REVISED 5/17/2018

AGENDA
LAKEWOOD CITY COUNCIL
STUDY SESSION
CITY OF LAKEWOOD, COLORADO
LAKEWOOD CIVIC CENTER
480 SOUTH ALLISON PARKWAY
MAY 21, 2018
7:00 PM
COUNCIL CHAMBERS

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ITEM 1 - CALL TO ORDER

ITEM 2 - ROLL CALL

ITEM 3 - PRESENTATION - OPENING OF THE ARTLINE

PUBLIC COMMENT

ITEM 4 - PRESENTATION/DISCUSSION - SHORT TERM RENTALS

PUBLIC COMMENT

ITEM 5 - REPORTS

ITEM 6 – ADJOURNMENT

Watch City Council Meetings at Lakewood.org/CouncilVideos

MEMORANDUM

To: Mayor and City Council

Subject: 40 West ArtLine Presentation on May 21, 2018

From: Alexis Moore, Principal Planner, Comprehensive Planning and Research

Date: May 3, 2018

This is an informational presentation and no City Council action is requested. The presentation will provide an overview of the 40 West ArtLine project, a list of key partners, a summary of art and wayfinding elements, and the implementation timeline.

Project Description

The interactive, 4-mile walking and biking ArtLine experience through the state-certified 40 West Arts Creative District will officially launch in June. The route will wind its way through the area and connect residents and visitors to parks, transit and other amenities. Artists were vetted and selected by community volunteers, with approval from the Lakewood Public Art Committee, to collaborate with project partners and the community to delineate the route with visual cues, install interactive art elements along it, and create iconic art installations at three City parks. In 2016, the City of Lakewood, in partnership with 40 West Arts, was awarded a highly competitive "Our Town" grant from the National Endowment for the Arts to work with the community to plan for and implement the 40 West ArtLine. The National Endowment for the Arts grant was the catalyst for advancing the community vision of creating the ArtLine.

Project Background

The 40 West ArtLine concept was first proposed by the community in 2011 while planning for the creation of the 40 West Arts District. The ArtLine was envisioned as a way to creatively connect neighborhoods and transit in the area and to activate the three main parks in northeast Lakewood (Aviation, Mountair and Walker-Branch). The ArtLine was recommended as a distinguishing component of the 40 West Arts District, to help raise awareness of both 40 West and the City of Lakewood and the unique landmarks, destinations and amenities in the area. It was also recommended as a way to spur reinvestment, beautification, and increase public health through better access to parks and improved urban environment conditions. The ArtLine concept was included in the 40 West Arts District Urban Design and Mobility Concepts Plan, adopted unanimously by City Council in 2012. The ArtLine is also recommended in the 40 West Placemaking Implementation Plan and the West Colfax Vision Plan 2040. The plans and related information are available at www.lakewood.org/40WestArts.

Public Involvement

Public involvement in the development of the ArtLine vision and implementation has been substantial, and includes multiple surveys (taken by more than 400 people), walk 'n talks with Mayor Paul, attendance at numerous public meetings and events in northeast Lakewood and with Jefferson County Schools. In addition, an approximately 30-member stakeholder Steering Committee, a Project Work Group comprised of city and 40 West Arts staff, an 11-member public art committee with residents from throughout Lakewood, and over 30 ArtLine Champions were and are intimately involved in developing the project vision and ensuring its implementation.

Next Steps

An ArtLine launch block party is planned for June 1 (the first Friday), in conjunction with the 40 West District Wide Art Walk. Mayor Paul will dedicate the ArtLine on Saturday, June 9 at Mountair Park during the Family Farm Fiesta. More information is available at www.40WestArtLine.org.

STAFF REPORT

Date: May 21, 2018

To: Mayor and City Council

From: Margy Greer, City Clerk

SUBJECT: SHORT-TERM RENTALS (STRs)

Summary: Acknowledging the growing popularity of short-term rentals, City Council has asked staff to research and recommend best practices and policies with a focus on protecting neighborhoods from the potential impacts. The requested information has been compiled in this memorandum for City Council's review.

Background: In 2012, the City began receiving enough inquiries about short term rentals, that the Planning Department was asked to make a determination about short term rentals as an unnamed use. In a 2013 memo (Attachment A), The Planning Department determined that short term rentals are most closely related to Bed and Breakfast, which is only allowed in certain residential zone districts, with a Special Use Permit. This action banned short term rentals in the City of Lakewood, unless reviewed and approved via the Special Use Permit Process, which requires a public hearing in front of Planning Commission.

In the summer of 2016, City Council asked Planning to address short term rentals with the next round of zoning ordinance amendments. In October, a draft ordinance was presented to City Council, along with a number of other items (Attachment B). At the October 2016 meeting, City Council asked Planning to remove short term rental language from the ordinance updates in order to get more information about the use as a whole, before committing to policy.

Planning Staff gathered more research in an effort to give City Council an overview of short term rentals - how prevalent they are globally and locally, what other local jurisdictions are doing to regulate them, and important factors to consider when deciding to adopt policy, or not. In April of 2017, Planning presented the requested research to City Council and asked for guidance on how to move forward, with or without policy. Staff was asked to move forward with policy development, with the understanding that Council may still choose to uphold the ban on short term rentals.

In order to draft policy that would be implementable in the City of Lakewood, Planning engaged the City Clerk's Office, Finance, Economic Development, Code Enforcement and the City Attorney to work together to draft language that would effectively regulate short term rentals and a process to support those regulations.

Research: Planning staff researched the City of Fort Collins, Boulder, Denver, Durango, Arvada, Wheat Ridge, Littleton, Jefferson County, Nashville, and Santa Fe to find out if those cities had ordinances in place, some specifics about their ordinances, whether rentals were allowed in both primary residences and non-primary residents, if a license was required, if neighborhood notification was required, if there was a concentration limit, zoning limitations, and license fees. (Attachment C).

<u>Financial</u>: Additional research led staff to believe that the best way to track STRs is through a 3rd party vendor which would require an RFP and contract. Staff visited with one such vendor, iCompass (Attachment D), who along with other services, can provide a list of STRs currently using rental websites to advertise. iCompass is currently showing 338 unique rentals which already exist in the City of Lakewood. They have the means to keep the list current and could provide it to staff on a weekly basis. For the entire package offered by iCompass, the cost is approximately \$30,000 annually. If the city wishes to only have the Address Identification module, the cost is \$11,118 annually.

<u>Staff Recommendations:</u> If City Council wishes to allow short term rentals in the City, staff is recommending purchasing an Address Identification module only and an ordinance be drafted implementing licensing of short-term rentals through the City Clerk's Office, that may include the following:

- License required to operate a STR
- Allowance of short-term rentals in all residential zone districts
- Rental of primary residence only
- Provide Site Plan to scale showing all building and parking areas
- Mandatory one off-street parking spot for renter
- License is non-transferrable
- Provide brochure with 24/7 contact information and safety information to renter and city
- Must possess a valid city sales/use/accommodation tax license
- Licensee must have permission from the landlord or property owner to operate a STR
- STR must meet all applicable zoning regulations
- Provide proof of property insurance identifying unit as a rental unit
- Licenses be administratively processed and approved by City Clerk
- Ability to revoke licensee for non-compliance with licensee requirements or other city codes
- Complaint, hearing, and appeal processes
- Set application fee and annual license fee by Resolution

Proposed Next Steps:

- Obtain feedback from Council on staff recommendations.
- If favorable to move forward, ask for community input via Lakewood's Public Engagement Tool
- Draft ordinance
- Schedule 1st and 2nd reading/public hearing on ordinance
- RFP/Contract for 3rd party vendor Address ID Module

Attachments:

- A 2013 Memo
- B Draft Ordinance
- C Local Comparisons
- D iCompass PowerPoint



City of Lakewood

Planning Department

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MEMORANDUM

TO: Planners and Code Enforcement Officers

FROM: Travis Parker, Planning Director

DATE: March 18, 2013

SUBJECT: Unnamed Use – Short-Term Rentals

BACKGROUND

Code Enforcement has asked for clarification regarding short-term rental housing uses. "Short-term rental housing" generally means a dwelling unit that is rented for a period of less than 30 consecutive days. Code Enforcement has asked Planning to clarify where short-term rental housing uses may be permitted in the city.

