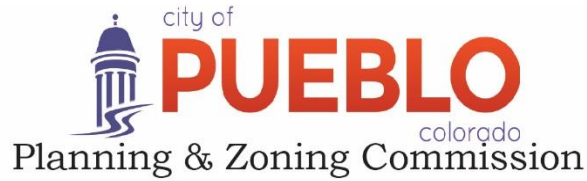


Brandice Eslinger  
*Chair*

Vacant  
*Vice Chair*

Bob Schilling  
*City Council Representative*



Patrick Avalos

Elizabeth Bailey

Mike Castellucci

Yvonne Lujan-Slak

Alex San Filippo-Rosser

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## **TEXT AMENDMENT TA-18-03**

**TO:** City of Pueblo Planning and Zoning Commission

**FROM:** Scott Hobson, Land Use Administrator

**THROUGH:** Steven Meier, Director of Planning and Community Development

**DATE:** July 11, 2018

**SUBJECT:** AN ORDINANCE AMENDING CHAPTER 1 AND CHAPTER 5 OF TITLE IX, AND CHAPTER 2 AND CHAPTER 4 OF TITLE XVII OF THE PUEBLO MUNICIPAL CODE RELATING TO SHORT-TERM RENTALS AND PROVIDING PENALTIES FOR VIOLATION THEREOF

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### **Background:**

There are currently an estimated 70-100 short-term rental residential properties (“STRs”) that are operating in the City of Pueblo. All the identified locations are within residential zone districts, except for one location in an A-4 district which allows for a residential house. A map is attached which depicts the general location of short-term residential rentals identified through the Airbnb website. The Pueblo Municipal Code does not specifically identify or define a STR, and currently the closest allowed use that could apply to a STR is a Bed and Breakfast Home. The R-5 Multiple Residential and Office District is the only zone district in the City that allows a Bed and Breakfast Home as a permitted use. Currently, the City of Pueblo is not permitting or licensing short-term residential rental premises.

### **Summary:**

The purpose of this proposed text amendment is to define a Short-Term Residential Rental in the Title XVII Municipal Code under Sec. 17-2-2 - Use definitions, and to list a Short-Term Residential Rental as a Permitted Use in Title XVII Municipal Code under Sec. 17-4-51 – Permitted Use of land and buildings.

In addition, Chapter 1 and Chapter 5 of Title IX of the Pueblo Municipal Code relating to the licensing and regulation of Short-Term Residential Rentals is proposed to be modified. The

licensing, license fees, application process including self-certification requirements, issuance and term of the license are addressed in the proposed ordinance.

**Recommendations:**

Staff recommends the adoption of the following modifications and additional sections to the Pueblo Municipal Code addressing licensing and regulations for short-term residential rentals, and defining and establishing short-term residential rentals as Permitted Uses in specific zone districts:

Under Section 17-2-2, Chapter 2, of the PMC, as amended, a Short-Term Residential Rental would be defined as follows:

*Short-term residential rental* means the rental of a residential property containing a shared room, a single room, multiple rooms or an entire property for a period ranging from 1-29 days.

Under Section 17-4-51(c) and 17-4-51(e)(27) of the PMC, as amended, the Permitted use of land and buildings table is proposed to be amended to add a new use in the “Lodging” Use Category for a Short-Term Residential Rental. A Short-Term Residential Rental would be listed as a Permitted Use “P” in the A-1, A-2, A-3, A-4, R-1, R-2, R-2U, R-3, R-4, R-5, R-8, and RCN zone districts. Additionally, Short-Term Residential Rentals would also be a Permitted Use in a Residence, Established in the B-1, B-2, B-3 and B-4 zone districts. A Residence, Established is defined as a one-, two-, or multi-family residence that was occupied as a residence any time prior to February 1, 1968.

