

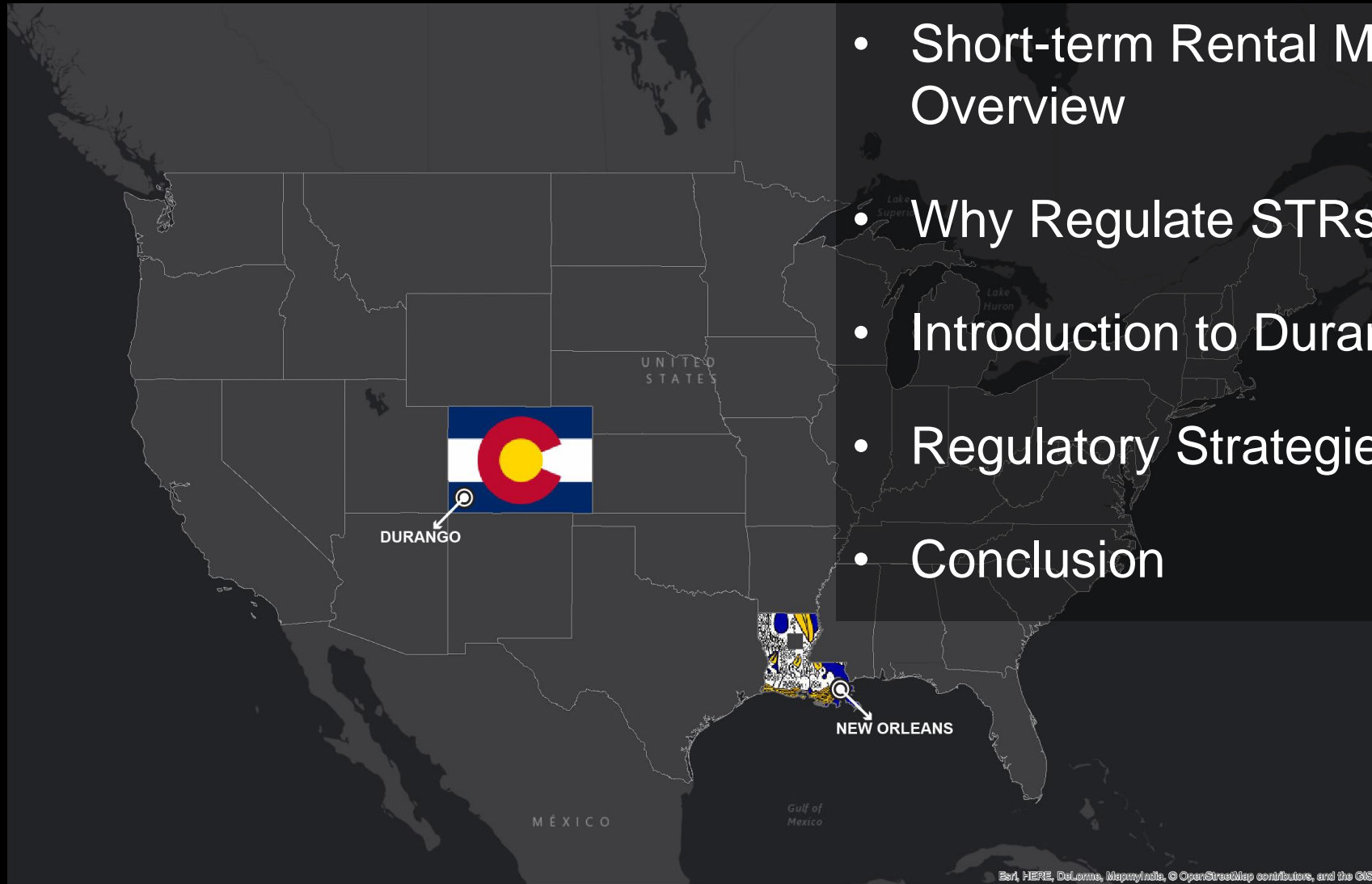
# Preserving Housing Through The Regulation of Short-term Rentals: *Durango, Colo.*



A HOUSE IS A HOME  
short-term rental regulation and community preservation

*Urban Conservancy, New Orleans, LA*  
Phillip Supino, Planner, City of Durango

# DISCUSSION OUTLINE



- Short-term Rental Market Overview
- Why Regulate STRs?
- Introduction to Durango
- Regulatory Strategies
- Conclusion

A HOUSE IS A HOME

short-term rental regulation and community preservation

*INTRODUCTION*

# THE “SHARING ECONOMY”

## Major Markets in the Sharing Economy

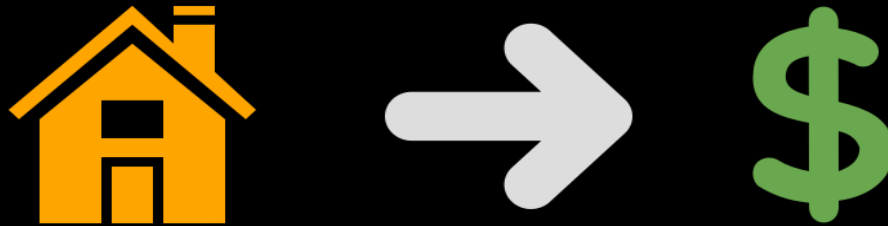


# HOUSING & THE “SHARING ECONOMY”

Second homes are occupied 24.6% (12.8 weeks) of the year

2005 Northwest Colorado Council of Governments Study

Therefore, 76.4% of the home is an under-utilized resource



# BRIEF HISTORY – PRIVATE VACATION RENTALS

*OLD SCHOOL*



*NEW SCHOOL*



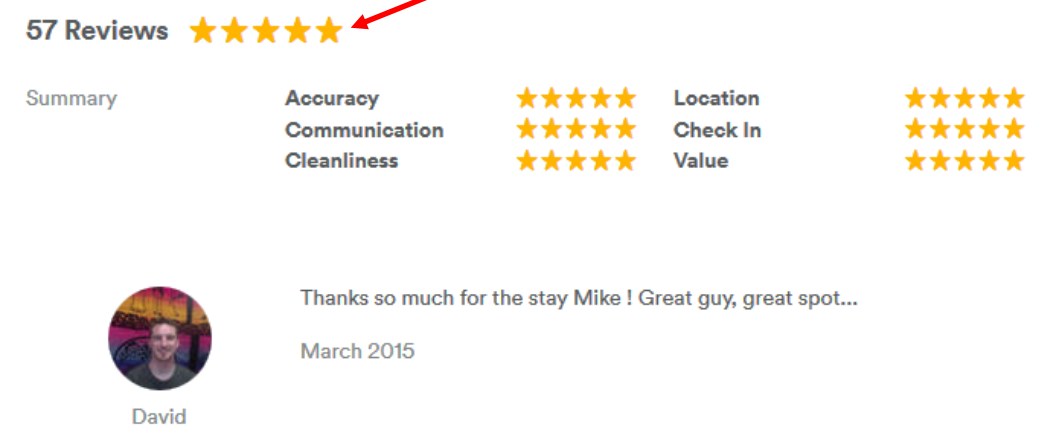
*INTRODUCTION*

# GROWTH OF AN INDUSTRY

- \$23 billion in vacation rentals (2012)
  - 7% of U.S. travel market (2012)
- 108 million U.S. 'rented nights' (2012)
- \$211 average daily rate (2012)
- 24% of VR reservations booked online
- 1 in 4 RBO properties are owner occupied