Article 4 of the Lakewood Zoning Ordinance identifies land use categories and their relationship to zone districts to ensure the appropriate location for different types of land uses within the City of Lakewood. Because Article 4 does not specifically address short-term rental housing uses, this type of land use shall be regulated as an unnamed use, as described below.

UNNAMED USE PROVISIONS

Per Section 17.4.1.3 (Determination of Use) of the adopted Zoning Ordinance, any use that is not clearly identified in the use table shall be assigned to an existing use category by the Director in accordance with the following:

- A. Upon receipt of an application for a use that is not clearly identified within the use table, the Director shall determine whether the proposed use is both similar to, and compatible with, uses specifically named within the particular zone category.
- B. In determining whether the proposed use is similar to, and compatible with a specifically named zone category, the Director shall consider, among other relevant factors, traffic generation, density of population, and hours of operation of the proposed use as compared to:
 - 1. Known uses within a zone category; and
 - 2. Characteristics of zone categories that permit a similar use; and
 - 3. The goals and policies set forth in the Comprehensive Plan.



C. Any appeal by the applicant of a decision by the Director regarding an unnamed use shall be made to the Planning Commission. In deciding the appeal, the Planning Commission shall apply the same standards used by the Director.

DIRECTOR'S DETERMINATION

I have reviewed the short-term rental housing use and compared it to other named uses in Article 4, including;

Residential Uses:

• Single-Family: A building designed for occupancy by one household on one lot.

Commercial and Light Industrial Uses

- Bed and Breakfast: A single-family detached dwelling where short-term lodging is provided through the rental of individual rooms to the general public, with common dining and cooking facilities
- Hotel: A building designed and used as sleeping accommodations for usually transient occupancy, with access to the rooms available through a lobby. A hotel also may provide additional services such as restaurants, meeting rooms, and recreational facilities.
- Motel: A building designed and generally used as sleeping accommodations for transient occupancy offered to the public for compensation, and where access to and from each room or unit is through an exterior door.

The summary table below identifies where these uses are contemplated within each zone district within the City of Lakewood.

		Zone District														
		Residential				Mixed Use				Commercial and Light Industrial						
	R-1-43	R-1-18	R-1-12	R-1-9	R-1-6	R-2	R-MF	к-мн	N-M	M-G	M-C	M-E	M-R	C-R	3	LI-RD
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Single-Family	Р	Р	Р	Р	Р	Р	Р		Р							
	Commercial and Light Industrial Uses															
Bed and Breakfast	S	S	S	S			S		S							
Hotel										Р	Р	Р		р		
Motel										P				р		

P = Permitted A = Accessory S = Special L = Limited [blank] = Prohibited

Because short-term rental housing units are typically full dwelling units rather than primarily sleeping accommodations, I have determined that this unnamed use is not similar to and compatible with the hotel and motel uses categories.

Based on considerations such as traffic generation, hours of use, and common activities associated with the use, I have determined that the short-term housing rental use is generally most similar to the bed and breakfast use.

This unnamed use determination is supported by the following goals and policies of the Comprehensive Plan:

- 1. Ensure that development interacts appropriately with adjoining land uses... (General Land Use)
- 2. Facilitate a diverse mix of land uses ... for infill projects while considering impacts on surrounding neighborhoods (Residential)

This unnamed use determination also promotes the purpose and intents of the residential zone districts. Specifically, Section 17.3.1 states:

Residential districts are established to provide a range of housing types, from large-lot single-family detached to medium density multifamily development, while fostering cohesive neighborhoods and allowing for transitions between neighborhoods and mixed-use, commercial, and industrial areas. The residential zone districts are primarily intended to:

- A. Create, maintain and promote a variety of housing opportunities that meet the diverse economic and social needs of residents;
- B. To maintain and promote the desired physical character of existing and developing neighborhoods;
- C. Where appropriate, protect the scale, character and unique appeal of existing residential neighborhoods; and
- D. Allow for appropriate public and institutional services and facilities, such as schools, parks and recreational uses, religious institutions, and transportation infrastructure.

ZONING REQUIREMENTS FOR SHORT-TERM RENTAL HOUSING

Short-term rental housing uses may be permitted in the R-1-43, R-1-18, R-1-12, and R-1-9 zone districts, with a Special Use Permit, subject to the supplemental use standards outlined in Section 17.4.3.G for bed and breakfasts. Specifically, the supplemental use standards for bed and breakfasts are as follows:

Where identified as a special use, a bed and breakfast shall be subject to the following:

1. A bed and breakfast shall be operated by an individual who occupies the dwelling unit as a primary residence.

- 2. All bed and breakfast structures shall comply with all dimensional standards of the applicable zone district.
- 3. Food service shall be restricted to guests of the bed and breakfast.
- 4. The exterior of a dwelling unit may be modified for a bed and breakfast. However, the exterior shall be similar in appearance to that of the surrounding residential character of the neighborhood in which it is to be located including, but not limited to, materials, color, roof pitch and detailing.
- 5. Signage shall comply with the standards set forth in Article 9.
- 6. All off-street parking required for the bed and breakfast, with the exception of the spaces required as part of the primary residence, shall be located behind the primary structure.
- 7. Parking shall be provided in accordance with Article 8.
- 8. A bed and breakfast shall be subject to the major site plan process, as described in Article 2, and the general design and development standards in Article 7.



Planning Department

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TO: City Council

CC: Travis Parker, Planning Director

FROM: Paul Rice, Planning – Development Assistance

DATE: October 17, 2016

SUBJECT: Zoning Ordinance - Proposed Amendments 2016

Background

Upon creation of the new zoning ordinance in 2012, Council and staff recognized that the ordinance will continue to need amendments from time to time. For this reason, Planning staff tracks issues that arise and proposes regular updates to the code. Based upon almost four years of use and the evaluation of multiple projects under the zoning ordinance, the Planning Commission and city staff are again proposing a series of minor zoning ordinance amendments.

The proposed amendments to the zoning ordinance were reviewed by the Planning Commission at a study session on June 29, 2016. The Planning Commission then held a public hearing on July 6, 2016 and recommended that the City Council approve the proposed amendments by a vote of 6-0 with no amendments proposed by the Planning Commission. There was no public comment on the proposed zoning ordinance amendments.

Summary of Amendments

With this third series of zoning amendments, the Planning Commission and city staff are not proposing any changes to Articles 1, 10 and 11 of the Lakewood Zoning Ordinance.

