



Board Summary Report

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To: Board of County Commissioners

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

Prepared By:
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Subject:
Short-Term Rental Ordinance No. 2026-01

Purpose and Request:

Staff requests approval from the Board of County Commissioners (BOCC) on two items: (1) Ordinance 2026-01, regulating Short-Term Rental properties in unincorporated Arapahoe County through a licensing program; and (2) LDC23-001, an amendment to the Land Development Code addressing Short-Term Rental use in agricultural and residential zone districts. This item was heard on April 28, 2026, and continued to May 12, 2026. Associated licensing and application fees will be considered on a future agenda.

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

Background and Discussion: In 2023, staff began evaluation of Short-Term Rental (STR) regulation authority in response to increased complaints regarding neighborhood impacts such as noise, parking, and reduced compatibility. Colorado Revised Statute § 30-15-401(1)(s) grants counties authority to license and regulate STRs and establish associated fees and procedures.

During initial research, staff completed a comparative analysis of STR regulations across some nearby Colorado jurisdictions and gathered input from both the BOCC and the public. A Countywide survey with 234 responses highlighted issues including neighborhood impacts, life-safety concerns, and housing affordability, as well as economic benefits such as tourism, supplemental income, and support for service workers.

Throughout 2024 and 2025, staff incorporated research and community feedback into a regulatory framework consisting of the STR licensing ordinance and an amendment to the Land Development Code (LDC). The drafting process was shaped by BOCC study sessions, technical reviews, and stakeholder comments and feedback. Key provisions included responsible-agent response standards, life-safety requirements, parking and occupancy limits, and separation buffers. In addition, options for either a primary residence requirement or an annual operating cap of 180-days were considered, in which the primary residence requirement has advanced for further consideration.

In October 2025, the LDC amendment was presented to the Planning Commission for a recommendation to the BOCC. A general overview of the ordinance was provided to ensure the Commission had an overall understanding of the STR project; however, the Planning Commission does not have authority to provide a recommendation directly on proposed ordinances. After reviewing the proposed LDC amendment, as well as hearing public comments, the Planning Commission voted to recommend denial of the LDC amendment, citing concerns around the separation restriction and a lack of consideration for allowing existing STRs to continue.

Following the Planning Commission meeting, staff continued to refine the draft regulations to incorporate provisions around a legacy designation, insurance requirements, occupancy restrictions, large-gathering prohibitions, 500-foot separation modifications, and waitlist/lottery adjustments.

After incorporating these additional changes, additional public comment was collected 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. Others raised concerns about high fees and concerns regarding the primary residence requirement, 500-foot separation restriction, 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. Additionally, concerns were noted about losing legacy status due to simple administrative mistakes or with a change in ownership of the property.

Ordinance 2026-01 Overview

The Board of County Commissioners conducted the first reading of proposed Ordinance No. 2026-01, which establishes a comprehensive regulatory framework for STR properties in unincorporated Arapahoe County, on March 31, 2026. Authorized under C.R.S. § 30-15-401(1)(s), this ordinance allows the County to license and regulate owners who rent or advertise their lodging units for short-term stays. The Board found that such regulation is necessary to balance the rights of private property owners with the County's responsibility to protect public health, safety, welfare, and neighborhood quality of life, and determined that the adoption of these measures is essential to ensuring STRs operate responsibly and that their impacts on surrounding residents and visitors are properly managed.

The ordinance applies to all STR activity within unincorporated Arapahoe County but excludes hotels, motels, guest ranches, bed and breakfast establishments, and properties that are leased for 30 days or longer. It establishes key definitions necessary for program administration, including "Short-Term Rental," "Lodging Unit," "Local Responsible Agent," "Primary Residence," "Legacy designation," and "Affected Party."