# WHY REGULATE VACATION RENTALS?

- RBO Companies argue *no regulation is needed*
  - Market should dictate the industry
  - Government is slow and reactionary
  - “Community” model provides quality and impact control



57 Reviews ★★★★★

Summary	Accuracy	★★★★★	Location	★★★★★
	Communication	★★★★★	Check In	★★★★★
	Cleanliness	★★★★★	Value	★★★★★

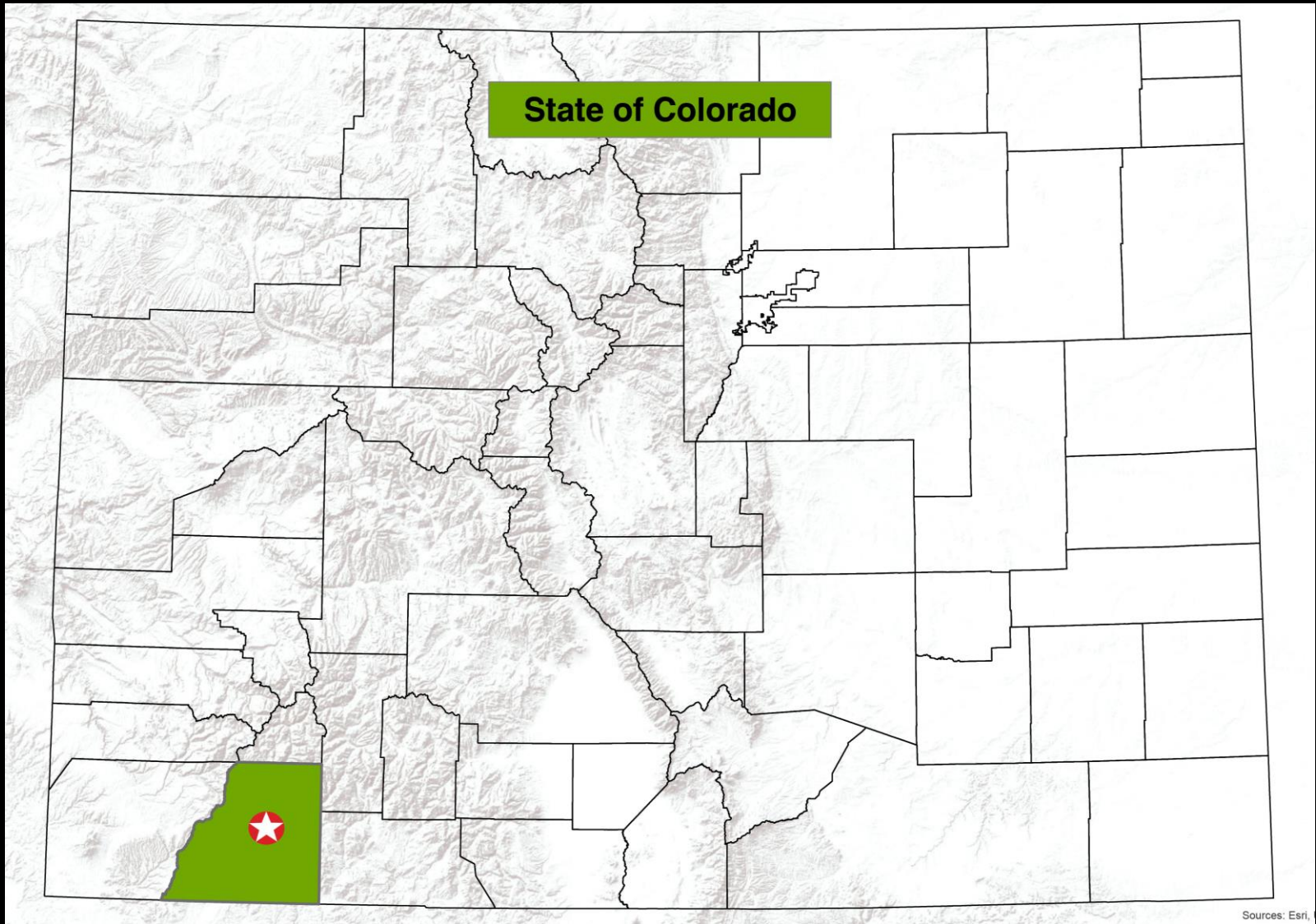
 Thanks so much for the stay Mike ! Great guy, great spot...  
March 2015  
David

# WHY REGULATE VACATION RENTALS?

- Preserve residential character
- Collect sales and lodging tax
- Create a “level playing field” between RBOs and property management companies
- Ensure adequate lodging options for tourists
- Ensure adequate housing options for residents
- Ensure vacation rentals meet existing health and life safety regulations



# DURANGO, COLORADO



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short-term rental regulation and community preservation