In addition to this summary memo for the zoning ordinance amendment proposal, you will find in your packets a redlined copy of Articles 2, 3, 4, 5, 6, 7, 8, 9, 12, and 13. These are the articles in the zoning ordinance where you will find proposed amendments. The proposed amendments to the zoning ordinance are intended to:

- 1. Clarify a standard that presently exists in the Zoning Ordinance; or
- 2. Modify a standard that presently exists in the Zoning Ordinance when issues were identified during implementation of the standard; or
- 3. Provide for a new standard when an expected standard was not addressed in the Zoning Ordinance; or
- 4. Address spelling and grammatical changes.

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The changes proposed do not include a full overhaul of the sign code (Article 9) that has been discussed by Council and that is necessary in light of recent court decisions. Staff has begun a thorough review of Article 9 and will propose a complete rewrite after review of new legal considerations and public input. The changes to Article 9 included here do not address these bigger fixes, but are minor, temporary changes to the existing code.

The following is a summary of the proposed amendments, organized by Article. Proposed amendments to the zoning ordinance are as follows:

Article 2

Sections - 17.2.3.4.E; 17.2.4.3.B; 17.2.5.4.A.3 and B.5; and 17.2.6.4.A.3 and B.5 - Waiting period for resubmitting denied applications

Prior to the 2012 code amendments, planning applications denied by the Planning Commission, Board of Adjustment, or City Council or withdrawn by the applicant could not be resubmitted for a period of 6-months. This provision was not carried over into the new ordinance. Staff recommends reinstating this provision by applying a 6-month waiting period before resubmitting a denied rezoning, special use permit, variance, or waiver request.

Section 17.2.4.2.D - SUP Review Criteria

The review criteria for Special Use Permits in Section 17.2.4.2 does not currently include consistency with the Comprehensive Plan. The Planning Commission has requested that consistency with the Comprehensive Plan be added to the SUP approval criteria.

Sections 17.2.5.2.A and B; and 17.2.5.3.F - Allow for Design Variances

Article 2 allows for two types of possible relief from zoning standards; variance and waiver. The variance application is for instances of hardship, when an applicant is unable to meet a standard. The waiver application is for instances when a standard could physically be met, however an applicant proposes a solution that better accomplishes the intent of the standard.

Currently, design requirement changes (e.g. façade standards, window requirements, etc.) are only allowed through the waiver process. In order to accommodate those instances where applicants have a hardship that prevents compliance with a design standard, staff recommends adding language to allow variances to design standards.

Article 3

Sections 17.3.4.2; A; B; D; and E - Mixed-Use District Descriptions

Staff proposes additional language to further clarify the intent and purpose of the mixed-use zone districts. The mixed-use district designation is intended to allow for a variety of land uses to occur within each of the district descriptions with emphasis on project scale and form. Mixed-use development may occur as a single use within a larger neighborhood, be vertically and/or horizontally integrated, or may occur as a single use building, development with many buildings and uses.

Article 4

Table 17.4.1 - Allow Horticulture as a Primary Use

Horticulture, which includes growing food either indoors or outdoors, is currently allowed in most zones only as an accessory use. This means it must be secondary to another allowed use and is currently only allowed as a primary use in the R-1-43 zone. Staff has received multiple inquiries from property owners

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requesting horticulture as a primary use, either as a temporary use on undeveloped land or a permanent reuse of old industrial/commercial spaces. Staff recommends changing horticulture to an allowed primary use in all zone districts.

Table 17.4.1; Section 17.4.3.1.A.1 through 5 - Allow Accessory Dwelling Units in CR, LI and LI-RD Zones Accessory dwelling units are currently allowed as a limited use in residential and mixed-use zones, but not in the non-residential zones, CR, LI and LI-RD. Some uses in non-residential zones, such as animal boarding, warehousing or medical facilities will commonly have an accessory living space for the needs of overnight staff. Based on this need, staff recommends adding accessory dwelling unit as a limited use in the CR, LI and LI-RD zones subject to the same standards as such units in the mixed-use zones.

Section 17.4.3.1.D.2.a - Increase Allowed Number of Ducks and Chickens

Based on discussions with many Lakewood residents, the four chickens that are currently allowed in residential zones are not sufficient to allow for a consistent egg production cycle. Staff recommends raising the number from four to six.

Section 17.4.3.1.D.2.b - Allow Neutered Goats and Change Containment Requirements

Staff has also learned from Lakewood residents and additional research that having a neutered male goat (wether) alongside female dwarf goats can help with the animals' socialization and aid in milk production. The attached changes include the ability to have one wether among the three currently allowed dwarf goats. Moreover, the current requirement for indoor containment area of 30 square feet per goat has been shown to be excessive. Staff recommends that the minimum enclosed area be changed to 10 square feet per goat.

Section 17.4.3.1.K - Correctional Institution

At the request of City council, staff proposes to add supplemental standards for the "Correctional Institution" use that will require City Council approval for facilities larger than 100 beds. This amendment was not included in the Planning Commission amendment packet.

Section 17.4.3.1.P - Standards for Mini-Warehouse Storage

After review of three applications for self-store buildings in the past year, the Planning Commission has requested that the supplemental standards for mini-warehouse storage, include dimensional requirements which will allow for ground floor commercial uses. These standards will require a minimum 14-foot floor to ceiling height, that 60% of any build-to-zone requirement be designed for commercial space, and a minimum commercial space ground floor depth of 40-feet. While the commercial use will not be required, the ground floor space must be designed to these standards to accommodate commercial land uses.

Section 17.4.3.1. AA - Short-term Rental

Staff has received numerous inquiries from Lakewood residents regarding the regulations for short-term rentals. At this time there are no standards in the zoning ordinance which regulate short-term rentals. Staff proposes a zoning amendment which will allow a resident of Lakewood to rent there home short-term if the home is the primary residence of the property owner. This amendment was not included in the Planning Commission amendment packet.

Article 5

17.5.1.3.A - Setback Measurements

Staff proposes language that will clarify that setbacks are measured from the foundation of a building.

Table 17.5.1 - Remove Outdated Requirement for Rear Yards

The previous set of zoning amendments in 2014 clarified that lots with more than one front do not require a rear setback. It is proposed to remove language from Table 17.5.1 that requires one rear and side setback for lots with two or more street frontages.

Table 17.5.1 - Height of Accessory Dwelling Units

The intent of accessory dwelling regulations approved in 2012 was that they would be allowed on the second story of accessory buildings, such as garages. The existing 20-foot height limit for accessory structures in most residential zones, however, has made this impossible in several cases. Staff proposes allowing accessory buildings with ADUs to be built to 30 feet in order to accommodate the accessory units on a second story.

Section 17.5.3.2 - Design Standards for Required Second Stories

The zoning ordinance requires a second story for projects within Transit contexts and the Mixed-Use Core Urban (M-C-U) zone, however there is no design guidance as to what constitutes a second story. Staff has proposed requirements that second stories be at least 50% as deep as the ground floor and at least 50% as wide.

Sections 17.5.3.6.B.1.a and C.1.a - Reduce Required Depth of Commercial Spaces

Commercial developers have expressed a desire to have flexibility in the minimum depth requirement for ground floor commercial space. The industry standard varies between 40 to 60 feet in depth based upon the proposed commercial use, site dimensions, location etc. The proposed amendment will reduce the existing requirement from a 60-foot minimum to a 40-foot minimum.

