#### AGENDA INTERGOVERNMENTAL WORKSESSION

#### Town of Mountain Village Hosting Participants: Telluride, Mountain Village, Ophir, Norwood, Sawpit, San Miguel County 1:00 p.m. Monday, February 8, 2021 Zoom Virtual Meeting

#### https://zoom.us/webinar/register/WN\_6H5wuaoaTHqUrapQTccxjw

	TOPIC	SPONSOR/SPEAKER	TIME
1.		Mountain Village Mayor	
	Introductions	Laila Benitez	5 Minutes
2.	Update on the Potential Cost Share for: a. Wastewater Treatment Plant (WWTP COVID Testing) b. 5 Star Program	Mike Bordogna	15 Minutes
3.	Short Term Rental Enforcement Pursuant to Public Health Orders	Telluride Town Attorney Kevin Geiger Telluride Prosecutor Lois Major Legal Assistant Lauren Bloemsma	10 Minutes
4.	Regional Forest Health Update	Dr. Jason Sibold	40 Minutes
5.	Adjourn		

You are invited to a Zoom webinar. When: February 8, 2021 01:00 PM Mountain Time (US and Canada) Topic: February 8, 2021 Intergovernmental Worksession

**Register in advance for this webinar:** 

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After registering, you will receive a confirmation email containing information about joining the webinar.

#### Distribution:

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# SMC PUBLIC HEALTH ORDER SHORT-TERM RENTAL ENFORCEMENT UPDATE

### Town of Telluride Short-Term Rental Units

- 2200 Total Active Business Licenses in the Town of Telluride
  - 753 Short-term Rental Licenses (34%)
  - 489 Units managed by a management company
  - 264 Units managed by the unit owner (self-managed)

#### Covid 19 & Public Health Order Timeline

<u>Mar 13, 2020</u>: National state of emergency due to Covid-19 declared by President Trump

Mar 14, 2020: Governor Polis closed all Colorado ski resorts by executive order

- Mar 16, 2020: Local Disaster Emergency declared by San Miguel County Board of County Commissioners
- <u>Mar 20, 2020</u>: Local Disaster Emergency declared by Town of Telluride Town Manager

Apr 4, 2020: Shut down of all short-term rentals per PHO 2020-04 2 Section J

## Public Health Order Lodging Timeline

- <u>Jun 1, 2020</u>: Lodging Verification Form required prior to renting; Lodging open at 25% occupancy (phase 1), 21-day cycle per PHO 2020-06
- <u>Jun 22, 2020</u>: Lodging open at 50% occupancy (phase 2), 21-day cycle per PHO 2020-06-01
- Aug 29, 2020: Lodging continues at 50% occupancy (phase 2), PHO 2020-06-02
- Oct. 1, 2020: Lodging open at 75% (phase 3) per Appendix A update on 10/1/2020
- Nov 29, 2020: Lodging reduced to 50% occupancy for December, measurement blocks 1 thru 15 and 16 thru end of month per Appendix A update; SMC enters Colorado Level Red
  - <u>Jan 8, 2021</u>: Lodging open at 60% occupancy per Appendix A update; SMC enters Colorado Level Orange

## Public Health Order Registration Requirement

- 207 Total Town of Telluride registrations by submission of Lodging Verification Form as required by PHO 2020-06
  - 23 Registered as an owner or management company managing multiple units
- 184 Registered individual units which are self-managed
  50% of 264 licensed self-managed units were registered by June 30
  70% of all licensed self-managed units are now registered with SMC
  - 80 Self-managed units which remain unregistered with SMC

# Auditing for Compliance with Occupancy Limits

- Audits of Management Companies:
  - Audited by Lodging Oversight Committee via Key Data occupancy reporting
  - Management companies have diverse management offerings:
    - Some manage both reservations and filings
    - Some manage only reservations and owners file tax returns
    - Some offer one-time rentals to homeowners, particularly at Holidays
- Audits of Self-Managed Units:
  - Require audits of tax returns; marketplaces and often marketplace reporting
  - Initial audits require approximately 30 minutes per account
  - Problem audits have required anywhere from 2 hours to 25 hours to reconcile
  - Approximate average audit and reconciliation time is 8 hours per violation
  - Staff/MUNIRevs audits resulted in identifying additional unlicensed rental units

# **Challenges of Auditing Self-Managed Units**

- Public Health Order occupancy limits sometimes misinterpreted
- Notifications sent by San Miguel County overlooked by some
- Multiple units owned by single owner require consideration of aggregate occupancy; each unit licensed separately so difficult to identify
- Real estate boom resulted in sales of short-term rental units over summer; ownership determination proved challenging in some instances
- Occupancy of lock-off units difficult to determine due to rental of the whole or a portion of the units
- Marketplace reports often available only as downloadable spreadsheets which can be manipulated
- Marketplace reports not standardized and contain different data sets

### **Potential Penalties for PHO Violations**

#### **Pursuant to Telluride Municipal Code**

\$1,000.00 per day for each violation

#### **Pursuant to Telluride Emergency Ordinance 1505**

Suspension or permanent revocation of short-term rental license

### Penalties Assessed for PHO Violations

#### Penalty Assessed for Exceeding Occupancy Limits

# of nights over-rented in a period x Average Daily Rate for the period

#### **Penalty Assessed for Other PHO Violations**

\$1,000.00 per violation

## **Short-Term Rental PHO Violations Addressed**

- 15 Over-Rental Violations Prosecuted in Municipal Court
- 30 Over-Rental Violations settled out of Municipal Court
  - 3 Over-Rental Cases Pending in Municipal Court
- 5 Suspected Violations Identified Awaiting Prosecution
- 80 Registration Violations Not Yet Addressed
- 175 Audits Remaining for Self-Managed Units
- \$168,892 Fines and Penalties assessed for PHO violations to date