

## **Grand Lake Board of Trustees**

**September 26, 2022** 

**Ordinance 12-2022:** Consideration of an Ordinance Revising the Grand Lake Town Code to Allow STRs in Multi-Family Residences

## Purpose:

Whether Nightly Rentals should be permitted in multi-family structures, such as condominiums, is a policy decision to be made by the Town Board of Trustees. The Board will discuss the draft 12-2022 Ordinance to update the code to include STR's in Multi-family structures. As with any issue of public interest, the Board is encouraged to invite public comment on this issue before making its determination.

## Background:

- 03-28- 2022 Board of Trustees meeting: The Board directed Attorney Krob to draft an
  ordinance to start a conversation involving the future of the multi-family structures in
  multi-family districts in relation to nightly rentals.
- 05-18-2022 Planning Commission meeting: Draft 07-2022 Ordinance was discussed and a recommendation was made in favor of Board approval with a vote of 5:1.
- 05-23-2022 Board of Trustees meeting: The Board discussed the item and voted to deny Draft 07-2022 Ordinance 3:3 to change the code to allow STR's in Multi-Family Residences.

Ordinance No. 1-2005, adopted January 9, 2006.

In 2005 the concept of nightly rentals of individuals' homes was evolving and the now well-recognized term of "Short Term Rentals" or STRs had not developed. The Town of Grand Lake was one of the earlier municipalities to consider and permit such rentals.

The concerns of the Town Board in 2005 are reflected in the original ordinance adopted in early 2006 including:

- Disruptions and disturbances to those residing next to or in close proximity to a Nightly Rental
- Problems caused when the absent owner is not aware of how their Nightly Rental property is being used
- Overcrowding of Nightly Rentals
- Noise disturbances
- Insufficient parking to accommodate all persons occupying the Nightly Rental
- Inadequate disposal of trash generated from use of the Nightly Rental

To address these concerns, Ordinance 1- 2005 allowed Nightly Rentals in certain residential, commercial, and resort zoning districts, but imposed a number of requirements on them:

- Nightly Rentals are required to obtain a sales tax license.
- Provide the Town with the contact information for the property management company
- Designate a local contact person who is available to respond to complaints 24/7
- Provide adequate parking and trash collection
- Obtain HOA sign-off.
- Notice of the Nightly Rental is provided to surrounding property owners, who have the
  right to voice their objection and, if there is objection, then the Nightly Rental must
  successfully complete the Conditional Use Permit process under the Town's code,
  which allows the Town Board to impose specific terms and conditions on the use of the
  Nightly Rental property addressing neighbors' concerns.

Ordinance No. 33-2009

A limitation of Nightly Rentals was added in 2009 through the adoption of Ordinance No. 33-2009, which amended the use by right and conditional uses to Single Family Residence structures only in specific zones.

Resolution No. 21-2021 A Resolution of Declaration of a Workforce Housing Emergency

## **Municipal Code Information:**

- Nightly Rental A structure, dwelling or dwelling unit that is rented for periods of time of less than thirty (30) consecutive days. The term "Nightly rental" shall not include hotel, motel, or bed and breakfast establishments.
- Section 12-2-13 states both single family and multi-family structures are allowed in the Multi-family residential (MLD) zoning district, Nightly Rentals are only allowed in singlefamily Structures within the district, not the multi-family structures, such as duplexes, townhomes, or condominiums.

### **Board Considerations:**

As recommended by the Town Attorney, if the Board wishes to consider such expansion of Nightly Rentals, they should:

- Consider the concerns expressed in its previous ordinances related to Nightly Rentals in the context of multi-family structures
- Consider the impact Nightly Rentals have had on the Town's housing supply, and
- Consider other factors the Town Board deems relevant under current conditions.

#### **Recommended Motions:**

I move to adopt Ordinance 12-2022, an Ordinance Revising the Grand Lake Town Code to Allow STRs in Multi-Family Residences, as presented.

OR

I move to adopt Ordinance 12-2022, an Ordinance Revising the Grand Lake Town Code to Allow STRs in Multi-Family Residences, with the Following Modifications:

I move to deny Ordinance 12-2022.