The cities in Colorado who have established procedures and regulations for the licensing of Short-Term Residential Rentals have implemented these procedures through changes to the Licenses and Permits section of their municipal codes. This ordinance would amend the Pueblo Municipal Code pertaining to Title IX – Licenses and Permits:

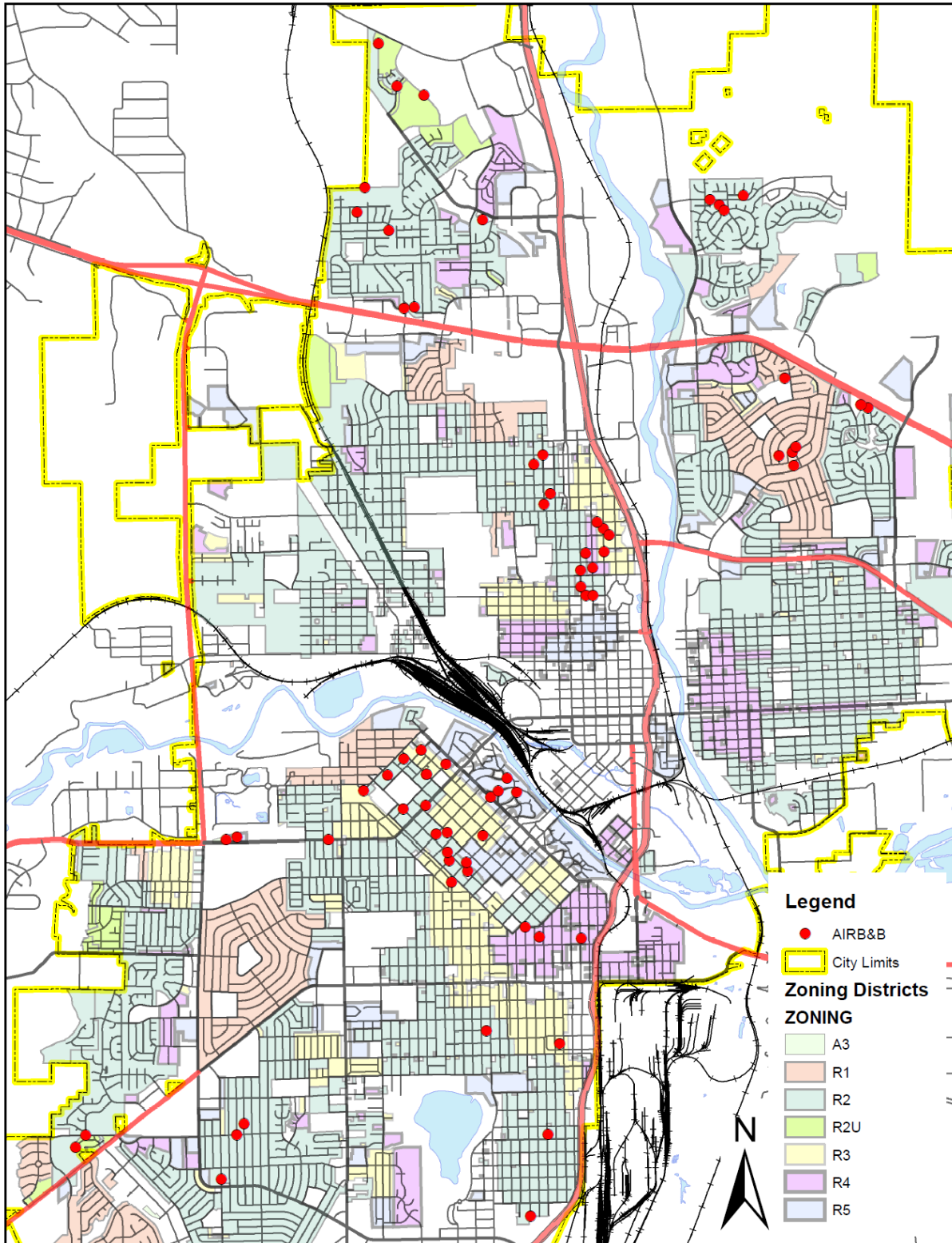
- A. Advertising of a short-term residential rental would be considered engaging in a business activity and subject to having a business license.
- B. After December 31, 2018 it would be unlawful to operate a short-term residential rental in the City without securing a license for such business activity.
- C. Short-term residential rentals are subject to the licensing fees that are charged for other lodging businesses within the City of Pueblo.
- D. Short-term residential rental premise owners will be required to submit a self-certification form that is accurate and truthful under penalty of perjury under the laws of the State of Colorado that the rental premise has a smoke detector, carbon monoxide detector, and fire extinguisher on the licensed premises during each short-term rental occupancy.
- E. It shall be unlawful to operate a short-term residential rental that does not comply with all applicable city and state laws.