# DESTINATION COMMUNITY



Durango-Silverton Narrow Gauge Railroad



Downtown Historic District



Southwestern History



Recreation

# DEMOGRAPHICS



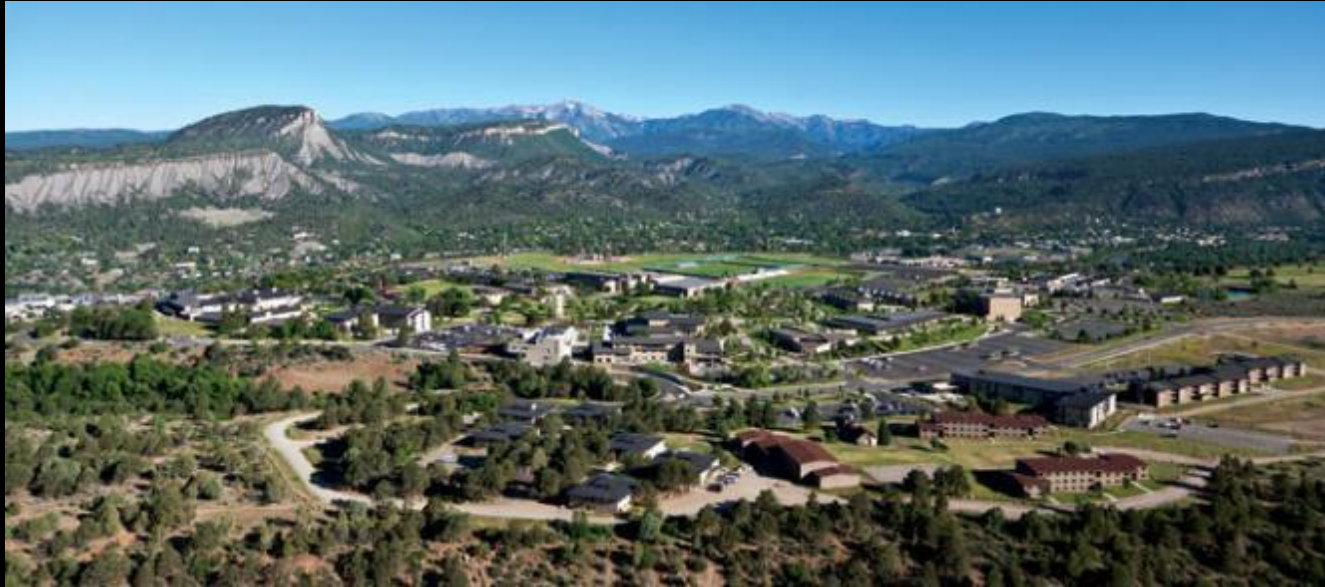
Population:  
15,557

Median income:  
\$53,173

Projected growth:  
3.7%

*DURANGO, COLORADO*

# FORT LEWIS COLLEGE



Four year state college

The “Skyhawks”

Located on College  
Mesa in 1950

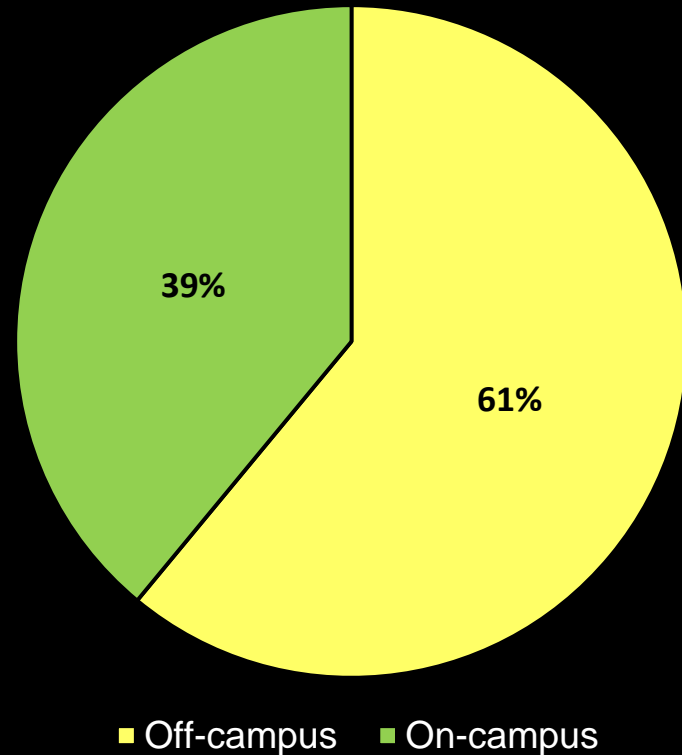


*DURANGO, COLORADO*

# FORT LEWIS COLLEGE

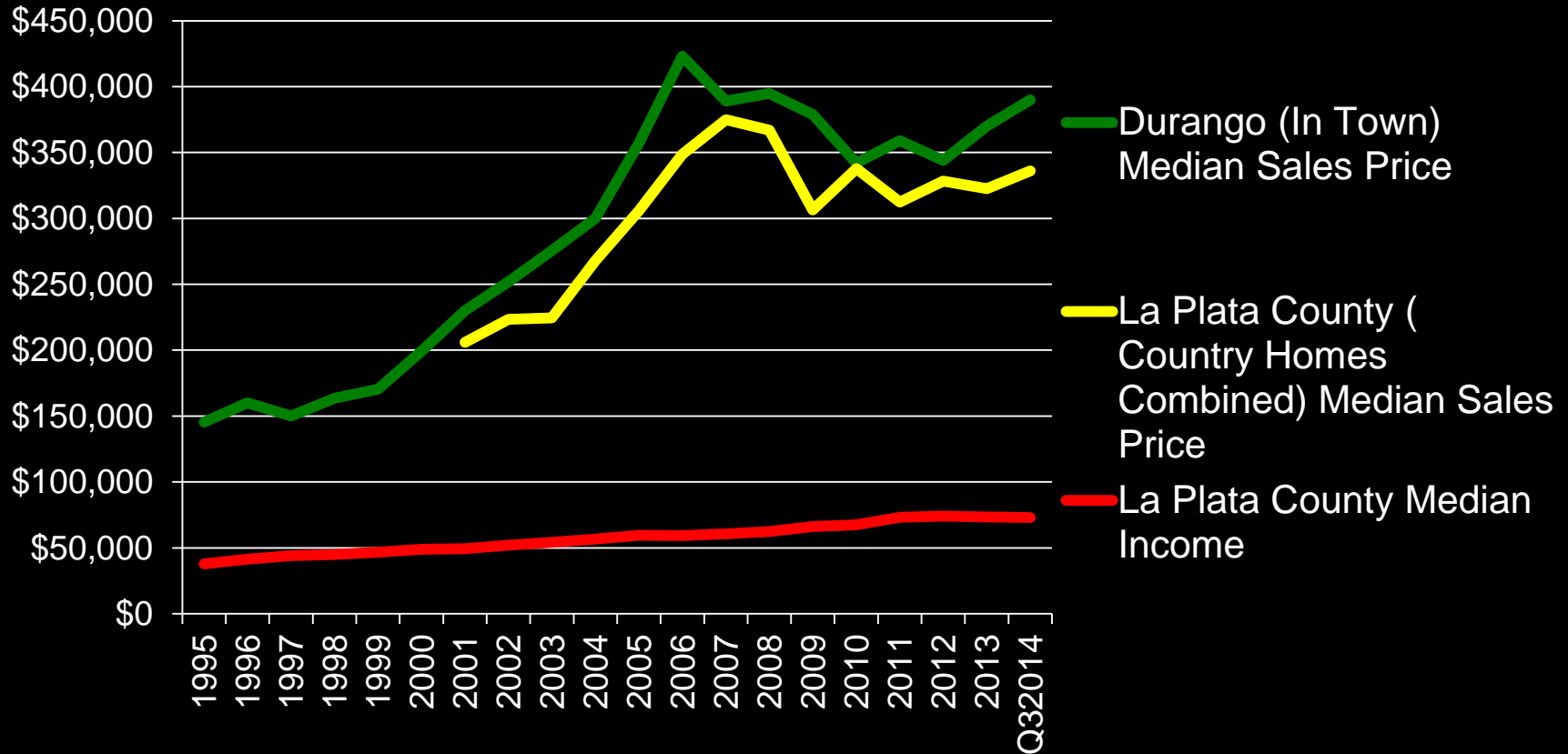
- 3,865 full-time students
- 2,317 (61%) off-campus residents
- 24.5% of Durango residents are FLC students
- 15% of Durango renters are FLC students