#### ORDINANCE NO. 33-2009

## AN ORDINANCE AMENDING THE TOWN OF GRAND LAKE MUNICIPAL CODE CHAPTER 12, ARTICLE 2 ZONING REGULATIONS

WHEREAS, the Town of Grand Lake Board of Trustees has the authority to adopt Ordinances; and

WHEREAS, the Town of Grand Lake Board of Trustees desires to have a cohesive and enforceable Municipal Code; and

WHEREAS, the Town Planning Commission held a Public Hearing on the matter on August 19, 2009, and took public testimony on the matter and forwarded a recommendation to the Town Board of Trustees; and

WHEREAS, the Town Board of Trustees held a Public Hearing on the matter on September 28, 2009, and took public testimony on the matter,

# NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO THAT:

1. Section 6 of Article 2 of Chapter 12 of the Municipal Code of the Town of Grand Lake, Colorado is hereby amended by adding the following definitions to read as follows:

Accessory Dwelling Unit (ADU) – One additional dwelling unit within, and not legally subdivided from, the principal structure. The dwelling unit must be in a continuous enclosure. The entire dwelling unit must function as a unit without any permanent physical separation such as wall or floor with no means of connection.

Adult Arcade - Any commercial establishment to which the public is permitted or invited where, for any form of consideration, one or more still or motion picture projectors, slide projectors, or similar machines, or other image or virtual reality producing machines for viewing by persons are used regularly to show films, motion pictures, video cassettes, DVDs, slides, or other photographic, digital, or electronic reproductions describing, simulating, or depicting "specified sexual activities" or "specified anatomical areas."

Adult Cabaret – means a nightclub, bar, restaurant, concert hall, auditorium or other commercial establishment that features:

- A. Persons who appear nude or in a state of nudity or seminudity; or
- B. Live performances that are characterized by the exposure of "specified anatomical areas" or by the exhibition of "specified sexual activities."

Adult Motel — means a hotel, motel or similar commercial establishment that offers accommodations to the public for any form of consideration and provides patrons with closed-circuit television transmission, films, motion pictures, video cassettes, slides, or other media productions, however produced, which are characterized by the depiction or description of "specified sexual activities" or "specified anatomical areas," and which commercial establishment has a sign visible from the public right-of-way which advertises the availability of this adult type of media production.

Adult Motion Picture Theatre – means a commercial establishment that is distinguished or characterized by the showing, for any form of consideration, of films, motion pictures, video cassettes, slides, or similar

Transient Guest – a person who stays for a period not to exceed two (2) weeks.

(All other Subsections in this Section will remain the same.)

- 2. Section 9 of Article 2 of Chapter 12 of the Municipal Code of the Town of Grand Lake, Colorado is hereby amended to read as follows:
  - a. Uses Permitted by Right
    - 1. Single Family and Accessory Dwelling Units (ADUs).
    - 7. Nightly Rentals in the Single Family Residence only. Nightly Rentals will not be permitted in Accessory Dwelling Units (ADUs).
    - 8. Historic structures.
  - b. Conditional Uses
    - Bed and Breakfasts
  - d. Area Regulations Except as provided in Section 12-2-27, the area regulations are as follows:
    - 1. Minimum and Maximum Floor Area
      - A. Single Family Dwelling Unit
        - 1. Minimum: Twelve hundred square feet (1,200 sq. ft.) per Dwelling Unit.
        - 2. Maximum: Governed by this Section.
      - B. Accessory Dwelling Unit (ADU)
        - 1. Minimum: Five-hundred square feet (500 sq. ft.) per Dwelling Unit.
        - 2. Maximum: Twelve hundred square feet (1,200 sq. ft.) per Dwelling Unit.
    - 7. Density
      - A. Density shall not exceed One (1) Single Family and One (1) Accessory Dwelling Unit per parcel.

(All other Subsections in this Section will remain the same.)

