



AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: PLANNING & DEVELOPMENT DEPARTMENT

DATE: OCTOBER 11, 2021

RE: SHORT-TERM RENTAL UPDATE

PURPOSE

The purpose of this coversheet is to provide Council with an update on Short-Term Rentals. On March 16, 2021 the Fruita City Council approved Ordinance 2021-11 which defined and codified Short-Term Rentals and took effect on April 16, 2021. The chart below shows the current landscape of where the Short-Term Rental numbers are. There are currently a total of 64 permitted Short-Term Rentals in the City with 49 located in the area identified as the ‘triangle’ (South of Ottley, West of Pine, and North of Highway 6 & 50), 11 outside the triangle, and 4 that are owner occupied or in Accessory Dwelling Units (ADU’s).

Attachments:

1. Short-Term Rental Map.
2. Short-Term Rental Land Use Code Regulations.
3. Short-Term Rental Planning Clearance form and FAQ’s.

SHORT TERM RENTAL OUTREACH:

- April 21, 2021 – Sent out Property Owner letters & STR Guidelines and FAQ – Sent to the STR addresses thinking that they would be forwarded to owners.
- April 21, 2021 – Created a STR tab on the Planning & Development page and included the guidelines and a fillable application form.
- April 23, 2021 – Several letters came back as undeliverable – Labels are in the STR file.
- April 29, 2021 – Resent Property Owner Letters to those that came back – Labels are in the STR file.

- May 6, 2021 – Sent out an email to all STR Property Owners (BCC)– attached the STR Mailer, STR Application, STR Guidelines and a Business license.
- May 12, 2021 – Reached out to Short Term Rental Operators by phone. Most had received the mailer and/or email. Left messages for those who were unreachable.
- August 2021 – Reached out via phone to all short-term operators that hadn't responded. 100% had been contacted.

	Triangle	Outside Triangle	Owner Occupied / ADU	Withdrawn -6	Totals
Complete	38	11	2		51
Pending Inspection	4	0	1		5
No Response	7	0	1		8
Total	49	11	4		64