A central feature of the ordinance is the creation of a mandatory licensing program. It is unlawful to operate, advertise, or allow the short-term rental of a lodging unit without a valid County-issued STR license. Licenses may be issued only to owners or lessees for whom the STR serves as a primary residence. Each license is valid for one year, is non-transferable, and applies to only one lodging unit. Applicants must submit ownership and contact information, designate a Local Responsible Agent, provide proof of primary residence, demonstrate insurance coverage of at least \$1 million or platform-provided equivalent coverage, submit a parking plan, provide evidence of compliance with life safety standards, document Good Neighbor Notice delivery to neighbors, and pay all required fees.

Licenses automatically expire upon change of ownership or lessee, unless limited exceptions apply. Renewals must be submitted 60 to 120 days prior to license expiration to allow staff sufficient time to process the annual influx of applications.

The ordinance establishes operating and safety standards for STR properties. Short-term rentals must comply with all applicable federal, state, and local standards. Accessory Dwelling Units may not be used for STR purposes unless located on parcels nine acres or larger. Life safety requirements include compliance with on-site wastewater treatment system permitting (if applicable), structurally sound building elements, operable smoke and carbon monoxide detectors, functioning fire extinguishers and sprinkler systems where present, enclosed and operable plumbing facilities, and clearly labeled electrical panels. The ordinance notes prohibitions on portable ember-producing outdoor equipment, and requires suitable maintenance of hot tubs, spas, and swimming pools. The ordinance also prohibits large gatherings exceeding 100% of permitted overnight occupancy. In addition, camping, tents, temporary structures, lodging in recreational vehicles or trailers, use of unlicensed motorized vehicles, and discharge of firearms on rental properties are prohibited. Occupancy is limited to two persons per bedroom plus two additional persons, or the maximum occupancy allowed by the on-site wastewater treatment permit, if applicable. Only one renter group may occupy the property at a time.

The ordinance requires each STR to designate a Local Responsible Agent (LRA) who must be available 24 hours a day, seven days a week, must speak directly with renters or affected parties within 15 minutes of contact, and must be able to respond in person to the property within 60 minutes, if needed. The LRA must have full authority to manage the STR, including arranging repairs, managing tenants, accessing the property, and administering service contracts.

To support renter compliance and neighborhood quality of life, the ordinance requires posting interior signage that includes the STR license number, maximum occupancy, and contact information for the owner or Local Responsible Agent. Renter instructions must also be provided, including a copy of the ordinance, information about emergency egress and fire extinguishers, parking instructions, trash and recycling rules, snow removal expectations, noise and pet policies, HOA rules, and a copy of the Good Neighbor Guidelines. Advertisements on hosting platforms must display the STR license number and the permitted occupancy, and hosting platforms must remove listings upon County notification that a property is unlicensed or suspended. Licensees must also provide Good Neighbor Notices to adjoining and directly across-the-street property owners within 14 days of license approval.

The ordinance includes spacing requirements prohibiting STR licenses for detached single-family, two-family, townhome, single-family attached, and duplex dwellings located within 500 feet of another STR, measured property line to property line. Additionally, no more than 100 STR licenses may be issued within multifamily buildings countywide. Once this limit is reached, the County will maintain a waitlist for future applications. These regulations aim to prevent an overconcentration of STRs in one area and to prioritize available long-term housing stock.

Recognizing that existing STRs may not meet all new requirements, the ordinance provides for a Legacy designation for properties that were actively operating within the six months preceding the ordinance's effective date. Legacy designation may exempt qualifying STRs from the primary residence requirement and the separation or multifamily cap provisions, depending on their previous use. Applicants must apply within 60 days of the ordinance's effective date and must submit documentation demonstrating active STR operation during the required timeframe. Legacy status

expires when ownership or tenancy changes or when the license is not obtained or renewed.