FLC Student Housing



# HOUSING PROFILE

## Median Income and Median Residential Sales Price, 1995-2014



# HOUSING PROFILE

## Rental Vacancy Rate in Durango 2009-2014

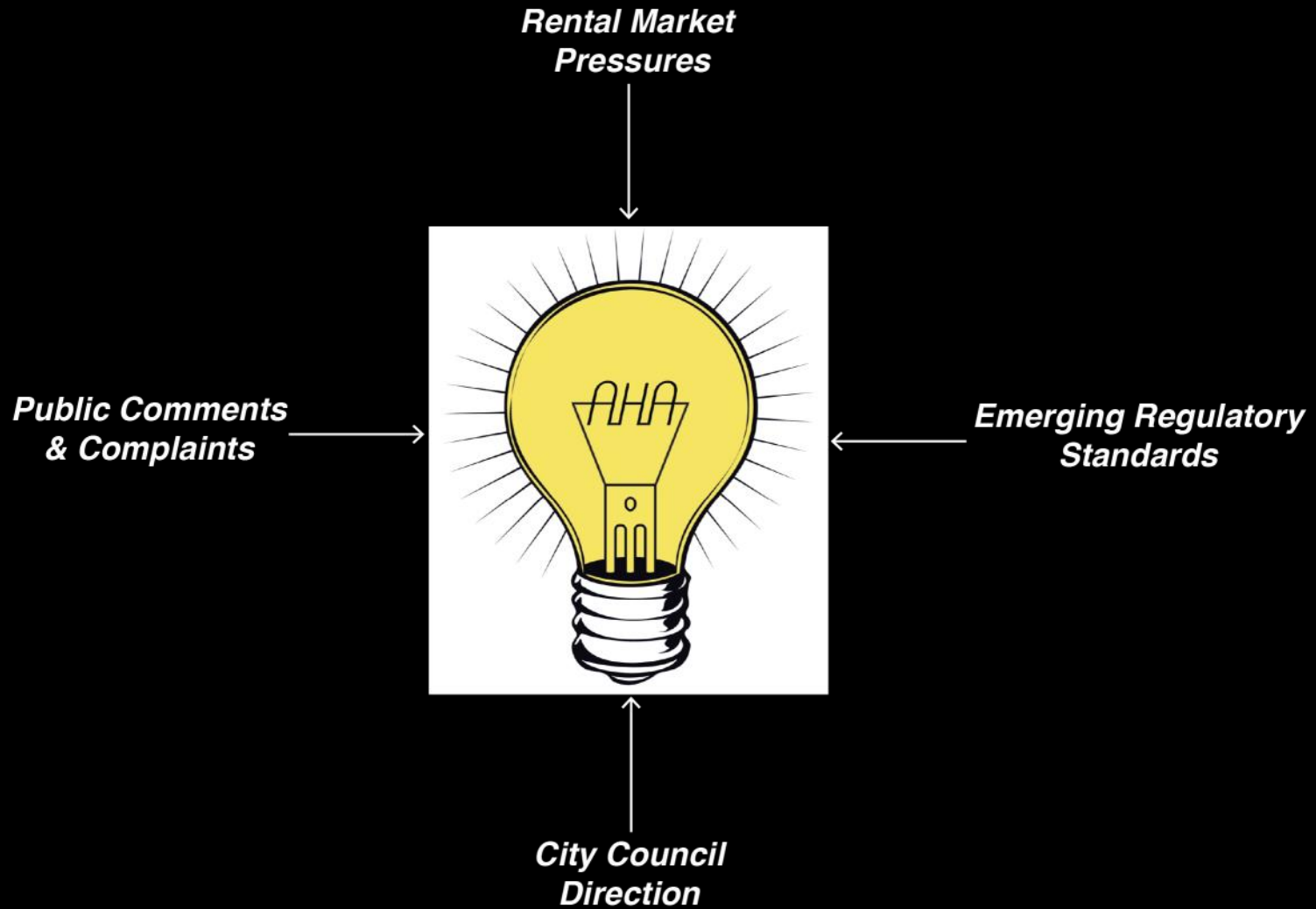


■ Vacancy Rates Durango

— Linear (Vacancy Rates Durango)

*DURANGO, COLORADO*

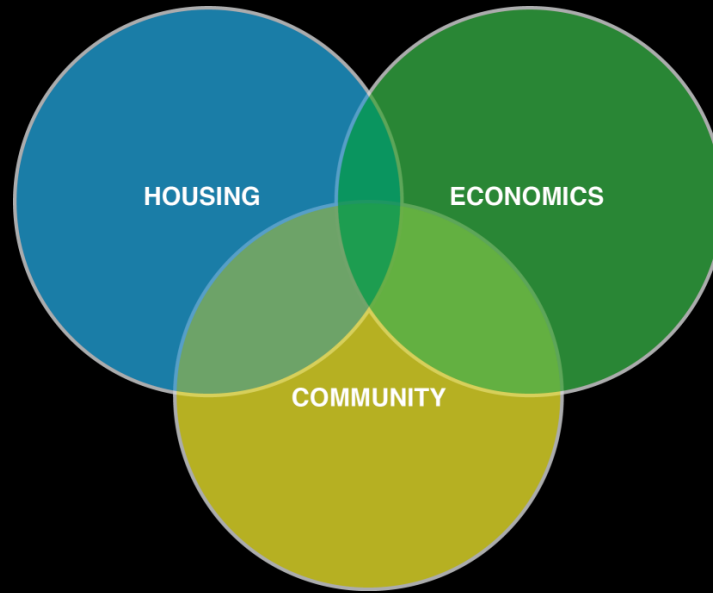
# THE CITY OF DURANGO – REGULATING VR USES



