

DRAFT #3

Note from staff: Through the public input process the City has received input both for and against the overall ordinance as well as input on specific draft ordinance elements. This is Draft No. 2 to be discussed at the stakeholder meeting. Staff has updated language based on input to date.

PLEASE NOTE!!!

- This is a draft document for discussion purposes.
- Language removed from the first draft is in ~~STRIKETHROUGH~~
- Language modified or added since the first draft is added in RED

ORDINANCE NO. 18- XXXX

AN ORDINANCE AMENDING SECTION 201 (DEFINITIONS ENUMERATED) OF PART 2 (DEFINITIONS) OF ARTICLE 2 (BASIC PROVISIONS, DEFINITIONS AND LAND USE TYPES AND CLASSIFICATIONS); SECTION 105 (ADDITIONALSTANDARDS FOR SPECIFIC USES ALLOWED IN RESIDENTIAL ZONES) OF PART 1 (RESIDENTIAL DISTRICTS) AND SECTION 205 (ADDITIONALSTANDARDS FOR SPECIFIC LAND USES) OF PART 2 (COMMERCIAL DISTRICTS) BOTH WITHIN ARTICLE 3 (LAND USE ZONING DISTRICTS); SECTION 105 (THRESHOLD OF REVIEW) OF PART 1 (PURPOSE, REVIEW AUTHORITIES) AND SECTION 906 (APPEALS) OF PART 9 (NOTICE, HEARINGS AND APPEALS) AND CREATING A NEW PART 17 (SHORT TERM RENTAL UNIT) ALL WITHIN ARTICLE 5 (ADMINISTRATION AND PROCEDURES); OF CHAPTER 7 (PLANNING, DEVELOPMENT AND BUILDING) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, PERTAINING TO SHORT TERM RENTAL UNITS

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. Section 201 (Definitions Enumerated) of Part 2 (Definitions) of Article 2 (Basic Provisions, Definitions And Land Use Types and Classifications) of Chapter 7 (Planning, Development and Building) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

7.2.201: DEFINITIONS ENUMERATED:

* * *

SHORT TERM RENTAL UNIT: A residential dwelling unit, or portion of such a unit, that is rented for less than thirty (30) days at a time, with the exception of dwelling units owned by the federal government, the state or the City, or any of their agencies, or facilities licensed by the state as health care facilities.

* * *

Section 2. Section 105 (Additional Standards for Specific Uses Allowed in Residential Zones) of Part 1 (Residential Districts) of Article 3 (Land Use Zoning Districts) of Chapter 7 (Planning, Development and Building) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

7.3.105: ADDITIONAL STANDARDS FOR SPECIFIC USES ALLOWED IN RESIDENTIAL ZONES

* * *

Q. Short Term Rental Units: A short term rental unit is allowed as an accessory use in all residential zone districts, however, all conditions and requirements for a short term rental unit permit listed in article 5, part 17 of this chapter shall be met for a short term rental unit to be operated.

Section 3. Section 205 (Threshold of Review) of Part 1 (Purpose, Review Authorities) of Article 5 (Administration and Procedures) of Chapter 7 (Planning, Development and Building) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

7.3.205: ADDITIONAL STANDARDS FOR SPECIFIC LAND USES

* * *

Q. * * *

5. Where residential dwelling units are allowed in the **PUD**, OR, OC, PBC, C-5, C-6 and M-1 zone districts, a short term rental unit is allowed as an accessory use, however, all conditions and requirements for a short term rental unit permit listed in article 5, part 17 of this chapter shall be met for a short term rental unit to be operated.

Section 4. Section 105 (Threshold of Review) of Part 1 (Purpose, Review Authorities) of Article 5 (Administration and Procedures) of Chapter 7 (Planning, Development and Building) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

7.5.105: THRESHOLD OF REVIEW:

* * *

* * *			
Administrative permits:			
Temporary use permit	CD	Administrative	PC (10 days)
Home occupations permit	CD	Administrative	PC (10 days)
Short term rental unit permit	CD	Administrative	PC (10 days)
* * *			

Section 5. Section 906 (Appeals) of Part 9 (Notice, Hearings and Appeals) of Article 5 (Administration and Procedures) of Chapter 7 (Planning, Development and Building) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

7.5.906: APPEALS

- A. * * *
2. * * *
- b. * * *

(10) Part 17 of this article (short term rental unit permits).

* * *

Section 6. Part 17 (Short term rental unit) of Article 5 (Administration and Procedures) of Chapter 7 (Planning, Development and Building) of the Code of the City of Colorado Springs 2001, as amended, is created to read as follows:

PART 17: SHORT TERM RENTAL UNIT

7.5.1701: PURPOSE:

7.5.1702: SHORT TERM RENTAL UNIT PERMIT REQUIRED:

7.5.1703: APPLICATION:

7.5.1704: SHORT TERM RENTAL UNIT PERMIT REVIEW CRITERIA:

7.5.1705: CONDITIONS OF APPROVAL:

7.5.1706: RULES AND REGULATIONS:

7.5.1707: PERMIT SUSPENSION OR REVOCATION BY MANAGER:

7.5.1701: PURPOSE:

The purpose of the short term rental unit permit is to facilitate the permitting of short term rental units subject to appropriate restrictions and standards and to allow for varied accommodations and experiences for visitors while retaining the character of residential neighborhoods.

