

# Short Term Rental Program Mid-Year Update

City Council Work Session  
July 10, 2019  
Morgan Hester, AICP



# Compliance Letter



- 340 letters sent to Vacation Home Rental City sales tax license holders
  - 237 now have active Short Term Rental permits
  - 59 still need Short Term Rental permits
  - 22 letters were returned (no known recipient)
  - 22 properties are not longer active Short Term Rentals, not within City limits, and/or changed ownership per conversations with City Staff

# Code Enforcement Cases

- 142 City-initiated enforcement cases
- 28 enforcement cases from residential calls

# Short Term Rental Code Enforcement Cases

170 Total Cases

- Citizen Complaints - 28 total
- City-Initiated - 142 total
- STR Permits Issued - 679



# Code Enforcement Cases

- 679 total permits
- Red – Citizen Complaints (28 cases)
- Green – City-initiated (142 cases)
  - All cases are regarding operating an STR without a permit.

# Citizen Complaints (Code Enforcement Cases)



Violation	Number of Cases
Noise*	4
Parking*	4
Traffic*	1
Trash	0
Number of people in a unit	1
Zoning violation	2
HOA covenant violation**	2
Illegal Activity	2
No Permit***	24

Total of 28 complainants – some include more than one issue.

\*Noise, parking, and traffic are all regulated by PD, but Code Enforcement will make contact with home owner

\*\*Code Enforcement does not regulate HOA covenants

\*\*\*All currently have active Short Term Rental permits

# Statistics of Issued Permits

- As of May 28, 2019 (at the time this presentation was prepared) –
  - 679 active permits
  - 331 Air B&B only

# STR Website



The screenshot shows the website's navigation and content for Short Term Rentals. The breadcrumb trail is: ColoradoSprings.gov > Departments > Planning and Development > Frequently Asked Questions > Property Use > Short Term Rentals. The left sidebar lists 'PLANNING AND DEVELOPMENT' categories, with 'Short-Term Rentals' highlighted. The main content area is titled 'SHORT TERM RENTALS' and includes a 'Share this page' button with social media icons. Below are tabs for 'Application Information', 'Ordinance', and 'Contact'. The 'Application Information' tab is active, displaying a list of criteria for rental permits, a 'How to apply' section with six numbered steps, and a list of 'Additional Resources' including a 'Good neighbor letter' and a 'How do I operate a short term rental?' flyer. A 'Frequently Asked Questions' section is at the bottom with five expandable questions.

ColoradoSprings.gov > Departments > Planning and Development > Frequently Asked Questions > Property Use > Short Term Rentals

## PLANNING AND DEVELOPMENT

- Land Use Review / Development Review Enterprise
- Urban Planning
- Comprehensive Planning
- Historic Preservation
- Neighborhood Services (Code Enforcement)
- Real Estate Services
- Frequently Asked Questions
  - General Information
  - Zoning
  - Building & Development
  - Property Use
    - Animal Regulations
    - Legal Non-Conforming Use
    - Residential Accessory Use
    - Short-Term Rentals**
  - Permits
  - Parking Standards
- Boards and Commissions
- Publications, Manuals & Maps
- About Planning and Development

## SHORT TERM RENTALS

Share this page: [f](#) [t](#) [e](#)

- Application Information
- Ordinance
- Contact

Anyone renting out a residential dwelling unit (examples: home, apartment, condo) or a portion of a residential dwelling unit (examples: bedroom, basement, cottage) in Colorado Springs must apply for a short term rental permit if the following criteria are met.

- The unit or partial unit is rented for less than thirty days at a time.
- The unit or partial unit is NOT owned by the federal government, the state, or the City of Colorado Springs, or any of their agencies, or facilities licensed by the state as health care facilities.