- F. It shall be unlawful to advertise a short-term residential rental without the license number clearly displayed on the face of the advertisement. For the purpose of this section, the terms "advertise," "advertising" or "advertisement" mean the act of drawing the public's attention to a short-term residential rental to promote the availability of the short-term rental.
- G. The applicant for short-term residential rental business license must be a legal resident of the United States of America.
- H. The applicant must provide proof of possession of the licensed premises, either by warranty deed or valid lease. If the applicant does not own the property where the licensed premises are located, the applicant must provide written documentation from the property owner allowing a *short-term* residential rental on the licensed premises.
- I. Each short-term residential rental shall provide a brochure on the licensed premises that includes the licensee's contact information, a local responsible party's contact information, and any necessary emergency contact information. For the purposes of this section, "local responsible party" means an individual located in the Pueblo County during the entire length of the short-term rental period who has access to the licensed premises and is authorized to make decisions regarding the licensed premises. The brochure shall also provide information pertinent to the neighborhood where the short-term rental is located including, but not limited to, parking restrictions, restrictions on noise and amplified sound, trash collection schedule, relevant water restrictions, fire evacuation routes, and any other information, as required by the director, applicable to the short-term residential rental and the surrounding neighborhood.
- J. A license issued under this Section 5 of Title IX of the PMC is non-transferrable. The Finance department shall not accept any request to transfer ownership or location of any license or license application. Any attempt to transfer location or ownership of a license shall render the license subject to suspension or revocation pursuant to Chapter 5 of Title IX of PMC.

**Attachments:**

- A. Map Showing General Locations of Short-Term Residential Rentals
- B. List of Airbnb Sites by Zone District
- C. Draft Ordinance

# Attachment A



## Attachment B

### List of Airbnb Locations Within the City of Pueblo by Zone District

R-1	5	7%
R-2	42	61%
R-2U	2	3%
R-3	8	12%
R-4	6	9%
R-5	5	7%
A-3	1	1%
Total	69	100%

## Attachment C

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING CHAPTER 1 AND CHAPTER 5 OF TITLE IX, AND CHAPTER 2 AND CHAPTER 4 OF TITLE XVII OF THE PUEBLO MUNICIPAL CODE RELATING TO SHORT-TERM RESIDENTIAL RENTALS AND PROVIDING PENALTIES FOR VIOLATION THEREOF

BE IT ORDAINED BY THE CITY COUNCIL OF PUEBLO, that: (brackets indicate matter being deleted, underscoring indicates new matter being added)

### SECTION 1.

Section 9-1-2, Chapter 1, Title IX of the Pueblo Municipal Code, as amended, is hereby modified to read as follows:

#### **Sec. 9-1-2. Application.**

. . .

(e) Separate License for Branch Establishments.

. . .

(2) Rental Real Property. Each rental real property shall be deemed a branch establishment or separate place of business for the purposes of this Code, when there is a representative of the owner or the owner's agent on the premises who is authorized to transact business for such owner or owner's agent or there is a regular employee of the owner or the owner's agent working on the premises. Advertisement of a short-term residential rental located within the City of Pueblo is considered engaging in a business activity within the City.

### SECTION 2.

Chapter 5 and Section 9-5-1, Chapter 5, Title IX of the Pueblo Municipal Code, as amended, is hereby modified to read as follows:

#### **CHAPTER 5 - Hotels, Lodging Houses, Boarding Houses and Short-term Residential Rentals**

**Sec. 9-5-1. - License required.**

It shall be unlawful to conduct, keep or maintain the following premises without obtaining a license therefor as hereinafter set forth;

(a) any hotel, rooming house or lodging houses by whatever name designated in which space is let by the owner or operator to three (3) or more persons who are not husband or wife, son or daughter, mother or father, or sister or brother of the owner or operator, without obtaining a license therefor as hereinafter set forth; provided, however, that apartment houses and multiple dwellings shall not be required to be licensed hereunder.

