



Council Communication

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Version: 1

Status: Agenda Ready

In Control: City Council

File Type: Presentation

Short-Term Rental Registration

Summary and Background Information:

Short-term rentals are residential living spaces available to rent for short amounts of time. Shorter than a traditional lease, these range from 1-29 days. Short-term rentals (STR) are also commonly called vacation rentals. In March of 2022, there were 99 STR properties, units, or rooms operating within Commerce City. By January of 2024, the amount of STRs increased to 250. It is expected that this number will continue to increase. Many nearby municipalities utilize short-term rental regulations to track rentals, collect taxes, and adequately address concerns from residents. But Commerce City currently does not have regulations that guide the operations of these properties. In the absence of regulations, enforcement of any type is challenging, the City receives no tax benefit from these STRs, neighborhood conflicts exist, there is an impact on affordable housing, and absentee hosts may not provide proper oversight to their properties. By establishing short-term rental regulations, these issues could be addressed efficiently and fairly.

Staff have drafted regulation language, and that draft language is included in the packet. Current provisions of note in the draft language include the following requirements:

- All parking must be on an approved surface on the lot
- No STR shall be allowed in subsidized housing
- All hosts shall post the City's noise ordinance in a visible location
- The property owner must hold a business license from the City, and the unit must be registered as a short-term rental unit
- The business license number must be included in any advertisement of the short-term rental unit
- Before issuance of a permit, each property shall be inspected for compliance with all building and fire codes
- All platforms and managers of multiple rental properties must register and provide detailed records of rental activity and taxes

Staff is actively working to finalize the draft regulations and to calculate the appropriate fee for registering units and penalties for non-compliance. Staff intends to bring an ordinance and fee resolution to City Council at a later date.

Staff Responsible (Department Head): Jim Tolbert, Assistant City Manager

Staff Member Presenting: Jim Tolbert, Assistant City Manager

Financial Impact: Positive

Funding Source: N/A

Staff Recommendation: Direct staff to bring an ordinance and fee resolution back to Council.

Suggested Motion: Motion to direct staff to bring an ordinance and fee resolution back to Council.