

**STUDY SESSION NOTES**  
**CITY OF WHEAT RIDGE, COLORADO**  
**City Council Chambers 7500 W. 29<sup>th</sup> Avenue**  
**October 21, 2019**

Mayor Bud Starker called the Study Session to order at 6.30 p.m.

Council members present: Amanda Weaver, George Pond, Janeece Hoppe, David Kueter, Kristi Davis (arrived late), Zachary Urban, Larry Mathews, and Leah Dozeman

Also present: City Clerk, Janelle Shaver; Community Development Director, Ken Johnstone; Parks & Recreation Director, Karen O'Donnell; City Treasurer, Chris Miller; guests and interested citizens.

Citizen Comment on Agenda Items

**Albert Gallo** (WR) lives next to a short term rental (STR). When the longtime residents moved away an investor bought the house and turned it into an Airbnb. There were lots of cars and carrying on there at first, but the owner finally settled it down. There are permanent renters in the basement. When things get out of hand they can call the owner. He likes having the option for his own house. He spoke on a few of Denver's STR rules. Some nights it's fine having strangers in the neighborhood; some nights not.

**Guy Nahmiach** (WR) asked for the goal of the discussion on Airbnb's. To turn people away? Generate income? Control what we have? Promote full houses or rooms?

- He shared some fact about Airbnb's in Wheat Ridge.
  - There are 141 Airbnb's in Wheat Ridge.
  - A person at 38<sup>th</sup> & Parfet is renting his couch out for \$32 a night.
  - A lady on Ames owns 4 houses in a row. Each room in each house has 2 bunkbeds. Each bed rents for \$22 a night, plus \$3 cleaning fee.
- He shared some things for Council to think about.
  - Fee? Denver charges \$50 for the initial fee; \$25 yearly renewal. Boulder charges \$130 for 4/year license; includes the inspection.
  - If the fee is to cover what it costs for inspections, the fee will be about \$300 per license – so high people will not register. About 2,500, half of the Airbnb's in Denver, are not registered.
  - Why set 21 as an age to register? It's 18 to register at a hotel.
  - He favors renting the whole house; thinks it will draw a better quality of renter.
  - 4:20 Special? How do you enforce that?
  - The 200 feet? What about duplexes and condos?

**Kristine Jessop** (WR) shared her experience of an Airbnb in her cul-de-sac. There is trash, noise, lots of activity and cars. This is a commercial enterprise. We will be known as an Airbnb. Realtors market houses as "perfect Airbnb's". Even if you pass rules, they will not be enforced. This is a business and should not be in a R-1 neighborhood. How would you like to live next to an Airbnb? She can't believe this has gone this far. She thinks they should not be grandfathered in. There was no hearing about having this business in the neighborhood - like there was about the possibility of having a daycare in the neighborhood. We should enforce current zoning laws now.

**Ty Jessop (WR)** noted that from the time he moved here 40 years ago, he's had to get permission for everything. The fellow who wanted to put in a day care came to the neighbors, and there was a hearing and he got denied. These people who own these Airbnb's don't have to get permission for anything. The one next to him has people coming in at midnight. People never asked him if he wanted a business next door. He is fed up. He has to live by the rules, and others get to do as they please.

**Heather VanDeburgh (WR)** has hosted 2 Short Term Rentals (STR) for 2 years in an R-2 neighborhood. They've had 200 guests from all over the world. She enjoys providing a welcoming and cozy home away from home for people who come to visit family. She said Airbnb screens their guests and hosts, and her family screens and manages their guests as well. They limit the number of people. They don't allow parties or events. Guests must respect our neighborhood and the home. Reviews of hosts and guests are shared. They hire cleaners and yard crews to take care of the properties. They look forward to smart regulations.

**Adom VanDeburgh (WR)**, age 11, said his family has two short term rentals. He's gotten to meet a lot of new kids. Their guests are super nice.