Section 17.5.3.6.D.1 - Waive Minimum Residential Density for Existing Homes in M-N

The M-N districts have a minimum density for residential development, however there are many existing residential homes in the M-N zones that are non-conforming for those standards. Adding units to those buildings would currently require conformance with the minimum density, which is not always possible on existing sites. The proposed amendment language will allow for additional units on existing buildings in the M-N districts to be constructed without meeting the minimum density requirement.

Section 17.5.5.1.B.2 - Large Accessory Structures

Staff proposes language to clarify that the height of a large accessory structure is measured consistently with height measurements for any principle structure.

Article 6

Section 17.6.2.1.E.2 - Entrance Requirements for Townhomes

Staff proposes a new requirement that townhouse residential buildings provide a main building entry that faces a public street when the building is adjacent to a street. This standard is consistent with the mixed use building standards in Article 7.

Section 17.6.3.1.F - Adding Recycling to Site Plan Review

Currently, staff reviews trash enclosures under the standards of Section 17.6.3.1. Staff proposes adding the term "recycling" to the standard for service areas. New service areas would be evaluated for the ability to hold both refuse and recycling containers.

Section 17.6.4.1.G - Standardizing Building Separation

There is a minimum building separation of 15 feet where walkways are provided between parallel buildings. To ensure that residential developments adjacent to lot lines where additional development may occur off-site, a text amendment is proposed to ensure that the 15 foot building separation is maintained by requiring 7.5 feet between the building and the lot line.

Section 17.6.6.2 - Fences for Recreational Uses

A new height standard of 10 feet for recreational fences is proposed for residential developments. This will allow for taller fences for tennis and basketball courts, swimming areas, play fields and other recreational areas. This text amendment is consistent with the recreational fence standard in Article 7.

Article 7

Section 17.7.2.4.A - Clarify Building Transparency Requirements

Clarifying language, but no substantive changes have been proposed to the building transparency requirement.

Section 17.7.3.1.F - Adding Recycling to Site Plan Review

Currently, staff reviews trash enclosures for non-residential buildings under the standards of Section 17.7.3.1. Staff proposes adding the term "recycling" to the standard for service areas. New service areas would be evaluated for the ability to hold both refuse and recycling containers.

Section 17.7.4.1.G - Standardizing Building Separation

There is a minimum building separation of 15 feet where walkways are provided between parallel buildings. To ensure that residential developments adjacent to lot lines where additional development may occur off-site, a text amendment is proposed to ensure that the 15 foot building separation is maintained by requiring 7.5 feet between the building and the lot line.

Section 17.7.6.3.A.6 - Adding Context Distinctions to Car Wash Standards

While not generally compatible with the intent of the urban or transit contexts, car wash facilities are currently allowed without distinction by context. Staff proposes prohibiting car wash facilities in the transit context.

Article 8

Section 17.8.1.3 - Clarify Auto Sales Parking Requirements

Staff has found a need to clarify how the parking requirement for motor vehicle sales are calculated. The gross building area is to be used to determine the parking calculation and the outdoor vehicle display area will not count as part of the area used to calculate the parking requirement. This will also result in a consolidation of the indoor and outdoor parking requirements in Table 17.8.1

Table 17.8.1 - Lower Bicycle Parking Requirements for Mini-Storage

Mini-storage facilities generally have very large building square footage calculations and result in very high bicycle parking counts. Since most visits to these facilities are delivering materials for storage in a

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vehicle, the long-term bicycle parking standard is proposed to be reduce by half and short term bicycle parking is proposed to be eliminated.

Table 17.8.1 - Simplifying Table for Motor Vehicle Sales Parking Requirements

The parking provisions for indoor and outdoor display for motor vehicle sales have been consolidated into one use category.

Section 17.8.6.1 - Expand Gravel Prohibition to Similar Materials

Gravel and other similar materials are prohibited parking surfaces for developments other than single-family and duplex uses. The proposed amendment would also apply to similar materials such as parking lot millings and recycled compacted asphalt and/or concrete.

17.8.7.2.A and B - Rules for Parking Areas with Fewer than 25 Spaces

The existing ordinance does not specifically address how to apply sidewalk standards to parking areas with 25 or fewer parking spaces. Staff recommends changing Section 17.8.7.2 to require sidewalk connections for parking lots with 25 or fewer parking spaces.

Article 9

Section 17.9.1.4.B - Prohibiting Video Screens

Currently all electronic and digital display signs are identified together as "digital display boards." As technology changes, Lakewood is seeing an increasing number of video display boards which are basically like huge televisions. The Planning Commission and staff recommend separating electronic boards that display only text from signs that have the capability to display moving video. The proposed amendment would add video boards to the list of prohibited signs. This amendment will also require two amendments to the definition section of the zoning ordinance (Article 13).

Section 17.9.2.3.A.2.a - Allow Tenant Identification Sign on Two Story Buildings

The existing major tenant identification sign standard of three or more floors does not allow existing twostory buildings that been repurposed or redeveloped to have a tenant identification sign. The proposed change is to reduce the story requirement from three to two stories. This would allow for an equal sign allotment for all multi-story buildings.

Section 17.9.2.3.A.4.d - Remove Height Limit for Wall Signs

Wall signs on commercial buildings are currently cannot extend more than 25 feet above ground. This standard creates odd placement issues for large single story commercial buildings and all building types that have more than one story specifically buildings with windows above the first floor. The proposed amendment will remove the maximum sign height placement standard to allow for more options in the placement of wall signs.

Table 17.9.1 - Add Standards for Roadside Stand Signs

Article 4 states that roadside stands shall comply with signage requirements of Article 9, but currently none exist for this use. Staff proposes adding a standard for this use to the sign table.

Article 12

Section 17.12.2.B.2 - Vertical Additions to Homes

Currently no non-conforming buildings may be expanded vertically. Staff proposes allowing single-family and duplex dwellings that have non-conforming setbacks to have upper story additions.

Section 17.12.5.A.3 - Non-Conforming Signs May Not Add Digital Display

Existing nonconforming signs are allowed to be reused if they are not structurally altered. The proposed text amendment will clarify that nonconforming signs may not replace a sign face with a digital display.

Article 13

Section 17.13.2 - Distinguishing Digital Display from Electronic Video

As described in the Article 9 changes, a new definition is being added for electronic video sign and the existing definition for digital display sign is being amended.

