

Excerpt From 2018 Annual Meeting Minutes

Air B&B – Christine Groves, 15 minutes

At the 2017 Annual Meeting the residents voted to put together a committee to research Short Term Rentals. The committee has met twice. The Committee consists of Kathy Fletcher, Christine Groves and Charlotte Winzenburg. Charlotte sits on a Short Term Rental Advisory Committee in Denver and brings with her a wealth of knowledge.

Major cons were found to be:

- Safety and Security (not knowing who is coming and going)
- Neighbors taking the brunt of the disturbance for a commercial operation
- Increased traffic on our roads
- Partying into the night
- Enforcement issues
- Destabilization of the neighborhood
- Mixed use (residential and commercial)
- Fear of dropping home values
- Takes away affordable housing

The only pro we could come up with is that the owners' of these properties make a bunch of money.

That was the basis of the newsletter article. Quickly after that I received an e-mail from Laura Nesbitt and she writes:

Like with most things in life, nothing is all bad or all good. Here are some of the pros to short term rentals:

Short term rentals are well kept in tip-top shape, very well maintained. They have to be in a competitive market. With long term rentals (and we have evidence of this in our neighborhood), maintenance can & often does become deferred.

If a short term rental guest violates public intoxication or noise ordinances, or too many guests staying, they have to leave the premises. There is no long, drawn out eviction process. They have no domicile rights.

It is most often better to have a home occupied than sitting vacant. Would-be burglars try to avoid homes that are lived in.

Short term rental opportunities provide primary home owners a way to make occasional income from their largest investment, while they are on vacation, a work assignment, etc.

These are just a few pros. However, instead I believe we should focus the conversation on desired outcomes, because that is really where the focus needs to be. What are the outcomes that we want to achieve for both the community as a whole as well as individual home owners? Any changes to the covenants should be drafted with the desired outcomes in mind.

Christine Groves - There you have it in a nutshell. That is the data we have come up with so that we could continue the conversation. Park County does not have any regulations on short term rentals nor has any intention of regulating short-term rentals. On the other hand Jefferson County is quite extensive on their regulations. The committee also thought that the community should vote and regulate so that we would have continuity rather than Jefferson County has a set of rules and Park County has a different set of rules. If you vote today to disallow short-term rentals then it has to go to each block for a vote. If I vote not to have short term rentals in my block and the other two blocks vote to allow short-term rentals haven't I just short changed myself out of potential revenue? This all got really complicated quickly. If we disallow short-term rentals then people won't be coming into the neighborhood looking to purchase strictly for short-term rentals. If neighborhoods around us disallow short-term rentals, then people will come to our neighborhood to invest in short-term rentals. There's a lot of facets to this and there are a lot of moving parts to this.

Charlotte Winzenburg - short-term rental is defined as less than 30 days.

Christine Groves - as a community we can define what a short-term rental is.

Charlotte Winzenburg - has been working for four years in Denver on short-term rentals. Denver has had an ordinance for 1.5 years. It really is complicated. In Denver it must be the owner's primary residents. They find ways around that. They will be adding a limit on the number of guest that can stay. The problem she sees with rentals of less than 30 days is that the association will do all the work and all the policing. It is going to be hard to get an inspector up here on a Saturday night when police are busy doing other things.

John Carr – In Breckenridge they are getting to many people in a house. People are parking wherever they want to park. They don't have the value of ownership. What they found in Breckenridge is that the police don't understand and don't have the legal obligation to patrol and maintain control. The police show up ask that they keep the noise down and once the police leave the party continues. Sometimes the management companies that manage the short term rentals are not a local organizations, so who do you go to, to complain about trash and parking on my front lawn, etc. In Park County there was an incident where the owner did not allow dogs. Someone showed up with dogs. The owner called the police. The police told them there was no law against dogs and told them to work it out. It is the impact of the neighborhood and the neighbors that is the biggest issue. Don't think that the management company and the police are going to be the enforcers for what you might feel is detrimental to the neighborhood.