*DURANGO, COLORADO*



# THE CITY OF DURANGO – REGULATING VR USES



*Issue recognition*

*Public process*

*Implementation*



*Research*

*Political process*

*Regulation development*

*Monitoring & enforcement*

*DURANGO, COLORADO*

# REGULATION OF VACATION RENTALS

## Congenial Community Meetings



*DURANGO, COLORADO*

# COMMUNITY CONCERNS



## Housing Impacts

*loss of long-term rentals*  
*reduced owner occupancy*  
*increased housing cost*  
*speculative investments*

## Neighborhood Impacts

*parking*  
*noise*  
*wildlife protection*  
*dark blocks*

## Lodging Impacts

*loss of revenue*  
*lack of regulation*  
*safety & taxation*

*DURANGO, COLORADO*

# THE CITY OF DURANGO – REGULATING VR USES

## Rationale

*Neighborhood preservation*

*Quality of life*

*Housing preservation*

## Regulatory Tools

*Zoning*

*Licensing*

## Strategies

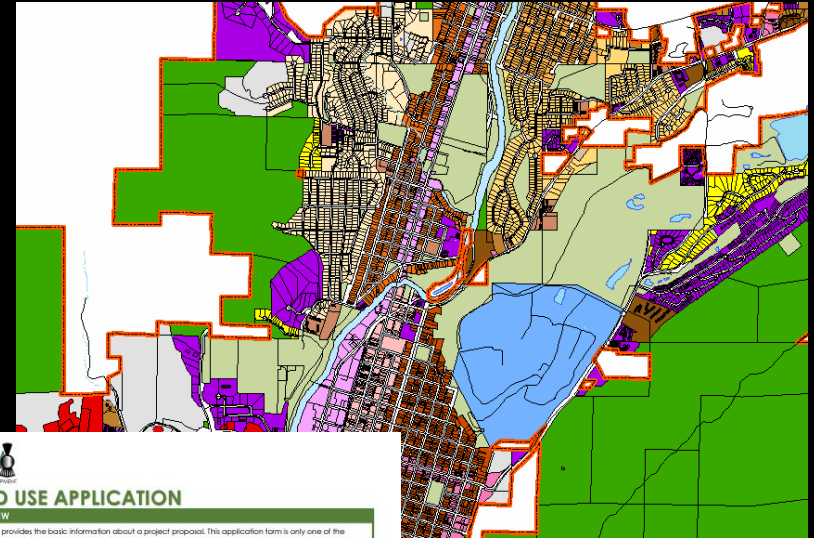
*Spacing requirements*

*Neighborhood caps*

*Permitting review process*

*Code enforcement inspections*

*Monitoring*



**CITY OF DURANGO**  
COMMUNITY DEVELOPMENT

### LAND USE APPLICATION

**OVERVIEW**

This form provides the basic information about a project proposal. This application form is only one of the items required for a complete project submittal. It is the responsibility of the applicant to ensure that all other required materials are submitted. It is also the responsibility of the applicant to clearly demonstrate through narrative, visual representations, and other materials that the proposed activity complies with the City of Durango's Land Use and Development Code. Incomplete or substandard applications may cause delays. All applications shall include digital files as well as the hard copy unless otherwise determined by staff.

**PROJECT TYPE** (Select one or more)

<input type="checkbox"/> Temporary Use Permit (TUP) <input type="checkbox"/> Class A TUP <input type="checkbox"/> Class B or C TUP	<input type="checkbox"/> Subdivision, Major (5 or more lots) <input type="checkbox"/> Conceptual <input type="checkbox"/> Preliminary <input type="checkbox"/> Final
<input type="checkbox"/> Special Use Permit (SUP)	<input type="checkbox"/> Final
<input type="checkbox"/> Limited Use Permit (LUP)	<input type="checkbox"/> Pattern Book Approval
<input type="checkbox"/> Vacation Rental LUP	<input type="checkbox"/> PD/Development Agreement Amendment
<input type="checkbox"/> ADU Review LUP	<input type="checkbox"/> Major <input type="checkbox"/> Minor
<input type="checkbox"/> Conditional Use Permit (CUP)	<input type="checkbox"/> EN Alternative Compliance (ENAC)
<input type="checkbox"/> Rezoning	<input type="checkbox"/> Design Review <input type="checkbox"/> Certificate of Non-Conformity
<input type="checkbox"/> Site Plan Review <input type="checkbox"/> Minor (1-10,000 SF) <input type="checkbox"/> Major (10,000 SF or more)	<input type="checkbox"/> Zoning Verification
<input type="checkbox"/> Annexation & Initial Zoning	<input type="checkbox"/> LUDC Text Amendment
<input type="checkbox"/> Planned Development (PD) <input type="checkbox"/> Conceptual <input type="checkbox"/> Preliminary <input type="checkbox"/> Final	<input type="checkbox"/> Comprehensive Plan Amendment <input type="checkbox"/> Abandonment/Vacation Request
<input type="checkbox"/> Subdivision, Minor (5 or fewer lots) <input type="checkbox"/> Preliminary <input type="checkbox"/> Final	<input type="checkbox"/> Variance <input type="checkbox"/> Appeal of Decision <input type="checkbox"/> ADU Owner-Occupancy Certification <input type="checkbox"/> Oil & Gas Permit, Major or Minor <input type="checkbox"/> Other: _____

**PROJECT DESCRIPTION**

PROJECT NAME: \_\_\_\_\_

PROJECT LOCATION: \_\_\_\_\_

PROJECT SUMMARY (Additional details must be included in other application materials)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Updated June 2014 Page 1 of 2

