



**SUBJECT: LDC21-003 – SHORT-TERM RENTAL LAND DEVELOPMENT CODE
AMENDMENT**

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BACKGROUND

Beginning in 2023, Arapahoe County staff began evaluating short-term rental (STR) activity and potential regulation in response to increasing public complaints about noise and parking issues associated with unregulated STRs. Early research, and Board of County Commissioners (BoCC) study session, explored the scope of the issue, the County’s enforcement authority, and regulatory models from other jurisdictions. Comparative analysis showed that several Colorado counties and municipalities address STRs by requiring licensing, establishing occupancy and parking limits, and often mandating on-site management or owner occupancy to preserve neighborhood character. National and international studies have found that growth in STR listings may be a contributing factor to increased rent and home prices, and that regulating STRs can be one element of a broader housing-affordability strategy.

A countywide survey requesting feedback was completed prior to the drafting of the regulations. A total of 234 responses were received—82 percent of respondents reported living in unincorporated Arapahoe County. Views on the topic were divided: roughly one-third favored unrestricted STR licensing, one-quarter supported allowing STRs only with owner occupancy, and about 40 percent preferred prohibition. Many respondents cited concerns about noise, parking, and housing affordability, while supporters emphasized property-rights flexibility and income opportunities. Most participants viewed licensing, owner-occupancy or rapid-response requirements, and separation buffers as important tools if STRs were to be allowed. Further survey results can be found in the staff report attachments.

Through 2024 and 2025, staff drafted a Land Development Code (LDC) amendment, along with a licensing ordinance to provide a clear framework for STR regulation. The LDC amendment establishes STRs as a permitted use in most residential zone districts, defines whole-house and partial-house rentals, prohibits STR use of accessory dwelling units on parcels under nine acres, and requires compliance with the County’s proposed licensing ordinance. In parallel, the ordinance creates a licensing and enforcement program requiring annual application submittal, proof of compliance with life-safety standards, good neighbor notices, and provides for inspections, fines, and license suspension or revocation.

Board of County Commissioner feedback during study sessions in January and August 2025 further refined the draft regulations. Based on Board direction and stakeholder feedback, staff incorporated various key provisions to balance neighborhood protection with homeowner flexibility: (1) local responsible agent requirements focusing on rapid response time (15-minute phone and 60-minute in-person response); (2) parking standards requiring a site-specific parking plan, minimum on-site spaces; (3) a shift from mandatory third-party home inspections to owner affidavits of life-safety compliance backed by County inspection authority; (4) separation and cap limits, including 500-foot spacing between

licensed whole-house STRs and a cap of 100 licenses in multi-family buildings; (5) two varying options for a primary residency requirement or limit to the number of days rented per year.

Together, this multi-year research, outreach, and drafting effort forms the foundation of the proposed Short-Term Rental regulatory framework, combining a Land Development Code amendment with a licensing ordinance to ensure enforceable life-safety standards, protect neighborhood character, and help maintain housing availability while providing a path for responsible STR operation in unincorporated Arapahoe County.

PROPOSED REGULATION SUMMARY

Ordinances

Two draft ordinances were distributed for referral comments and made available for resident feedback through October 10, 2025. Both proposals create a licensing framework designed to protect public health, safety, and neighborhood quality of life, while also preserving the opportunity for property owners to earn income through operating a STR. The key policy difference between the two drafts concerns the eligibility requirement: one draft establishes a 180-day annual rental cap for STR operation, while the other requires that each licensed STR be the primary residence of the property owner or an authorized lessee. Both options are designed to limit the impact of STRs on Arapahoe County's long-term residents. The 180-day annual rental cap allows flexibility for partial-year residents to operate an STR while they reside elsewhere but prevents investors from operating a home as an STR year-round. The primary residence requirement reduces the likelihood of investor-operated STRs unless the investor is willing to make the STR their primary residence.

