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# **Finalizing Draft Regulations for Short-Term Rentals**

## **BOCC Study Session April 14, 2025**

**Presenter: Roy W. Rimer, Zoning Inspector**





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# Agenda

- Topics discussed at the January 28 Study Session and additional research specifically requested by the Board:
  - Licenses and ownership
  - Parking
  - Housing types
  - Home inspections
  - Appeals
  - Fees
  - Host Compliance
  - Whole-house STRs and competing applicants
- Staff will request a decision in response to each topic of discussion.





# Ownership and License Restrictions

**Questions:** Do we wish to restrict ownership to natural persons and/or the number of licenses an individual entity may receive?

**Background:**

- According to SCOTUS, corporations are people and would be afforded the same rights. Other jurisdictions that address this did so through owner occupancy requirements.
- Initial feedback from Commissioners was that owner-occupancy should not be a requirement, which would allow for investment properties.

**Options:** Requiring proof of owner-occupancy for all or part of the year can effectively limit ownership to natural persons and license numbers. Example: Owner must provide proof of owner-occupancy at least 180 days of the year = 2 licenses max.

Adams	Douglas	Jefferson	Centennial	Aurora
Owner-occupancy minimum 180 days/year	None	None	None	Yes, 1 license

**Staff Recommendation:** Do not attempt to restrict ownership or the number of licenses unless owner-occupancy will also be required.

# Parking



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**Question:** Restrict parking for STRs?

**Facts:** Most of the complaints received about STRs involved street parking. More than half of the jurisdictions contacted for research have parking requirements for off-street parking, ranging from requiring 1 off-street space to 1 per bedroom.

**Options:** No requirement or require a specific number of spaces and/or a parking plan.

Adams	Douglas	Jefferson	Centennial	Aurora
1 off-street space per unit	Driveway only. Parking plan required.	Minimum 1 off-street space plus one per sleeping room	Minimum of 2 off-street spaces	No traffic abnormal to residential areas

**Staff recommendation:** Require a minimum of two off-street parking spaces, congruous with neighbor counties.





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# Housing Types

**Question:** Restrict STRs in Mobile Home districts or allow them for investment opportunities?

**Background:** Existing mobile home parks represent a stock of permanent affordable housing. Even with buffering restrictions, allowing STRs in mobile home parks and their respective Zoning districts can result in a substantial number of those units being removed from the permanent housing market. When researching other jurisdictions, no data was found restricting housing types.

**Options:** Prohibit STRs in the R-M district, restrict them to partial-house STRs to reduce impact, or allow whole-house STRs in the R-M district.

**Staff Recommendation:** Prohibit short term rentals in the R-M district, unless limitations are imposed on licenses and ownership.



# Home Inspections



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**Background:** At the January 28<sup>th</sup> Study Session, the Commissioners indicated they preferred a Certified Home Inspection for a new license and every 5 calendar years thereafter.

**Research:** Staff contacted multiple home inspectors for information/feedback:

- Some inspectors did not favor doing “partial” inspections tailored to a limited scope, but indicated that a full inspection would certainly cover the items in the requirements in the draft ordinance.
- Others had no issue with partial inspections.
- Quoted inspection prices ranged from \$150 to \$500

**Options:** Require only professional inspections every 5 years, or also require self-certification on intervening years.

**Staff Recommendation:** Require professional inspections for a new license and every 5<sup>th</sup> year afterward, with self-certifications that the safety features are being maintained each year between.



# Appeals of Denial, Suspension, or Revocation Decisions



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**Background:** The Board of County Commissioners indicated that another decision-making body should hear appeals to STR license decisions.

**Research:** The Board of Adjustment is the only realistic alternative to the BOCC as a body for appeals for denial, revocation, suspension.

The draft STR Ordinance and Land Development code will be revised to reflect the BOA as the deciding authority for appeals.



# Updated Fees

After discussion at the January 28 study session, the estimates for staff time required for the startup and ongoing management of the program have been increased.

<b><u>One-Time Startup Costs</u></b>	
Accela Configuration	\$32,000
ESRI Configuration with Host Compliance	\$1,000
Staff Time Fully-Loaded Costs	\$12,000
	\$45,000
<b><u>Ongoing Costs - Annual</u></b>	
Host Compliance	\$24,310
Staff Time Fully-Loaded Costs	\$7,200
	\$31,510

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>TOTAL</u>
Revenue	\$60,500	\$43,725	\$45,911	\$48,207	\$50,617	\$248,960
Direct Costs (software)	\$57,310	\$25,526	\$26,802	\$28,142	\$29,549	\$167,328
Indirect Costs (staff time)	\$19,200	\$7,560	\$7,938	\$8,335	\$8,752	\$51,785
Difference (Revenue Minus Costs)	-\$16,010	\$10,640	\$11,171	\$11,730	\$12,317	\$29,848



# Updated Fees

Fees have been revised to cover the increase in projected costs, generate additional revenue and will pay for initial costs by the 4<sup>th</sup> year. The proposed fees are not incongruous with those of other jurisdictions.

- Initial Application Fee: \$200
- Licensing Fee: \$350
- Annual Renewal fee: \$350

Littleton	Douglas	Longmont	Englewood	Aurora
\$200 annual license fee, lodger's tax	1 <sup>st</sup> Year: \$500 review fee+ \$130 license fee Subsequent Years: \$270 review fee + \$130 license fee	\$100 license fee; \$100 annually, sales and use tax + one-time \$25 processing fee	\$500 submittal fee (\$300 on renewal), \$55 prior to property inspection, \$200 - Due after inspection is approved/prior to issuance of license	City business license (\$48 initial fee; \$27 renewal) and lodger's tax

# Host Compliance References



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Staff contacted Host Compliance references in the region to receive feedback on their experience, as follows:

- Summit County - They are “very happy” with the service and have been with them a long time.
- Larimer County – Still in implementation phase
- Jefferson County - No response
- Eagle County - Still in implementation phase
- Gunnison County - Only used by their Finance Dept (for an unrelated tax function)
- Englewood - Switched to Granicus over a year ago and are pleased with it.
- Littleton: No response



# Existing STR Properties, Conformance and Licensure



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- Whole-house rentals have an anti-clustering buffer (min 500ft distance).
- Licenses can be required regardless of existing status.



# Implementation



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## Current Implementation Timeline

- Board of County Commissioners Study Session: April
- Public outreach: April-May
- Planning Commission Study Session: June
- Planning Commission Hearing: July
- Purchase Host Compliance and Configuration: August
- Board of County Commissioners Adoption of Regs: August
- Board of County Commissioners Adoption of Fees: August
- Accela Updates: September
- Notification of New Requirements Sent to Identified Operators: October-November
- Licenses required: January 1, 2026