SHORT TERM RENTAL - LOCAL COMPARISON CHART 2017

CITY	STATUS	SPECIFICS	PRIMARY RESIDENCE	NON-PRIMARY RESIDENCE	TAX REQUIRED
FORT COLLINS	ADOPTED	SPECIFIC TO STR LESS THAN 30 DAYS - ALLOWED IN PRIMARY & NON-PRIMARY RESIDENCE	Yes	Yes. No more than 3/ person	Sales and Lodging
BOULDER ADOPTED		SPECIFIC TO SHORT-TERM RENTALS LESS THAN 30 DAYS - ALLOWED IN PRIMARY RESIDENCE ONLY	Yes	No	Yes
DENVER	ADOPTED	SPECIFIC TO SHORT-TERM RENTALS LESS THAN 30 DAYS - ALLOWED IN PRIMARY RESIDENCE ONLY	Yes	No	Yes
DURANGO	ADOPTED	SPECIFIC TO SHORT-TERM RENTALS LESS THAN 30 DAYS - ALLOWED IN PRIMARY & NON-PRIMARY RESIDENCE	Yes	Yes	Not mentioned on Website
ARVADA	INTERPRETATION	RENTING A HOME OR A PORTION OF A HOME FOR LESS THAN 30 DAYS IS NOT ALLOWED			
WHEATRIDGE	INTERPRETATION	RENTALS FOR 7 DAYS OR MORE ARE ALLOWED UNDER ROOM AND BOARD DEFINITION. ANYTHING LESS IS NOT ALLOWED.	Yes		
LITTLETON	NO SPECIFIC LANDUSE REGULATION	MUST COMPLY WITH HOUSEHOLD/ROOM AND BOARD DEFINITION. MUST OBTAIN A BUSINESS LICENSE.			
JEFFERSON COUNTY	ADOPTED	ALLOWED IN AND RESIDENTIAL ZONE DISTRICT AND MUST OBTAIN A SHORT TERM RENTAL PERMIT, APPROVED BY THE BOARD OF ADJUSTMENTS	No	Yes	
LAKEWOOD	INTERPRETATION	ALLOWED IN CERTAIN RESIDENTIAL ZONE DISTRICTS ONLY WHEN THE OWNER HAS OBTAINED A SPECIAL USE PERMIT FOR A BED AND BREAKFAST. OTHERWISE, RENTALS LESS THAN 30 DAYS ARE NOT ALLOWED IN RESIDENTIAL ZONE DISTRICTS.			
NASHVILLE	ADOPTED	SPECIFIC TO SHORT-TERM RENTALS LESS THAN 30 DAYS - ALLOWED IN PRIMARY & NON-PRIMARY RESIDENCE	Yes	Yes	Yes

		SPECIFIC TO SHORT-TERM RENTALS LESS THAN 30 DAYS - ALLOWED IN PRIMARY & NON-PRIMARY		Not originally,
SANTE FE	ADOPTED	RESIDENCE	Yes	just started

CITY	LICENSE REQUIRED	NEIGHBOR NOTIF.	CONCENTRATION LIMIT	ZONING LIMITATIONS	OTHER	FEES
FORT COLLINS	Yes, non- transferrable	Yes	1 per block face in NCM & NCL	No, except for concentration limits	N/A	\$200 first time; \$100 2-year renewal
BOULDER	Yes, non- transferrable	No	No	Occupancy limits determined by zone	N/A	\$130 first time; \$105 for 4 year license
DENVER	Yes, non- transferrable	No	No	No	N/A	\$25 annually
DURANGO	Yes, non- transferrable	Yes, 300 ft radius	Yes, concentration limits by zone including total number & by block face	Yes, only allowed in certain zones	Site visit and inspection. Property posted. Parking requirements .	\$750 first time
ARVADA						
WHEAT- RIDGE						
LITTLETON						
JEFFERSON COUNTY	STR permit and BOA approval required	Local Primary and Secondary contact info to each adjacent neighbor.	No, Allowed in all residential zone districts		building must meet all building & zoning codes, property must be 1 acre.	
LAKEWOOD						
		Only to neighbors				
NASHVILLE	Yes, non- transferrable	sharing common wall or driveway	Yes, Non-primary only; 3% limit by census tract	N/A	No more than 4 sleeping rooms.	\$50 annual

	Permit in Residential Zones;		Cap of permits in some areas, number may be changed where cap is met. Some units may not			
	Registration in non-		be rented more than 17x a year.			\$100-\$325 annually
SANTE FE	residential zones	Yes, within 200 ft	No directly adjoining units.	Yes	Inspections	depending on type









Cost-effective solutions to Lakewood's short-term rental monitoring and compliance problems

March, 2018

Agenda

- Introductions
- U.S. and Lakewood Specific Market Context
- The Host Compliance Solution
- Discussion and Next Steps





Introductions:



- Silicon Valley based technology company
- Only provider of short-term rental compliance monitoring technology for local governments
- Team of seasoned local government technology executives and data-scientists



Ulrik Binzer *Founder & CEO*

- Former COO of 2 VC backed companies
- Prior military officer and graduate of Harvard Business School
- Launched Host Compliance when asked by local town council to study possible ways to address its short-term rental compliance issues



- 17 years of local government software expertise
- Customer base of over 500 cities and public agencies across the United States and Canada.
- 100% focused on Local Government



Paul Hetherington *Chief Commercial Officer*

- Working with Local Government for over 20 years
- Love of technology and efficiency
- Focused on solutions with dramatic impact.
- Dad, Triathlete and graduate of British
 Columbia Institute of Technology





Broad set of stand-alone and integrated solutions for local governments







Agendas, Minutes & Digital Voting



Live Streaming for Public Meetings



Board Management



Public Records Request & Contract Trackers



Records Management



Short-Term VacationRentals



Today's Focus





More than 110 leading cities and counties are looking to Host Compliance for guidance, data and solutions to their short-term rental challenges

































































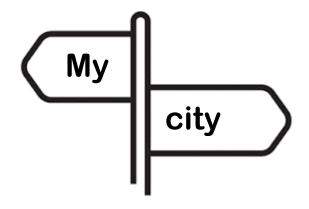
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Tell us a bit about you, Lakewood, and where you are in terms of regulating short-term rentals?











What are Lakewood's most important goals as it relates to short-term rentals?

- ✓ Reduce noise, parking, traffic and trash-problems

- ✓ Improve permit and tax compliance to increase tax revenue
- Ensure a level playing field between law abiding traditional lodging providers and illegal short-term rentals
- Reduce tension between short-term rental property owners and their neighbors



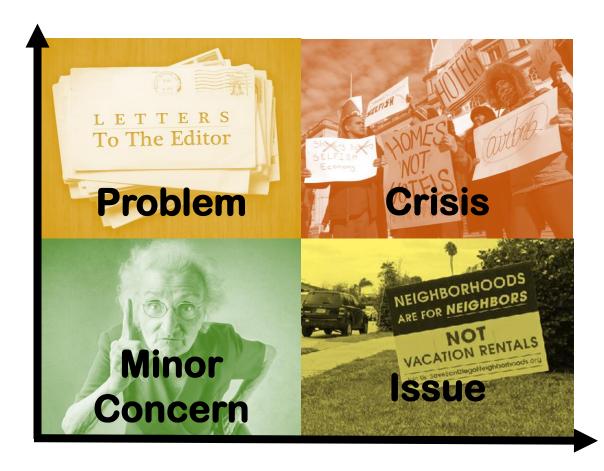


How big of a problem are short-term rentals in Lakewood?

Many

Complaints

Few



Cold

Debate Temperature

Hot





Market Context: AirBnb, VRBO and 100's of other vacation rental websites have turned vacation rentals into a booming underground economy...