**Benji VanDeburgh (WR)** related details and advantages about the two STR's his family runs. He would like to be able to continue having them. No one yet knows how STR's affect real estate prices, rental rates and nuisance violations. He hasn't seen evidence of trash, noise and extra traffic. He suggests license with practical safety requirements.

**Mike Pleiss (WR)** lives across from a STR. When they moved to this house 2 years ago they wanted their daughter to be able to ride her bike someday; now she is four and can't do it because of the business across the street that exploits the hard work of the neighbors and takes away the quiet neighborhood. The house is advertised as a quiet family neighborhood and a 4:20 house. The neighbors get nothing from this business that profits from their hard work. It's not fair. He has to work for his mortgage, but these owners have a business that contributes nothing to the neighborhood. He feels uncomfortable with the guests. There are events at the house, rude behavior, sometimes 10 cars on the street, drinking in the front yard. There needs to be some regulations to allow people who want to live in their houses to co-exist with people who are running a business in their neighborhood. He suggested no street parking, no parties, nightly minimums, taxing them, and rules.

**Cary Whitaker (WR)** is here with several neighbors from his street who sent a letter to Council in May, signed by all but 2 residents on the street, about the STR on their street that appears to be converted to an illegal duplex. The basement is rented long term to 2-3 people and the upstairs is rented out short term to up to 12 people. He thanked Councilmembers Kueter and Hoppe, and Dozeman and Urban for meeting with them. He thinks most of the people on the street support Councilmember Hoppe's framework for regulations, but there are details that need to be worked out. He thinks the Council needs to take a deep look at owner occupied. 1) People shouldn't buy homes they can't afford. 2) He provided copies of research from two universities that show STR's increase the cost of living, the cost of homes to buy, and the cost of long term rentals.

Colorado is in the middle of a 20-year affordable housing crisis; the last thing we need is for properties to be more expensive and for the cost of living to go up.

**Weston Gallagher (WR)**, a resident of 3 years, owns/manages an Airbnb on 38<sup>th</sup> and also Airbnb's his house on Newland. He looks forward to the conversation and wants regulations to make sense for everyone. It's a business, which is taxable and is great for the City's economy, but we need to look at the hosts of Airbnb's. Their cash flow, life choices and property rights are just as important as a jerk across the street making obscene gestures. He suggested a community group to look onto this – not just do what surrounding cities are doing. He empathizes with fear of change, but he thinks choking off economic and cultural growth of the City to appease fear is a bad decision. He urged Council to look at the 38 reviews for his Airbnb on 38<sup>th</sup> Ave the last 3 months to see what people are saying about our city.

**Rachel Hultin (WR)** spoke about how she uses Airbnb when she travels. The two in her neighborhood are well kept, but the rental property across the street is not. Rentals impact the quality of life on her block. She likes having an Airbnb down the street for her family to stay at when they come to visit. She thinks regulation, licensing, taxing, and setting high standards aligns with the values of the city. People want to stay in Wheat Ridge; so if converting all or part of your house to an Airbnb allow them to stay here, that is what she thinks Wheat Ridge is. She believes being able to keep your first house as a rental and buying another one to live in is double investment in the City, and provides flexibility.

**Tommy Lorden (Boulder)** owns an Airbnb at 3351 Yukon Court. It may be a retirement home for him and his wife when their children are grown; to cover costs they've turned it into a STR. He understands some licensing and regulation make sense, but if Council enacts a primary residence requirement, he asked that existing Airbnb owners be grandfathered in. To change the rules suddenly would really disadvantage us.

**David Ohmart (WR)** has a delightful lady across the fence with an Airbnb. It's amazing to watch people from all over the world come here. STRs may need some regulations, but it shouldn't be out of balance.

**Samuel Harris (Denver)** lives in Denver but manages Arvada and WR properties - including 9889 W 32<sup>nd</sup> Ave. He hears negative feedback, but there are ways to combat that. He gets the neighborhood involved. He noted people coming here for family visits, births, funerals, adoptions, medical care, honeymoons. He does what he can to prevent parties and wild activity. There are pro's and con's. He requires a security deposit, and there's a large party of if marijuana is smoked - they don't get it back. He feels STRs connect worlds and neighborhoods. People want to come to Denver and experience it.