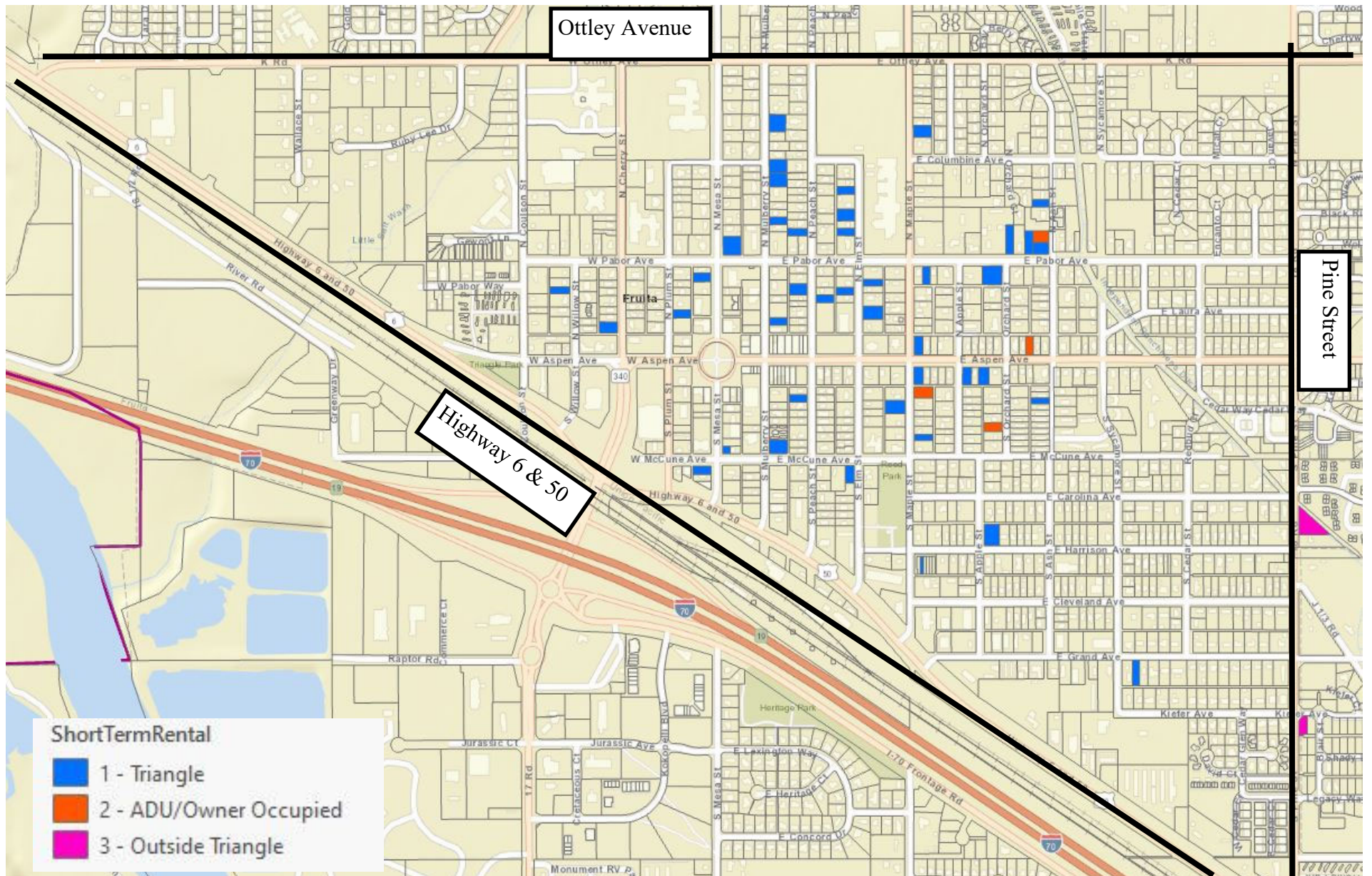
Ottley Avenue

Pine Street

Highway 6 & 50

ShortTermRental

- 1 - Triangle
- 2 - ADU/Owner Occupied
- 3 - Outside Triangle



17.13.100 SHORT-TERM RENTALS.

- A. Purpose. The purpose of this section is to establish procedures and standards to allow Short-Term Rentals in certain zone districts in the City pursuant to a permit and to provide regulations to assist in protecting the health, safety, and welfare of property owners, neighbors, and occupants. It is the City's intent to establish Short-Term Rental regulations that promote opportunities to support the local economy and protect the long term residential character of Fruita's neighborhoods.
- B. Applicability and Prohibitions.
1. A Short-Term Rental application is required for any Short-Term Rental located in the City of Fruita, as permitted based on the Land Use/Zoning Table in Section 17.07.060 (F) of this Title. A Short Term Rental Permit is required for each individual dwelling unit.
 2. Private covenants running with the land may restrict or prohibit Short-Term Rentals or similar types of uses. It is the responsibility of the property owner, not the City, to ensure compliance with restrictive covenants.
 3. It shall be unlawful for any person, whether a principal or agent, clerk or employee, either for him or herself, or for any other person for anybody, corporation or otherwise, to lease or operate a Short-Term Rental without first obtaining a Short Term Rental Permit in accordance with the provisions and procedures of this Section.
 4. Short-Term Rentals are not allowed in bed and breakfasts, hotels or lodges or motels as defined in the Fruita Municipal Code, as amended.
- C. Short-Term Rental Permit Required.
1. The Community Development Department shall issue permits in accordance with the provisions of this chapter.
 2. No person or entity shall sell lodging to temporary occupant(s) of a dwelling unit for fewer than 30 consecutive days without first having obtained a Short-Term Rental permit issued by the City and complying with any conditions or restrictions thereof. A separate Short-Term Rental permit is required for each Short-Term Rental unit. A Short-Term Rental permit may be issued only to the owner of the property used for Short-Term Rental.
 3. A Short-Term Rental Permit attaches only to the property for which it is issued and the property owner to which it is issued. The permit is nontransferable upon sale or other transfer of ownership of the property. Upon such transfer of ownership, the new owner of the property shall apply for a new Short-Term Rental Permit if it wishes to continue the use of the property as a vacation rental.
- D. Local Point of Contact.
1. The property owner shall designate one or more person(s) who will be the Local Point

of Contact and will be available and responsible for immediately responding to complaints within a reasonable amount of time about or violations of any permit terms or any public nuisance regulations.