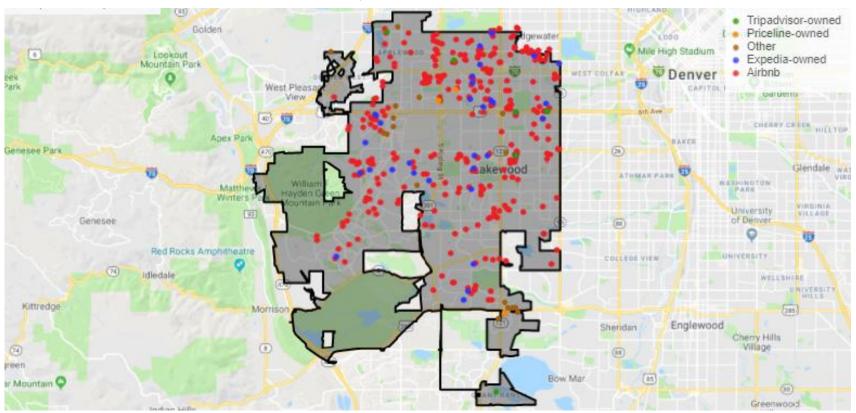
Sources: ReCode.net - AirBnB Growth





...and in Lakewood we have identified 369 listings, representing 338 unique rental units*

Short-term rentals in Lakewood as of March, 2018



Sources: Host Compliance proprietary data

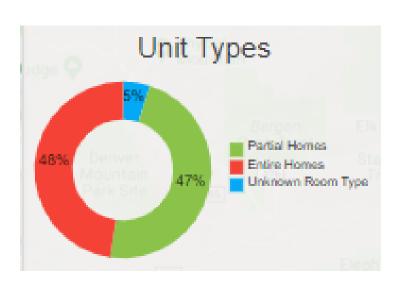
^{*} Host Compliance's pricing is based on the count of listings and rental units that would need be to analyzed and monitored for compliance. In terms of listings, this number is 436 as we will expand our search area by several hundred yards beyond the borders of Lakewood to capture all relevant listings.

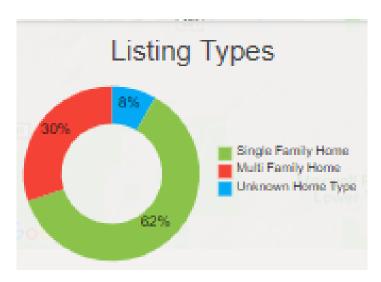




Lakewood Data Details





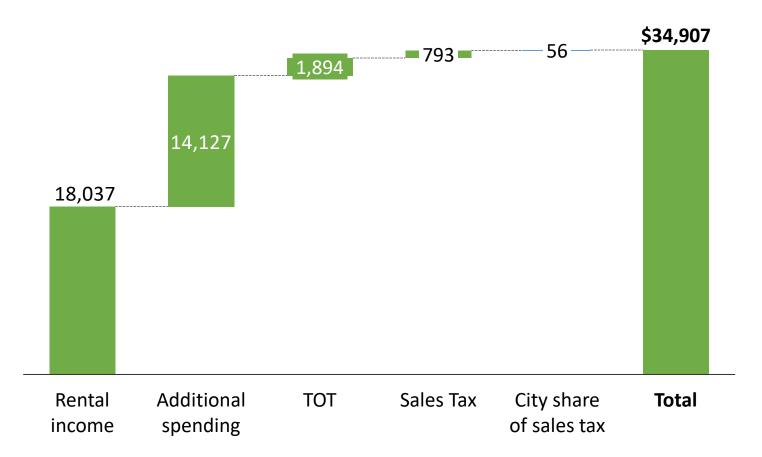






The Good: Short-term rentals can drive significant economic growth..

Estimated Annual Economic Impact per STR in the City of San Diego



Source: National University System Institute for Policy Research (October 2015)





The Bad: Short-term rentals can displace long-term tenants, alter the neighborhood character and raise legitimate parking, noise, safety, trash and fairness concerns

Conversion of long-term rentals into STRs can affect housing availability



Increased tourism can change the neighborhood character



Visitors don't always know (or follow) local rules



Short-term renters may not care about keeping good neighborly relations



Increased occupancy can have negative trash related side-effects



Unfair competition from VRBOs can cause conflicts and hotel job losses







In some communities short-term rentals have caused significant neighborhood tension



"It is loud, and there is live music and karaoke stuff, and it's all done outside because of the pool. They're out in front at 4 in the afternoon waiting for their Uber to come, drunk on the front lawn."

Emmy Jodoin

"We did not buy our house to be living next to a hotel. Would you buy a home if you knew a hotel like this was operating next door, if you wanted to set your life up and raise a family?"



Jessica C. Neufeld



Hazel Old, age 11

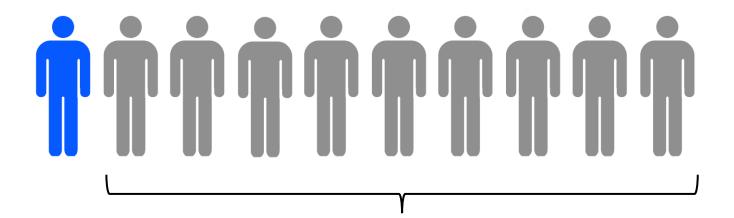
"Sometimes, when they are outside, they're playing beer pong just wearing their underwear"



Source: New York Times article: "New Worry for Home Buyers: A Party House Next Door", October 10, 2045

Without proper enforcement, only a fraction of short-term rentals will get registered and pay their fair share of taxes

IN GENERAL LESS THAN 10% OF STR OWNERS VOLUNTARILY GET A PERMIT AND PAY ALL OF THEIR HOTEL TAXES



Large potential for increasing permit fee and tax collection





Unfortunately manual compliance monitoring and enforcement is ineffective and prohibitively expensive

- Rental property listings are spread across 100s of different websites
- ☑ Manually monitoring 100s of properties is practically impossible as listings are constantly added, changed or removed
- ✓ Address data is hidden from listings making it time-consuming or impossible to locate the exact properties and identify owners
- ✓ It is practically impossible to collect taxes as there is no easy way
 to find out how often the properties are rented and for how much
- ☑ The vacation rental platforms refuse to provide the detailed data necessary for enforcing local ordinances
- Manual compliance monitoring and complaint-based enforcement often leads to claims of selective enforcement





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Services tailored to your timeline

Pre-Ordinance

- ✓ Online Ordinance Assistant tool

- ✓ Peer Introductions
- ✓ APA Short Term Rental Online
 ✓ Course
- ✓ Free draft review
- ✓ Consulting and facilitation

Post-Ordinance

- ✓ Post Ordinance Monitoring and Compliance services
- ✓ Mobile Permitting and Registration





Ways we can help



Mobile Enabled Permitting and Registration: Mobile/web forms and back-end systems for streamlining Lakewood's permitting and registration processes and capturing payments, signatures and required documents



Address Identification: Online dashboard with complete address information and screenshots of all identifiable STRs in Lakewood's jurisdiction



Compliance Monitoring: Ongoing monitoring of STRs for zoning and permit compliance coupled with systematic outreach to illegal short-term rental operators (using Lakewood's form letters)



Rental Activity Monitoring and Tax Collection Support: Ongoing monitoring of Lakewood's STR listings for signs of rental activity. Enables data-informed tax compliance monitoring and other enforcement practices that require knowledge of STR activity level



Dedicated Hotline: 24/7 staffed telephone hotline for neighbors to report non-emergency STR problems





To accommodate any budget, our services are priced based on the number of listings that needs to be monitored

A STATE OF THE STA

Mobile Registration

\$14.79 /yr



Address Identification

\$25.50 /yr



Compliance Monitoring

\$13.50 /yr



Rental Activity Monitoring

\$18.00 /yr



24/7 Dedicated Hotline

\$10.80 /yr

Note: The exact scope of work can be adjusted to meet Lakewood's exact monitoring needs in terms of geography, listing sites, listing types and other variables