# THE CITY OF DURANGO – VR REGULATIONS

## Zoning & Density

- *Allowed in limited zones*

## Parking

- *Off-street only*

## Spacing Requirement

- *One per block*

## Management

- *Listed with City*

## Occupancy Limit

- *Based on bedrooms*

## Life, Safety & Wildlife

- *All relevant codes, regs. apply*

## Appearance

- *No signage, well kept*

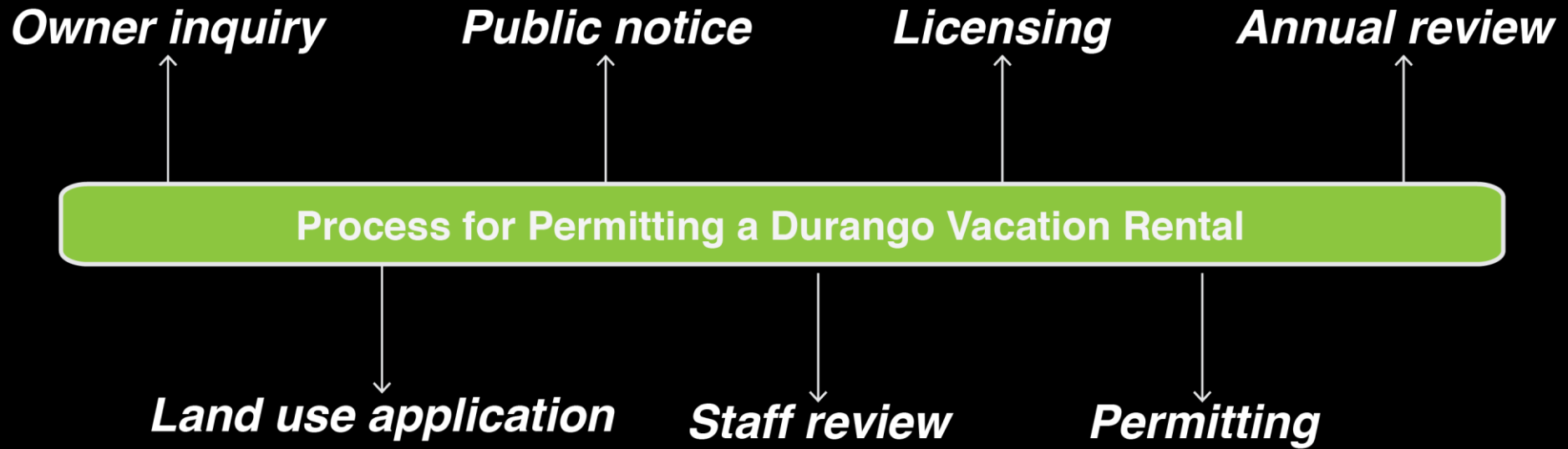
## Permitting & Monitoring

- *Revocable, complaint-based*

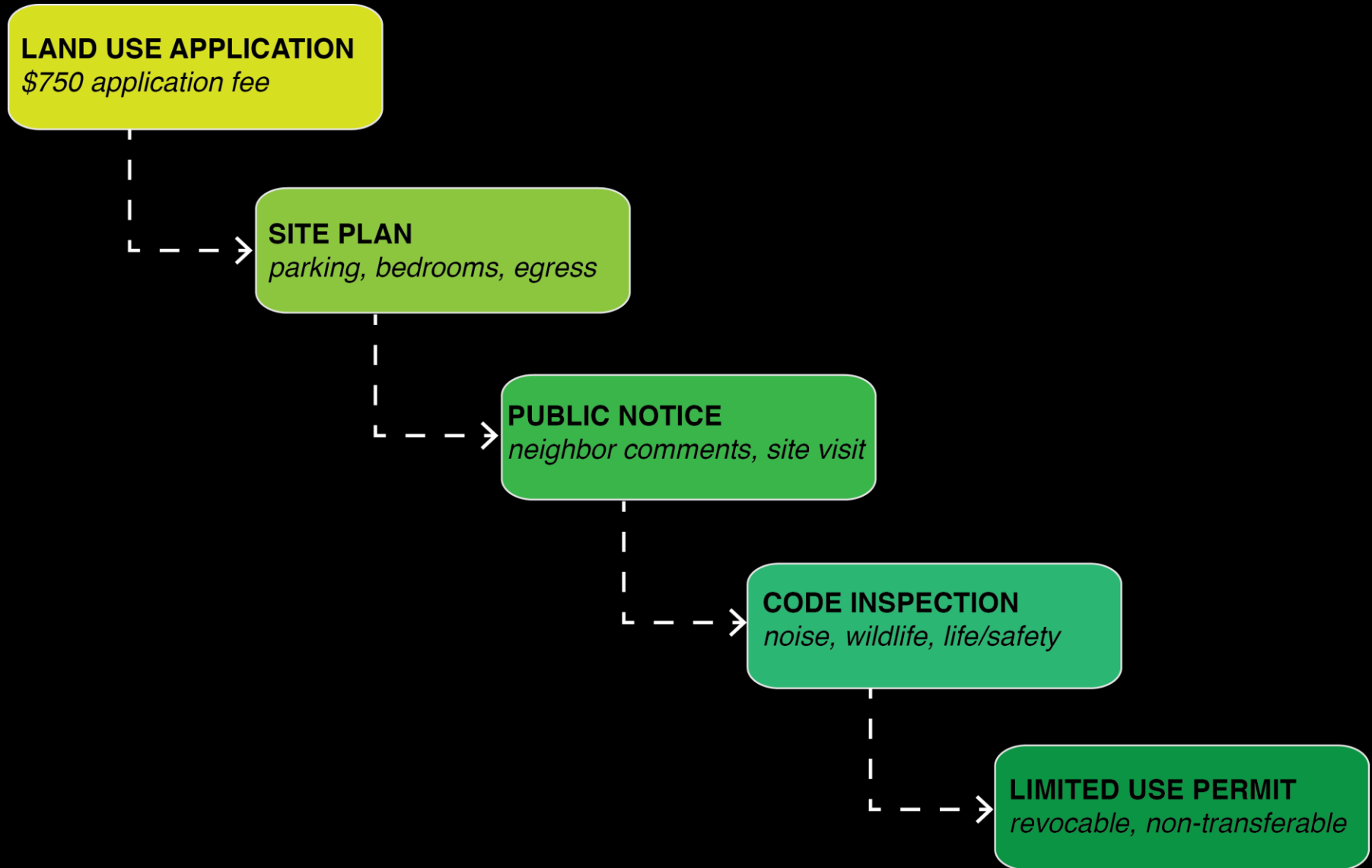
