

SHORT-TERM RENTAL PROPOSED POLICY RECOMMENDATIONS

SHORT-TERM RENTAL POLICY CONSIDERATIONS

- Violations and late fee
- Base fee to cover administrative costs
- Mitigation fee to address housing impacts
- Caps / Limits
- Health and Life Safety Inspections

SHORT-TERM RENTAL ORDINANCE VIOLATIONS

- Violations
 - Increase fines for violations of the STR ordinance
 - Increase revocation period from two to three years
 - Decrease maximum number of violations from three to two per year
 - Impose a significant fine for any property found operating without a registration

Suggested Fines		Vs. Existing Fines
First Violation	\$1,500	\$500
Second Violation	\$2,650	\$1,500
Third Violation	Registration Revoked for 3 Years	\$2,500
Fourth Violation	N/A	Registration Revoked for 2 Years
Fine for operating without an approved STR registration, each day is a separate violation	\$2,650	Follows four-step fine structure

BASE REGISTRATION FEES

- Flat Rate Base Fee to Cover Town of Vail Administrative Costs – \$352K
- Lower fees for owner-occupied, primary residences which are rented for 30 days or fewer per year; and fractional units, managed by the owner and rented for 30 days or fewer per year.

STR Type	Flat Annual Fee
Fractional: Managed by owner, 30-day registration	\$25 per owner
Owner-occupied, 30-day registration	\$25
Fractional: Managed by Front Desk	\$150 per unit
Owner occupied, unlimited registration	\$150
Non-primary residence	\$150

MITIGATION FEES

- Per-Bedroom Fees to be used for local housing programs (In addition to Base Fees)
 - STR guest spending in Vail generates a need for local jobs, employees in those jobs will struggle to afford housing
 - The need for housing supports an annual STR fee of up to \$5,912 per bedroom

STR Type	Annual Fee	Plus Flat Admin Fee
Fractional Owner	\$100 per bedroom	\$25 per owner
Local Resident, Owner-Occupied, Primary Residence	\$100 per bedroom	\$25 for 30 days or less or \$150 for unlimited host-present rentals
Non-Primary residences	Up to \$5,912 per bedroom	\$150 per unit

PER-BEDROOM FEE

- Council can apply a mitigation rate to this maximum fee so that only a portion of the need is addressed by STRs

Description	Full Fee per Bedroom	Mitigation Rate							
		15%	20%	25%	30%	35%	40%	45%	50%
Maximum Annual Fee	\$5,912								
Fee per Bedroom		\$900	\$1,200	\$1,500	\$1,800	\$2,100	\$2,400	\$2,700	\$3,000

Source: Economic & Planning Systems

REGISTRATION LIMITS

- Limit Density in Multi-Unit Buildings & Complexes in Zone 2
 - Limit STR registrations to no more than 20% of units in a building or complex governed by a common HOA with 6 or more units
 - Exempt:
 - Fractional units and units with 24/7 front desk services
 - Full-time local-residents if primary residence; 30 - day limit for host-not-present rentals
 - Exempt existing registrations and units bought prior to the effective date of the ordinance

REGISTRATION LIMITS

- Limit Registrations in Zone 2 Unless Owned for 5 years or More
 - Set the limit to existing level (no new registrations) with the same exemptions as above and one additional;
 - Beginning in 2025, exempt homeowners who have owned their unit continuously for 5 years from the limit on registrations

HEALTH AND LIFE SAFETY STANDARDS

- Fire Department Inspections
 - Require an in-person safety inspection every three years
 - Exempt units with 24/7 onsite management and those in buildings already inspected by the fire department for commercial purposes
 - Most safety standards are already required by code

- Proof of Adequate Insurance
 - Require proof of insurance beyond a standard home-owners policy

- Update Current Local Representative Requirements
 - Exempt fractional units and 24/7 onsite managed units from the requirement to increase compliance

DISCUSSION AND NEXT STEPS

- Discussion – Does Council Wish to Adopt the Following:
 - Updates to violation structure & fines?
 - Updates to registration fees?
 - Recover admin costs
 - Per-bedroom mitigation fees
 - Registration limits?
 - Fire department inspections?
 - Insurance requirements?
 - Update local representative requirements?

NEXT STEPS

- Provide further analysis as requested by council
- Return to council with 1st reading of an ordinance
- Draft resolution for adoption of new fees