa Street. There has been no determination as to how far away 15 N. Corona St. is from 426 E. Kiowa St. From Google maps it could be argued that there is five hundred feet distance between the properties.."

15 North Corona Street is approximately 468 feet from 426 East Kiowa Street. Pursuant to Code, The five hundred feet (500') separation measurement shall be made in a straight line without regard to intervening structures or objects from the nearest property line of the proposed short term rental unit to the nearest property line of another short term rental unit. Staff uses an internal program, CityView, to measure the distance from one property line to another.

The appellant also states:

"...The amount of money that is generated by short term renting versus long term tenants, also benefits both Mr. Andrle as well as the City.."

City Staff is required to apply the City Code to the review of new STR application and renewal applications. Any adverse economic impacts to the property owner are not relevant when applying the Code.

Ordinance History

The STR Program began in January 2019 (Ordinance No.18-122).

• The STR renewal requirements were established: The Short Term Rental unit permit is valid for one (1) year from the date of issuance. The permit may be renewed for additional one) year periods.

After the initial adoption of the STR program, City Council directed Staff to amend the existing Code to include the following –

- Sales tax (Ordinance No. 19-49)
 - Mandate that all STR permit holders be in full compliance of sales tax requirements with the City of Colorado Springs.
- Occupancy Limitations (Ordinance No. 19-82)
 - Limits the occupancy of an STR dwelling unit to two people per bedroom, plus two, with a maximum occupancy of 15 persons.
- Non-owner vs owner occupied requirements (Ordinance No. 19-101)
 - Defines "owner occupied" as residing on the property for a minimum of 185 days per year;
 - Establishes a 500' buffer between non-owner occupied STRs; and
 - Precludes new non-owner occupied STRs in single-family zoned districts (R, R-1 9000, R-1 6000, and single-family PUDs).

Previous Action Related to Other STRs

The City has not received any other similar STR appeals.

Staff finds that the denial of the Short Term Rental renewal application meets the criteria as set forth in City Code.

A. Conformance with the City Comprehensive Plan:

Staff has evaluated the proposed application and its consistency with the City's current comprehensive plan (herein referred to as "PlanCOS"). PlanCOS provides the guidance for the maintenance of vibrant neighborhoods, accomplished through the protection, enhancement, and/or revitalization of the character and functions within each area. PlanCOS generally supports STRs and the Code related to non-owner occupied STRs was established to implement the vision of PlanCOS.

B. Conformance with the Area's Master Plan:

While the property is in conformance with the Experience Downtown Plan, the appeal is not applicable.

STAFF RECOMMENDATION:

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Deny the appeal and uphold the denial of the Short Term Rental renewal applications, based on the City Code Sections 7.5.1704.C., and that the appellant has not substantiated that the appeal satisfies the review criteria outlined in City Code Section 7.5.906.A.4.