2. The term local as used herein means having a permanent address within a 25-mile radius from the Short-Term Rental. The local point of contact may be the property owner only if the local criteria is met.
3. The Local Point of Contact must be authorized by the property owner to permit inspection of the premises by the City and/or its agent or employee to ensure compliance with applicable fire and building codes and with the requirements for and/or of the short-term rental permit. Additionally the local contact must have physical access to the property and shall be authorized to make decisions regarding the vacation rental property on behalf of the owner.

E. General Requirements. Prior to a Short-Term Rental Permit being issued pursuant to Section C herein, the property owner of the proposed Short-Term Rental shall:

1. Obtain a sales and lodgers tax license as well as a business license and comply with all applicable local, State and federal taxes;
2. Demonstrate and certify that the unit contains the following on the premises at all times:
 - a. A smoke detector in good working order.
 - b. A carbon monoxide detector in good working order.
 - c. Adequate and functional building egress from each sleeping room in the dwelling unit.
 - d. Posted notice in the Short-Term Rental for guests providing, in detail, the following information in a highly visible location and readily accessible form:
 - i. Location of building exits and fire extinguishers;
 - ii. Contact information for the Local Point of Contact;
 - iii. Short-Term Rental application number;
 - iv. Noise restrictions and quiet hours;
 - v. Parking Restrictions;
 - vi. Trash disposal, storage and collection schedule;
 - vii. Relevant water restrictions.
3. Provide with the application a sketch or drawing of the unit that depicts all rooms, doors and windows, including dimensions, and shows on-site areas available for guest parking;
4. If the Short-Term Rental unit is accessed by a shared driveway, provide the City with

- a copy of a written instrument authorizing use of the driveway for short-term rental purposes;
5. Permit inspection of the premises by the City or its agent or employee during the pendency of the permit application, and thereafter upon reasonable notice;
 6. Provide the name, address and phone number of the Local Point of Contact to the City, and update such information within ten (10 days) with the City whenever it changes;
 7. Register annually with the City, certifying that the permit terms and requirements are still being met and updating any material changes to the unit or property;
 8. Kitchen facilities may only serve the property owner and the guests;
 9. Short-Term Rentals are required to be rented for a minimum of 45 days in a calendar year. Failure to rent the property will cause the property to be ineligible for renewal in the subsequent year.
 10. Signs advertising Short-Term Rentals, whether on or off premise are prohibited.
 11. Digital advertisement shall include the Short-Term Rental application number assigned by the Planning Clearance. The failure to prominently display the Planning Clearance number in any advertisement of accommodation shall be a violation of this Chapter. Advertising shall include any written, oral or video communication or publication disseminated by signage, mailing, print, internet listing, e-mail publication, social media, other electronic means, telephone or other means which is intended to directly or indirectly induce a person to use or possess the accommodation for consideration.

F. Revocation, Suspension, Expiration and Appeal.

1. A Short-Term Rental Permit may be suspended or revoked for any of the following reasons:
 - a. The owner or designated responsible party has failed to comply with any requirement of Section 17.13.100 of this Title.
 - b. The owner or designated responsible party has failed to comply with a condition of or restriction set forth in the Short-Term Rental Permit.
 - c. The owner has failed to collect or remit lodging or sales taxes or otherwise comply with local, State and/or federal tax requirements.
 - d. Materially false or misleading information has been provided to the City by the applicant, owner or designated responsible party on an application.
 - e. The City has received excessive and substantial complaints by neighbors or affected persons, which complaints were not adequately and timely addressed by the owner or Local Point of Contact as determined solely by the City.
2. Notice of revocation shall be provided to the owner, who shall then be given an opportunity to respond within ten (10) days. The Community Development Director shall issue any decision to revoke or suspend a permit within ten (10) days of the

response date.

