



BOARD OF COUNTY COMMISSIONERS

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TO: Board of County Commissioners
Scott Vargo
Jeff Huntley
FROM: Sara R. Lopez
RE: Work Session Meeting of September 28, 2021
DATE: Tuesday, September 28, 2021

Attendees:

Elected Officials: Elisabeth Lawrence, Tamara Pogue and Josh Blanchard – Commissioners
Jaime FitzSimons - Sheriff

Staff (in person or via Zoom): Scott Vargo, County Manager; Jeff Huntley, County Attorney; Bentley Henderson, Assistant County Manager; Marty Ferris, Finance Director; Keely Ambrose, Assistant County Attorney; Jason Dietz, Housing Director; Jim Curnutte, Planning Director; Brian Bovaird, Emergency Operations Director; Robert Jacobs, Road & Bridge Director; David Reynolds, Finance Assistant Director; Shelby Sainz, Housing Program Coordinator; Jessica Potter, Senior Planner; Brandi Timm, Planning Technician/STR; April Paige, Executive Administrative Manager and Sara R Lopez, Administrative Assistant.

Guests (in person or via Zoom): Abbey Browne, Aly Couette, Andy Karsian, Andrew Aerenon, Andrew Pappas, Anne Marie Ohly, Carla Koch, Christine Staberg, Elise Thatcher, Erika Schmidt, Hanna Thomas, Jamie Callahan, Jan Leopold, Jay Homola, Jenna deJong, Jennifer Luberto, Jim Schlegel, Joan Moats, Jonathan Jones, Julia Koster, Julie George, Kathy Hall, Lindsey Stapay, Mark Rogers, Mat Levine, Matt Dayton, Michelle Eddy, Mike Goolsby, Paul Fox, Phil Lindeman, Rachel Tuyn, Sarah Thorsteinson, Samantha Nuechterlein, Sarah Schwartz, Shellie Duplan, Stacy Shelden, Steve Fisher, Tony O'Rourke, Zane Znamenacek and others who did not sign in.

I. Short Term Rental Incentive Discussion (Housing)

Jason Dietz and Shelby Sainz gave an update on the following topics including but not limited to:

Summit County's Incentive Program intends to increase the supply of rentals available to the County's workforce by converting short-term units to the long-term rental pool. Mr. Dietz noted that the Town of Breckenridge has expressed interest in partnering with the county on this program.

Colorado's mountain & resort communities have become synonymous with almost entirely out-of-reach housing costs for locals as well as an ever-expanding commute. This largely contributes to labor shortages. In the 2019 Summit County Housing Needs Assessment, it was estimated that the County will be short approximately 2,000 units by 2023, almost all rentals. The post COVID19 unit shortage is estimated to have increased to over 3000 units.

The Incentive Program aims to immediately increase the number of long-term rental (LTR) units available to the County's workforce by offering financial incentives to homeowners, who can more easily pay their bills & use their unit on the short-term rental (STR) market, in exchange for long-term leases.

The Incentive Program will test the concept of short-term to long-term rental conversion, with the goal of housing more of the local workforce in the County to both live & work in our community & helping with the staffing shortage. Mr. Dietz gave an overview of the eligibility requirements

- Homeowner Eligibility
- Property Manager Eligibility
- Tenant Eligibility
- Program Evaluation

Ms. Sainz gave an overview of the Short Term Rental (STR) Survey that was sent out to 788 STR Homeowners to gather data on how and when units are used, what type of income is generated and if owners would consider long-term renting their units. 45% (357) of these owners responded to the survey.

Commissioner Pogue asked for clarification on the unit eligibility. Mr. Dietz and Bentley Henderson noted they focused on the neighborhood and not the resort areas, as these are routinely promoting STR occupancy; however, it is still a new thing for residential neighborhoods. Mr. Dietz noted that most of the resort units are booked in the summer for the winter but if any homeowners show interest in participating, they are welcome to it. The goal is to roll out the program on October 15, 2021.

Commissioner Pogue asked how we can make sure that the program is successful. Mr. Dietz noted that working with Landing Locals is the best way to manage the program as the Housing Department and Housing Authority do not have the staff capacity to do it. Commissioner Lawrence shared her concern in getting the information out to the community, and that some homeowners could be overwhelmed with having to find the right tenant but may be more inclined to rent to a business.

Commissioners asked questions and provided feedback.

II. Discussion of Short Term Rentals Incentives Program and the legal issues therein (Attorney) (Executive Session Recommended).

Jeff Huntley and Jason Dietz requested an Executive Session to discuss the real estate legal issues and negotiations.

A motion was made by Commissioner Pogue and seconded by Commissioner Blanchard to go into Executive Session to discuss the Real Estate legal issues and negotiations. The BOCC voted 3 to 0 to go into Executive Session per CRS 24-6-402 (4) (a)(b)(e). The motion was approved.