# STREET SEGMENT CAP



# PERMITTING



# REVIEW & PERMITTING



*DURANGO, COLORADO*



# LICENSING

## BUSINESS LICENSE

*\$130 in fees*

*3% sales tax*

*submit application to Clerk's  
property inspected*

*renewed annually*

## LODGERS TAX LICENSE

*\$25 fee*

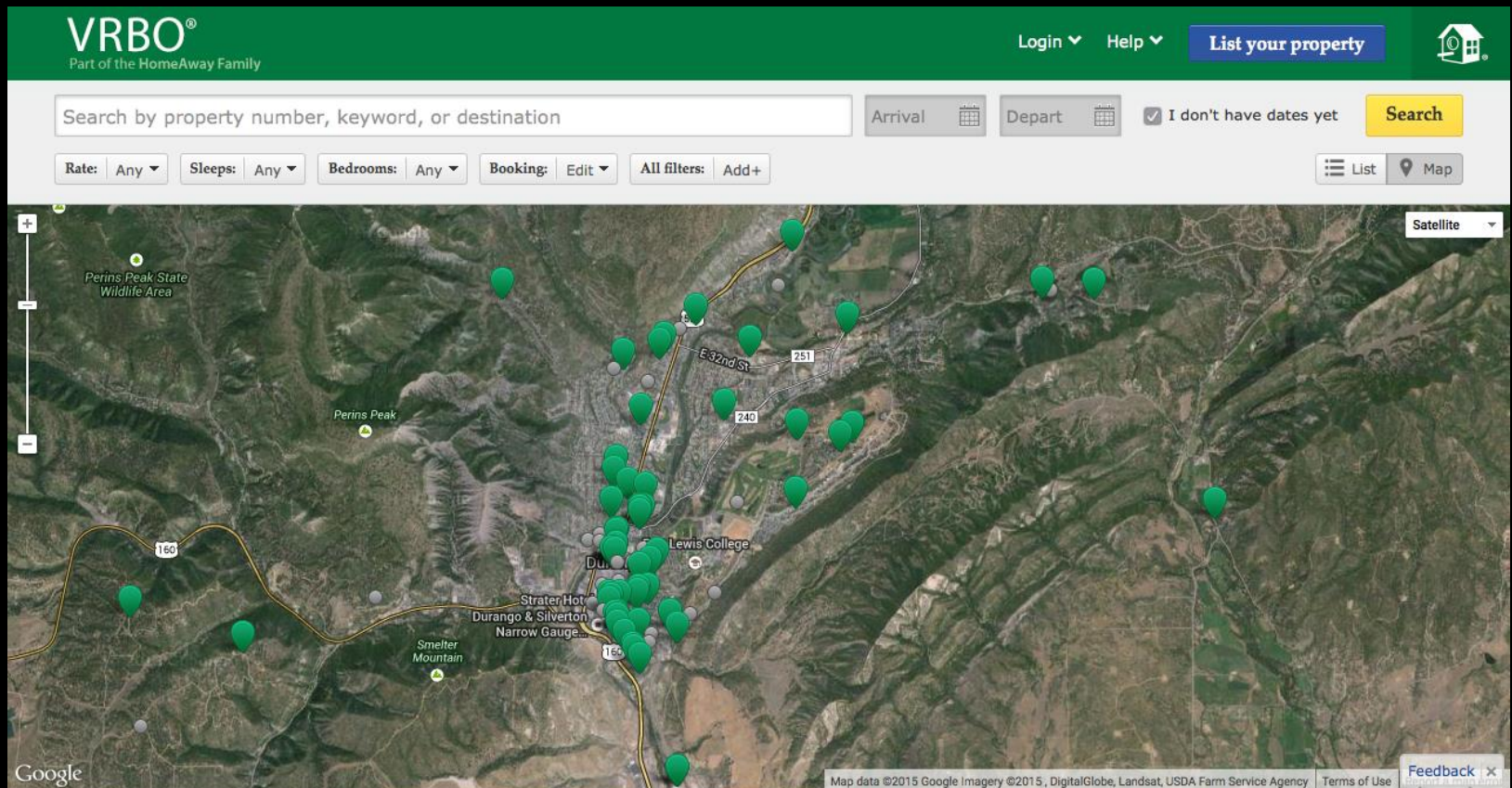
*2% tax rate*

*submit application to Clerk's  
renewed annually*

**CLERK'S APPROVAL**

**BUSINESS LICENSE ISSUED**

# A LIMITED MARKET

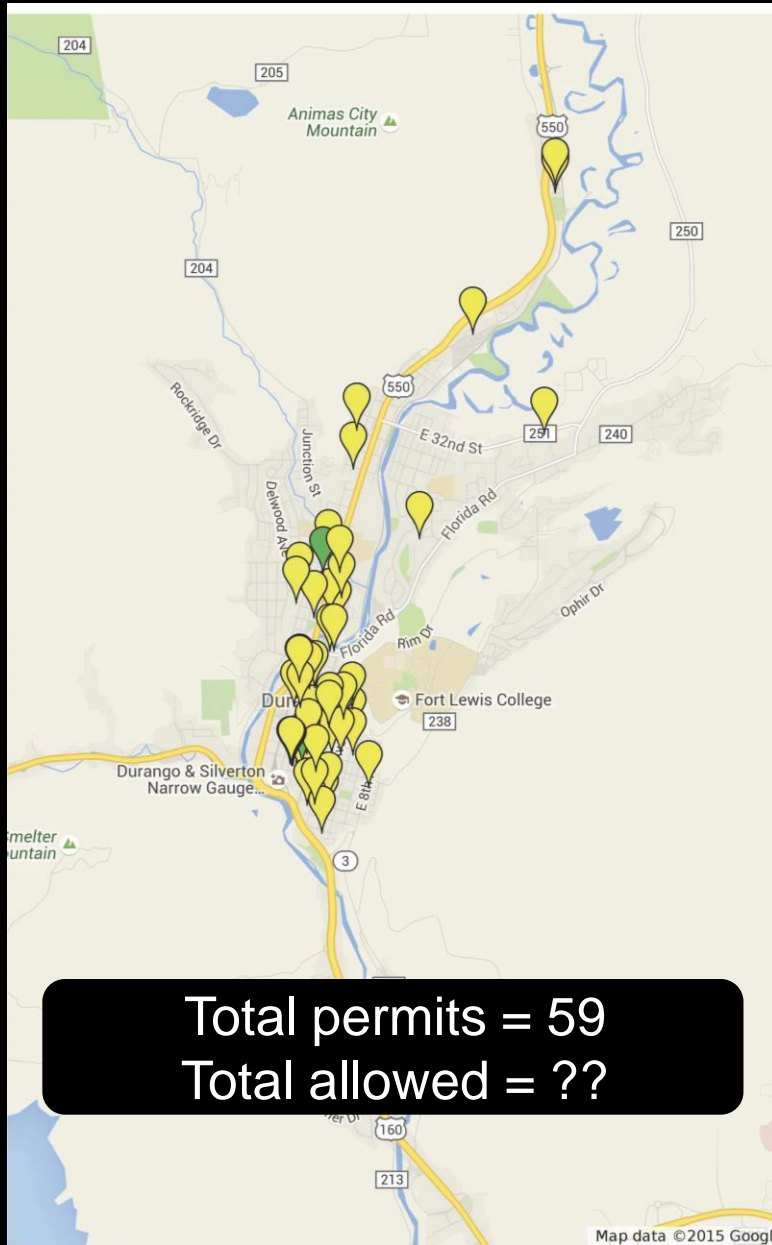


- Not allowed in all zones
- Ongoing website monitoring
- Prevent market saturation

