



FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: Fruita City Council and Mayor

FROM: Planning & Development Department

DATE: April 5, 2022

AGENDA TEXT: ORDINANCE 2022-13, 2nd reading – an Ordinance amending Section 17.09.060(I) of the Fruita Land Use Code concerning the limitation on issuances of Short-Term Rental Permits.

BACKGROUND

The proposed amendments to Section 17.09.060 (I) are specifically related to the limitation on the issuance of Short-Term Rental permits within the geographical area known as the ‘triangle’ which is south of Ottley Avenue, West of Pine Street, and north of Highway 6 & 50. Currently, the language states that there is a temporary limitation of fifty (50) Short-Term Rental permits allowed to be issued within the triangle area. Furthermore, the language also states, “On or before April 1, 2022, City Council shall take action to determine an increase or elimination of the Licensing Restriction.” Initiating the 1st Reading of this Ordinance satisfies the initiation of action on this item by the City Council and sets a hearing date of April 5, 2022, for discussion.

Since the adoption of Ordinance 2021-11, which defined and codified Short-Term Rentals, Staff has continued to be transparent with City Council about the landscape of where the Short-Term Rental permits numbers are and to provide updates to keep the City Council informed. Recently, the City Council provided direction to Staff to initiate this Ordinance and set the public hearing schedule.

Staff is proposing an increase in the total number allowed in the triangle to a total of sixty-five (65). The amendments also mean that the temporary limitation language for future action by the City Council would not be written into the Land Use Code. Based on the past year administering these permits and working with a new process, it is Staff’s recommendation that a slight increase would not put as much pressure on the existing housing market while also being a manageable number of additional permits.

In relation to the housing market in this area, the Mesa Apartments (18 units) and the Mulberry Apartments (19 units) are under construction with anticipated completion before the end of the year. Based on this rental increase in the downtown area, the intent to move this number directly corresponds to a measurable metric.

FISCAL IMPACT

Staff does expect a positive fiscal impact with the proposed amendments as there could be additional opportunities for Lodging Tax collection and positive fiscal impacts to local businesses.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

One of the current City Council's goals is a commitment to review the Land Use Code to help ensure that the regulations reflect the best promotion of the public health, safety, and welfare and improve the fiscal sustainability of the community.

Staff does not believe that the proposed amendments would deviate from the Plan Vision which states, “The City of Fruita values quality of place. It’s an inclusive city, with a small-town feel and vibrant downtown, surrounded by public lands. People love to live, work, and play in Fruita because the City facilitates community, safe neighborhoods, family-friendly events, and walking and biking. The City governs in a way that’s responsive to its citizens and prioritizes high-impact services and projects. Fruita fosters a fun and funky ambiance around the arts, agriculture, and recreation.” (Page 3, Comprehensive Plan).

With the Community First, Tourism Second Plan Theme reading, “The City of Fruita prioritizes its residents and provides them a high quality of life. Tourist are attracted to Fruita for this and the opportunity to ‘play like a local’”, its important to consider that Fruita is a place that people like to visit but more importantly where people like to live. Staff feels that the approach of Community First, Tourism Second has been considered with these proposed amendments and with the additional housing being constructed in the downtown area.

OPTIONS AVAILABLE TO THE COUNCIL

1. Adopt Ordinance 2022-13, an Ordinance amending Section 17.09.060(I) of the Fruita Land Use Code concerning the limitation on the issuances of Short-Term Rental Permits as proposed.
2. Adopt Ordinance 2022-13, an Ordinance amending Section 17.09.060(I) of the Fruita Land Use Code concerning the limitation on the issuance of Short-Term Rental Permits with conditions discussed by the City Council.

RECOMMENDATION

It is the recommendation of Staff that the Council by motion:

ADOPT ORDINANCE 2022-13, 2ND READING, AN ORDINANCE AMENDING SECTION 17.09.060 (I) OF THE FRUITA LAND USE CODE CONCERNING THE LIMITATION ON THE ISSUANCES OF SHORT-TERM RENTAL PERMITS AS PROPOSED.