III. Bi-Annual CDOT/BOCC Joint Meeting

CDOT Staff gave an update on the following topics including but not limited to:

1. SB 260 Funding Presentation – Andy Karsian, State Legislative Liaison
Mr. Karsian gave an update on SB21-260: Accountability and Transparency – This means attuning to Colorado’s needs, provide accountability, address climate goals, etc.
He also gave an overview of the funding sources and overall allocations within the transportation plan, as well as the changes to Fee Revenues/Parameters and what they will be dedicated to.

Funding Proposal/Distribution

734 million of new fee revenue supports 3 new electrification and charging infrastructure enterprises:

- Changing Infrastructure & Electric Vehicle Equity
- Fleet Electrification Incentives
- Public Transit Electrification

Air Pollution Mitigation

- CDOT implements new procedures and guidelines detailing how these projects impact statewide greenhouse gas emissions and vehicle miles traveled.
- Model air pollutant emission impacts preconstruction and during construction.
- CDOT and DRCOG and NFRMPO) must update their plans to be in compliance with these policies by October 1, 2022.
- If this date is not met, MMOF expenditures can only be spend on these projects/programs that help meet compliance.

Commissioners asked questions about funding and the updates to CDOT’s ten-year plan. Mike Goolsby noted they are still working on the details of the plan but will provide an update, once finalized.

2. Hwy 9 Gap Project

The project is nearing its end, and the goal is to complete it by October 15, 2021. Commissioner Pogue asked for an update, if this goal date cannot be met.

3. Planning Updates

- a. Exit 203 – CDOT is conducting studies and will be moving forward with the design process. After that, they will reach out to stakeholders to get their input.
Exit 205 – CDOT is well aware of the importance of this project to the community. Commissioner Lawrence asked for the project to be moved up the list as this exit has been used as an alternative route with the road issues at Glenwood Canyon. Commissioner Pogue noted that the issues are not just with Exit 205 but everything that connects to it. Mr. Beck said that at this point CDOT cannot offer satisfactory answers but they are examining the issues and their design department is looking for solutions.

There were suggestions about smart signaling and using this technology for Exit 205. Zane Znamenacek noted that the technology is still in its infancy but as it improves, CDOT believes it would be a good option.

- b.
- c. Exit 205/Bridge Eastbound Widening Project Upgrade update
- d. 10 year plan amendments/additions

The challenges in making amendments is the competing projects.

e. Hwy 6 in Keystone

Consideration of improvements to the Evergreen/Hwy. 6 Intersection. The consultants have identified different options like roundabouts and will give their recommendations at the beginning of December 2021.

Host of improvements to Hwy 6/Rasor Drive in Keystone and the options that have been examined and rejected due to the location. They will conduct another study to find a better solution, maybe installing other options for pedestrians to be able to get to the bus stop and to work. Other safety concerns with Highway 6 in Dillon and one of the biggest issues is high speed on the highway, and how this affects pedestrians wanting to access the bike path.

The county is participating in the Hazmat Tunnel Study to find a way to get some of that hazmat transport out of Loveland Pass, and to look for ways to utilize the tunnel differently.

4. Other Discussion Items

Mike Goolsby gave an update on the Glenwood Canyon project and how it has affected everyone in the western region. Kathy Hall, Transportation Commissioner, noted they are well aware of the importance of having other transportation options and resilience to travel the western slope. She noted that people in the Front Range do not understand the importance of the I-70 corridor and asked for the Commissioners help in advocating for the western slope.

IV. Non Profit & Other Budget Discussions

Marty Ferris discussed several topics including but not limited to:

Overview of the funds allocated in past years and whether the Board want to keep the list the same, the amounts the same or increased. Commissioners reviewed the list, asked questions and provided feedback.

V. Managers' & Commissioners' Issues

Senior Management and Commissioners discussed several topics including but not limited to:

Bentley Henderson

- The Freemont Recreation Path project has been completed. The ribbon cutting ceremony will be held the week of October 11, 2021.
- Update on the Shooting Range project. They put out an RFP for the construction of the berm and the shooting enclosure, but the bids received were more than 6 times the expected cost. The county is looking into alternative options.
- The new Public Works Director has been hired and will start on Monday, October 4, 2021. They are also conducting interviews for the Open Space & Trails Director position.

April Paige

- Trying to finalize a date for the Short Term Rentals (STR) Code Open House Town Halls.

Commissioners also reviewed schedules and upcoming calendar events.

VI. Weekly Fire Restrictions Update (Sheriff)

Sheriff FitzSimons gave an update on the Silverthorne wildfire. It is up to 83 acres but the circumstances have not changed. There are over 617 homes in the pre-evacuation zone. As of now, the fire is not close to any structures. Recommendations for fire restrictions are to stay the course and hope that with the weather moving in, the fire danger will diminish. He will continue to meet with representative from all related organizations and will determine if a change to fire restriction is needed.

Brian Bovaird gave an update on the Emergency Operations work and the evacuation zones that have been identified. There were no evacuees last night at the Middle School but it will reopen again today, in case it's needed. They will also continue updating the public with SC Alerts, and are working with Environmental Health in case the water source gets contaminated. They are also working with organizations that can handle any donations. A public hearing will be at 6pm at the Silverthorne Town Hall. He encouraged everyone to sign up for SC Alerts

VII. Litigation Update and Contract Issues Related to Real Property (Attorney) (Executive Session Recommended).

Jeff Huntley and Scott Vargo requested an Executive Session for litigation updates, contract issues related to real property and the legal advice related thereto.