Sections 7 through 11 of the ordinance outline how the County administers enforcement and oversight of STR licenses. Section 7 identifies the circumstances that require denial of an STR application, including incomplete or inaccurate information, failure to meet ordinance requirements, or nonpayment of fees. Section 8 describes the conditions under which a license may be suspended or revoked, such as repeated violations, failure of the Local Responsible Agent to meet responsiveness standards, unresolved safety or building code issues, or delinquent taxes or fees. Suspensions may remain in effect until violations are corrected, and revocations prohibit STR use for at least one year. Hosting platforms must remove listings for unlicensed, suspended, or revoked properties when notified by the County. Section 9 provides a formal appeal process, allowing applicants to challenge a denial, suspension, or revocation before the Board of Adjustment.

Sections 10 and 11 address fees and penalties. All STR program fees, including application, licensing, and renewal fees, will be set by Board resolution and are non-refundable. Violations of the ordinance are treated as civil infractions and licensees and owners are subject to escalating fines. While warnings may be issued for minor issues, the County may take immediate enforcement action when violations affect health, safety, the environment, or neighborhood quality of life.

LDC23-001: Land Development Code Amendment

The proposed Land Development Code (LDC) amendment formally establishes Short-Term Rentals as a permitted land use agricultural and residential zoning districts, unless expressly prohibited in the approved and applicable development plan. Furthermore, the regulations are consistent with the drafted ordinance, echoing the requirement for licensing, identifying the required separation requirements, and prohibiting STR use of Accessory Dwelling Units (ADUs) on parcels under nine acres.

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 the installation of 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 the following 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 two sections of the Ordinance. The first being the occupancy section of the ordinance. The revision specifies that, when applicable, occupancy is limited to the maximum allowed under the property's on

-site wastewater treatment system (OWTS) permit, as OWTS occupancy limits are more restrictive than the limits drafted into this ordinance.

The second revision adds language requiring any applicant, whose property is served by OWTS, to obtain a use permit from Public Health before their short-term rental license can be approved.

This amendment was drafted after the ordinance was published and will be specifically identified during the hearing and any motions.

“All properties served by an on-site wastewater treatment system (OWTS) are required to obtain a use permit from Arapahoe County Public Health prior to licensure as a short term rental to ensure third party inspection of the septic system has occurred and any required repairs have been made, unless a valid use permit has been granted by Arapahoe County Public Health within the last 12 months.”

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.

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 24/7 reporting system. Further, ACSO requested that they receive an ongoing report identifying approved Short-Term Rentals.

Application and License Fees

The fee structure in the proposed STR ordinance is designed to offset the County’s direct costs to establish and operate the program. The recommended fees consist of a \$200 one-time application fee and a \$350 annual license fee, for a total of \$550 for a new license in the first year.

In establishing the fee structure, the County also evaluated how its proposed fees compare with nearby jurisdictions. The proposed fee amounts are consistent with other jurisdictions and fall well within the range of comparable municipal STR licensing programs. This alignment helps ensure that Arapahoe County’s fees remain reasonable for property owners while still meeting the program’s fiscal needs.

These fees will be brought to the BOCC as a consent agenda item within 30 days following this hearing.

Alternatives: The Board of County Commissioners may:

- (1) Adopt Ordinance No. 2026-01 as published on April 9, 2026, with the proposed amendment to include the Public Health request to require inspections and a use permit for properties served by on-site wastewater treatment systems (septic).
- (2) Adopt Ordinance No. 2026-01 as published on April 9, 2026.
- (3) Adopt Ordinance No. 2026-01 with additional amendments.
- (4) Deny adoption of Ordinance No. 2024-02.
- (5) Continue the hearing to a time and date with direction to staff on further or other amendments to the Ordinance.

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: Staff recommend approval of Ordinance 2026-01 and LDC23-001. The proposed regulations reflect two years of research, public feedback, stakeholder consultation, and BOCC direction. They provide a balanced and enforceable framework that supports neighborhood compatibility and responsible STR operation.

Concurrence: Staff have coordinated closely with the County Attorney's Office and referral agencies throughout development of these regulations.