- 3. Section 10 of Article 2 of Chapter 12 of the Municipal Code of the Town of Grand Lake, Colorado is hereby amended to read as follows:
  - a. Uses Permitted by Right
    - 1. Single Family and Accessory Dwelling Units (ADUs).
    - 6. Nightly Rentals in the Single Family Residence only. Nightly Rentals will not be permitted in Accessory Dwelling Units (ADUs).
    - 7. Historic structures.
  - b. Conditional Uses
    - 6. Bed and Breakfasts
  - d. Area Regulations Except as provided in Section 12-2-27, the area regulations are as follows:
    - 1. Minimum and Maximum Floor
      - A. Single Family Dwelling Unit
        - 1. Minimum: One Thousand square feet (1,000 sq. ft.) per Dwelling Unit.
        - 2. Maximum: Governed by this Section.
      - B. Accessory Dwelling Unit (ADU)
        - 1. Minimum: Five-hundred square feet (500 sq. ft.) per Dwelling Unit.
        - 2. Maximum: One Thousand square feet (1,000 sq. ft.) per Dwelling Unit.
    - 7. Density

A. Density shall not exceed One (1) Single Family and One (1) Accessory Dwelling Unit per parcel.

(All other Subsections in this Section will remain the same.)

- 4. Section 11 of Article 2 of Chapter 12 of the Municipal Code of the Town of Grand Lake, Colorado is hereby amended to read as follows:
  - a. Uses Permitted by Right
    - 1. Single Family and Accessory Dwelling Units (ADUs).
    - 6. Nightly Rentals in the Single Family Residence only. Nightly Rentals will not be permitted in Accessory Dwelling Units (ADUs).
    - 7. Historic structures.
  - b. Conditional Uses
    - 6. Bed and Breakfasts
  - d. Area Regulations Except as provided in Section 12-2-27, the area regulations are as follows:
    - 1. Minimum and Maximum Floor
      - A. Single Family Dwelling Unit
        - 1. Minimum: Eight Hundred square feet (800 sq. ft.) per Dwelling Unit.
        - 2. Maximum: Governed by this Section.
      - B. Accessory Dwelling Unit (ADU)
        - 1. Minimum: Five-hundred square feet (500 sq. ft.) per Dwelling Unit.
        - 2. Maximum: Eight Hundred square feet (800 sq. ft.) per Dwelling Unit.
    - 7. Density
      - A. Density shall not exceed One (1) Single Family and One (1) Accessory Dwelling Unit per parcel.

(All other Subsections in this Section will remain the same.)

- 5. Section 12 of Article 2 of Chapter 12 of the Municipal Code of the Town of Grand Lake, Colorado is hereby amended to read as follows:
  - a. Uses Permitted by Right
    - 1. Single Family and Accessory Dwelling Units (ADUs).
    - 6. Nightly Rentals in the Single Family Residence only. Nightly Rentals will not be permitted in Accessory Dwelling Units (ADUs).
    - 7. Historic structures.
  - b. Conditional Uses
    - Bed and Breakfasts
  - d. Area Regulations Except as provided in Section 12-2-27, the area regulations are as follows:
    - 1. Minimum and Maximum Floor
      - A. Single Family Dwelling Unit
        - 1. Minimum: Eight Hundred square feet (800 sq. ft.) per Dwelling Unit.
        - 2. Maximum: Governed by this Section.
      - B. Accessory Dwelling Unit (ADU)
        - 1. Minimum: Five-hundred square feet (500 sq. ft.) per Dwelling Unit.
        - 2. Maximum: Eight Hundred square feet (800 sq. ft.) per Dwelling Unit.
    - 7. Density

The Regulations set forth in this Section, or set forth elsewhere in this Article, when referred to in this Section are the Regulations for Non-Conforming Uses and Buildings.

- Expansion or Enlargement A non-conforming building or use to be extended or enlarged shall b. conform with the provisions of this Article.
  - A non-conforming structure may be enlarged so long as the non-conformance is not expanded.
  - A non-conforming use may be extended throughout any part of a building which was arranged or designed for such use at the enactment of this Article.
- Special Exceptions to Provisions on Expansion of Non-Conforming Uses i. The Planning Commission may authorize, upon appeal in specific cases, an exception permitting an increase in either or both the land use area or the floor area on a building or buildings occupied by a non-conforming use, subject to terms and conditions fixed by the Commission. Every exception authorized hereunder shall be personal to the applicant therefore and shall not be transferable, shall run with the land only after the construction of any authorized building and only for the life of such building. No exception shall be authorized hereunder unless the Commission shall find that all the following conditions exist:

(All other Subsections in this Section will remain the same.)

- 19. Repeal - Existing ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the taking effect of this ordinance.
- 20. Validity - If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The Town of Grand Lake hereby declares that it would have passed this ordinance, and each section, subsection, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE AND SIGNED THIS 28TH DAY OF SEPTEMBER, 2009.

