

**TOWN OF PALMER LAKE  
BOARD OF TRUSTEES - AGENDA MEMO**

<b>DATE:</b> March 9, 2023	<b>ITEM NO.</b>	<b>SUBJECT:</b> Direction on Short Term Rental Code
<b>Presented by:</b> Town Administrator /Clerk		

The information below was previously presented at the 2/23 Board meeting. It summarizes one year of data collected since implementing the Short Term Rental code and permitting in the town of Palmer Lake. There are currently 49 licensed STR in the town –

**22 owner occupied w/ 9 accessory:**

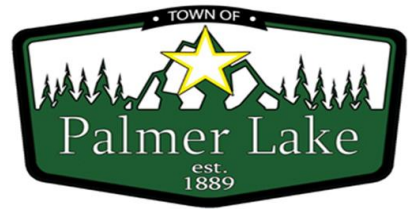
Walkout basement
Garage & storage area conversion
Loft over garage
Apartment above garage
Cottage behind the main home
Bunk House
Garage conversion apartment
Tiny home
Cottage on the backside of the property

**26 non-owner-occupied w/ 3 conditional use w/ 1 accessory:**

Apartment above garage
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As previously reviewed with the Board members, two areas of concern were addressed at the 2/23 meeting –

- 1) accessory use, as the zoning code does not define/speak to accessory dwellings. It is recommended that any accessory dwelling requires a conditional use permit going forward. Multiple units for non-owner-occupied property follow the process of conditional use. It is recommended that *any parcel with more than one dwelling should require a conditional use permit*. Further definition of an accessory dwelling could be addressed by Planning Commission as the land use code is reviewed.
- 2) consider a cap on both types of license. Currently there is a 10% cap on non-owner-occupied rentals, meaning a limit of approximately 112 licenses within the town. Staff recommendation is to reduce this number overall and establish a cap/limit for owner-occupied rentals as well. The recommended modification is 5% for non-owner and 10% for owner occupied.



These changes are reflected in the amended redline code with this item.

Another concern that is addressed in the redline code is payment of fees.

Staff recommends that the initial (new) fee be prorated for the first application/license. Currently, if an applicant applies for a STR license in March, they will be renewing the following month at the same full rate (annual fee). The language is amended to prorate the initial/new application fee.

A final concern requiring Board direction is the penalty when an STR is not licensed, is renting, and does not comply to applying for the license. The last section of the code provides vague language. Currently, when a STR is not licensed but renting, staff sends a letter to the property owner including the ordinance and application packet to be completed. What next step would the Board like staff to take for compliance?

A drafted code amendment is included reflecting prior discussion with the Board as well as staff experience.