### How to apply

- Complete the [application and self-inspection checklist](#).
- Apply for a [city sales tax license](#). (If you are hosting your sort term rental ONLY on AirBnB, you do not have to apply for a City sales tax license. AirBnB collects sales tax and the lodging and rental tax on behalf of the City of Colorado Springs.)
- Ensure that your property is covered with at least \$500,000 in liability insurance (some hosting platforms provide insurance for you, others do not.)
- Email the completed application, self-inspection checklist, proof of sales tax and proof of insurance to [ShortTermRentals@coloradosprings.gov](mailto:ShortTermRentals@coloradosprings.gov).
- Call (719) 385-5905 to pay the \$119 permit fee.
- Once you are issued a short term rental permit number you will need to display the short term rental application, self-inspection checklist as well as the [Good Neighbor Guidelines](#) (with the permit number, valid through date, and local emergency contact) in a prominent location within your short term rental unit. You may black out contact information you do not want renters to see, such as your primary address and email. Please keep the local emergency contact information (Name and Phone Number) available to renters. This paperwork displayed together will act as your permit.

Applications that are received via email require a 3 day processing period. You can also visit the Land Use Review office at 30 S Nevada Suite 105 Colorado Springs, CO 80903 between the hours of 8 a.m.-Noon for same-day processing of your application. Applications received after Noon will require three days to process.

### Additional Resources

- [Good neighbor letter](#)
- [How do I operate a short term rental?](#) flyer

### Frequently Asked Questions

- Where are short term rentals allowed?
- What areas of town have active short term rental permits?
- How many short term rentals can I have?
- How much does a permit cost?
- How long is a permit valid?

- Application and Checklist
- FAQ Section
- Heat Maps
- Interactive map for active permits/emergency contact information (SpringsView)
- Staff contact
- Ordinance available
- Quick reference to regulations

## Short Term Rental Permits January - April 2019 (614 Total Permits Issued)



# Active Permit Heat Map

- Red/orange – concentration of most cases
- Maps are updated at the end of each month showing the concentration of all issued permits
  - Total permits
  - Monthly total



## Short Term Rental Permits April 2019 (85 Permits Issued)



# Active Permit Heat Map

- Red/orange – concentration of most cases
- Maps are updated at the end of each month showing the concentration of all issued permits
  - Total permits
  - Monthly total



Zoning District	Number of Permits
<b>R-2</b>	<b>235</b>
<b>R1-6</b>	<b>163</b>
<b>PUD</b>	<b>99</b>
R-5	38
C-5	24
R	23
R1-9	18
R-4	18
SU	8
FBZ-T1	8
OR	8
C-6	7
PBC	2
M-1	1
TND	1

# Zoning Concentration

Permitted in all zoning districts and where residential units are allowed in the PUD, OR, PBC, C-5, C-6, and M-1 zone districts as an accessory use (Section 7.3.205.(Q))



Zip Code	Number of Permits
<b>80904</b>	<b>161</b>
<b>80903</b>	<b>106</b>
<b>80906</b>	<b>72</b>
80907	66
80905	57
80919	49
80918	38
80909	37
80920	27
80923	15
80921	12
80910	10
80917	9
80908	4
80922	4
80924	4
80915	3
80927	3
80816	2

# Zip Code Concentration

- 80904 = Old Colorado City
- 80903 = Downtown
- 80906 = Cheyenne- and Broadmoor-areas