1. Preferred Concept Design for "The Green" on 38<sup>th</sup> Avenue

Ken Johnstone presented background for the discussion.

- We've had a shared use agreement with the school since 2013.

- The Architerra Group was hired in August 2018 to work on design and a procurement process.
- Major design elements are moving the parking lot closer to the school and having the Green closer to the street.
- \$900K is committed in the 2020 budget for this project.

**Mark Taylor** from Architerra went over the preferred design.

Councilmembers had comments and questions

- Glad the School District supports this.
- Is concerned the school district won't help with affordable housing, but will do this.
- We've moved Trunk or Treat to Lutheran because we need more room; is this space big enough?
- Like the way the design orients toward 38<sup>th</sup> Avenue.
- Likes that the driveway will help parents with school drop off.
- This is the only space on 38<sup>th</sup> Ave for a green place like this.
- We will have a lease agreement by the time we break ground.
- Want to know the types of events and the number of people this space will accommodate.
- What happens if the school closes?
- Has there been research on the deed restrictions on the property? Since April 26, 1873, this property has only been used for education purposes. This is the longest use of that kind in the State. There hasn't been any research like that.
- **Bruce Huxley**, Director of Property R-1 Schools, advised the State has allowed school districts to lease property if it is for community good. It will be a long term lease – details which are yet to be worked out. If the property is sold, the lease would have to be honored or negotiated.
- Stakeholder meetings were attended by Jeffco Schools, the principal of Stevens, 38<sup>th</sup> Ave business owners, City and Parks' staff, and Localworks representatives.
- School District believes this will enhance safety and security for the children. Provides better view of parking lot and ability to queue more cars.
- Hard time investing almost \$1M in a property we don't own when our schools are in danger of closing. The Green as it is now is serving its purpose.
- Need to see the IGA before approving a price tag.

Councilmember Hoppe received consensus to bring a design forward.

**Mayor Starker declared a break at 7:50.  
The meeting reconvened at 8:01**

## 2. Short Term Rentals – City Council Survey Update and Discussion

Ken Johnstone presented. Staff has been monitoring the prevalence of STRs in the City, as well as what regulatory approaches (if any) other cities have taken - locally, statewide and nationally.

Our code is currently silent on the topic; however, looking at various sections of existing codes, staff's interpretation has been that they are not allowed. That is communicated to persons inquiring of their permissibility. Given staff resources and the ambiguity in the Code, enforcement actions to prohibit them is not currently pursued.

Mr. Johnstone went through the results of the internal survey of councilmembers on regulations they wanted for STRs (in the packet). Extra staffing may be necessary. Whatever we do will be complicated and require considerable research. Council may also want to consider what extra public outreach they would like to do. Some things that had consensus were:

- Some kind of licensing program, with some sort of fee
- Collecting lodger's tax
- Consensus to allow partial home STR's; less support for full home STR's
- Agreement that additional staff may be needed to research this program
- Support for having the STR be the primary residence of the owner.
- Mixed views on what zones to allow, but general support for all residential zones.
- No consensus on maximum number of days for STR that is a primary residence.

Councilmember Hoppe read through the list of regulations she would like to see based on discussion she and Councilmember Kueter had with constituents. Residents offered their suggestions and she added things she would like. The list includes:

Lodger's tax; license; renewed every year after inspection; license displayed; two licenses if one is your primary residence; allowed in residential, MU, MU-Commercial and C-1 zones; no more than 4 units in a commercial zone; following inspection required to conform to all life safety issues; fee to offset staff time – which could be significant; loss of license if more than 3 nuisance complaints in 1 year, any life safety complaints, or failure to pay taxes and fees; operating without license requires waiting 1 year to reapply; age 21+ to rent; must rent house or single occupancy in a room; no dorm style arrangements; at least 1 off-street parking space required; no single night rentals, i.e. 2 night minimum; require license number on listing; require 24-hour emergency contact; must notify neighbors within 100 feet that they are an STR and supply emergency contact; not advertise as 4:20 friendly in the listing; some maximum allowance within a radius.