Both ordinances are nearly identical in structure and most of the provisions are the same. Each applies to STRs in all zone districts of unincorporated Arapahoe County, including Planned Unit Developments (PUDs), unless a PUD specifically prohibits STRs. They exclude hotels, motels, guest ranches, bed-and-breakfasts, and properties leased for thirty days or more. Each draft defines key terms such as Short-Term Rental, Local Responsible Agent (LRA), Good Neighbor Notice and Guidelines, and Lodging Unit. Both drafts require that STRs obtain a County-issued license and renew that license annually. Applications must include owner or lessee and LRA contact information, a parking plan demonstrating minimum on-site spaces, proof of compliance with life-safety standards, a Good Neighbor Notice, and Renter Information materials that must be posted inside the rental unit. Both drafts authorize inspections by County officials and impose enforcement measures including civil infractions with escalating fines, as well as potential license suspension or revocation. The ordinances also require adjacent property owners to be notified within fourteen days of license approval and empower the County to require vacation rental platforms to remove unlicensed or suspended listings.

The 180-day cap draft regulates intensity of use primarily through an annual limit. Under this version, a licensed STR may operate for no more than one hundred eighty days within a calendar year, with each overnight stay counted as a single day. Licenses may only be issued to property owners, not tenants, and a license terminates automatically upon a change of ownership. This version also requires that any whole-house STRs be separated by at least five hundred feet. Further, the draft imposes a countywide cap of one hundred licenses total in multi-family buildings. If applications exceed these limits, a waitlist and lottery

system will be used. Property owners remain strictly liable for compliance with life-safety standards, renter information and signage, and tax collection and remittance.

The primary residence draft controls the scope of STRs by requiring that the property be the primary residence of the owner or an authorized lessee. Applicants must submit at least two forms of documentation—such as voter registration, motor vehicle registration, or tax records—to demonstrate primary residence. Licenses may be issued to either owners or lessees, provided that the lessee has written authorization from the property owner. A license automatically terminates if the property ceases to be the licensee’s primary residence or, for lessees, if the tenancy ends. Changes in ownership or licensed lessee status generally require a new license, though limited exceptions apply for transfers between previously licensed co-owners or co-lessees. Aside from the primary residence requirement and related proof obligations, the operational, life-safety, and enforcement provisions of this draft mirror those of the 180-day cap draft.

In sum, both ordinances provide a strong framework for licensing and regulating Short-Term Rentals, requiring adherence to life-safety standards, neighbor notification, and enforcement provisions designed to protect the health, safety, and welfare of residents and visitors. Both approaches are designed to limit impacts on housing availability and neighborhood character while allowing opportunities for responsible STR activity.

Land Development Code Amendment

The proposed LDC amendment adds new Section 3-3.2.J and related references to formally allow and regulate Short-Term Rentals (STRs) as a permitted use in all residential zone districts of unincorporated Arapahoe County. It defines Short-Term Rental as the lease or rental of a dwelling or portion of a dwelling for 30 days or fewer, distinguishing Whole-House Rentals (entire dwelling) and Partial-House Rentals (portion of a dwelling).

The amendment sets general requirements that STRs operate only in structures meeting all short-term rental licensing standards and prohibits use of recreational vehicles, campers, trailers, vehicles, or other temporary structures for STR purposes. It also requires that all STRs obtain and maintain a license under the STR ordinance, which provides detailed application, inspection, and enforcement procedures (noted above in this report). To manage neighborhood concentration, the draft mirrors the proposed ordinance language by including separation and buffering provisions, most notably prohibiting a licensed whole-house STR within 500 feet of another licensed STR and requiring compliance with all zone-district building setback standards.

Overall, this LDC amendment integrates STR use into the County’s zoning framework while tying actual operation to the separate STR licensing ordinance.

REFERRALS & PUBLIC COMMENT- OCTOBER 2025

The County received a total of 21 referral responses and 48 public comments regarding the proposed short-term rental (STR) regulations. Among referral agencies and stakeholders, Option B (180-day cap) was the most supported (47.6%), followed by Option A (Primary Residence requirement) at 33.3%, with

19% supporting neither. In contrast, public sentiment leaned heavily against both options, with 64.6% of public respondents opposing both, 25% supporting Option A, and only 10.4% supporting Option B.

Referral Feedback Highlights:

Supporters of Option B appreciated its balance between neighborhood quality-of-life and allowing limited STR activity, citing enforceability and accountability.

