



Commerce City

7887 E. 60th Ave.
Commerce City, CO 80022
c3gov.com

Council Communication

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In Control: City Council

File Type: Ordinance

AN ORDINANCE AMENDING SECTIONS 21-5263, 21-5400, 21-5420, 21-5450 and 21-11200 OF THE LAND DEVELOPMENT CODE PERTAINING TO THE REGULATION OF SHORT-TERM RENTALS

Summary & Background

On August 5, 2024, the City Council approved Ordinance 2583, which governs licensing for short-term rentals (STRs) within the City. At the time, it was not understood that an amendment to the Land Development Code (LDC) would be required in addition to the licensing regulations to fully allow STRs within the City. STRs are currently not allowed within the LDC.

Ordinance 2648, if approved, would amend the LDC to permit STRs as an accessory use to single-family detached and attached dwelling units and set operational parameters for this accessory use.

The proposed LDC amendments are consistent with the licensing provisions passed by the City Council earlier this year, with a couple of changes to better implement the intent that STRs should complement the city's residential neighborhoods but not otherwise supersede their residential character.

The following is a summary of the proposed changes to the LDC that differ from the original licensing requirements. Ordinance 2653 complements these changes by bringing the licensing regulations into alignment with the proposed LDC regulations.

Short-Term Rental Definition

Updates the definition of STRs to more clearly align the use with single-family detached and attached dwelling units and exclude STRs from operating within multi-family dwellings, which was the intent of excluding the use from the R-3 zone district in the initial licensing regulations.

The new definition also distinguishes between an STR and similar uses, such as motels and bed & breakfast establishments. The new proposed definition is as follows:

“the provision of lodging services within a single-family attached or detached dwelling unit, for compensation, to a person or persons for periods of less than 30 days, but excludes Bed and Breakfast Establishments and other Lodging Establishment uses.

Short-term rental does not include rental of a dwelling unit for meetings such as luncheons, banquets, parties, weddings, fundraisers, or other similar gatherings for direct or indirect compensation.”

The previous definition was drafted outside of a zoning context and would allow STRs to occur within any type of dwelling unit on any residential property within the city, irrespective of the zone district except for the R-3 zone district.

Accessory Use Only

The licensing provisions that were enacted unintentionally allowed full-time use of residential property as an STR.

The proposed LDC regulations would allow an STR only as an accessory use to household living within a single-family attached and detached unit within the R-1, R-2, R-3, or Agricultural (AG) zone district or any Planned Unit Development that allows single-family attached and detached dwelling units by right. The proposed zone districts allow for single-family attached and detached dwelling units by right. Even though the R-3 zone district allows for multi-family dwellings, STRs would not be allowed in apartments or condos.

Classifying STRs as accessory uses ensures that homes remain primarily for residential use. A dwelling unit cannot be solely used as an STR and must be otherwise occupied as someone’s long-term residence for the majority of the year. This essentially prevents full-time hotels from being established within residential areas.

Operational Standards

All operational standards included in the licensing regulations that would be more appropriate to be located in the LDC are included in the proposed LDC amendment with four modifications:

- Modified the maximum number of guests to no more than two per bedroom plus two. The original licensing provisions referenced the city’s residential occupancy limits, which are fairly complex and confusing. This simpler limit is intended to provide an easier-to-understand limit based on the number of bedrooms within a dwelling unit.
- Added a provision clarifying that only one STR rental can occur at any one time.
- In anticipation of the future code changes required for Accessory Dwelling Units, the code is drafted to allow STRs within an accessory dwelling unit as long as the main home is still primarily being utilized for a long-term residence.
- Clarified that no additional parking other than what is legally established on the property is required and in those situations where a property developed prior to parking requirements, parking is limited to a maximum of two cars parked on-street.

All other requirements originally proposed remain either in the LDC or in the licensing

provisions. To align the LDC and licensing requirements, Ordinance 2653 is being presented as a companion to the proposed LDC amendments.

A fuller explanation of the LDC amendment is included in the Staff Report attached to this agenda item.

Planning Commission Recommendation

Planning Commission reviewed the proposed LDC amendments and is recommending approval.

Staff Responsible (Department Head): Jeff Brasel, Community Development Director

Staff Presenting: Heather Vidlock, Planning Manager and Alex Van Zente, Policy Analyst II

Financial Impact: N/A

Funding Source: N/A

Staff Recommendation: Approval of Ordinance 2648

Action Alternatives:

Approve the ordinance with proposed changes;
Deny the ordinance; or
Continue the application to a subsequent City Council hearing.

Potential Motions:

Approval

I move to approve of Ordinance 2648, an Ordinance amending Sections 21-5263, 21-5400, 21-5420, and 21-11200 of the Land Development Code pertaining to the regulation of short-term regulations, on first reading.

Denial

I move to deny Ordinance 2648, an Ordinance amending Sections 21-5263, 21-5400, 21-5420, and 21-11200 of the Land Development Code pertaining to the regulation of short-term regulations, on first reading.

Continuance

- I move to continue discussion of Ordinance 2648 to:
1. The next regularly schedule City Council meeting; or
 2. A date certain.

Attachments:

Staff Report
Ordinance 2648
Exhibit A to Ordinance 2648 - Proposed Amendments
Exhibit B to Ordinance 2648 - Redline Amendments
Draft Planning Commission Minutes
Staff Presentation