Affordable modular pricing tailored to Lakewood's needs

Mobile Registration

\$5,000 /yr



Address Identification

\$11,118 /yr



Compliance Monitoring

\$4,563 /yr



Rental Activity Monitoring

\$6,084 /yr



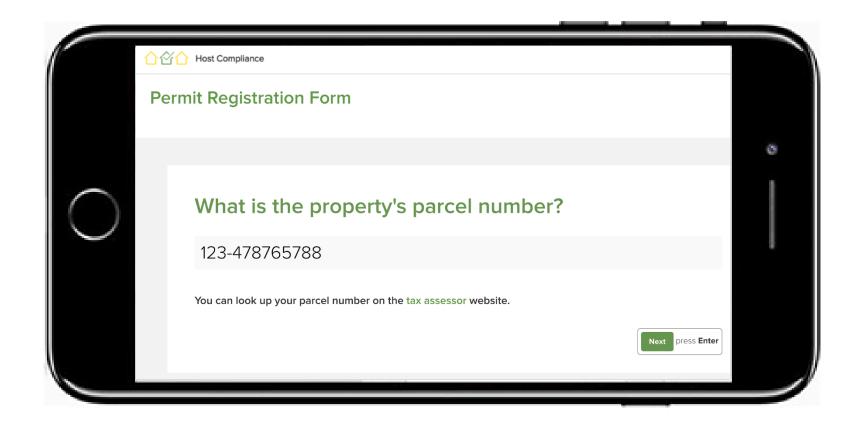
24/7 Dedicated Hotline

\$3,650 /yr

Note: Above pricing assumes 436 short-term rental listings and based in USD. Host Compliance would be happy to discuss alternative SOWs, contract terms, contract durations and pricing structures if that would be of interest.



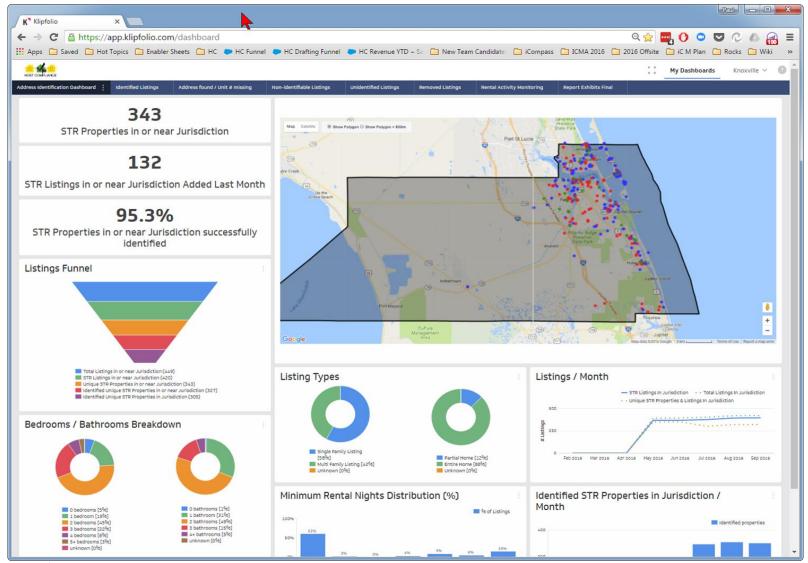
Mobile Enabled Permitting and Registration: Simplify Lakewood's registration/permitting process and significantly reduce the administrative costs on the back-end







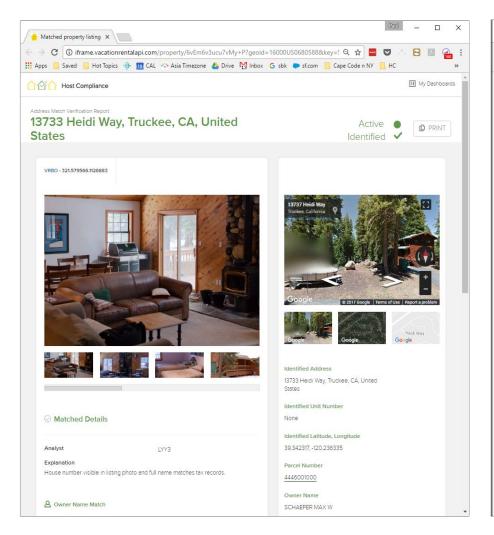
Address Identification: Get weekly reports on Lakewood's short-term rental activity incl. complete address information and screenshots of all identifiable STRs

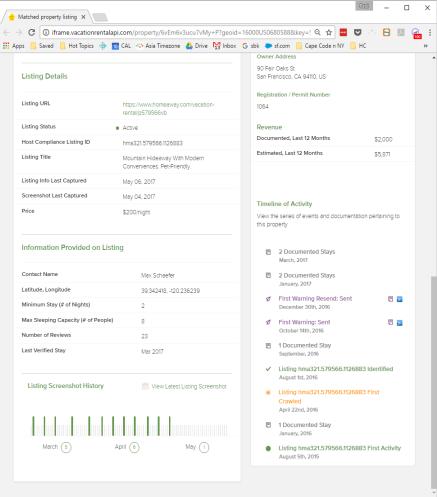






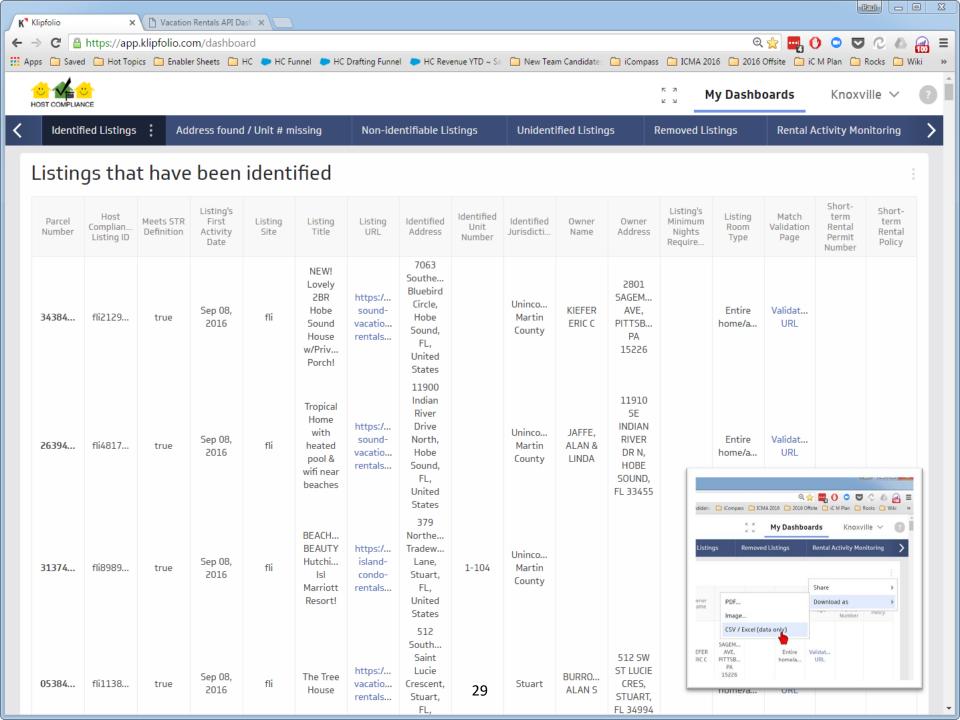
Address Identification: Complete listing information and screenshots of all identifiable STRs