A motion was made by Commissioner Pogue and seconded by Commissioner Lawrence for litigation updates, contract issues and negotiations related to real property and the legal advice related thereto. The BOCC voted 2 to 0 to go into Executive Session per CRS 24-6-402 (4) (a)(b)(e). The motion was approved.

I. Short Term Rental Code Amendment Discussion (Planning)

Jessica Potter and Brandi Timm gave an update on the following topics including but not limited to:

BOCC on September 14, 2021 and went into effect September 18, 2021. The purpose of this work session is to update the BOCC on the STR program and introduce a conceptual framework for new regulations. Topics will include applications received, timeline for software implementation, proposed amendments to the regulations, and data gathering, among other items.

Topics

STR License Update: Working with the software provider, Host Compliance, all properties outside of the designated Resort Areas are now blocked from being able to submit an application for an STR license. A special exception form was created and uploaded on the website on Sept. 16 to allow property owners within the moratorium area meeting specific exceptions to apply for an STR license.

STR Policy: The current STR regulations were adopted in 2018. When they were adopted, no distinction was made between resort areas and neighborhood areas and there is currently a "one size-fits-all" approach to regulating STRs in Summit County. These regulations are well-suited for resort areas, but are not as appropriate for non-resort areas.

Trends

Overview of STR trends, including cost of housing and complaints from neighborhood areas. Commissioners asked for additional data on what constitutes complaints and whether they involve calls to the Sheriff's Office.

Objectives

In order to create a framework for new regulations, it is helpful to have stated goals and objectives.

- Local Workforce Housing
- Local-Friendly Regulations
- Neighborhood Character
- Second Homeowners
- Incentivize
- Balance
- Be Strategic

Proposal

In consideration of the above objectives, staff has prepared a conceptual framework for new STR regulations. The framework involves the creation of two overlay zones to encompass all of the unincorporated county – a resort zone, and a neighborhood zone (the rest of the county), and three license types ranging in intensity of use. All license types would be permitted in the resort zone, and the most intense license type would be severely limited within the neighborhood zone.

The second feature of the proposal is the creation of three license types that range in intensity of STR use. These license types were created based on a review of STR regulations in other communities, a preliminary analysis of current STR operations in Summit County, including complaints, and public comments received.

- License Type I is a primary-residence STR, this license type would apply to anyone renting their primary residence.
- License Type II is targeted to second-homeowners that STR their property but still use it for themselves.
- License Type III is intended to capture investment property STRs.

To summarize, in the Resort Zone all license types would be allowed on an unlimited basis and the current regulations would remain essentially unchanged. In the Neighborhood Zone, Type I and Type II licenses would be allowed on an unlimited basis; however Type III licenses, would be severely restricted. All primary-residence STRs would continue to operate in the Neighborhood Zone as they currently exist, but STRs that are not someone's primary residence would be limited to a specified number of nights a year in the Neighborhood Zone.

This regulatory change would help to mitigate the incompatibilities of high-intensity STRs in the Neighborhood Zone while still allowing property owners the ability to STR. Additionally, the limit on number of nights rented could help to convert some of the year-round STRs to partial-year long-term rentals, and could be further incentivized with a fee reduction.

Data Analysis Plan

Based on BOCC requests and conceptual framework, staff suggests the following areas of data analysis. A meeting is scheduled with Host Compliance review the Rental Activity Module. This feature will provide more information in terms of nights STRs are rented.

Overlay Zones:

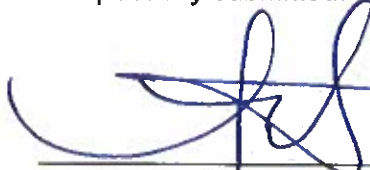
- I. Resort Zone (~62% of current STRs)
 - a. No changes from the current regs
 - b. All proposed license types can operate in this zone on an unlimited basis
- II. Neighborhood Zone (~38% of current STRs)
 - a. Changes proposed through the establishment of license types: Type I and II unlimited in this zone, Type III prohibited or severely limited
 - b. Occupancy standards to be reassessed (analysis needed)

Commissioners asked for additional information to be provided at the October 5, 2021 Work Session and suggested a couple of neighborhoods to be analyzed. They would also like to see more visual examples.

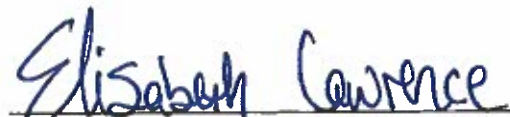
Commissioners and staff also discussed the format of the upcoming STR Town Halls that will be held in October. They would like for a way for the public to provide feedback either via a QR code that can direct them to a survey or something similar.

Meeting Adjourned.

Respectfully submitted:


Sara R Lopez, Deputy Clerk

Approved by:


Elisabeth Lawrence, Chair