(b) Short-term residential rental as defined in Sec. 9-5-5 of Chapter 5, of Title IX of the Pueblo Municipal Code.

Such license shall be displayed in a conspicuous place within sight of the main entrance of the hotel, rooming house, [or] lodging houses or short-term residential rental at all times. Such license shall not be transferable. Every person holding such a license shall give notice in writing to the City [Clerk] Licensing Officer within twenty-four (24) hours after having sold, transferred, given away or otherwise disposed of ownership or interest in or control of any hotel, rooming house or lodging houses. Such notice shall include the name and address of the person succeeding to the ownership or control of such hotel, rooming house or lodging houses. The former owner shall not be relieved of responsibility until such notice is filed.

### SECTION 3.

Section 9-5-2, Chapter 5, Title IX of the Pueblo Municipal Code, as amended, is hereby modified to read as follows:

#### **Sec. 9-5-2. - Fees.**

The license fee for conducting such a hotel, rooming house, [or] lodging houses' or short-term residential rental where not more than twenty (20) rooms are kept for rent shall be the sum of five dollars (\$5.00) per year, and where more than twenty (20) rooms are kept for rent, the license fee therefor shall be the sum of ten dollars (\$10.00) per year.

### SECTION 4.

Section 9-5-3, Chapter 5, Title IX of the Pueblo Municipal Code, as amended, is hereby modified to read as follows:

#### **Sec. 9-5-3. - Application, approval of department heads; supervision; revocation.**

• • •

(b) Such license or license renewal shall be issued upon payment of the license fee and upon certification of the Building Official of the Pueblo Regional Building Department, the Fire Chief and the Director of the City-County Health Department that the premises to be licensed or relicensed comply with existing applicable building, fire and safety codes, and the regulations enforced by the Health Department, except for self-certification requirements in Sec. 9-5-5 Short-term residential rentals.

. . .

(e) Whenever upon inspection of any hotel, rooming house, lodging houses or boarding, [and] rooming house[,] and short-term residential rental, the License Officer finds that conditions or practices exist which are in violation of any provision of this Chapter or of any provision of the Housing Code or any rule or regulation adopted pursuant thereto, the License Officer shall take appropriate enforcement action in writing to the operator of such establishment to correct such conditions or practices as provided in Chapter 1 of this Title.

. . .

#### SECTION 5.

Section 9-5-4, Chapter 5, Title IX of the Pueblo Municipal Code, as amended, is hereby modified to read as follows:

#### **Sec. 9-5-4. - Registration book required; contents; inspection; exceptions.**

It shall be the duty of every person keeping a hotel, rooming house, lodging house, lodging houses or boarding, [and] rooming house[,] and short-term residential rental, either as principal or by an agent, within the City, to keep at the place where such business is carried on a record or register of the name, address, date of arrival, date of departure and number or other description of the room occupied, of all roomers, lodgers, transients and other persons rooming, lodging or boarding and rooming at such hotel, rooming house, lodging houses or boarding and rooming house[,] and short-term residential rental; such record shall be kept legible and shall be open to inspection by any law enforcement officer at all hours. The provisions of this Section shall not apply to private residents keeping permanent roomers.

#### SECTION 6.

Chapter 5, Title IX of the Pueblo Municipal Code, as amended, is hereby modified to include the addition of the new Section 9-5-5 to read as follows:

#### **Sec. 9-5-5. Short-term rentals.**

(a) Definitions.



(1) *Short-term residential rental* means the rental of a residential property containing a shared room, a single room, multiple rooms or an entire property for a period ranging from 1-29 days.

(b) Licensing requirement.

After December 31, 2018, it shall be unlawful to operate any short-term residential rental in the City of Pueblo without a license duly issued therefor by the City License Officer under this Sec. 9-5-5 and in compliance with any and all applicable city laws.

(c) Application.

(1) Before any license under this section is issued, an application shall be submitted to the director pursuant to Chapter 5, Section 9-5-3. All applications shall be made upon forms provided by the City License Officer.

(2) The applicant shall self-certify that the information on the application is accurate and truthful under penalty of perjury under the laws of the State of Colorado.