(SEAL)

Votes Approving: Votes Opposing: Absent: 0 Abstaining:

TOWN OF GRAND LAKE

ATTEST:

Judy M. Burke,
Maxor

Town Clerk



To: Mayor Kudron and the Board of Trustees

From: John Crone, Town Manager

Re: Declaring a Workforce Housing Crisis

Date: July 12, 2021

## **Background**

The workforce housing crisis in Grand Lake has become untenable. Long-term rental prices are reaching points that are far beyond reach of the vast majority of our workforce. As a result, many of our businesses have been forced to reduce hours or not open at all. This impacts the Town's finances and the general well-being of all of our residents and guests.

Recently, several mountain Towns have adopted resolutions declaring a workforce housing crisis. It is hoped that such declarations will help free up state and federal funds to help address our situations.

Grand Lake is moving forward with our Space to Create project. This project will rely on many sources of outside funding including state and federal funds. In anticipation of applying for these funds, staff, on the advice of our Town attorney, has determined that an official recognition of our crisis will be beneficial when applying for outside sources of funding.

#### **Motion**

If the Board of Trustees desires to declare our workforce housing situation as an official crisis, it may do so by adopting the attached resolution with the following motion.

I move to adopt Resolution xx-2021, A RESOLUTION DECLARING A WORKFORCE HOUSING CRISIS IN AND FOR THE TOWN OF GRAND LAKE.

## TOWN OF GRAND LAKE BOARD OF TRUSTEES RESOLUTION 21-2021

## A RESOLUTION PROCLAIMING A WORKFORCE HOUSING CRISIS IN AND FOR THE TOWN OF GRAND LAKE, COLORADO

**WHEREAS**, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado; and

**WHEREAS**, it is essential to the local economy and sense of community of the Town of Grand Lake (the "Town") that workers and their families live in Grand Lake, for without the workers the Town's local businesses could not survive, much less thrive; and

**WHEREAS**, the dislocation of workers from Grand Lake creates stress on the workers, local businesses, and the environment due to long commutes over mountainous terrain; and

WHEREAS, the Board finds it must increase the number of affordable workforce housing units in Grand Lake so that the Town's medical workers, teachers, firefighters, law enforcement officers, service workers, and other critical members of the Grand Lake workforce can afford to live in the same community in which they serve; and

WHEREAS, mountain and resort communities such as Grand Lake face unique challenges regarding housing inventory such as a supply that is constrained by land shortages, labor shortages, high construction costs, the second homeowner market, and the increasing popularity of short-term rentals in residential units of all types; and

**WHEREAS**, over the course of the last several years before the onset of the COVID-19 pandemic, housing for Grand Lake local workforce had become increasingly out of reach such that is was very difficult for workings and their families to stay in Grand Lake; and

**WHEREAS**, in the aftermath of the COVID-19 pandemic, the Town is seeing business and societal shifts brought on from remote working options that allow many second home owners to move to Grand Lake on a full time basis and allow high-income remote workers to purchase homes and relocate to Grand Lake, which has also exacerbated the housing shortage; and

**WHEREAS**, according to the 2018 Grand County Study Area Housing Needs Assessment, Grand County needs, *inter alia*, "deed restrictions to ensure hosing choices are preserved for year-round households" and an estimated 275 new houses by 2023, 52 of which would be in the Grand Lake area; and

**WHEREAS**, although the impacts of the COVID-19 pandemic have been wide-spread, the economic and housing impact of the pandemic has fallen most severely on lower income households who are already more challenged than the general population to find adequate housing; and

**WHEREAS**, the federal government recognized the disproportion impact of COVID-19 on housing needs of vulnerable populations, households, and geographic areas and enacted the "American Rescue Plan Act of 2021" to provide support to state, local, and tribal governments in addressing housing issues; and

**WHEREAS**, many local businesses and public entities are struggling to attract and retain employees and the lack of affordable housing is a major contributor to this workforce shortage with the result that local businesses are closing or reducing their hours of operation; and

**WHEREAS**, in recent years Grand Lake and surrounding municipalities, working separately or in collaboration through various local housing authorities or other entities and instrumentalities, have acquired, constructed, or facilitated the construction of extremely limited numbers of units of deed-restricted workforce housing within the Town of Grand Lake; and

**WHEREAS**, the Board of Trustees of the Town of Grand Lake acknowledge that a solution to the affordable workforce housing shortage will require a multi-pronged approach, including the construction and acquisition of new workforce housing units, the modification of existing regulation, and creation of new incentive programs which will require substantial additional funding from not just local resources but also state and federal sources.

## NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO,

- 1. A workforce housing crisis exists in the Town of Grand Lake that warrants immediate action by local, state, and federal authorities. Inaction will result in irreversible changes to the fabric of the community and limit the ability of the community to serve visitors and residents alike.
- 2. Governments, businesses, and other employers in Grand Lake must thoroughly explore and implement all viable strategies to mitigate the current workforce housing crisis.
- 3. The representatives of the citizens and businesses of Grand Lake implore Governor Polis and the State of Colorado to recognize the nature of the housing emergency in Colorado's High County and to allocate funding from the American Rescue Plan Act of 2021, or any other available sources, to assist the Town of Grand Lake.
- 4. These ongoing efforts to improve affordable workforce housing in Grand Lake will continue to allow local businesses and public service providers to keep a quality workforce in Grand Lake, resulting in a stronger economy and more robust community which will ultimately benefit the Grand County as well as the State of Colorado as a whole because our exceptional recreation amenities are cherished by the residents of Colorado as well as citizens across our nation who visit Grand Lake.

## DULY MOVED, SECONDED, AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO THIS 12<sup>TH</sup> DAY OF JULY, 2021.

27.17	BOARD OF TRUSTEES	
S E A L  ATTEST:	Votes approving: Votes opposed: Absent: Abstained:	
Jenn Thompson, Town Clerk	Stephan Kudron, Mayor	_

## TOWN OF GRAND LAKE, COLORADO

#### **ORDINANCE NO. 12-2022**

# AN ORDINANCE REVISING THE GRAND LAKE TOWN CODE TO ALLOW NIGHTLY RENTALS IN MULTI-FAMILY DWELLINGS

WHEREAS, the Board of Trustees of the Town of Grand Lake, Colorado, pursuant to Colorado statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado; and

WHEREAS, the Grand Lake Town Code currently permits Nightly Rentals only in Single Family Dwellings; and

WHEREAS, the Board of Trustees has considered the possible impacts and benefits of permitting Nightly Rentals in Multiple Family Dwellings; and

**WHEREAS**, the Board of Trustees has determined that it is in the best interest of the public health, safety and welfare and in the best interest of the Town of Grand Lake to permit Nightly Rentals in Multiple Family Dwellings.

# NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

- 1. Section 12-2-13(A)(6), which governs Nightly Rentals in the Multiple Family Residential District Low Density RML zoning district, is amended by adding the underlined language to read as follows:
  - 6. Nightly Rentals in Single Family Dwellings <u>and Multiple Family Dwellings</u> only. Nightly Rentals will not be permitted in Accessory Dwelling Units (ADUs).
- 2. Section 12-2-14(A)(6), which governs Nightly Rentals in the Multiple Family Residential District Medium Density RMM zoning district, is amended by adding the underlined language to read as follows:
  - 6. Nightly Rentals in Single Family Dwellings <u>and Multiple Family Dwellings</u> only. Nightly Rentals will not be permitted in Accessory Dwelling Units (ADUs).
- 3. Section 12-2-14(A)(6), which governs Nightly Rentals in the Multiple Family Residential District High Density RMH zoning district, is amended by adding the underlined language to read as follows:

- 6. Nightly Rentals in Single Family Dwellings and Multiple Family Dwellings only. Nightly Rentals will not be permitted in Accessory Dwelling Units (ADUs).
- 4. Severability. If any article, section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason such decision shall not affect the validity or constitutionality of the remaining portions of this Ordinance. The Board of Trustees hereby declares that it would have passed this ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.
- 5. Repeal. Existing ordinances or parts of ordinances covering the same matters embraced in this ordinance are hereby repealed and all ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the effective date of this ordinance.

MOVED, SECONDED AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO THIS 26th DAY OF SEPTEMBER, 2022.

	TOWN OF GRAND LAKE BOARD OF TRUSTEES	
	Votes Approving: Votes Opposed: Absent: Abstained:	
ATTEST:		
Alayna Carrell, Town Clerk	By: Stephan Kudron Mayor	