Option A was favored by those concerned with neighborhood integrity, oversight, and alignment with existing municipal regulations (e.g., City of Sheridan, Adams County).

Several respondents expressed concern about the administrative burden and enforcement capacity of the County, suggesting that a large-scale STR program may not be feasible without additional resources.

Two specific referral comments of note:

South Metro Fire Rescue:

- 1. Please add the requirement for the property owner to provide and maintain a fire extinguisher.*
- 2. Smoke and carbon monoxide detectors shall be maintained throughout.*

Colorado Division of Water Resources

Considering water well permits, a short-term rental that operates in a manner inconsistent with a single-family dwelling, such as when the rental has employees that do not reside in the dwelling, may be required to obtain a commercial permit after review on a case-by-case basis. This office does consider a bed and breakfast operation to constitute a commercial use and to require a commercial well permit. A General Purpose Water Well Permit Application (GWS-45) and Commercial Drinking and Sanitary Well Worksheet (GWS-57) would be required if the applicant must re-permit their well for commercial use. The standard timeframe for evaluation of any well permit application is 4-6 weeks.

Public Comment Themes:

Opposition to Restrictions: Many STR owners and supporters argued that both proposed ordinances are overly restrictive, economically harmful, and unfair to responsible operators. They stressed the positive economic impact of STRs, including job creation and tourism support.

Support for Regulation: Others, particularly nearby residents, expressed strong concerns about noise, parking, safety, and neighborhood disruption. They expressed a preference for stricter controls or outright bans, citing negative experiences with STRs.

FISCAL IMPACTS

The proposed regulation of Short-Term Rentals is anticipated to be self-sustaining as it is expected that licensing fees would offset the additional administrative and technology support costs.

RECOMMENDATION

The proposed regulations reflect direction from the Board of County Commissioners, staff research of other jurisdictions, and input gathered through public outreach, including ongoing dialogue with residents and a survey conducted early in the code-amendment research process.

Staff recommends approval of the proposed LDC Amendment.

ALTERNATIVES

The Planning Commission could take the following actions:

1. Recommend approval of the Land Development Code Amendment as proposed or with modifications.
2. Continue the amendment to a time and date certain for more information.
3. Recommend denial of the Land Development Code Amendments.

CONCURRENCE

Arapahoe County Public Works and the County Attorney have reviewed the proposed regulations and agree with the staff recommendation.

PLANNING COMMISSION DRAFT MOTIONS – LDC23-005 – SHORT-TERM RENTAL LAND DEVELOPMENT CODE AMENDMENT

Recommend Approval

In the case of LDC23-005 – Short-Term Rental Land Development Code Amendment, I have reviewed the staff report, including all exhibits and attachments, and have listened to the staff presentation and any public comment as presented at the hearing and hereby move to recommend approval of the proposed amendments of the Land Development Code as presented in the staff report, subject to the following recommended stipulation:

1. Staff is authorized to make minor corrections or revisions to the proposed language, with the approval of the County Attorney, if necessary, to incorporate the approved amendments into the text of the Land Development Code.

Staff provides the following Draft Motions listed below as general guidance in preparing an alternative motion if the Planning Commission reaches a different determination:

Recommend Denial

In the case of LDC23-005 – Short-Term Rental Land Development Code Amendment, I have reviewed the staff report, including all exhibits and attachments, and have listened to the staff presentation and any public comment as presented at the hearing, and hereby move to recommend denial of the proposed amendment to the Land Development Code.

1. *State new findings in support of denial as part of the motion.*

Continue to Date Certain

In the case of LDC23-005 – Short-Term Rental Land Development Code Amendment, I move to continue the hearing to [date certain], 6:30 p.m., to obtain additional information and to consider further the information presented.

ATTACHMENTS

1. Land Development Code Amendment Draft
2. Short-Term Rental Ordinance Draft – Primary Residence
3. Short-Term Rental Ordinance Draft – 180 Day Rental Cap
4. Ordinance - Neighborhood Concerns Topics
5. Summary of Short-Term Rental Research
6. 2023 Public Survey Feedback
7. 2025 Referral Comments
8. 2025 Public Outreach Comments