(3) The City License Officer may, at the City License Officer's discretion, require addition documentation associated with the application as may be necessary to enforce the requirements of this article or Chapter 5.

(4) The applicant must be a legal resident of the United States of America.

(5) The applicant must provide proof of possession of the licensed premises, either by warranty deed or valid lease. If the applicant does not own the property where the licensed premises are located, the applicant must provide written documentation from the property owner allowing a *short-term* residential rental on the licensed premises.

(6) Any application submitted pursuant to this Chapter 5, Section 9-5-5 must be completed within one (1) year of the date the application is filed and the application fee is paid. Any application that remains pending after the expiration of one-year time period, shall be administratively closed and the City License Officer shall deny the issuance of a license denied. Once an application expires, the applicant must begin the licensing process anew.

(d) Unlawful acts.

(1) *Safety requirements.* Each short-term rental shall have a smoke detector, carbon monoxide detector, and fire extinguisher on the licensed premises during each short-term rental occupancy. It shall be unlawful to operate a short-term residential rental without a smoke detector, carbon monoxide detector or fire extinguisher.

(2) *Compliance with city and state laws.* It shall be unlawful to operate a short-term residential rental that does not comply with all applicable city and state laws.

(3) *Advertising.* It shall be unlawful to advertise a short-term residential rental without the license number clearly displayed on the face of the advertisement. For the purpose of this section, the terms "advertise," "advertising" or "advertisement" mean the act of drawing the public's attention to a short-term residential rental in order to promote the availability of the short-term rental.

(e) Brochures.

Each short-term residential rental shall provide a brochure on the licensed premises that includes the licensee's contact information, a local responsible party's contact information, and any necessary emergency contact information. For the purposes of this section, "local responsible party" means an individual located in the Pueblo County during the entire length of the short-term rental period who has access to the licensed premises and is authorized to make decisions regarding the licensed premises. The brochure shall also provide information pertinent to the neighborhood where the short-term rental is located including, but not limited to, parking restrictions, restrictions on noise and amplified sound, trash collection schedule, relevant water restrictions, fire evacuation routes, and any other information, as required by the director, applicable to the short-term residential rental and the surrounding neighborhood.

(f) Licenses non-transferrable.

A license issued under this Section 5 is non-transferrable. The department shall not accept any request to transfer ownership or location of any license or license application. Any attempt to transfer location or ownership of a license shall render the license subject to suspension or revocation pursuant to Chapter 5.

SECTION 7.

Section 17-2-2, Chapter 2, Title XVII of the Pueblo Municipal Code, as amended, is hereby modified to read as follows:

**Sec. 17-2-2. Use definitions.**

For the purpose of this Title, certain terms or words used herein shall be interpreted as follows:

. . .

(135.5) *Short-term residential rental* means the rental of a residential property containing a shared room, a single room, multiple rooms or an entire property for a period ranging from 1-29 days.

SECTION 8.

Subsections 17-4-51(c) and 17-4-51(e)(27) of the Pueblo Municipal Code are hereby amended to read as follows:

Sec. 17-4-51. Permitted use of land and buildings.

. . .

(c) Permitted Uses Table:



SECTION 9.

This Ordinance, and the amendments made herein to Title IX and Title XVII of the Pueblo Municipal Code shall be subject to administration and enforcement in accordance with Section 9-1-12 of Chapter 1 of Title IX and Chapters 5 and 7 of Title XVII, Pueblo Municipal Code, as amended. Any person who violates any provision of this Ordinance or the amendments made herein to Title IX of the Pueblo Municipal Code shall be guilty of a municipal offense and subject to punishment and all other remedies as provided in Section 9-1-12 of Chapter 1 of Title IX and Chapter 7 of Title XVII of the Pueblo Municipal Code, as amended.

SECTION 10.

This Ordinance shall become effective immediately after final passage and approval.

INTRODUCED: August 13, 2018

BY: \_\_\_\_\_  
COUNCIL MEMBER

APPROVED: \_\_\_\_\_  
PRESIDENT OF THE CITY COUNCIL

ATTESTED BY: \_\_\_\_\_  
ACTING CITY CLERK

PASSED AND APPROVED: \_\_\_\_\_