Christine Groves – I would like to speak to what the committee found and what Charlotte confirmed. Is that sometimes it is hard to find who owns the property. They advertise through AirBnB, they communicate through e-mail and you cannot contact them any other way, you cannot get a phone number. Sometimes they don't have a picture of the outside of the house. So you can't go out to AirBnB and look for the outside of the house to try and identify who might own that house and how you might be able to contact them. It really gets complicated really quick.

Charlotte Winzenburg – They estimate that there are around 3,700 short term rentals in the city of Denver. We have about 55% compliance right now. The city hired a company named Host Compliance that searches these places out. They got the low hanging fruit and the rest are very difficult to find. It is usually neighbors' complaints that are the most effective way to find them.

Question – Why has this issue come up?

Rena Braun – Our covenants don't allow for commercial uses. The Supreme Court recently ruled that short term rentals are a residential use. This is why it is a new issue for our association.

Leslie Carpenter – We purchased a rental. We walked around the house and we don't know why it is still standing. We don't know why it hasn't burnt to the ground. The people that were renting it threw coals off the deck, close to the house. When we talk about short term rentals, think about the safety of the community. They might not know there is a fire ban and see a fire pit outside and use it. It is a great opportunity for someone to make a lot of money but these need to be in places like Breckenridge and Las Vegas. This is a community where we live and if someone screws up it affects all of us.

John Carr – When things go right, no problem, when they go wrong how do we get it resolved?

Charlotte Winzenburg – A comment from a realtor at their last meet said that some of the buildings in Denver are getting more than 20% occupancy of short term rentals. It is making it difficult for people to sell to someone that wants to live there and get financing.

Tom Duffy – While I don't agree with this, I am going to give a comment of what I have heard from some people I have talked to. Now we are delving into how people manage their real estate. I want you to think about it.

Sam Shapiro – We need to think about what can you realistically enforce? You are on your own here from a police perspective. How are you going to know you have a short term rental (a) and (b) How are you going to verify it, and what are you going to do about it? What are the repercussions to the owner? I don't know if it is enforceable. The covenants are but we are not at that level.

Christine Groves – We are. The community discussion last year was to change the covenants to disallow short term rentals. Rather than do that, we formed a committee to carry on the conversation at a more intellectual level. Yes, we are at a level of changing the covenants and yes we can enforce covenants.

Sam Shapiro – How you can say this is what I want or don't want to accure but then again how are you going to make sure those intentions are being enforced?

Charlotte Winzenburg – You put a lien on them and then eventually foreclose.

Christine Groves – One thing the board did do this year – is we have retained an attorney. The firm specializes in HOAs and is the largest firm west of the Mississippi. It is a time that has come because we are such a litigious society and because things are so complicated. In the last couple of months we have picked up the phone and we have an attorney on the other end of the line. Not within days but within hours. We get conference calls set up and we are asking very intelligent questions. One of the questions Rena asked last week, was if we have someone that is doing short term rentals are they automatically grandfathered in? The answer is no and it has been upheld by the Supreme Court. Then that brings the conversation around to do we wait until this becomes a problem knowing that that the Supreme Court has upheld the law that states we don't have to grandfather someone in.

Charlotte Winzenburg – Enforcement is a problem, but if we do nothing it will be a greater problem.

Renaë Braun – It will prevent people from purchasing properties for the sole use of Short Term Rentals.

Comment from the back. You are rated as a renter and a rentee. I am rated as to how I treated their house and how I followed their rules, etc. That is viewed by other people I would want to rent from. If I get a bad review they are not going to rent to me. So if they didn't tell me that I couldn't have a fire because of high fire danger, that is their problem not mine. It is our responsibility that our community be responsible and tell people they can't have fires. There are so many ways to make it safe.

David Crespo – Two things, what Renaë stated earlier is correct. The Supreme Court of Colorado ruled that it is your residents and you can use it as a business. If we vote today it is a vote for the board to send out a written vote to each of the blocks. The general assembly votes to have a vote sent to everyone to vote for their block.

Motion that the board needs to conduct a vote that residential properties can't be rented for less than 30 continuous days.

Charlotte motioned and Carol Phelps seconded. In favor 38, opposition 17.