3. Any aggrieved person may appeal the issuance, denial, suspension, or revocation of a Short-Term Rental Permit to the Fruita City Council within 10 days of the issuance of the decision.

G. Violations.

1. Violations of this Chapter shall be enforced pursuant to Chapter 1.28 of the Fruita Municipal Code.
2. A violation of this Chapter may also be punishable by denial of a license for a Short-Term Rental Permit for the property or property owner that has offended such limitation for a period of two (2) years from the City's date of revocation.
3. All amounts due and owing to the City in connection with any violation of this Chapter shall constitute a first priority lien on the Short-Term Rental property and may be collected by any means provided under the Code.

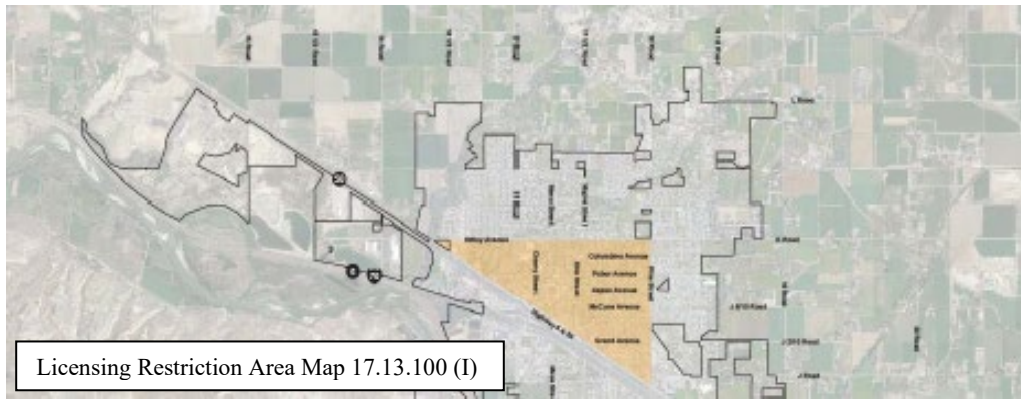
H. Issuance; Renewal.

1. After considering the criteria set forth in this Chapter, and within sixty (60) days of receiving a complete application and application fee, the Community Development Director may issue a Short-Term Rental Permit to the property owner. Such permit may contain conditions and restrictions.
2. A permit shall not be issued or renewed until the Short-Term Rental Permit fee has been paid by the property owner. Such fee shall be set by the Fruita Council annually.
3. Permits shall be valid for a single calendar year, and shall expire on December 31st of each year, unless a request for renewal is made. Each permit is only good for a single calendar year, regardless of when it was originally approved. For instance, a permit that is issued in July shall expire on December 31st of that calendar year. Subject to the requirements of this Chapter, a permit shall be renewed annually, extending the term for one additional calendar year.
4. A renewal application shall be submitted by December 1st of each year.
5. After considering the criteria set forth in this Chapter, and prior to the expiration of the then-existing Short-Term Rental Permit, the Community Development Director may issue renewal Short-Term Rental Permit to the property owner. Such renewed permit may contain new or modified conditions and restrictions."

I. Temporary Limitation on Issuances of Short-Term Rental Permit

1. Notwithstanding anything in this Chapter, commencing on April 15, 2021 through April 1, 2022, there shall not be more than fifty (50) Short Term Rental Permits active within the Licensing Restriction Area Map 17.13.100 (I) shown below (the "Licensing Restriction"). On or before April 1, 2022, City Council shall take action to determine an increase or elimination of the Licensing Restriction. Once the Licensing Restriction has been reached, the City shall continue to accept applications for Short Term Rentals which shall be approved or denied in the order received by the City if the Licensing Restriction has been increased or eliminated. In

calculating the Licensing Restriction, the City shall include Conditional Use Permits for Bed and Breakfasts issued thus far; provided, however, the Licensing Restriction shall not include Accessory Dwelling Units or units currently occupied by the property owner.



Address: _____

Parcel No: _____

Subdivision: _____

PROPERTY OWNER INFORMATION

Name: _____

Address: _____

City/State/Zip: _____

Phone(s): _____

E-mail: _____

LOCAL POINT OF CONTACT INFORMATION

(Must have permanent residence within 25 miles of subject property.)