7.5.1702: SHORT TERM RENTAL UNIT PERMIT REQUIRED:

A. It shall be unlawful for any person to operate any short term rental unit without a valid short term rental unit permit, as approved by the Manager.

B. The short term rental unit permit does not run with the property, but is issued to the specific owner of the property. The permit shall not be transferred or assigned to another individual, person, entity, or address **but may be managed by a third party on behalf of the owner**. ~~Further, a permit does not authorize any person, other than the person named therein, to operate a short term rental unit on the property.~~

7.5.1703: APPLICATION:

A. Applicants for a short term rental unit permit shall submit a completed application form which contains such information as required by the Manager, and shall pay all fees required for a permit application. The application shall be reviewed administratively by the Manager who shall approve or deny the application within ten (10) working days of submittal.

B. The permit application shall include:

1. Standard City application;
2. Safety self-inspection certification;
3. Sales tax license customer ID;
4. ~~Name and contact information of at least one local (within 30 miles of the short term rental unit) contact person who will be responsible for handling any~~

~~problems that arise with the property (the owner may be the local contact person);~~

The name, address and contact information including a 24-hour contact phone number for the owner or the owner's property manager or agent within El Paso County or a Colorado Springs resident who can be contacted in the event of an emergency and respond within one (1) hour.

5. Proof of insurance;
6. Proof that short term rental unit permit review criteria will be met; and
7. A statement that the owner has read and understands the rules and regulations for a short term rental unit set forth in this part.

7.5.1704: SHORT TERM RENTAL UNIT PERMIT REVIEW CRITERIA:

The Manager may approve or approve with conditions an application for a short term rental unit permit if the following criteria and specific regulations are met:

A. Sleeping quarters for short term tenants shall not be in non-residential areas within buildings or accessory structures (e.g. shed, garage, etc.) that do not contain finished living space; or in commercial (office/retail) or industrial (warehouse) spaces; or outdoors (e.g. tent, etc.); or in a recreational vehicle.

~~B. Limit one (1) short term rental unit per building or property; or in the event of condominiums or buildings held in similar common ownership, each owner shall be limited to one (1) unit per building or property. Entities under common control shall be considered a single owner for the purpose of evaluating ownership of units.~~

~~The number of short term rental units shall be limited to the permitted density of the property as follows:~~

- ~~• 1 (one) short term rental unit within a Single family residential dwelling or used lot,~~
- ~~• 2 (two) short term rental units within a Two family residential dwelling or used lot. An accessory dwelling unit may be utilized as one of the short term rental units.~~
- ~~• 4 (four) short term rental units within a Multi family residential dwelling or used lot.~~

Limit one (1) short term rental unit within each lawful dwelling unit located on a property, up to a maximum of four (4) short term rental units per property; or in the event of condominiums or buildings held in similar common ownership, each owner shall be limited to two (2) short term rental units per property. Entities under common control shall be considered a single owner for the purpose of evaluating ownership of dwelling units.

C. The owner shall obtain a sales tax license from the City's sales tax office.

D. The owner shall maintain weekly residential trash collection services. ~~Outdoor trash bins shall be screened from public view or kept inside of a structure or garage.~~ Garbage/refuse containers shall not be left out at the collection point 24 hours after collection and property shall be free of trash and debris.

E. The owner shall maintain and provide proof of property liability insurance in the amount of not less than \$500,000, or provide proof that property liability coverage in an equal or higher amount is provided by any and all hosting platforms through which the

owner will rent the short term rental unit. Proof of liability insurance is not required if short term rental reservations are handled exclusively by hosting platforms (websites) that extend liability coverage of not less than \$500,000 under terms acceptable to the Manager.

F. Short term rental units must remain compliant with all planning, zoning, building and other City codes.

G. The owner shall not have had a short term rental unit permit revoked within the preceding twenty-four (24) months.

7.5.1705: CONDITIONS OF APPROVAL:

In the permitting of such use, or in the reinstatement of a suspended permit, the Manager, Planning Commission or City Council shall have authority to require such reasonable conditions as necessary to protect the public health, safety and general welfare and to ensure that the use, value and qualities of the neighborhood surrounding the proposed location will not be adversely affected.

7.5.1706: RULES AND REGULATIONS:

It shall be a violation of this part for the owner or short term rental tenants to fail to comply with the following rules and regulations:

A. All short term tenants shall abide by all applicable noise, [housing and public health ordinances of the City and with all other City fire and safety](#) ordinances.