- Reduce traditional lodging conflict
- Ensure compatible land uses in EN neighborhoods

*DURANGO, COLORADO*

# PERMITTED VACATION RENTALS



*DURANGO, COLORADO*

# MONITORING AND ENFORCEMENT

## Neighborhoods

*resident comments*

*public notices*

*code enforcement officers*



## Licensing & Permitting

*renewed annually*

*revocable*

## Revenue & Enforcement

*code compliance*

*increased taxes*

*website & advertising*

*public outreach*



*DURANGO, COLORADO*

# NATIONAL REGULATION TRENDS

- Public Process
- **Require licensing**
- **Collect lodging taxes**
- **Pursue delinquent lodging tax remittance**
- **Some specific zoning regulations on RBOs**
- **Enforce zoning restrictions**
- Monitor size of RBO market through internet searches



*CONCLUSION*

# REGIONAL REGULATION TRENDS

Low Regulation	High Regulation	Not allowed
Aspen	Durango	Jackson Hole
Vail	Steamboat Springs	
Breckenridge	Telluride	
Snowmass Village	Park City	
	Mammoth Lakes	

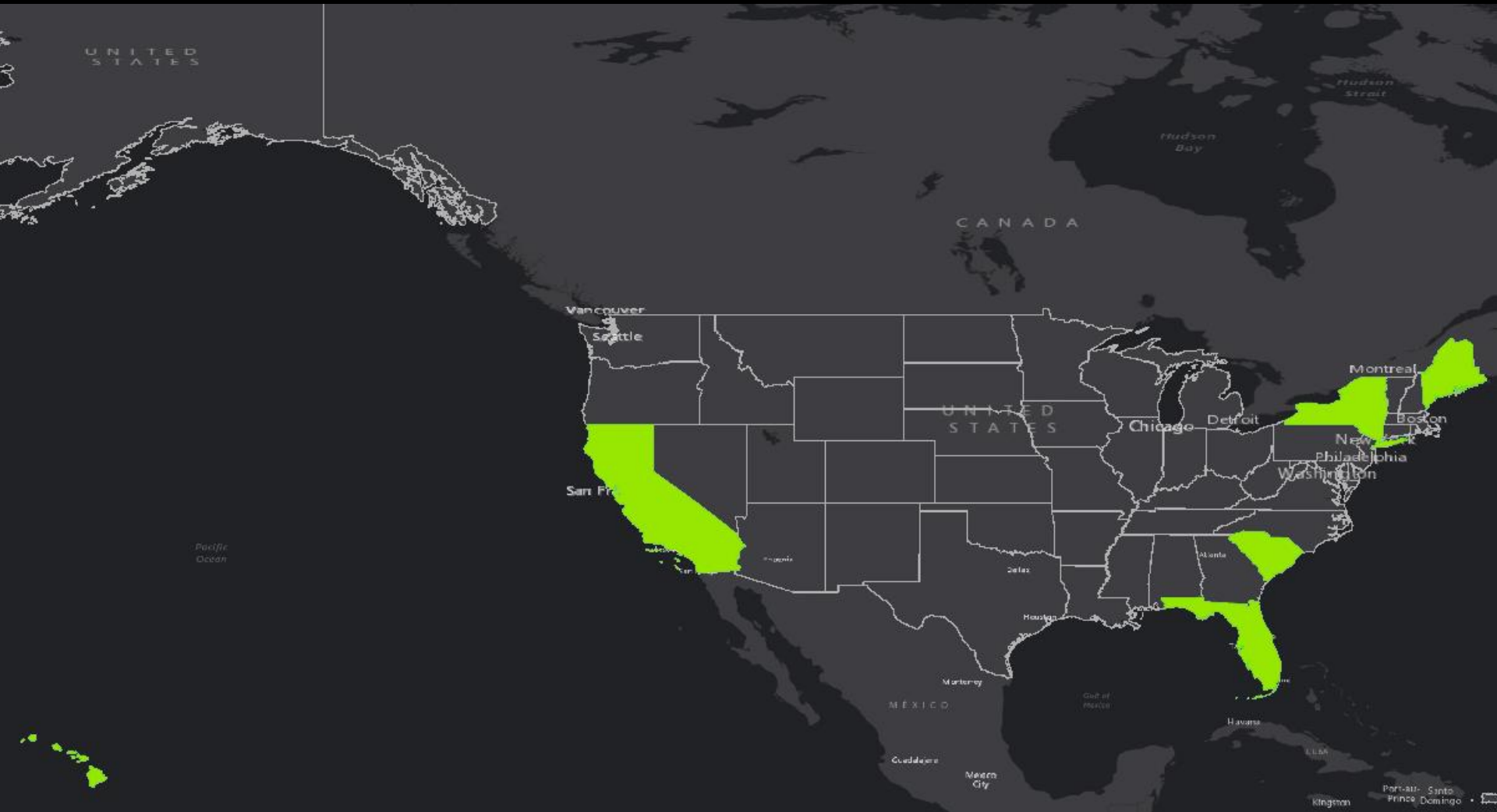
“Low Regulation” communities generally require:

- A business license
- Sales/lodging tax remittance
- Comply with life safety and trash regulations

“High Regulation” communities generally:

- Limit the location and timeframes for rentals
- Require special signage and/or neighbor notification
- Have special parking requirements

# STATE LEGISLATION



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short-term rental regulation and community preservation

*CONCLUSION*

# REGULATORY OPTIONS

- Many options, but **no uniform solution**.
- Regulate Vacation Rentals based on your unique **social and economic** needs.
- Ask: what are the **community goals** and what issues you are addressing?



*CONCLUSION*



City of Durango, 2013 Vacation Rental Survey

CAST, 2010 Vacation Rental Survey

“Cities, the Sharing Economy, and What’s Next,” National League of Cities, March 10, 2015

Northwest Colorado Council of Governments: “The Economic and Social Impacts of Second Homes in Four Mountain Resort Communities in Colorado. 4/7/05

“U.S. Vacation Rentals 2009 – 2014: A Market Reinvented,” PhoCusWright Reports

“Results of Grey Market Vacation Rentals Policy Analysis,” DestiMetrics Report prepared for Town of Vail, 11/2014

U.S. Census, 2012, Community Survey Data