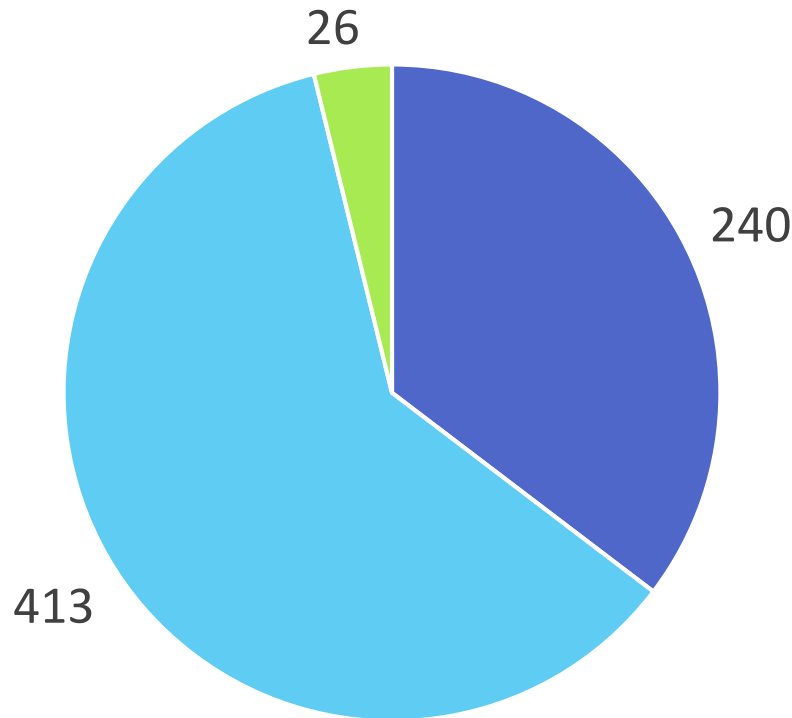


# Ownership- and Rental-type Data

**CHECK ALL THAT APPLY:**

- This is my primary residence.
- I do not live at this property. My Primary address is listed below.
- I live in this residence half of the year and travel the other half of the year. (e.g. Living in Arizona for part of the year)
- I will be present during a majority of the rental period (I will be living on the property)
- I will not be present during a majority of the rental period (I will be living on a different property)
- I am renting out an accessory dwelling unit. (e.g. converted garage, mother-in-law suite, cottage)
- I am renting the whole house.
- I am renting rooms within the house. (If renting multiple rooms you must be in a zone that allows for multiple units)