D. Parking in private driveways shall be utilized first with overflow parking on the street where permitted. Parking on-site in non-driveway areas (i.e. front yard areas, parkways and rear-yards) shall be prohibited.

C. No ~~food~~ **meals** shall be prepared for or served to the short term tenants by the owner or the owner's agents.

D. Use of the short term rental unit for any commercial or large social events or gatherings ~~that may include attendees other than the short term tenants~~, such as weddings, is prohibited.

E. The permit with all local contact information and emergency safety information shall be prominently displayed within the short term rental unit.

F. The City issued permit number shall be used in all rental marketing materials.

G. During the term that a short term rental unit is occupied by a short term tenant, the owner and/or the local contact person designated by the owner shall be available twenty-four (24) hours per day, seven (7) days per week, for the purpose of responding within ~~45 minutes~~ **one (1) hour** to complaints regarding the condition or operation of the short term rental unit or the conduct of short term tenants. If the local contact person designated by the owner changes, then the owner shall update the permit on file within three (3) business days.

**7.5.1707: PERMIT SUSPENSION OR REVOCATION:
(LANGUAGE IN THIS SECTION HAS BEEN UPDATED)**

A. City Council hereby finds that the suspension or revocation of a short term rental unit permit may be necessary when an owner fails to operate the short term rental unit in accord with the provisions of this part. The Manager is authorized to initiate permit suspension or revocation proceedings against an owner when these circumstances arise, by issuing a notice to show cause to the owner.

B. Planning Commission shall hold a public hearing on the allegations contained in the notice of hearing. Notice to show cause shall be served on the owner not less than ten (10) days prior to the scheduled hearing date. Service may be accomplished by hand delivery to the owner or to the local contact person, or to any principal, any managing agent or the agent for process of the owner, or by first class mail, postage prepaid, to the last address furnished to the Manager by the owner. The Manager may also affix a copy of the notice to the principal entrance of the short term rental unit, in addition to hand delivery or mailing. The notice to show cause shall give the owner notice of the alleged grounds for suspension or revocation and of the date, time and place of the hearing on the alleged violations.

C. The Planning Commission may suspend or revoke a permit if it finds, by a preponderance of the evidence, that:

1. The operation of the short term rental unit no longer conforms with the review criteria of this part; or
2. The owner has violated a condition of approval; or
3. The owner has violated the rules and regulations provided for in this part.

D. Permit suspension or revocation by the Planning Commission may be appealed pursuant to section 7.5.906 of this chapter.

E. A suspension or revocation shall be effective immediately upon the decision of the Planning Commission or, if appealed, of the City Council. A perfected appeal shall operate as a stay of the Planning Commission decision unless the Manager certifies in writing that the condition giving rise to the decision constitutes an imminent hazard to the public health, safety and welfare.

F. A suspended permit shall be suspended for a term not to exceed thirty (30) days, and for so long thereafter until reinstated by the Manager upon proof that the cause of the suspension has been remedied.

G. Suspension or revocation of a permit may be in addition to any remedy provided for in this chapter, including but not limited to, the remedies provided in section 7.5.1005 of this chapter.

Section 7. Any person violating Paragraph A of Section 1702 (Short Term Rental Unit Permit Required) of Part 17 (Short Term Rental Unit) of Article 5

(Administration and Procedures) of Chapter 7 (Planning, Development and Building) shall be shall be punished as provided in Sections 201 (General Penalty) and 202 (Minor Offenders) of Part 2 (General Penalty) of Article 1 (Administration) of Chapter 1 (Administration, Personnel, and Finance) of the Code of the City of Colorado Springs, 2001, as amended.

Section 8. Any person violating Paragraph A of Section 1702 (Short Term Rental Unit Permit Required), Section 1704 (Short Term Rental Unit Permit Review Criteria), or Section 1705 (Conditions of Approval) or Section 1706 (Rules and Regulations) of Part 17 (Short Term Rental Unit) of Article 5 (Administration and Procedures) of Chapter 7 (Planning, Development and Building) shall be subject to the remedies provided in Section 1005 (Remedies) of Part 10 (Zoning Enforcement) of Article 5 (Administration and Procedures) of Chapter 7 (Planning, Development and Building) of the Code of the City of Colorado Springs 2001, as amended.

Section 9. This ordinance shall be in full force and effective ninety (90) days from and after its final adoption and publication as provided by Charter.

Section 10. Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance be available for inspection and acquisition in the office of the City Clerk.

Introduced, read, passed on first reading and ordered published this ____ day of _____, 2018.

Finally passed: _____

Council President

Mayor's Action:

- Approved on _____.
- Disapproved on _____, based on the following objections:

Mayor

Council Action After Disapproval:

- Council did not act to override the Mayor's veto.
- Finally adopted on a vote of _____, on _____.
- Council action on _____ failed to override the Mayor's veto.

Council President

ATTEST:

Sarah B. Johnson, City Clerk