Name: _____

Address: _____

City/State/Zip: _____

Phone(s): _____

E-mail: _____

REQUIRED: A sketch or drawing of the Dwelling Unit that depicts all rooms, doors and windows, including dimensions, and shows on-site areas available for guest parking.

By signing the permit application below, the property owner hereby confirms the following:

- ❖ Have there been any changes to the site plan from last year? Yes No
- ❖ If applicable, have you checked with your HOA? Yes No
- ❖ Certifies that the unit will contain a posted notice providing in detail the following information in a highly visible location and readily accessible form:
 - ☐ Location of building exits and fire extinguishers.
 - ☐ Contact information for the Local Point of Contact.
 - ☐ Planning Clearance permit application number (permit # issued by the City).
 - ☐ Noise restrictions and quiet hours.
 - ☐ Parking Restrictions.
 - ☐ Trash disposal, storage and collection schedule.
 - ☐ Relevant water restrictions.
- ❖ Modifications to this Planning Clearance must be approved, in writing, by the Fruita Community Development Department. This Planning Clearance is valid for a single calendar year regardless of when it was originally approved. Annual renewal is required. Renewals must be submitted by December 1st of each year.

I hereby acknowledge that I have read this application and the information is correct under penalty of perjury. I agree to comply with any and all codes, ordinances, laws, regulations or restrictions which apply to the project. I understand that failure to comply shall result in legal action, which may include revocation of this permit.

Property Owner Signature_____ **Date:** _____

STATE OF COLORADO)
) ss.

COUNTY OF MESA)

The foregoing instrument was acknowledged before me this day of , 20 ,

My Commission expires: _____

STAFF REVIEW PAGE:

Date of submittal. _____

Is this property located in a neighborhood that contains an HOA? _____

Has the property owner applied for a sales tax, lodging tax, and business license? _____

Site Plan submitted. _____

Site Inspection date. _____

Conditions of Approval (if any):

Notes:

Community Development Department Approval

Date

SHORT-TERM RENTAL GUIDELINES & FAQ'S

WHERE CAN I OPERATE A SHORT-TERM RENTAL?

First, make sure the property is located in the Fruita City limits. Next, verify that the property is within a zoning district which allows for Short-Term Rentals. Short-Term Rentals are allowed in all zoning districts except for Industrial (I), Community Services & Recreation (CSR), and Monument Preservation (MP).

The City's GIS website will be able to help you determine the zoning district and if it is located in the City limits. Please visit the website at: [Maps & GIS Data/Information | City of Fruita Colorado](#)

WHAT ABOUT MY HOA?

Even if City zoning permits the operation of a Short-Term Rental, HOA covenants applicable to your property may not allow for you to operate a Short-Term Rental. The City zoning does not supersede the HOA covenants with respect to Short-Term Rentals. Check with your HOA and covenants prior to submittal of a Short-Term Rental Application.

WHAT IS THE PROCESS FOR SUBMITTING AN APPLICATION FOR A SHORT-TERM RENTAL?

- ☐ Applications are available on the City's website at <https://www.fruita.org/cd/page/short-term-rentals>. Submit your application to the Community Development Department. An application can be submitted in person, by mail to 325 E. Aspen Avenue, or by email to kmclean@fruita.org.
- ☐ All Short-Term Rentals are required to apply for and receive a Short-Term Rental permit from the Community Development Department. A separate permit is required for each Short-Term Rental. Permits are valid for a single calendar year regardless of when it was originally approved.
- ☐ All life-safety provisions must be in place at the time of inspection.
- ☐ Submit your application for a Colorado State sales tax license with the Colorado Department of Revenue and an application for a Business license with the City of Fruita. The Business license application can be submitted concurrently with the Short-Term Rental application.
- ☐ Upon compliance with all applicable City regulations, the Community Development Department will issue a Short-Term Rental Permit to the property owner and the City will issue a business license.

WHAT NEEDS TO BE SUBMITTED TO APPLY FOR A SHORT-TERM RENTAL PERMIT?

