



Board Summary Report

File #: 26-209

Agenda Date: 4/13/2026

Agenda #:

To: Board of County Commissioners

Through: Ceila Rethamel, Acting Director, Public Works and Development

Prepared By:
Caitlyn Mars, Zoning and Weed Control Manager

Presenter: Caitlyn Mars, Zoning and Weed Control Manager

Subject:
2:00 PM *Short Term Rental Regulations

Purpose and Request:

The purpose of this session is to provide the Board of County Commissioners with an informational update on the County's Short-Term Rental (STR) Ordinance (Ordinance No. 2026-01). Staff will present on the ordinance as drafted and read on March 31, 2026; describing the changes incorporated since the Board's previous discussions and summarizing public comments and referral feedback received during the most recent outreach period. No formal action is requested at this time. This update is intended to ensure the Board is fully informed on the current ordinance language, recent revisions, and community and stakeholder input prior to the scheduled public hearing on April 28, 2026.

Alignment with Strategic Plan: Good Governance - Understand and respond to community needs, interests, and values.

Background and Discussion: Since the Board's last discussion, several revisions have been incorporated into the draft ordinance in response to Board direction, as well as referral partner and resident feedback. These changes address the following areas: legacy designation, insurance requirement, occupancy restrictions, large-gathering prohibitions, 500-foot separation modifications, and waitlist/lottery adjustments.

Legacy Designation: To address concerns that existing STRs might lose the ability to operate under new regulations, staff added a legacy designation. This allows STRs active within six months prior to the ordinance's effective date, to continue operating even if they do not meet certain requirements. The legacy designation may exempt eligible properties from the primary residence requirement and from restrictions such as the 500-foot buffer or multifamily cap. Applicants must provide documentation of prior STR activity and apply for a license within 60 days of the ordinance's effective date, ensuring staff can process all legacy applications before accepting additional STR license requests.

Insurance Requirement: All STR license applications must include proof of liability insurance of at least \$1,000,000, per claim and in aggregate, or utilize a hosting platform that provides equivalent

coverage. The licensee is responsible for maintaining insurance during the license period and providing insurance information to the County.

Occupancy Restrictions: The Occupancy section was expanded to include two new limits. In addition to the original cap of two persons per bedroom plus two, the updated ordinance now (1) restricts occupancy to what is allowed by an On-Site Wastewater Treatment System (OWTS) permit, when applicable, and (2) limits each STR to one renter group at a time. These additions clarify capacity rules for properties on septic systems and prevent multiple rentals occurring within a single residence at the same time. The single rental requirement addresses a potential conflict with the International Fire Code, which is discussed in more detail in the South Metro Fire Rescue section below.

Large Gatherings Prohibited: Short-Term Rental properties, or renters, may not host events or gatherings exceeding 100% of the permitted occupancy limit. For example, in the case of a 4-bedroom home with a maximum overnight occupancy of 10 people, 20 people in total would be the maximum allowable for a gathering. This directly addresses a common resident complaint.

Separation Requirements: To improve clarity and consistency, the definition of “Whole-House Rental” was removed due to ambiguity. Staff refined the 500-foot separation requirement to apply clearly across detached single-family dwellings, two-family dwellings, townhomes, single-family attached dwellings, and duplexes. This adjustment responds to residents’ concerns about the clustering of STRs and ensures consistent application. Following issuance of all legacy licenses, which are exempt from the buffer requirement, the 500-foot buffer will be administered on a first-come, first-served basis.

Lottery/Waitlist Adjustments: Because the addition of the legacy designation eliminated the need for an initial license distribution lottery, the lottery provision was removed. Staff determined that administering a waitlist tied to the 500-foot separation requirement would be impractical; however, a waitlist associated with the multifamily license cap remains manageable. Therefore, the waitlist now applies only to the multifamily cap, not to properties affected by the 500-foot buffer. Applications where the buffer requirement is applicable will be processed on a first-come, first served basis.

Referral Comments :

South Metro Fire Rescue (SMFR): The ordinance’s primary residence requirement, combined with the absence of limits on simultaneous rentals, could result in STRs being classified as “lodging houses”, as defined in the International Fire Code, which would trigger a requirement for fire sprinklers. According to SMFR, other jurisdictions avoid this interpretation by not requiring primary residency or by restricting rentals to a single contract at a time. After meeting with SMFR, staff incorporated an occupancy restriction allowing only one renter group at a time, which resolved South Metro Fire Rescue’s concerns.

Skyline Fire Protection District: Recommended modification/addition (in bold) to the following definition. At this time, staff have not incorporated this proposed modification into the ordinance as we do not see any conflict with the drafted ordinance and the already existing authority granted each local fire department to inspect residential homes. “Authorized Public Inspector” or “API” means the Director of the Department of Public Works and Development, his or her designee, or the Arapahoe County Sheriff or Deputy Sheriff, **or the Fire Marshal or their designee from the Fire Protection District serving the property** .

Public Health (Septic): To prevent conflict with Public Health septic regulations, staff updated the occupancy section of the ordinance. The revision specifies that, when applicable, occupancy is limited to the maximum allowed under the property's OWTS permit, in the event OWTS occupancy limits are more restrictive than the limits drafted into this ordinance.

Arapahoe County Assessor's Office: Requested notification of properties approved/licensed to operate as a Short-Term Rental. No changes were recommended to the regulations because this request can be accommodated with internal processes.

Arapahoe County Sheriff's Office (ACSO): Feedback indicated that ACSO does not currently have the capacity within existing staffing levels to conduct enforcement efforts for this Ordinance, and any response will be considered a lower priority. It was noted that STR-related concerns will likely be addressed through the Local Responsible Agent and the Host Compliance complaint reporting system. Further, ACSO requested that they receive an ongoing report identifying approved Short-Term Rentals.

Public Outreach :

A public outreach survey and the draft regulations were posted on the County website from February 20th through March 6th. Fifty-six comments were received online, plus additional emails. Feedback covered many viewpoints. Some residents and property owners appreciated efforts to balance neighborhood issues with fair rules and supported items like legacy status, safety requirements, and clearer operating standards.

Many others raised concerns about high fees, the primary residence requirement, 500-foot buffer requirements, and multifamily license caps. It was articulated that the rules could be unfair, costly, or unrelated to actual nuisance problems. Some felt Local Responsible Agent (LRA) response times were unrealistic and asked for clearer enforcement steps. Others worried about losing legacy status due to simple administrative mistakes and requested accommodations for long-established lodging-type properties. Further, others expressed concerns that the legacy exemption expired with a change in ownership.

Alternatives:

- (1) Proceed with public hearing to consider Short-Term Rental Ordinance, Land Development Code amendment, and fees implementation.
- (2) Direct staff to postpone the public hearing and modify draft language and regulations further.
- (3) Do not regulate Short-Term Rentals.
- (4) Prohibit Short-Term Rentals altogether.

Fiscal Impact: Colorado Statute empowers counties to regulate STRs, which includes the authority to require licensing and registration fees through adoption of an ordinance. Adoption of new regulations will potentially lead to additional enforcement. Adoption of a licensing system and use of a supporting third-party service will have initial startup costs. Initially, even with continuing administration costs, the program has been evaluated to break even within 4 years.

Alignment with Strategic Implementation Strategies: The attached framework helps Arapahoe County institutionalize values-based, transparent decision-making, documenting how we make decisions and carry out actions to achieve the county's strategic plan.

Staff Recommendation: This is an informational session.

Concurrence: N/A