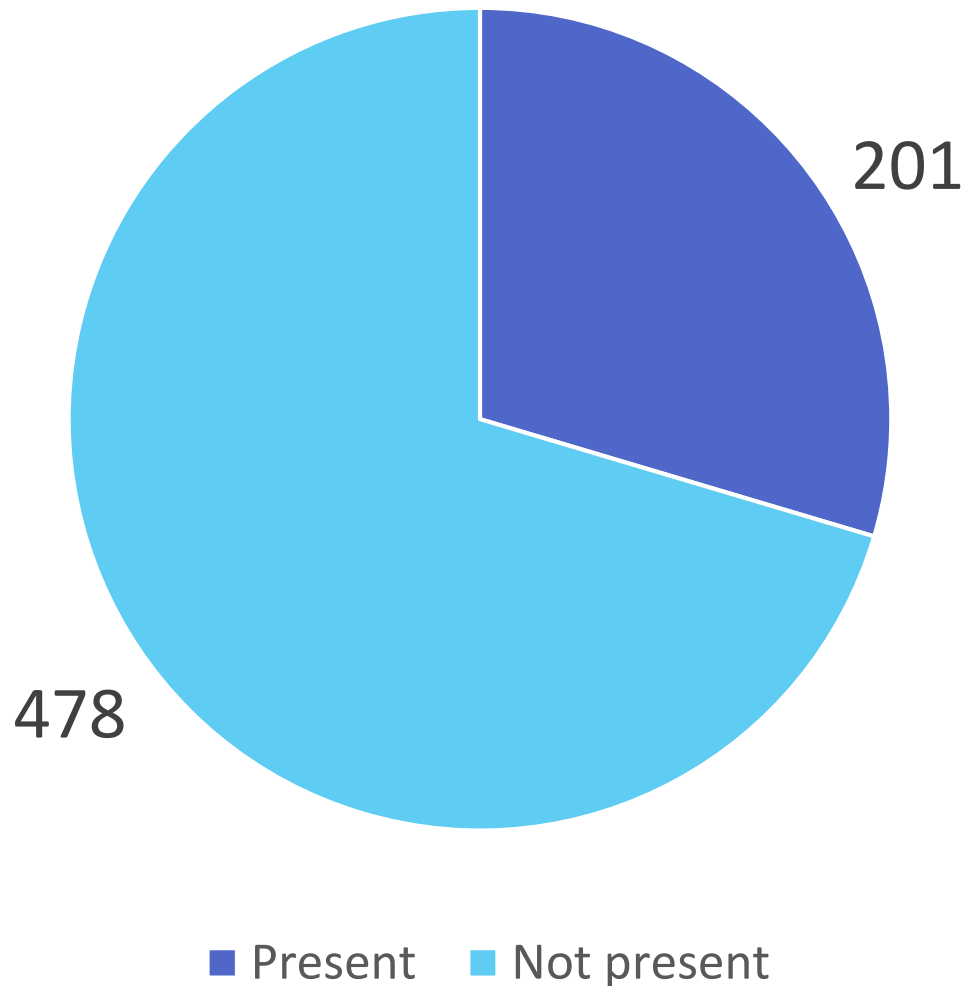
# Characteristic of Owner



- Primary Residence
- Do not live at property
- Travel part of the year

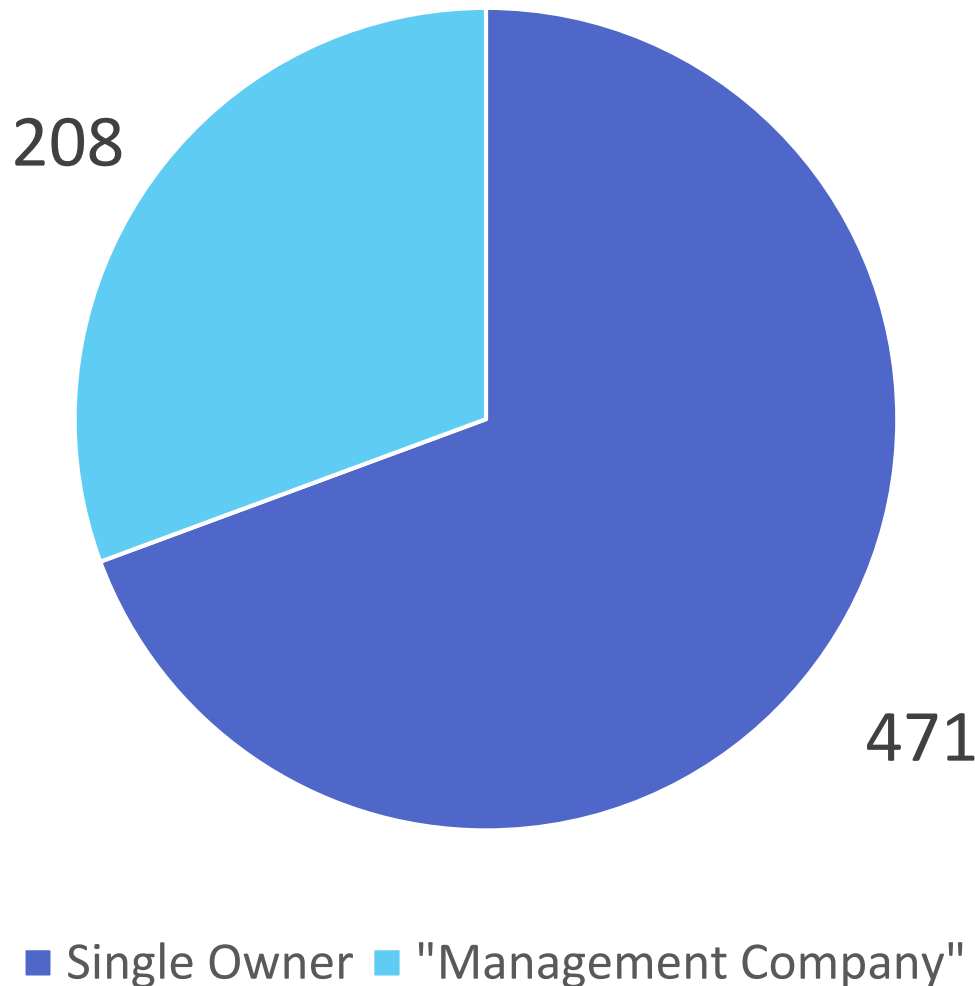
- 679 total permits
- Three options for how applicants occupy property
  - Primary residence – **240**
  - Do not live at property – **413**
  - Travel part of the year – **26**