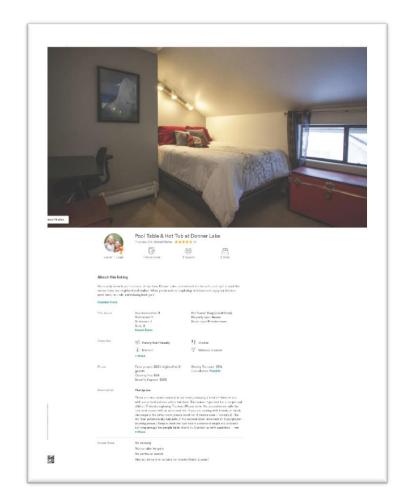






Compliance Monitoring: Put Lakewood's outreach efforts on auto-pilot by outsourcing the mailing of notices to non-compliant short-term rental operators

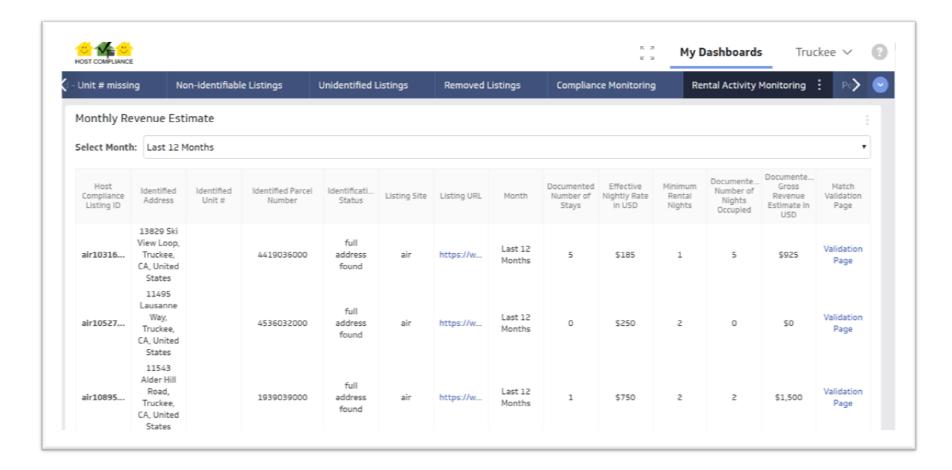








Rental Activity Monitoring: Easily identify tax fraud and prioritize and initiate tax audits by monitoring Lakewood's STR listings for signs of rental activity







24/7 STR Hotline: Make it easy for neighbors to report, prove and resolve non-emergency STR related problems in realtime

Step 1

Concerned neighbor calls 24/7 short-term rental hotline



Step 3

If property is registered, Host Compliance immediately calls host to seek resolution



Step 2

Complainant provides info on alleged violation and is asked to provide photo, video or other proof_of alleged violation



Step 4

Problem solved or escalated – Complaints saved in database so serial offenders be held accountable









KZ

My Dashboards

Knoxville V

0

≺ Non-identifiable Listings

Unidentified Listings

Removed Listings

Compliance Monitoring

Rental Activity Monitoring

Short-term Rental Hotline



Short-term Rental Hotline

Call ID	Call Time	Caller Name	Caller Callback Phone	Call Recordin	Reported Address	Reported Issue	Property Permit/ Number	Property Permit Contact Number	Call Contact Person for Propert	Contact Person Acknowl Call	Caller Request Automa Callback?	Caller Indicated Problem Resolved	Caller Transfer to Police	Caller- Provided Evidence
14579	3-Feb- 2017 14:50:27	Ulrik Binzer	415-715- 9280	Record	120 S Cortez St , Presco	Nuisance at a Short-term Rental: noise: A lot of noise at the property for a few hours and wants someone to look into it	12345	203- 23399	true	true	true			Eviden
14580	3-Feb- 2017 15:16:58	Ulrik Binzer	857-928- 0955	Record	120 S corcez street, Presea AZ	Nuisance at a Short-term Rental: loud party: please call (857)928-0955	12345	203- 23399	true	true	true			Eviden
15534	13-Mar- 2017 05:43:20	ANONY		Record	513 Copper Bason rd, Presco AZ	Unlicensed Short-term Rental: If this property is license the property owner needs to post the license.			false		false			
14671	8-Feb- 2017 18:33:26	Kate Dutton	415-539- 7921	Record	120 S. Cortez, Presco AZ	Nuisance at a Short-term Rental: loud party: very noisy. they are just trying to have some quiet time and it is	12345	203- 23399	true	true	true	true	false	Eviden
14939	20-Feb- 2017 09:20:41	BOB INTEM	928-239- 5686	Record	PARK AVE, preskit, AZ	Unlicensed Short-term Rental: Rental is not licensed and is posted as a mim. 1 night stay. Ronda is the listing name. 109-08-027D			false		false			
14941	20-Feb- 2017 10:28:14	Sue Knaup	928-541- 9841	Record	Presco Arizona	: There is a vacation rental above them. she has submitted plenty of complaints. 928-541-9841 .			false		false			
15110	27-Feb- 2017 11:30:47	Tom Martin	928-445- 3580	Record	1607 Idylwild Rd, Presco AZ	Unlicensed Short-term Rental: In regards to structure at location, only one window, lack of smoke detectors, and faulty electrical			false		false			Eviden

Benefits to using Host Compliance's services

- Ensures fair, continuous and consistent compliance monitoring and enforcement

- Minimizes the impact on local law and code enforcement agencies as complaints are first handled by our 24/7 hotline and routed to the appropriate property owner before further enforcement actions are triggered
- ☑ REVENUE POSITIVE in most cases, the additional permitting fees alone pays for Host Compliance's services several times
- Requires NO up-front investment or complicated IT integration
 -> we can be up and running in a couple of weeks
- **☑** 6 MONTH UNCONDITIONAL MONEY BACK GUARANTEE!





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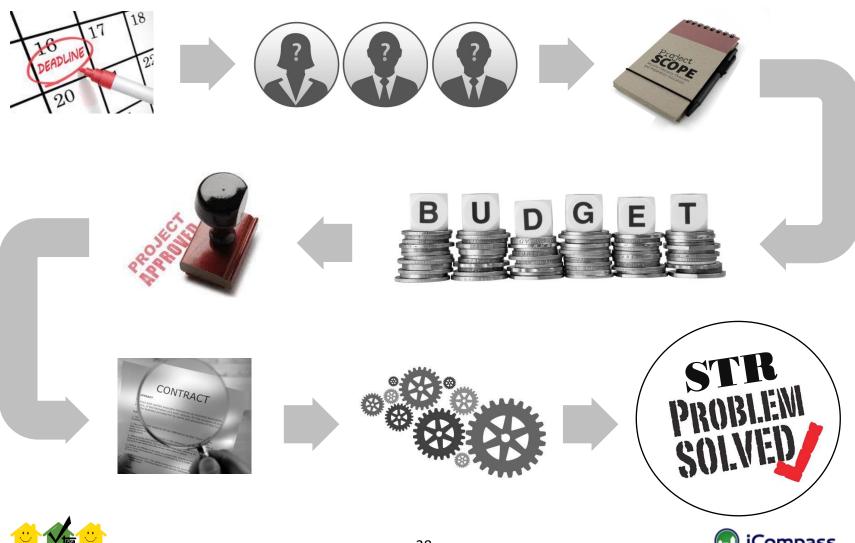
Feedback







Working backwards to a solution to Lakewood's STR problems







Next Steps

- ✓ Send you this presentation
- ✓ Set timeline to decide on best solution for Lakewood's needs
- ☑ Confirm timing of possible rollout (needed to secure Lakewood's place in the queue)





Contact info

Please feel free to contact us anytime if you have any questions about short-term rental regulation and how to best address the associated monitoring and enforcement challenges.

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