



## CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Administration	Sara Law - Deputy City Clerk	December 19, 2022

### **ITEM**

Updates on the Short Term Rental Program

### **BACKGROUND**

The Salida City Council and Planning Commission have worked to establish regulations for Short-Term Rental housing within the City of Salida. On November 16, 2021, the City Council adopted new regulations for Short-Term Rental housing within the City of Salida. These regulations became effective on December 16, 2021.

The regulations have imposed caps on the number of Short-Term Rental Licenses in four non-Residential areas and maintained the cap in our Residential area:

- **C-2/Historic Downtown:** 99 Short-Term Rental Licenses
- **Highway 291 Corridor:** 71 Short-Term Rental Licenses
- **Industrial Corridor:** 16 Short-Term Rental Licenses
- **Highway 50 Corridor:** 46 Short-Term Rental Licenses
- **Residential Area:** 80 Short-Term Rental Licenses

Other regulations in the new Ordinance include that all new applicants after December 19<sup>th</sup>, 2021 need to be Chaffee County residents, with a time limited exemption to account for properties that had not obtained their final CO, and that moving forward, licenses would be limited to one per owner.

In the residential zones (R-1, R-2, R-3, and R-4) Short-Term Rentals shall be rented no more than one hundred eighty-five (185) calendar days a year. Additionally, there can be no more than one short term rental per Residential block. Commercial and Industrial Rentals can be rented out all year long and the one short term rental per block rule does not apply in these zones.

In November, two ballot measures went before the voters to approve an Occupational Lodging Tax increase and a License tax increase. Both measures passed and as a result, starting on January 1, 2023, there will be an OLT tax increase to \$15 per room per night and the annual license fee to renew will increase to \$1000. Staff has been working with our partner software company GovOS to ensure that the reports and application will reflect the updated taxes in 2023, as well as notifying the current Short Term Rental license holders of the upcoming changes.

### **CURRENT NUMBERS**

We have not hit the caps in any of our non-Residential zones and our Residential area remains on a waitlist. The current amount of licenses that we have granted per each zone are as follows:

C2/Historic District: 73 licenses  
Highway 291 Corridor: 64 licenses  
Industrial Corridor: 11 licenses  
Highway 50 Corridor: 11 licenses

We currently have 239 Short Term Rental licenses in the City of Salida.