Councilmember Mathews: We haven't yet decided if we are going to even allow STRs in Wheat Ridge. He read that in the NRS survey a majority of citizens expressed that they did not want part of a house to be rented out to non-family members. We need to decide if we are going to allow motels in residential neighborhoods.

Councilmember Urban asked if we had a definition of "family".

- Mr. Johnstone explained the complicated elements of our code.
- How will this intersect with ADU's? Per Mr. Johnstone, ADU's and secondary dwellings aren't allowed at this time.
- Some STR's are well run; regulations are for those who are/will try to skirt the law.

- Airbnb's are popular because of the neighborhoods that have amenities and infrastructure – which is paid for by the people who live here all the time. The STR owners benefit financially from this environment; the neighbors get nothing.
- Doesn't think STR's should not be in R-1 neighborhoods.

Councilmember Davis pointed out that long term rentals are businesses too. She feels that if we're going to license and regulate STR's, we should license and regulate long term rentals too.

Councilmember Pond generally agrees with the framework Councilmember Hoppe presented.

Councilmember Kueter agrees that the basic question of whether we will allow STR's in the city, and from there begin to craft a regulatory framework. He asked for consensus to begin a regulatory framework.

Councilmember Urban noted we already have considerable regulations for Bed & Breakfast; what happens to that? Mr. Johnstone went through some of those regulations for Bed & Breakfast (of which the City has none). He advised B&B is a little different business model and has more requirements.

Councilmember Weaver thinks we need to look at what is happening so we consider future and current hosts. She added some things to Councilmember Hoppe's list (occupancy limits; emergency contact within 30 miles or one hour away; no couch surfing; .no multiple room rental to different parties;

Councilmember Dozeman had questions about minimum lots size and occupancy requirements. Mr. Johnstone indicated staff would take direction from Council.

Councilmember Kueter received consensus to permit STRs in Wheat Ridge subject to a regulatory framework..

There was lengthy discussion about

- allowing corporate ownership of multiple STR's
- owners being partners of multiple LLC's to allow ownership of multiple STR's
- having one owner-occupied STR as a prerequisite for a second non-occupied STR.

Councilmember Hoppe received consensus to allow both non-owner-occupied and owner-occupied STRs.

Discussion continued.

Councilmember Hoppe received consensus to allow only two licenses per owner.

There was discussion about occupancy limits, life/safety/health issues, and what type of complaint process to have.

Councilmember Hoppe received consensus to have staff bring forward options for occupancy caps.

Councilmember Hoppe received consensus to add a requirement that an emergency contact live within 30 miles or one hour.

There was discussion about buffer requirements (to prevent neighborhoods from becoming oversaturated with STRs) and having a fees schedule..

Councilmember Hoppe received consensus to have staff move forward with the list of requirements she shared previously, plus the things added tonight.

Councilmember Kueter received consensus to allow a grace period for compliance on physical requirements, but not for licensing and fees.

Councilmember Urban excused himself.

3. Staff Report(s)                      There were none.

4. Elected Officials' Report(s)


**Leah Dozeman** invited folks to Trunk or Treat this Saturday at 4pm at Lutheran Hospital 3555 N Lutheran Parkway.


**Janeece Hoppe** reminded District 1 she will be at the Rec Center tomorrow from 6:30-8:00pm. She will be talking about why she supports 2E and the County Treasurer will be there to talk about 1A.

**ADJOURNMENT**

The Study Session adjourned at 9:19pm.

APPROVED BY CITY COUNCIL ON November 18, 2019

  
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Janelle Shaver, City Clerk

  
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Janeece Hoppe, Mayor Pro Tem