# Homeowner Presence



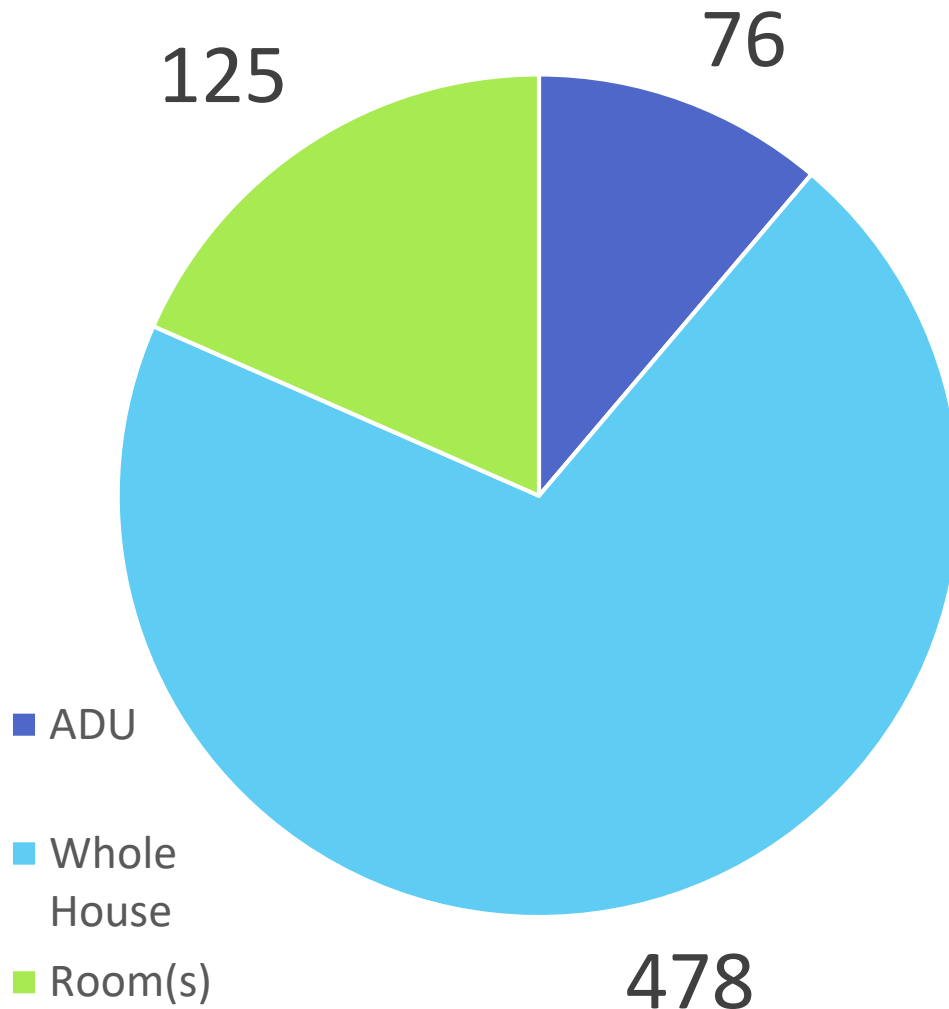
- 679 total permits
- Many homeowners have stated the STR is their primary residence but will not be present during the duration of the rental due to deployment, traveling professors/doctors, and/or will vacate their property during the rental and will stay with a nearby friend or family member.

# Management



- 679 total permits
- "Management Company" could mean a true management company or a realtor/real estate company, or an individual that is acting as the rental property's emergency local contact whose primary residence is not the same address of the rental property.

# Rental Type



- 679 total permits
- Renting an accessory dwelling unit (converted garage, mother-in-law suite, cottage) – **76**
- Renting whole house – **478**
- Renting room(s) within house – **125**



# 3<sup>rd</sup> Party Enforcement – STR Helper



Received price quote on March 4, 2019

Service Provided	Proposed Fee per Permit	Proposed Total Fee *
Mobile Registration	\$8/permit/year	\$13,528/year
Address Identification	\$22.50/permit/year	\$56,295/year
Compliance Monitoring	\$11.25/permit/year	\$19,024/year
Rental Activity Monitoring	\$15/permit/year	\$25,365/year
24/7 Dedicated Hotline	\$9/permit/year	\$15,219/year

\*Based on assumption of 1,691 active permits

# 3<sup>rd</sup> Party Enforcement – Hamari



Received price quote on March 7, 2019 and valid until May 31, 2019

Costs (All Listings)	Initial Report (Year 1)	Year 2	Year 3
Listing detection (Air B&B, VRBO/HomeAway + Affiliates, FlipKey/TripAdvisor + Affiliates, Booking, Craigslist), Archived listing information, Web Portal, Dashboard Report	\$30,000	\$24,000	\$24,000
Monitoring Fee (performed weekly)	Included	Included	Included
<b>TOTAL</b>	<b>\$30,000</b>	<b>\$24,000</b>	<b>\$24,000</b>

\*Additional fees for advanced archiving