- ☐ Permit Application.
- ☐ A sketch or drawing of the Dwelling Unit that depicts all rooms, doors and windows, including dimensions, and shows on-site areas available for guest parking.
- ☐ If the Short-Term Rental is accessed by a shared driveway, provide the City with a copy of a written instrument authorizing use of the driveway for Short-Term Rental purposes by the neighboring property owner.
- ☐ Provide contact information for a Local Point of Contact (address of this contact must be within 25 miles of the subject property). Contact information must be completed on the Permit Application Form. Any change in contact information must be submitted to the City within 10 days.
- ☐ Through the inspection, the property owner must demonstrate the following:
 - Smoke detector in good working order in all rooms.
 - Carbon monoxide detector in good working order in all rooms.
 - Adequate and functional building egress from each sleeping room.
- ☐ Attest that the dwelling unit contains a posted notice providing in detail the following information in a highly visible location:
 - Location of building exits and fire extinguishers.
 - Contact information for the Local Point of Contact.
 - Short-Term Rental permit application number (permit # issued by the City).
 - Noise restrictions and quiet hours (Section 9.02 Fruita Municipal Code).
 - Parking Restrictions.
 - Trash disposal, storage, and collection schedule.
 - Relevant water restrictions.
- ☐ One application for a business license for each Short-Term Rental location (\$25.00 annually).

WHAT DO I NEED TO KNOW ABOUT SALES AND LODGING TAXES?

- ☐ The amount of the lodging tax is 6% (in addition to the 8.27% retail sales tax).
- ☐ The Lodging Tax will be paid directly to the City of Fruita. (Returns for Retail Sales Tax will be sent to the State of Colorado.)

- ☐ Vendors collecting and remitting the lodging tax can deduct 3 1/3% of the lodging tax paid to the City.
- ☐ You must file a lodging tax return each month, even if the total Gross Lodging Sales is \$0.00.
- ☐ All funds received by the City from the lodging tax will be placed in funds for the purposes of marketing and promotion of the City to tourists and others, parks, trails and open space and economic development including but not limited to business incentives, matching funds for public-private partnerships and attainable housing.

CAN MY PERMIT BE REVOKED?

- ☐ A Short-Term Rental Permit can be revoked if Staff has determined that any of the following have occurred:
 - The owner or designated responsible party has failed to comply with any requirement of Section 17.13.100 of this Title.
 - The owner or designated responsible party has failed to comply with a condition of or restriction set forth in the Short-Term Rental Permit.
 - The owner has failed to collect or remit lodging or sales taxes or otherwise comply with local, State and/or federal tax requirements.
 - Materially false or misleading information has been provided to the City by the applicant, owner or designated responsible party on an application.
 - The City has received excessive and substantial complaints by neighbors or affected persons, which complaints were not adequately and timely addressed by the owner or Local Point of Contact as determined solely by the City.
 - Short-Term Rentals are required to be rented for a minimum of 45 days in a calendar year. Failure to rent the property will cause the property to be ineligible for renewal in the subsequent year.

CAN MY PERMIT EXPIRE?

- ☐ A Short-Term Rental Permit expires after any of the following occur:
 - Change of ownership of the property.
 - Failure to re-new permit application by December 1st of the current calendar year.

DO I NEED TO RENEW MY PERMIT?

- ☐ Yes, if you have a Short-Term Rental permit, you must renew it annually.
- ☐ A renewal application must be submitted by December 1st of each year.
- ☐ Permits are valid for a single calendar year and expire on December 31st of each year.

ADDITIONAL INFORMATION

A permitted Short-Term Rental must register and pay the annual registration fee, with the City certifying that the permit terms and requirements are still being met and updating any material changes to the unit or property. So long as your contact information with the City is kept up to date, expect correspondence from the City to the property owner requesting annual registration information.

If you have any questions about Short-Term Rentals, contact the City's Community Development Department:

Open: Monday – Friday from 8am to 5pm (except observed holidays)

Phone: 970-858-0786

Email: kmclean@fruita.org

Address: 325 E. Aspen Avenue